

CITY OF STRONGSVILLE, OHIO

ORDINANCE NO. 2009 - 253

**By: Mr. Coyne, Mr. Daymut, Mr. DeMio, Mr. Dooner,
Mr. Gallagher, and Mr. Haseley**

AN ORDINANCE AMENDING SECTION 880.32 OF CHAPTER 880 OF TITLE FOUR OF PART EIGHT OF THE CODIFIED ORDINANCES OF THE CITY IN ORDER TO CONTINUE THE CITY'S CURRENT 75% TAX CREDIT ON THE AMOUNT OF INCOME TAX PAID ON TAXABLE INCOME BY A CITY OF STRONGSVILLE RESIDENT TO ANOTHER MUNICIPALITY, ELIMINATING THE PRIOR TERMINATION PROVISION, AS AMENDED.

WHEREAS, due to a budget shortfall arising after cuts in expenditures were made in fiscal 2004, and after intense deliberation and only as a last resort, City Council through adoption of Ordinance No. 2004-66, and as restated in Ordinance No. 2005-101, and as continued in Ordinance No. 2005-270, had deemed it necessary to provide for adjustment and reduction of the City's income tax credit from 100% to 75% as afforded to City residents who work in other municipalities; and

WHEREAS, as presently constituted, the tax credit reduction is structured to terminate on December 31, 2011 unless Council determines, in its sole discretion, that there are insufficient funds available to operate the City without a reduction of the City's income tax credit; and

WHEREAS, this Council, with the assistance of the Administration, has reviewed the operations and finances of the City, including the budget, appropriations, revenues and expenses, both to date and as anticipated for fiscal 2010, 2011 and beyond as relates to the necessity for indefinite continuation of the reduction of the tax credit; and

WHEREAS, by any reasonable measure Council is constrained to conclude and determine, in its sole discretion, that in light of current and foreseeable economic conditions there are and will be on a continuing basis into the indefinite future, insufficient funds available to operate the City and provide the same level of services without a continuation of the existing reduction of the City's income tax credit and without any pre-set termination date or sunset provision.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STRONGSVILLE, COUNTY OF CUYAHOGA, AND STATE OF OHIO:

Section 1. That City Council finds and determines, in its sole discretion, that there are and will be on a continuing basis into the future, insufficient funds available to operate the City and provide the same level of services without an indefinite

continuation of the existing reduction of the City's income tax credit which is and has been set at seventy-five percent (75%), and without any limitation, restriction or expiration of same.

Section 2. That accordingly Section 880.32 (including both versions thereof) of Chapter 880 of Title Four, Part Eight of the Codified Ordinances of the City of Strongsville be and is hereby amended to read in its entirety as follows:

880.32 TAX CREDIT.(2011)

~~(This version of Section 880.32 is in effect until Midnight on December 31, 2011.)~~

(a) When the taxable income of a resident of the City is subject to a municipal income tax in another municipality on the same income taxable under this chapter, such resident shall be allowed a credit of the amount of income tax paid on such taxable income to such other municipality, equal to 75 percent of the amount obtained by multiplying the lower of the tax rate of such other municipality or of the City by the taxable income earned in or attributable to the municipality of employment or business activity. For the purpose of this section, taxable income shall include the distributive share of net profits of a resident partner or owner of an unincorporated business entity.

(b) Effective with the 2004 tax year, and except as provided in subsection (c) hereof, if tax or withholding is paid to a municipal corporation on income or wages, and if a second municipal corporation imposes a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the first municipal corporation, the second municipal corporation shall allow a nonrefundable credit, against the tax or withholding the second municipality claims is due with respect to such income or wages equal to the tax or withholding already paid to the first municipal corporation.

(c) If the tax rate in the second municipal corporation is less than the tax rate in the first municipal corporation, then the credit described in subsection (b) of this section shall be calculated using the tax rate in effect in the second municipal corporation.

(d) A claim for credit or refund under this section shall be made in such manner as the Administrator may by regulation provide. In the event such City resident fails, neglects or refuses to file an annual return or declaration on the form prescribed by the Administrator, he shall not be entitled to such credit or refund and shall be considered in violation of this chapter for failure to file a return.

(e) However, nothing in this section permits any credit carryover.

(Ord. 2005-270. Passed 1-3-06. Ord. 2009-253. Passed 01/04/10.)

880.32 TAX CREDIT.(2012)

~~(This version of Section 880.32 is in effect from and after January 1, 2012 unless provisions of Section 3 of Ordinance No. 2005-270 apply.)~~

~~(a) When the taxable income of a resident of the City is subject to a municipal income tax in another municipality on the same income taxable under this chapter, such resident shall be allowed a credit of the amount of income tax paid on such taxable income to such other municipality, equal to 100 percent of the amount obtained by multiplying the lower of the tax rate of such other municipality or of the City by the taxable income earned in or attributable to the municipality of employment or business activity. For the purpose of this section, taxable income shall include the distributive share of net profits of a resident partner or owner of an unincorporated business entity.~~

~~(b) Effective with the 2004 tax year, and except as provided in subsection (c) hereof, if tax or withholding is paid to a municipal corporation on income or wages, and if a second municipal corporation imposes a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the first municipal corporation, the second municipal corporation shall allow a nonrefundable credit, against the tax or withholding the second municipality claims is due with respect to such income or wages equal to the tax or withholding already paid to the first municipal corporation.~~

~~(c) If the tax rate in the second municipal corporation is less than the tax rate in the first municipal corporation, then the credit described in subsection (b) of this section shall be calculated using the tax rate in effect in the second municipal corporation.~~

~~(d) A claim for credit or refund under this section shall be made in such manner as the Administrator may by regulation provide. In the event such City resident fails, neglects or refuses to file an annual return or declaration on the form prescribed by the Administrator, he shall not be entitled to such credit or refund and shall be considered in violation of this chapter for failure to file a return.~~

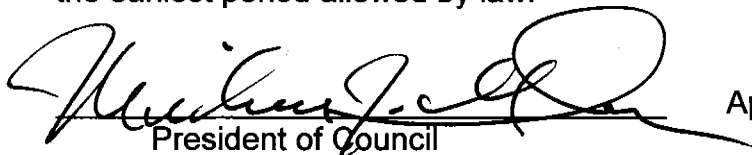
~~(e) However, nothing in this section permits any credit carryover.~~

(Ord. 2005-270. Passed 1-3-06.)

Section 3. That all other Ordinances or parts of Ordinances, including but not limited to Section 3 of Ordinance No. 2005-270 and other parts thereof, to the extent they are in conflict herewith, be and the same are hereby repealed.

Section 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council; and that all deliberations of this Council, and any of its committees, that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

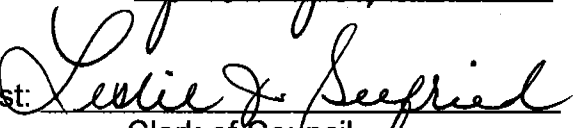
Section 5. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.


President of Council

Approved: 
Mayor

Date Passed: January 4, 2010

Date Approved: Jan. 4th, 2010

Attest: 
Clerk of Council

ORD. No. 2009-253 Removed: _____
1st Rdg. 12/07/09 Ref: CDW
2nd Rdg. 12/21/09 Ref: CDW
3rd Rdg. 01/04/10 Ref: _____
12/7/09 - amended to remove Emergency clause
Pub Hrg. _____ Ref: _____
Adopted: 01/04/10 Defeated: _____