

TITLE THIRTEEN - Taxation
Chap. 195. Tax on Earned Income.
Chap. 197. Hotel Excise Tax.
Chap. 199. Motor Vehicle License Tax.

CHAPTER 195
Tax on Earned Income

195.01	Purpose.	195.13	Income Tax Division; Board of Review.
195.02	Definitions.	195.14	Allocation of funds.
195.03	Imposition of tax.	195.15	Credit for tax paid to other municipalities; other credits.
195.04	Period of taxation.	195.16	Saving clause.
195.05	Return and payment.	195.17	Duration of levy and collection of tax.
195.06	Collection at source.	195.18	Amendments.
195.07	Declarations.	195.19	Imposition of additional tax.
195.08	Duties of the Commissioner of Taxation; records.	195.20	Imposition of supplemental additional tax.
195.09	Investigative powers of Commissioner of Taxation; confidentiality.		
195.10	Interest and penalties.		
195.11	Collection of unpaid taxes.		
195.12	Violations; penalties.		

CROSS REFERENCES

Taxation of income - see CHTR. Sec. 30
Municipal income taxes - see Ohio R.C. Ch. 718
Income Tax Division - see ADM. 125.04

195.01 PURPOSE.

There is hereby levied a tax at the rate of one and one-half percent (1.5%) on salaries, wages, commissions and other compensation and on net profits, as here and after provided. Not more than nine-tenths of the proceeds of the levy of such tax shall be used to provide funds for the purpose of financing general municipal operations,

maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements of the City and not less than one-tenth of the proceeds of the levy of such tax shall be used only to provide funds for the purpose of financing capital improvements of the City.
(Ord. 04-365. Passed 11-2-04 by election.)

195.02 DEFINITIONS.

The definitions of Ohio Revised Code Sections 718.01, 718.021, 718.03, 718.05, 718.051, 718.08, and 718.14 shall be applicable to this Chapter. As used in this chapter, the following words shall have the meaning ascribed to them in this section, except as and if the context indicates or requires a different meaning:

- (a) "Association" means a partnership, limited partnership or any other form of unincorporated enterprise owned by two or more persons.
- (b) "Board of Review" means the Board created by and constituted as provided in Section 195.13.
- (c) "Business" means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, co-partnership, association, corporation or any other entity.
- (d) "City" means the City of Springfield, Ohio.
- (e) "City Attorney" means an attorney in the City's Law Department.
- (f) "Commissioner of Taxation" means the City employee designated by the City's Finance Director to perform the duties of the Commissioner of Taxation. The Commissioner of Taxation is the tax administrator for the City for the purposes of applying this Chapter.
- (g) "Corporation" means a corporation or joint stock association organized under the laws of the United States, the State of Ohio or any other state, territory or foreign country or dependency. The term "corporation" includes an S corporation.
- (h) "Employee" means every individual performing services if the relationship between him and the person for whom he performs such services is the legal relationship of employer and employee.
- (i) "Employer" means an individual, co-partnership, association, corporation, government body, unit or agency, or any other entity, whether or not organized for profit, who or that employs one or more persons on a salary, wage, commission or other compensation basis.
- (j) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.
- (k) "Net profit," for taxable years prior to January 1, 2004, means the net gain from the operation of a business, profession or enterprise after provision for all ordinary and necessary expenses either paid or accrued in accordance with the accounting system used by the taxpayer for Federal income tax purposes and in the case of an unincorporated entity, without deduction of salaries paid to partners or other owners, or of taxes imposed by this Chapter and Federal and all other taxes based on income. For taxable years beginning on and after January 1, 2004, the term "net profit," as applied to sole proprietorships, shall have the meaning set forth in the preceding sentence, as modified by the third paragraph of Ohio Revised Code Subsection 718.01(E). For taxable years beginning on and after January 1, 2004, the term "net profit," as applied to business entities other than sole proprietorships, is defined in Ohio Revised Code Section 718.01.
- (l) "Nonresident" means an individual domiciled outside the City of

- Springfield, Ohio.
- (m) "Nonresident unincorporated business entity" means an unincorporated business entity not having an office or place of business within the City of Springfield, Ohio.
 - (n) "Person" includes individuals, firms, companies, business trusts, estates, partnerships, limited liability companies, associations, corporations, governmental entities, and any other entity. Whenever used in any clause prescribing and imposing a penalty, the term "person," as applied to an association, shall mean the partners or members thereof, and as applied to corporation, the officers thereof, and any employee having control supervision or charged with the responsibility of tax law compliance on the part of a natural person, co-partnership, fiduciary, association or corporation.
 - (o) "Resident" means an individual domiciled in the City of Springfield, Ohio.
 - (p) "Resident unincorporated business entity" means an unincorporated business entity having an office or place of business within the City of Springfield, Ohio.
 - (q) "Taxable year," for taxable years prior to January 1, 2004, means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net profits are to be computed under this chapter and, in the case of a return for a fractional part of a year, the period for which such return is made. Unless approved by the Commissioner of Taxation, the taxable year of an individual shall be a calendar year. For taxable years beginning on and after January 1, 2004, "taxable year" is defined in Ohio Revised Code Section 718.01.
 - (r) "Taxpayer" means a person, whether an individual, co-partnership, association or any corporation or other entity, required hereunder to file a return or pay a tax. On and after January 1, 2004, the term "taxpayer" is further defined in Ohio Revised Code Section 718.01.
 - (s) The singular shall include the plural, and the masculine shall include the feminine and the neuter.
(Ord. 03-381. Passed 11-25-03.)
 - (t) The phrase, "work done or services performed or rendered in the City," includes all work done or services performed within the corporate boundaries of the City and all work done or services performed as a result of employment in the City.
(Ord. 09-106. Passed 4-28-09.)
 - (u) "Other compensation" means other forms of income of the kind and character of salaries, wages, and commissions, and also income such as gambling winnings and prizes awarded.
(Ord. No. 09-327. Passed 12-8-09.)

195.03 IMPOSITION OF TAX.

(a) An annual tax at the rate and for the purposes specified in Section 195.01 hereof shall be imposed during the effective period of this chapter upon the following:

- (1) On all salaries, wages, commissions and other compensation earned, received, accrued or in any other way set apart unto residents of the City;
- (2) On all salaries, wages, commissions and other compensation earned, received, accrued or in any other way set apart unto nonresidents for work done or services performed or rendered in the City;
- (3) A. On the portion attributable to the City of the net profits

- earned, received, accrued or in any other way set apart unto all resident unincorporated businesses, professions or other activities derived from work done or service performed or rendered and business or other activities conducted in the City; and
- B. On the portion of the distributive share of the net profits earned, received, accrued or in any other way set apart unto a resident partner or owner of a resident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity;
- (4) A. On the portion attributable to the City of the net profits earned, received, accrued or in any other way set apart unto all non-resident unincorporated businesses, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City; and
- B. On the portion of the distributive share of the net profits earned, received, accrued or in any other way set apart unto a resident partner or owner of a non-resident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity; and
- (5) On the portion attributable to the City of the net profits earned, received, accrued or in any other way set apart unto all corporations derived from work done or services performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City.

(b) The portion of the net profits attributable to the City of a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City shall be determined as provided in Ohio R.C. 718.02, and in accordance with the rules and regulations adopted by the Commissioner of Taxation pursuant to this chapter.

(c) Exception. The tax provided for herein shall not be levied upon the military pay or allowances of members of the armed forces of the United States, the compensation for personal services of individuals under eighteen years of age, unemployment compensation provided by a government entity, poor relief, proceeds of life insurance, workers' compensation payments, alimony income or upon the net profits of any civic, charitable, religious, fraternal or other organization specified in Ohio R.C. 718.01 to the extent that such net profits are exempted from municipal income taxes under such section. The items of income described in subdivisions (1) and (2) of the first paragraph of Ohio Revised Code Section 718.01(E) shall not be exempt from taxation or from withholding taxes imposed under this Chapter.
(Ord. 03-381. Passed 11-25-03.)

195.04 PERIOD OF TAXATION.

The tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation, and with respect to the net profits of businesses,

professions or other activities earned, received, accrued or in any way set apart unto taxpayers during the effective period of this chapter; provided, however, that no income earned, received, accrued or in any way set apart unto a taxpayer shall be taxed more than once by the City.
(Ord. 86-459. Passed 7-22-86.)

195.05 RETURN AND PAYMENT.

(a) All individuals who were residents of the City during any part of a taxable year shall make and file a return, as described in this Section, on or before the fifteenth day of the fourth month following the end of such individual's taxable year. Each taxpayer or person who engages in business, or whose salaries, wages, commissions and other compensation are subject to the tax imposed by this chapter shall, whether or not a tax is due thereon, make and file a return on or before the fifteenth day of the fourth month following the end of the taxpayer's taxable year, with the Commissioner of Taxation setting forth:

- (1) The aggregate amounts of salaries, wages, commissions and other compensation earned, received, accrued or in any way set apart unto him, and/or gross income from such business less expenses which the Board of Review may allow by regulation;
- (2) The amount of tax imposed by this chapter on such earnings and profits; and
- (3) Such other pertinent statements, information returns or other information as the Commissioner may require, including a statement that the figures used in the return are the figures used in the return for federal income tax adjusted to set forth only such income as is taxable under the provisions of this chapter.

(b) When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within three and one-half months from the end of such fiscal year or other period.

(c) Except as otherwise provided in Ohio Revised Code Section 718.051, beginning January 1, 2004, any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a municipal income tax return. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal filing extension with the Commissioner of Taxation. The request for extension shall be filed not later than the last day for filing the municipal income tax return as prescribed by this Chapter. The Commissioner of Taxation shall grant such a request for extension filed before January 1, 2004, for a period not less than the period of the federal extension request. For taxable years beginning after 2003, the extended due date of the income tax return required to be filed under this Chapter shall be the last day of the month following the month to which the due date of the federal income tax return has been extended. The Commissioner of Taxation may deny a taxpayer's request for extension only if the taxpayer fails to timely file the request, fails to file a copy of the request for the federal extension, owes the City any delinquent municipal income tax or any penalty, interest, assessment, or other charge for the late payment or nonpayment of the municipal income tax, or has failed to file any required income tax return, report, or other related document for a prior tax period. No penalty shall be assessed in those cases in which the return is filed within the period as extended; however, the amount by which the actual tax found to be due exceeds the payment submitted with the tentative return shall bear interest, pursuant to the provisions of Section 195.10, from the due date established in subdivision (a) of this Section 195.05.

(d) The taxpayer making such return shall, at the time of the filing thereof,

pay to the Commissioner the amount of taxes shown as due thereon; provided, however, that where any portion of the tax so due shall have been deducted at the source pursuant to the provisions of Section 195.06, or where any portion of such tax shall have been paid by the taxpayer pursuant to the provision of Section 195.07, credit for the amount so paid shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing such return.

(e) All individuals, businesses, employers, brokers or others doing business who engage persons, either on an employer-employee basis or as independent contractors, and are not subject to withholding, shall report to the City the name, address and total amount of all salaries, wages, commissions and other compensation in excess of six hundred dollars (\$600.00) earned, received, accrued or in any other way set apart unto each taxpayer which is subject to the tax under this chapter. All contractors shall indicate the total amount of payments, which have accumulated to more than six hundred dollars (\$600.00), to any subcontractor or contract employee who did business in, or is a resident of the City in a report to the City which shall indicate the names, addresses, and amounts paid. All reports made pursuant to this subsection shall be filed with the City on or before April 15 of each year.

(f) In the case of a corporation that carries on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates or some other method, or in case any person operates a division, branch, factory, office, laboratory or activity within the City constituting a portion only of its total business, the Commissioner shall require such additional information as may be necessary to ascertain whether net profits allocable to the City are being distorted by the shifting of income, apportionment of expenses, or other devices available to a common control. If the Commissioner finds that a person's net profits allocable to the City are distorted by reason of transactions with stockholders or with other corporations related by stock ownership, interlocking directorates or transactions with such division, branch, factory, office, laboratory or activity or by some other method, he shall adjust such transactions so as to produce a fair and proper allocation of net profits to the City. If necessary, the Commissioner may require the filing of a consolidated return.

(g) An amended return shall be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in subsection (i) hereof. A taxpayer may not change the method of filing, accounting, or apportionment of net profits after the due date for filing the original return.
(Ord. No. 09-327. Passed 12-8-09.)

(h) A taxpayer who has overpaid the amount of tax to which the City is entitled under the provisions of this chapter may, provided the taxpayer files his request with the Commissioner within three years after the tax was due or the return was filed, whichever is later, have such overpayment applied against any subsequent liability hereunder or, at his election indicated on the return, such overpayment or part thereof shall be refunded, provided that no refund shall be made or tax collected where the refund or total tax liability is less than one dollar (\$1.00).
(Ord. 09-106. Passed 4-28-09.)

(i) A claiming of credit for amounts paid to any other municipality shall constitute an assignment and a transfer to the City of all right, title and interest of the taxpayer claiming the credit in and to any claim for refund of the amounts so paid to the other municipality. In the event of a refund not received by the City in an amount equal to the credit claimed by reason of tax payments made to another municipality and

subject to reciprocity, then the taxpayer shall be liable to the City for and as taxes due from the date of the filing of the annual return upon which the credit was claimed of the amounts by which the claimed credit exceeds the amount of refund received by the City, with interest pursuant to Section 195.10.

(j) Within three months after determination of any federal tax liability affecting a taxpayer's City tax liability, such taxpayer shall make and file an amended City return showing income subject to City tax based upon such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

(k) Individuals who were not residents of the City at any time during a taxable year and who had all of their income subject to taxation under this Chapter for such taxable year withheld upon pursuant to Section 195.06 are not required to file a return under this Section.
(Ord. 03-381. Passed 11-25-03.)

195.06 COLLECTION AT SOURCE.

(a) Except as prohibited by Ohio Revised Code 718.03, each employer within or doing business within the City who employs one or more persons on a salary, wage, commission or other compensation basis shall deduct at the time of the payment of such salary, wage, commission or other compensation, provided such salary, wage, commission, or other compensation are qualifying wages, the tax at the rate specified in Section 195.01 on the gross salary, wage, commission or other compensation due by the employer to such employee and shall on or before the last day specified below make a return and pay the Commissioner of Taxation the amount of tax so deducted.

- (1) The term "banking day", for purposes of this section, means that part of any day on which a bank is open to the public for carrying on substantially all of its banking functions;
- (2) "Month" means a calendar month;
- (3) "Partial monthly withholding period" means the period ending on the third, seventh, eleventh, fifteenth, nineteenth, twenty-second, twenty-fifth, or last day of a month, as the context requires;
- (4) "Undeposited taxes" means the taxes an employer is required to deduct and withhold from an employee's compensation pursuant to this chapter that have not been remitted to the Tax Commissioner pursuant to this section.
- (5) Every employer required to deduct and withhold any amount under this chapter shall file a return and shall pay the amount required by law as follows:
 - A. If, at the end of each calendar quarter, undeposited taxes total one thousand dollars (\$1,000) or less, payment of the undeposited taxes for that calendar quarter shall be made no later than thirty days following the last day of March, June, September, and December of each year;
 - B. If subsection (a)(5)A. hereof does not apply, payment of undeposited taxes for each month shall be made no later than ten banking days following the close of the month during which the undeposited taxes were withheld;
 - C. If, for any partial monthly withholding period, undeposited taxes total more than fifteen thousand dollars (\$15,000), payment of the undeposited taxes shall be made within three banking days following the end of the partial monthly withholding period during which the fifteen thousand dollar

(\$15,000) limitation was exceeded. Every employer required to deduct and withhold any amount under this chapter shall make payment by electronic funds transfer pursuant to subsection 195.06(e) and (f). Nothing in this subsection (5)C. shall be construed as relieving an employer from complying with subsection (a)(5)B. hereof.

(Ord. 95-152. Passed 5-2-95.)

- (6) The requirements of subsection (a)(5) hereof are met if the amount paid is not less than ninety-five percent (95%) of the actual tax withheld for the prior quarterly, or monthly, or partial monthly withholding period, and the underpayment is not due to willful neglect. Any underpayment of withheld tax shall be paid by the last day prescribed for the next regular payment for a monthly or quarterly withholding period or within thirty days of the date on which the withheld tax was due for a partial monthly withholding period.
- (7) If the Tax Commissioner believes that quarterly or monthly payments would result in a delay that might jeopardize the collection of withholding payments, he may order that the payments be made weekly, or more frequently if necessary, and the payments shall be made no later than three banking days following the close of the period for which the jeopardy payment order is made. An order requiring weekly or more frequent payments shall be delivered to the employer personally or by certified mail and remains in effect until the Tax Commissioner notifies the employer to the contrary.
- (8) In addition to the returns required to be filed and payments required to be made under subsection (a)(5) hereof, every employer required to deduct and withhold taxes shall file, not later than the twenty-eighth day of February of each year, an annual return covering the aggregate amount deducted and withheld during the entire preceding year for the tax imposed under this chapter. At the time of filing that return, the employer shall pay over any amount deducted and withheld during the preceding year and not previously paid. The employer shall make the annual report, to each employee and to the Tax Commissioner, of the compensation paid and each tax withheld, as the Tax Commissioner by rule shall prescribe.
- (9) Each employer required to deduct and withhold any tax is liable for the payment of that amount required to be deducted and withheld.

(Ord. 89-675. Passed 12-19-89.)

(b) Such employer in collecting such tax shall be deemed to hold the same until payment is made by such employer to the City as a trustee for the benefit of the City and any such tax collected by such employer from his employee shall, until the same is paid to the City, be deemed a trust fund in the hands of such employer.

(c) Provided, however, that no person shall be required to withhold the tax on the wages or other compensation paid domestic servants employed exclusively in or about such person's residence, but such servants shall be subject to the provisions of Section 195.05.

(d) The officer or employee having control or supervision of or charged with

the responsibility of filing the return and making payment is personally liable for failure to file the return or pay the tax due as required by this section. The officer or employee shall be personally liable for the tax he failed to return or pay as well as any related interest and penalties. The dissolution of a corporation does not discharge an officer's or employee's liability for a prior failure of the corporation to file returns or pay tax due.

(e) Except as otherwise provided in this paragraph, the payment of taxes by electronic funds transfer does not affect an employer's obligation to file the returns as required under this Section 195.06. The Director of Finance may adopt rules governing the format for filing the returns under this Section 195.06 by employers who remit undeposited taxes by electronic funds transfer. The rules may permit the filing of returns at less frequent intervals than required by subsection 195.06(a)(5) if the Director of Finance determines that remittance by electronic funds transfer warrants less frequent filing of returns. Taxpayers shall be permitted to make filings and remit tax payments using the Ohio business gateway, and the Director of Finance shall adopt no rule which conflicts with those rules adopted by the Tax Commissioner for the State of Ohio governing use of the Ohio business gateway.

(f) The Director of Finance shall adopt rules governing the remittance of taxes by electronic funds transfer as required under this Chapter. The rules shall govern the modes of electronic funds transfer and under what circumstances each mode is acceptable, the content and format of electronic funds transfers, the coordination of payment by electronic funds transfer and filing of associated tax reports and returns, and any other matter that in the opinion of the Director of Finance facilitates payment by electronic funds transfer. The Director of Finance may grant an exemption to an employer from the duty to make payment by electronic funds transfer, upon application, for such exemption by the employer and the employer's demonstration to the Director of Finance that the requirement to make payment by electronic fund transfer will impose a substantial hardship upon the employer. The Director of Finance may implement means of acknowledging, upon the request of a taxpayer, receipt of tax remittances made by electronic funds transfer, and may adopt rules governing acknowledgments. The cost of acknowledging receipt of electronic remittances shall be paid by the person requesting acknowledgment.
(Ord. 03-381. Passed 11-25-03.)

195.07 DECLARATIONS.

(a) Every taxpayer or person who anticipates any taxable income which is not subject to Section 195.06, or who engages in any business, profession, enterprise or activity, or upon the request of the Commissioner of Taxation, shall file a realistic declaration setting forth the taxpayer's estimated tax liability.

(b) Such declaration shall be filed on or before April 15 of each year during the life of this chapter, or within three and one-half months of the date the taxpayer becomes subject to tax for the first time.

(c) Such declaration shall be filed upon a form or forms furnished by, or obtainable upon request from, the Commissioner of Taxation which form or forms may require a statement that the figures used in making such declaration are the figures used in making the declaration of the estimate for the federal income tax adjusted to set forth only such income as is taxable under the provisions of this chapter. Taxpayers shall be permitted to make filings and remit tax payments using the Ohio business gateway, and the Commissioner of Taxation shall prescribe only such forms as are compatible with those rules adopted by the Tax Commissioner for the State of Ohio governing use of the Ohio business gateway.

(d) If the taxpayer is an individual, the taxpayer shall remit payment of the taxpayer's estimated tax liability as follows:

- (1) Twenty-two and one-half percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the fifteenth day of April or the day on which the annual tax return for the prior year is required to be filed disregarding any extension, whichever is later;
- (2) Forty-five percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the thirty-first day of July;
- (3) Sixty-seven and one-half percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the thirty-first day of October;
- (4) Ninety percent of the taxpayer's estimated tax liability for the year referred to in subparagraph (d)(1), (2), and (3) of this section shall be remitted on or before the thirty-first day of January.

(e) If the taxpayer is not an individual, the taxpayer shall remit payment of the taxpayer's estimated tax liability as follows:

- (1) Twenty-two and one-half percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the day on which the annual tax return for the prior year is required to be filed disregarding any extension or, in the case of a fiscal year taxpayer, the fifteenth day of the fourth month of the taxpayer's fiscal year;
- (2) Forty-five percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the fifteenth day of June or, in the case of a fiscal year taxpayer, the fifteenth day of the sixth month of the taxpayer's taxable year;
- (3) Sixty-seven and one-half percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the fifteenth day of September or, in the case of a fiscal year taxpayer, the fifteenth day of the ninth month of the taxpayer's taxable year;
- (4) Ninety percent of the taxpayer's estimated tax liability for the current year shall be remitted on or before the fifteenth day of December or, in the case of a fiscal year taxpayer, the fifteenth day of the twelfth month of the taxpayer's taxable year.

(f) If upon the filing of the return required by Section 195.05, it appears that the taxpayer did not pay ninety percent (90%) of his tax liability, as shown on such return, on or before January 31, the difference between ninety percent (90%) of the taxpayer's tax liability and the amount of estimated tax he actually paid on or before January 31, shall be subject to the interest provisions of Section 195.10; however, any taxpayer:

- (1) who is an individual who resides in the City but was not domiciled in the City on the first day of January of the current calendar year; or
- (2) who has remitted, pursuant to subparagraph (d) or (e) of this section, an amount at least equal to one hundred percent of the taxpayer's tax liability for the preceding year as shown on the return filed by the taxpayer for the preceding year, provided that the return for the preceding year reflected a twelve-month period

and the taxpayer filed a return for the preceding year; shall not be assessed any interest for any increased taxes found to be due in the current year.

(g) Those taxpayers having a fiscal year or period differing from the calendar year shall file a declaration within three and one-half months after the start of each fiscal year or period, accompanied by a payment of at least the minimum remittance amount for the immediately preceding remittance date specified in subparagraph (d) or (e) of this section, depending upon whether the taxpayer is or is not an individual.

(h) Any amount deducted and withheld for taxes from the compensation of an individual shall be considered as estimated taxes paid in equal amounts on each of the payment dates prescribed by subparagraph (d) of this section.

(j) On or before the tax return due date prescribed in Section 195.05 for the year following that for which such declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due the City shall be paid therewith in accordance with the provisions of Section 195.05.
(Ord. 03-381. Passed 11-25-03.)

195.08 DUTIES OF THE COMMISSIONER OF TAXATION; RECORDS.

(a) It shall be the duty of the Commissioner of Taxation to collect and receive the tax imposed by this chapter, in the manner prescribed by this chapter, from the taxpayers. It shall also be his duty to keep an accurate record for a minimum of five years showing the amount received by him from each taxpayer required to file a declaration and/or make a return and the date of such receipt. Records need not be kept longer than five years unless an account is not paid in full, or unless an investigation is pending on an account.

(b) In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Commissioner of Taxation shall fix the amount of tax due the City from the taxpayer and shall send to such taxpayer by first class mail a written statement showing the amount of tax so fixed, together with interest and penalties thereon, if any.

(c) For good cause shown, the Commissioner of Taxation, with the concurrence of a City Attorney, may waive penalties and/or interest, compromise a claim for taxes due and enter into payment agreements with taxpayers.
(Ord. 86-459. Passed 7-22-86.)

195.09 INVESTIGATIVE POWERS OF COMMISSION OF TAXATION; CONFIDENTIALITY.

(a) The Commissioner of Taxation, or any employee authorized by the Commissioner of Taxation, is hereby authorized to examine the books, papers, records and federal tax returns of any employer or of any taxpayer or other person for the purpose of verifying the accuracy of any return made or, if no return was made, to ascertain the tax due under this chapter. Every such employer, supposed employer, taxpayer, supposed taxpayer or other person is hereby directed and required to furnish upon written order by the Commissioner of Taxation, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized.

(b) The Commissioner of Taxation is hereby authorized to order any person reasonably believed to have knowledge of the facts to appear before him and may examine such person, under oath, concerning any income which was or should have

been returned for taxation or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and federal tax returns and the attendance of all persons before him, whether as parties or witnesses, whenever he reasonably believes such persons have knowledge of such income or information pertinent to such inquiry.

(c) Whoever fails to comply with an order of the Commissioner of Taxation issued pursuant to this section shall be guilty of a misdemeanor of the first degree, punishable by a fine of not more than one thousand dollars (\$1,000) or by imprisonment not exceeding six months, or both such fine and imprisonment. Each day that a violation continues shall be deemed a separate offense.

(d) Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential, except for official purposes, or except in accordance with a judicial order. Any person knowingly and willfully divulging such information in violation of this chapter, unless required to do so by Federal or State law, shall, upon conviction therefore, be deemed guilty of a misdemeanor and shall be subject to a fine or penalty of not more than five hundred dollars (\$500.00). Each disclosure shall constitute a separate offense. In addition to the above penalties, any employee of the City who violates the provisions of this section relative to disclosure of confidential information shall be immediately dismissed from the service of the City, or if such employee is in the classified civil service, proper removal charges shall immediately be brought against such employee and other steps taken in conformity to the rules and regulations of the Civil Service laws applicable thereto.

(Ord. 86-459. Passed 7-22-86.)

195.10 INTEREST AND PENALTIES.

(a) All taxes due from taxpayers and moneys withheld by employers under the provisions of this chapter and remaining unpaid after they have become due shall bear interest, in addition to the amount of the unpaid tax or withholdings, at the rate of one percent (1%) per month or part thereof.

(b) In addition to interest as provided in subsection (a) hereof, penalties for nonpayment of taxes due from taxpayers, moneys required to be withheld by employers under the provisions of this chapter, and for failure to timely file tax returns are hereby imposed as follows:

(1) In the case of taxpayers upon whom such taxes are imposed, ten percent (10%) of the amount of the unpaid tax if paid after the same has become due; provided that penalty shall not be assessed on an additional tax assessment made by the Commissioner of Taxation when a return has been filed in good faith and the tax paid thereon within the time prescribed herein; and provided further, that neither penalty nor interest shall be assessed on any additional tax assessment resulting from a Federal audit, providing an amended return is filed and the additional tax is paid within three months after final determination of the Federal tax liability.

(2) A. In the case of employers required to withhold taxes from employees under the provisions of this chapter, a penalty at the rate of:

<u>Penalty (Percent)</u>	<u>Tax Payment Relative to Due Date</u>
10%	Within 30 days
15%	Within 60 days
20%	Within 90 days

- 25% more than 90 days
- B. A penalty is imposed on employers, required to remit withheld taxes by electronic transfer who fail to make remittances by means of electronic transfer as required under subsection 195.06(e) and (f), in the amount of 10 percent of the sum which the employer was required to remit by electronic transfer.
(Ord. 95-152. Passed 5-2-95)
- (3) In the case of taxpayers who fail to file tax returns when due as required by this chapter, the following penalties:
- | Penalty | <u>Complete Tax Return is Filed</u> |
|----------|--|
| \$25.00 | Not more than 30 days late |
| \$50.00 | More than 30 but not more than 120 days late |
| \$100.00 | More than 120 days late |
- (4) Individuals not subject to the tax pursuant to this chapter for a taxable year, not a resident of the City for an entire taxable year, under eighteen years of age for the entire taxable year, or a member of the armed forces of the United States for the entire taxable year shall not be subject to the penalties imposed by this section for each taxable year in which one of the conditions stated in this subsection (b)(4) applies. Filings shall be deemed to be timely made if postmarked by the due date.
(Ord. 89-676. Passed 12-19-89.)

195.11 COLLECTION OF UNPAID TAXES.

All taxes imposed by this chapter shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. No additional assessment of taxes shall be made after the period described in Ohio R.C. 718.06, except in the case of fraud, omission of twenty-five percent (25%) or more of the income subject to this tax, or failure to file a return; unless that taxpayer has waived his rights under such Ohio Revised Code Section; provided, however, in those cases in which the Commissioner of Internal Revenue and the taxpayer have executed a waiver of the federal statute of limitation, the period within which an additional assessment may be made by the Commissioner of Taxation shall be three years from the time of the final determination of the Federal tax liability.
(Ord. 86-459. Passed 7-22-86.)

195.12 VIOLATIONS; PENALTIES.

- (a) Any taxpayer or person who knowingly and willfully;
- (1) Fails, neglects, or refuses to make any return or declaration required by this chapter; or
 - (2) Makes any incomplete, false, or fraudulent return; or
 - (3) Fails, neglects, or refuses to pay the tax, penalties, or interest imposed by this chapter; or
 - (4) Fails, neglects, or refuses to withhold the tax from his employees or remit such withholding to the Commissioner of Taxation; or
 - (5) Refuses to disclose to the Commissioner of Taxation any information with respect to the income or net profits of a taxpayer; or
 - (6) Fails, to comply with the provisions of this chapter; or
 - (7) Attempts to do anything whatever to avoid the payment of the whole or any part of the tax penalties or interest imposed by this chapter, shall be guilty of a misdemeanor of the first degree and shall be fined not more than one thousand dollars (\$1,000) or

imprisoned not more than six months, or both, for each offense.

(b) All prosecutions under this section shall be commenced within the time specified in Ohio R. C. 718.12.

(c) The failure of any employer or taxpayer or person to receive or procure a return, declaration, or other required form shall not excuse him from making any information return, return or declaration, from filing such form, or from paying the tax. (Ord. 03-381. Passed 11-25-03.)

195.13 INCOME TAX DIVISION; BOARD OF REVIEW.

(a) There is hereby established within the Finance Department of the City an Income Tax Division, which Division shall be responsible for all matters constituting the subject matter of this chapter. The Division, in addition to the City Manager, shall consist of a Board of Review, as hereinafter defined, a Commissioner of Taxation and such other officers and employees as may be provided for by the City Commission.

(b) The Board of Review shall consist of the City Manager, Finance Director, and the Law Director, or their respective designees. The Board of Review shall adopt its own procedural rules and shall keep a record of its transactions. The Board of Review may adopt, promulgate and enforce rules and regulations relating to any matter or thing pertaining to the administration, operation and enforcement of the provisions of this chapter, including provisions for the re-examination and correction of returns and payments.

(c) The Board of Review shall adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under Ohio Revised Code 149.43. Hearings requested by a taxpayer before the Board of Review are not meetings of a public body subject to Ohio Revised Code Section 121.22. All hearings by the Board of Review may be conducted privately and the provisions of Section 195.09 with reference to the confidential character of information required to be disclosed by the chapter shall apply to such matters as may be heard before the Board of Review on appeal.

(d) Whenever the Commissioner of Taxation issues a ruling or decision regarding a municipal income tax obligation that is subject to appeal, as provided in this Section or in an ordinance or regulation of the City, the Commissioner of Taxation shall notify the taxpayer, in writing, at the same time of the taxpayer's right to appeal the decision and of the manner in which the taxpayer may appeal the decision.

(e) Any person aggrieved with any ruling or decision of the Commissioner of Taxation which is made under the authority conferred by this chapter and who has filed with the City the required returns or other documents pertaining to the municipal income tax obligation at issue in the ruling or decision may appeal therefrom to the Board of Review within thirty days from the announcement of such ruling or decision by the Commissioner of Taxation and the Board of Review shall, on hearing such ruling or decision, have jurisdiction to affirm, reverse, and modify any such ruling or decision, or any part thereof.

(f) Appeals of the Board of Review shall be made in writing and shall state why the ruling or decision of the Commissioner of Taxation should be deemed incorrect or unlawful. The Board of Review shall schedule a hearing within forty-five days after

receiving a written appeal, unless the taxpayer waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the Board of Review and may be represented by an attorney-at-law, certified public accountant, or other representative. The Board of Review may affirm, reverse, or modify the Commissioner of Taxation's decision or any part of that decision. The Board of Review shall issue a final decision on the appeal within ninety days after the Board of Review's final hearing on the appeal, and send a copy of its final decision, by ordinary mail, to all of the parties to the appeal within fifteen days after issuing its decision. The taxpayer or the Commissioner of Taxation may appeal the decision of the Board of Review as provided in Ohio Revised Code Section 5717.011.

(Ord. 03-381. Passed 11-25-03.)

195.14 ALLOCATION OF FUNDS.

(a) Funds collected under the provisions of this Chapter shall be applied for the following purposes:

- (1) Such part thereof as shall be necessary to defray all costs of collecting the taxes levied by this Chapter and the costs of administering and enforcing the provisions hereof.
- (2) Such part thereof as if appropriated from time to time by the City Commission for current operating expenses and capital improvements. Provided, however, that at least ten (10) percent of such proceeds shall be placed in the permanent improvement funds of the City, and, as appropriated from time to time, shall be used for, and only for, capital improvement purposes of the City, including debt service charges on notes and bonds issued for capital improvements of The City of Springfield, Ohio.

(b) The term "appropriated" as used in this section shall mean appropriations made by the City Commission in the manner required by law and the provisions of the City Charter.

(Ord. 04-365. Passed 11-2-04 by election.)

195.15 CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES OTHER CREDITS.

(a) Every individual taxpayer who resides in the City but earned, received, accrued or in any other way had set aside unto him net profits, salaries, wages, commissions or other compensation for work done or service performed or rendered outside the City, if it is established that he has paid a municipal income tax or a Joint Economic Development District income tax on such net profits, salaries, wages, commissions or other compensation to another municipality or to a Joint Economic Development district income tax, shall be allowed a credit on the tax imposed by this chapter in an amount equal to fifty percent (50%) of the tax so paid by him or on his behalf to such other municipality or to a Joint Economic Development District income tax. Notwithstanding the foregoing, in no event shall such credit exceed fifty percent (50%) of the tax assessed by this chapter on such net profits, salaries, wages, commissions or other compensation earned, received, accrued or in any other way had

set aside unto him in such other municipality or municipalities or a Joint Economic Development District income tax where such tax is paid. There shall be no carry forward or carry backward of such tax credit to any tax year other than the tax year in which the tax, upon which the credit is based, was paid to such other municipality or municipalities or to a Joint Economic Development income tax.

(b) Notwithstanding the provisions contained in Section 195.11, or any other provisions inconsistent herewith, a claim for refund or credit under this section shall be made in such manner as the Board of Review may by regulation provide. No such claim for refund or credit shall be allowed unless made on or before the date for filing the taxpayer's final return, unless such taxpayer's employer has filed with the Commissioner of Taxation a record showing the tax withheld from such taxpayer's wages, salaries, or commissions for other municipalities or for a Joint Economic Development District income tax, and the taxpayer releases a City wage statement and such other information as deemed necessary by the Commissioner of Taxation.

(c) Taxpayers shall be allowed the credits established under Ohio Revised Code Sections 718.021, 718.121, and 718.14, but only to the extent as limited by Ohio Revised Code Chapter 718.
(Ord. 03-381. Passed 11-25-03.)

195.16 SAVING CLAUSE.

If any sentence, clause, section or part of this chapter, or any tax against an individual or any of the several groups specified herein, is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section or part of this chapter and shall not affect or impair any of the remaining provision, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of the City Commission that this chapter would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, section, or part thereof had not been included herein.
(Ord. 86-459. Passed 7-22-86.)

195.17 DURATION OF LEVY AND COLLECTION OF TAX.

(a) This chapter shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of such taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of such taxes or the punishment of violations of this chapter shall have been fully terminated, subject to the limitations contained in Sections 195.11 and 195.12.

(b) All returns for all or any part of the last effective year of this chapter shall be filed on or before the dates provided in Sections 195.05, 195.06, and 195.07 and any tax shown due thereon shall be paid by the dates provided in such sections.
(Ord. 86-459. Passed 7-22-86.)

195.18 AMENDMENTS.

(a) The City Commission reserves the right to amend, supplement, or repeal this chapter at any time.

(b) In the event that taxes collected under this chapter during the period of imposition thereof exceed the existing and anticipated reasonable needs and requirements of the City for the objects and purposes set forth in Section 195.14, the City Commission shall repeal this chapter or provide for a downward revision of the tax rate as the circumstances may require.
(Ord. 86-459. Passed 7-22-86.)

195.19 IMPOSITION OF ADDITIONAL TAX.

In addition to the tax provided for under Section 195.01, which is levied at a rate of one and one-half percent (1-1/2%), an annual tax of one-half percent (1/2%) for the purposes specified in Section 195.01 hereof shall be imposed on and after July 1, 2000, and ending June 30, 2015. Such tax shall be levied and collected in the same manner as the tax provided for in Section 195.01. Provided, however, that during the period that a tax levied on salaries, wages, commissions, and other compensation and on net profits, is at an aggregate rate of two percent (2%) or more, there shall be a reduction in the tax levy upon the tax lists or duplicate of property listed for taxation according to value for all the purposes of The City of Springfield, Ohio, of 2.7 mills less than the total number of mills levied in behalf of the City in fiscal year 1975, beginning in fiscal year 2001 and for each year through fiscal year 2015.
(Ord. 99-457. Passed 5-4-99 by election.)

195.20 IMPOSITION OF SUPPLEMENTAL ADDITIONAL TAX.

In addition to the tax provided for under Sections 195.03 and 195.19, an annual tax of one-half percent (1/2%) for the purposes specified in Section 195.01 hereof shall be imposed on and after January 1, 1984, and ending December 31, 1986. Such tax shall be levied and collected in the same manner as the tax provided for in Section 195.03.
(Ord. 86-459. Passed 7-22-86.)