

LEGISLATIVE REVIEW
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OHIO MUNICIPAL TAX COALITION CONTINUES WORK ON HB5

The municipal income tax reform issue has seen extensive negotiation and debate that began long before committee hearings took place. Two years of negotiations between the Coalition and the Ohio Municipal League and representatives from cities across the state have taken place, resulting in many taxpayer compromises to address municipal concerns. Last summer, Chairman Beck held interested party meetings across the state to secure input from all corners of Ohio. Additionally, seven hearings were held in the House Ways and Means Committee on H.B. 5. Following objections from the cities and OML during the legislative process, the language in H.B. 5 continued to be under review. The business community has continuously tried to balance the concerns of cities and businesses alike, and accurately reflects the good faith effort put forth by members of the Coalition. Most recently, meetings with Rep. Beck have raised uncertainty as to the end result of the negotiations, and where the legislation will end up. Attached is a document highlighting the features and advantages of Substitute HB 5. In particular, four items essential for coalition support include treatment of Net Operating Loss (NOL), ensuring 20 day rule is not retroactive, changes to administrative appeals process, and the idea there is no tax increase.

Discussions continue to take place as the legislature prepares to hold additional hearings on the topic.