

**RESOLUTION NO. 57-2024**

Introduced by Mark Claus

**A RESOLUTION DECLARING THE NECESSITY OF AN ELECTION ON THE QUESTION OF APPROVING THE PASSAGE OF AN ORDINANCE TO AMEND SECTIONS 185.01, 185.03, 185.04 AND 185.06 OF THE CODIFIED ORDINANCES OF THE CITY OF HURON, OHIO, IN ORDER TO PROVIDE FOR THE LEVY OF AN ADDITIONAL SEVENTY-FIVE ONE-HUNDREDTHS PERCENT (0.75%) INCOME TAX BEGINNING JANUARY 1, 2025 AND PROVIDING A CREDIT UP TO 1.75% FOR INCOME TAX PAID TO OTHER MUNICIPALITIES, AND DECLARING AN EMERGENCY.**

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Huron, Ohio, that:

**Section 1.** This Council hereby authorizes and directs the submission to the electors of the City of Huron, Ohio, at an election to be held at the usual places of voting in the City on Tuesday, November 5, 2024, between the hours of 6:30 a.m. and 7:30 p.m. of that day, of the question of approving the passage of an ordinance to amend Sections 185.01, 185.03, 185.04 and 185.06 of the Codified Ordinances of the City of Huron, Ohio, as established by Ordinance No. 2015-30, passed November 10, 2015, as amended by Ordinance No. 2024-4, passed on February 13, 2024, in order to provide for the levy of an additional seventy-five one-hundredths percent (0.75%) income tax and provide for a credit up to 1.75% for income tax paid to other municipalities, which ordinance is set forth in full in Section 2 hereof.

**Section 2.** The proposed ordinance to be submitted to the electors of the City for their approval hereunder shall be as follows:

**ORDINANCE NO. 2024-24**

**AN ORDINANCE AMENDING SECTIONS 185.01, 185.03, 185.04 AND 185.06 OF THE CODIFIED ORDINANCES OF THE CITY OF HURON, OHIO, TO PROVIDE FOR THE LEVY OF AN ADDITIONAL SEVENTY-FIVE ONE-HUNDREDTHS PERCENT (0.75%) INCOME TAX BEGINNING JANUARY 1, 2025, AND PROVIDING A CREDIT UP TO 1.75% FOR INCOME TAX PAID TO OTHER MUNICIPALITIES; AND DECLARING AN EMERGENCY.**

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Huron, Ohio, that:

**Section 1.** Section 185.01 of the Codified Ordinances of the City of Huron, Ohio, as established by Ordinance No. 2015-30, passed November 10, 2015, is hereby further amended to read as follows:

**"185.01 AUTHORITY TO LEVY TAX; PURPOSE OF TAX.**

(A) To provide funds for the purposes of general municipal operations and services, maintenance, new equipment, extension and enlargement of municipal services and facilities, permanent improvements, and capital improvements, the Municipality hereby levies an annual tax on the income of every person residing in or earning or receiving income in the Municipality as measured by each such person's municipal taxable income, all as hereinafter provided.

(B) (1) The annual tax is levied at a rate of 1.75% (one and seventy-five one-hundredths percent). The tax is levied at a uniform rate on all persons residing in or earning or receiving income in

the Municipality. The tax is levied on municipal taxable income as hereinafter provided in Section 185.03 of this Chapter and other sections as they may apply.

(2) The funds collected under the provisions of this Chapter 185 shall be applied for the following purposes and in the following order: (i) such part thereof as is necessary to defray all costs of collecting the taxes levied by this Chapter and the cost of administering and enforcing the provisions hereof; (ii) after providing for the allocation of funds set forth in division (B)(2)(i) of this Section, funds shall be set aside, appropriated and paid into the General Bond Retirement Fund or another fund specified by ordinance of the Council, in an amount equal to the annual principal and interest payments due (within that year) on all bonds, notes or other obligations for which income tax revenues have been pledged; (iii) after providing for the allocation of funds set forth in division (B)(2)(i) and (ii) of this Section, not less than seven percent (7%) of the remaining funds shall be set aside, appropriated and paid into the Capital Improvement Fund; and (iv) after providing for the allocation of funds set forth in division (B)(2)(i), (ii), and (iii) of this Section, the balance of the funds remaining shall be used for any purpose as may be determined by ordinance of the Council.

(C) The taxes levied under this Chapter 185 shall be levied in accordance with the provisions and limitations set forth in Chapter 718 of the Ohio Revised Code to the fullest extent required for the Municipality to continue to levy those taxes. The required provisions and limitations of Chapter 718 of the Ohio Revised Code are hereby incorporated into this Chapter 185, and those required provisions or limitations of Chapter 718 of the Ohio Revised Code shall control to the extent there is a conflict between a provision or limitation of this Chapter 185 and an express provision or limitation of Chapter 718 of the Ohio Revised Code.

(D) As used herein, all references in this Chapter 185 to provisions or limitations of Chapter 718 of the Ohio Revised Code and to any Section of that Chapter 718 shall include those provisions or limitations of that Chapter or Section as in effect on January 1, 2016, of any successor statute, and of any subsequent amendment to that Chapter or Section or a successor statute in effect from time to time to the fullest possible extent required for the Municipality to continue to levy the taxes specified under this Chapter 185. All references in this Chapter 185 to "ORC" are to the Ohio Revised Code."

**Section 2.** Section 185.03 of the Codified Ordinances of the City of Huron, Ohio, as established by Ordinance No. Ordinance No. 2015-30, passed November 10, 2015, as amended by Ordinance No. 2024-4, passed on February 13, 2024, is hereby further amended to read as follows:

**"185.03 IMPOSITION OF TAX.**

The income tax levied by the Municipality at a rate of one and seventy-five one-hundredths percent (1.75%) is levied on the municipal taxable income of every person who resides in or who earns or receives income in the Municipality.

**Individuals.**

(A) For residents, the income tax levied herein shall be on all municipal taxable income, as set forth in Section 185.02(C)(21)(a)(ii)(a).

(B) For nonresidents, the income tax levied herein shall be on all municipal taxable income, as set forth in Section 185.02(C)(21)(a)(ii)(b).

(C) For a person other than an individual, the income tax levied herein shall be on all municipal taxable income, as set forth in Section 185.02(C)(21)(a)(i).

**Refundable credit for Nonqualified Deferred Compensation Plan.**

(D) (1) As used in this division:

(a) "Nonqualified deferred compensation plan" means a compensation plan described in Section 3121(v)(2)(C) of the Internal Revenue Code.

(b) "Qualifying loss" means the amount of compensation attributable to a taxpayer's nonqualified deferred compensation plan, less the receipt of money and property attributable to distributions from the nonqualified deferred compensation plan. Full loss is sustained if no distribution of money and property is made by the nonqualified deferred compensation plan. The taxpayer sustains a qualifying loss only in the taxable year in which the taxpayer receives the final distribution of money and property pursuant to that nonqualified deferred compensation plan.

(c) (i) "Qualifying tax rate" means the applicable tax rate for the taxable year for the which the taxpayer paid income tax to the Municipality with respect to any portion of the total amount of compensation the payment of which is deferred pursuant to a nonqualified deferred compensation plan.

(ii) If different tax rates applied for different taxable years, then the "qualifying tax rate" is a weighted average of those different tax rates. The weighted average shall be based upon the tax paid to the Municipality each year with respect to the nonqualified deferred compensation plan.

(d) "Refundable credit" means the amount of the Municipality's income tax that was paid on the non-distributed portion, if any, of a nonqualified deferred compensation plan.

(2) If, in addition to the income tax levied by the Municipality, a taxpayer has paid tax to other municipal corporations with respect to the nonqualified deferred compensation plan, the amount of the credit that a taxpayer may claim from each municipal corporation shall be calculated on the basis of each municipal corporation's proportionate share of the total municipal corporation income tax paid by the taxpayer to all municipal corporations with respect to the nonqualified deferred compensation plan.

(3) In no case shall the amount of the credit allowed under this Section exceed the cumulative income tax that a taxpayer has paid to the Municipality for all taxable years with respect to the nonqualified deferred compensation plan.

(4) The credit allowed under this division is allowed only to the extent the taxpayer's qualifying loss is attributable to:

(a) The insolvency or bankruptcy of the employer who had established the nonqualified deferred compensation plan; or

(b) The employee's failure or inability to satisfy all of the employer's terms and conditions necessary to receive the nonqualified deferred compensation.

Domicile.

(E) (1) (a) An individual is presumed to be domiciled in the Municipality for all or part of a taxable year if the individual was domiciled in the Municipality on the last day of the immediately preceding taxable year or if the Tax Administrator reasonably concludes that the individual is domiciled in the Municipality for all or part of the taxable year.

(b) An individual may rebut the presumption of domicile described in division (E)(1)(a) of this Section if the individual establishes by a preponderance of the evidence that the individual was not domiciled in the Municipality for all or part of the taxable year.

(2) For the purpose of determining whether an individual is domiciled in the Municipality for all or part of a taxable year, factors that may be considered include, but are not limited to, the following:

- (a) The individual's domicile in other taxable years;
- (b) The location at which the individual is registered to vote;
- (c) The address on the individual's driver's license;
- (d) The location of real estate for which the individual claimed a property tax exemption or reduction allowed on the basis of the individual's residence or domicile;
- (e) The location and value of abodes owned or leased by the individual;
- (f) Declarations, written or oral, made by the individual regarding the individual's residency;
- (g) The primary location at which the individual is employed.
- (h) The location of educational institutions attended by the individual's dependents as defined in Section 152 of the Internal Revenue Code, to the extent that tuition paid to such educational institution is based on the residency of the individual or the individual's spouse in the municipal corporation where the educational institution is located;
- (i) The number of contact periods the individual has with the Municipality. For the purposes of this division, an individual has one "contact period" with the Municipality if the individual is away overnight from the individual's abode located outside of the Municipality and while away overnight from that abode spends at least some portion, however minimal, of each of two consecutive days in the Municipality.

(3) All additional applicable factors are provided in the Rules and Regulations.

#### Businesses.

(F) This division applies to any taxpayer engaged in a business or profession in the Municipality, unless the taxpayer is an individual who is a resident or the taxpayer is an electric company, combined company, or telephone company that is subject to and required to file reports under Chapter 5745. of the ORC.

(1) Except as otherwise provided in divisions (F)(2) and (G) of this Section, net profit from a business or profession conducted both within and without the boundaries of the Municipality shall be considered as having a taxable situs in the Municipality for purposes of municipal income taxation in the same proportion as the average ratio of the following:

(a) The average original cost of the real property and tangible personal property owned or used by the taxpayer in the business or profession in the Municipality during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, tangible personal or real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

(b) Wages, salaries, and other compensation paid during the taxable period to individuals employed in the business or profession for services performed in the Municipality to wages, salaries, and other compensation paid during the same period to individuals employed in the business or

profession, wherever the individual's services are performed, excluding compensation from which taxes are not required to be withheld under Section 185.04(C);

(c) Total gross receipts of the business or profession from sales and rentals made and services performed during the taxable period in the Municipality to total gross receipts of the business or profession during the same period from sales, rentals, and services, wherever made or performed.

(2) (a) If the apportionment factors described in division (F)(1) of this Section do not fairly represent the extent of a taxpayer's business activity in the Municipality, the taxpayer may request, or the Tax Administrator of the Municipality may require, that the taxpayer use, with respect to all or any portion of the income of the taxpayer, an alternative apportionment method involving one or more of the following:

- (i) Separate accounting;
- (ii) The exclusion of one or more of the factors;
- (iii) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the municipal corporation;
- (iv) A modification of one or more of the factors.

(b) A taxpayer request to use an alternative apportionment method shall be in writing and shall accompany a tax return, timely filed appeal of an assessment, or timely filed amended tax return. The taxpayer may use the requested alternative method unless the Tax Administrator denies the request in an assessment issued within the period prescribed by Section 185.12(A).

(c) The Tax Administrator may require a taxpayer to use an alternative apportionment method as described in division (F)(2)(a) of this Section, but only by issuing an assessment to the taxpayer within the period prescribed by Section 185.12(A).

(d) Nothing in division (F)(2) of this Section nullifies or otherwise affects any alternative apportionment arrangement approved by the Tax Administrator or otherwise agreed upon by both the Tax Administrator and taxpayer before January 1, 2016.

(3) As used in division (F)(1)(b) of this Section, "wages, salaries, and other compensation" includes only wages, salaries, or other compensation paid to an employee for services performed at any of the following locations:

(a) A location that is owned, controlled, or used by, rented to, or under the possession of one of the following:

- (i) The employer;
- (ii) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or patient;
- (iii) A vendor, customer, client, or patient of a person described in (F)(3)(a)(ii) of this Section, or a related member of such a vendor, customer, client, or patient.

(b) Any location at which a trial, appeal, hearing, investigation, inquiry, review, court-martial, or similar administrative, judicial, or legislative matter or proceeding is being conducted, provided that the compensation is paid for services performed for, or on behalf of, the employer or that the employee's presence at the location directly or indirectly benefits the employer;

(c) Any other location, if the Tax Administrator determines that the employer directed the employee to perform the services at the other location in lieu of a location described in division (F) (3)(a) or (b) of this Section solely in order to avoid or reduce the employer's municipal income tax liability. If the Tax Administrator makes such a determination, the employer may dispute the determination by establishing, by a preponderance of the evidence, that the Tax Administrator's determination was unreasonable.

(4) For the purposes of division (F)(1)(c) of this Section, and except as provided in division (G) of this section, receipts from sales and rentals made and services performed shall be situated to a municipal corporation as follows:

(a) Gross receipts from the sale of tangible personal property shall be situated to the municipal corporation in which the sale originated. For the purposes of this division, a sale of property originates in the Municipality if, regardless of where title passes, the property meets any of the following criteria:

(i) The property is shipped to or delivered within the Municipality from a stock of goods located within the Municipality.

(ii) The property is delivered within the Municipality from a location outside the Municipality, provided the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the Municipality and the sales result from such solicitation or promotion.

(iii) The property is shipped from a place within the Municipality to purchasers outside the Municipality, provided that the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(b) Gross receipts from the sale of services shall be situated to the Municipality to the extent that such services are performed in the Municipality.

(c) To the extent included in income, gross receipts from the sale of real property located in the Municipality shall be situated to the Municipality.

(d) To the extent included in income, gross receipts from rents and royalties from real property located in the Municipality shall be situated to the Municipality.

(e) Gross receipts from rents and royalties from tangible personal property shall be situated to the Municipality based upon the extent to which the tangible personal property is used in the Municipality.

(5) The net profit received by an individual taxpayer from the rental of real estate owned directly by the individual, or by a disregarded entity owned by the individual, shall be subject to the Municipality's tax only if the property generating the net profit is located in the Municipality or if the individual taxpayer that receives the net profit is a resident of the Municipality. the Municipality shall allow such taxpayers to elect to use separate accounting for the purpose of calculating net profit situated under this division to the municipal corporation in which the property is located.

(6) (a) Commissions received by a real estate agent or broker relating to the sale, purchase, or lease of real estate shall be situated to the municipal corporation in which the real estate is located. Net profit reported by the real estate agent or broker shall be allocated to the Municipality, if applicable, based upon the ratio of the commissions the agent or broker received from the sale, purchase, or lease of real estate located in the Municipality to the commissions received from the sale, purchase, or lease of real estate everywhere in the taxable year.

(b) An individual who is a resident of the Municipality shall report the individual's net profit from all real estate activity on the individual's annual income tax return filed with the Municipality. The individual may claim a credit for taxes the individual paid on such net profit to another municipal corporation to the extent that such a credit is allowed under this Chapter.

(7) When calculating the ratios described in division (F)(1) of this Section for the purposes of that division or division (F)(2) of this Section, the owner of a disregarded entity shall include in the owner's ratios the property, payroll, and gross receipts of such disregarded entity.

(8) Intentionally left blank.

(9) Intentionally left blank.

(G) (1) As used in this division:

(a) "Qualifying remote employee or owner" means an individual who is an employee of a taxpayer or who is a partner or member holding an ownership interest in a taxpayer that is treated as a partnership for federal income tax purposes, provided that the individual meets both of the following criteria:

(i) The taxpayer has assigned the individual to a qualifying reporting location.

(ii) The individual is permitted or required to perform services for the taxpayer at a qualifying remote work location.

(b) "Qualifying remote work location" means a permanent or temporary location at which an employee or owner chooses or is required to perform services for the taxpayer, other than a reporting location of the taxpayer or any other location owned or controlled by a customer or client of the taxpayer. "Qualifying remote work location" may include the residence of an employee or owner and may be located outside of a municipal corporation that imposes an income tax in accordance with this chapter. An employee or owner may have more than one qualifying remote work location during a taxable year.

(c) "Reporting location" means either of the following:

(i) A permanent or temporary place of doing business, such as an office, warehouse, storefront, construction site, or similar location, that is owned or controlled directly or indirectly by the taxpayer;

(ii) Any location in this state owned or controlled by a customer or client of the taxpayer, provided that the taxpayer is required to withhold taxes under Section 185.04 of this Chapter, on qualifying wages paid to an employee for the performance of personal services at that location.

(d) "Qualifying reporting location" means one of the following:

(i) The reporting location in this state at which an employee or owner performs services for the taxpayer on a regular or periodic basis during the taxable year;

(ii) If no reporting location exists in this state for an employee or owner under division (G)(1)(d)(i) of this section, the reporting location in this state at which the employee's or owner's supervisor regularly or periodically reports during the taxable year;

(iii) If no reporting location exists in this state for an employee or owner under division (G)(1)(d)(i) or (ii) of this section, the location that the taxpayer otherwise

assigns as the employee's or owner's qualifying reporting location, provided the assignment is made in good faith and is recorded and maintained in the taxpayer's business records. A taxpayer may change the qualifying reporting location designated for an employee or owner under this division at any time.

(2) For tax years ending on or after December 31, 2023, a taxpayer may elect to apply the provisions of this division to the apportionment of its net profit from a business or profession. For taxpayers that make this election, the provisions of division (F) of this section apply to such apportionment except as otherwise provided in this division.

A taxpayer shall make the election allowed under this division in writing on or with the taxpayer's net profit return or, if applicable, a timely filed amended net profit return or a timely filed appeal of an assessment. The election applies to the taxable year for which that return or appeal is filed and for all subsequent taxable years, until the taxpayer revokes the election.

The taxpayer shall make the initial election with the tax administrator of each municipal corporation with which, after applying the apportionment provisions authorized in this division, the taxpayer is required to file a net profit tax return for that taxable year. A taxpayer shall not be required to notify the tax administrator of a municipal corporation in which a qualifying remote employee's or owner's qualifying remote work location is located, unless the taxpayer is otherwise required to file a net profit return with that municipal corporation due to business operations that are unrelated to the employee's or owner's activity at the qualifying remote work location.

After the taxpayer makes the initial election, the election applies to every municipal corporation in which the taxpayer conducts business. The taxpayer shall not be required to file a net profit return with a municipal corporation solely because a qualifying remote employee's or owner's qualifying remote work location is located in such municipal corporation.

Nothing in this division prohibits a taxpayer from making a new election under this division after properly revoking a prior election.

(3) For the purpose of calculating the ratios described in division (F)(1) of this section, all of the following apply to a taxpayer that has made the election described in division (G)(2):

(a) For the purpose of division (F)(1)(a) of this section, the average original cost of any tangible personal property used by a qualifying remote employee or owner at that individual's qualifying remote work location shall be situated to that individual's qualifying reporting location.

(b) For the purpose of division (F)(1)(b) of this section, any wages, salaries, and other compensation paid during the taxable period to a qualifying remote employee or owner for services performed at that individual's qualifying remote work location shall be situated to that individual's qualifying reporting location.

(c) For the purpose of division (F)(1)(c) of this section, and notwithstanding division (F)(4) of this section, any gross receipts of the business or profession from services performed during the taxable period by a qualifying remote employee or owner for services performed at that individual's qualifying remote work location shall be situated to that individual's qualifying reporting location.



(4) Nothing in this division prevents a taxpayer from requesting, or a tax administrator from requiring, that the taxpayer use, with respect to all or a portion of the income of the taxpayer, an alternative apportionment method as described in division (F)(2) of this section. However, a tax administrator shall not require an alternative apportionment method in such a manner that it would require a taxpayer to file a net profit return with a municipal corporation solely because a qualifying remote employee's or owner's qualifying remote work location is located in that municipal corporation.

(5) Except as otherwise provided in this division, nothing in this division is intended to affect the withholding of taxes on qualifying wages pursuant to Section 185.04 of this Chapter."

**Section 3.** Section 185.04 of the Codified Ordinances of the City of Huron, Ohio, as established by Ordinance No. Ordinance No. 2015-30, passed November 10, 2015, is hereby further amended to read as follows:

**"185.04 COLLECTION AT SOURCE.**

**Withholding provisions.**

(A) Each employer, agent of an employer, or other payer located or doing business in the Municipality shall withhold an income tax from the qualifying wages earned and/or received by each employee in the Municipality. Except for qualifying wages for which withholding is not required under Section 185.03 or division (B)(4) or (6) of this Section, the tax shall be withheld at the rate, specified in Section 185.03 of this Chapter, of one and seventy-five one-hundredths percent (1.75%). An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.

(B) (1) Except as provided in division (B)(2) of this Section, an employer, agent of an employer, or other payer shall remit to the Tax Administrator of the Municipality the greater of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer according to the following schedule:

(a) Taxes required to be deducted and withheld shall be remitted monthly to the Tax Administrator if the total taxes deducted and withheld or required to be deducted and withheld by the employer, agent, or other payer on behalf of the Municipality in the preceding calendar year exceeded \$2,399, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the Municipality in any month of the preceding calendar quarter exceeded \$200.

Payment under division (B)(1)(a) of this Section shall be made so that the payment is received by the Tax Administrator not later than 15 days after the last day of each month for which the tax was withheld.

(b) Any employer, agent of an employer, or other payer not required to make payments under division (B)(1)(a) of this Section of taxes required to be deducted and withheld shall make quarterly payments to the Tax Administrator not later than the 15th day of the month following the end of each calendar quarter.

(c) Notwithstanding the provisions of (B)(1)(a) and (b) of this Section, taxes required to be deducted and withheld shall be remitted semimonthly to the Tax Administrator if the total taxes deducted and withheld or required to be deducted and withheld on behalf of the

Municipality in the preceding calendar year exceeded \$11,999, or if in any month of the preceding calendar year exceeded \$1,000. Payment under division (B)(1)(c) of this Section shall be made so that the payment is received by the Tax Administrator not later than one of the following: (i) if the taxes were deducted and withheld or required to be deducted and withheld during the first fifteen days of a month, the third banking day after the fifteenth day of that month; or (ii) if the taxes were deducted and withheld or required to be deducted and withheld after the fifteenth day of a month and before the first day of the immediately following month, the third banking day after the last day of the month.

(2) If the employer, agent of an employer, or other payer is required to make payments electronically for the purpose of paying federal taxes withheld on payments to employees under Section 6302 of the Internal Revenue Code, 26 C.F.R. 31.6302-1, or any other federal statute or regulation, the payment shall be made by electronic funds transfer to the Tax Administrator of all taxes deducted and withheld on behalf of the Municipality. The payment of tax by electronic funds transfer under this division does not affect an employer's, agent's, or other payer's obligation to file any return as required under this Section.

(3) An employer, agent of an employer, or other payer shall make and file a return showing the amount of tax withheld by the employer, agent, or other payer from the qualifying wages of each employee and remitted to the Tax Administrator. A return filed by an employer, agent, or other payer under this division shall be accepted by the Tax Administrator and the Municipality as the return required of a non-resident employee whose sole income subject to the tax under this Chapter is the qualifying wages reported by the employee's employer, agent of an employer, or other payer.

(4) An employer, agent of an employer, or other payer is not required to withhold the Municipality's income tax with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of either the corporation with respect to whose stock the option has been issued or of such corporation's successor entity.

(5) (a) An employee is not relieved from liability for a tax by the failure of the employer, agent of an employer, or other payer to withhold the tax as required under this Chapter or by the employer's, agent's, or other payer's exemption from the requirement to withhold the tax.

(b) The failure of an employer, agent of an employer, or other payer to remit to the Municipality the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer, agent, or other payer in connection with the failure to remit the tax withheld.

(6) Compensation deferred before June 26, 2003, is not subject to the income tax or income tax withholding requirement imposed by this Chapter to the extent the deferred compensation does not constitute qualifying wages at the time the deferred compensation is paid or distributed.

(7) Each employer, agent of an employer, or other payer required to withhold taxes is liable for the payment of that amount required to be withheld, whether or not such taxes have been withheld, and such amount shall be deemed to be held in trust for the Municipality until such time as the withheld amount is remitted to the Tax Administrator.

(8) On or before the last day of February of each year, an employer shall file a withholding reconciliation return with the Tax Administrator listing:

(a) The names, addresses, and social security numbers of all employees from whose qualifying wages the tax levied by this Chapter was withheld or should have been withheld during the preceding calendar year;

(b) The amount of tax withheld, if any, from each such employee, the total amount of qualifying wages paid to such employee during the preceding calendar year;

(c) The name of every other municipal corporation for which tax was withheld or should have been withheld from such employee during the preceding calendar year;

(d) Any other information required for federal income tax reporting purposes on Internal Revenue Service form W-2 or its equivalent form with respect to such employee;

(e) Other information as may be required by the Tax Administrator.

(9) The officer or the employee of the employer, agent of an employer, or other payer with control or direct supervision of or charged with the responsibility for withholding the tax or filing the reports and making payments as required by this Section, shall be personally liable for a failure to file a report or pay the tax due as required by this Section. The dissolution of an employer, agent of an employer, or other payer does not discharge the officer's or employee's liability for a failure of the employer, agent of an employer, or other payer to file returns or pay any tax due.

(10) An employer is required to deduct and withhold the Municipality's income tax on tips and gratuities received by the employer's employees and constituting qualifying wages, but only to the extent that the tips and gratuities are under the employer's control. For the purposes of this division, a tip or gratuity is under the employer's control if the tip or gratuity is paid by the customer to the employer for subsequent remittance to the employee, or if the customer pays the tip or gratuity by credit card, debit card, or other electronic means.

(11) The Tax Administrator shall consider any tax withheld by an employer at the request of an employee, when such tax is not otherwise required to be withheld by this Chapter, to be tax required to be withheld and remitted for the purposes of this Section.

#### Occasional Entrant - Withholding.

(C) (1) As used in this division:

(a) "Employer" includes a person that is a related member to or of an employer.

(b) "Fixed location" means a permanent place of doing business in this state, such as an office, warehouse, storefront, or similar location owned or controlled by an employer.

(c) "Principal place of work" means the fixed location to which an employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location, "principal place of work" means the worksite location in this state to which the employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location or worksite location, "principal place of work" means the location in this state at which the employee spends the greatest number of days in a calendar year performing services for or on behalf of the employee's employer.

If there is not a single municipal corporation in which the employee spent the "greatest number of days in a calendar year" performing services for or on behalf of the employer, but instead there are two or more municipal corporations in which the employee spent an identical number

of days that is greater than the number of days the employee spent in any other municipal corporation, the employer shall allocate any of the employee's qualifying wages subject to division (C)(2)(a)(i) of this Section among those two or more municipal corporations. The allocation shall be made using any fair and reasonable method, including, but not limited to, an equal allocation among such municipal corporations or an allocation based upon the time spent or sales made by the employee in each such municipal corporation. A municipal corporation to which qualifying wages are allocated under this division shall be the employee's "principal place of work" with respect to those qualifying wages for the purposes of this Section.

For the purposes of this division, the location at which an employee spends a particular day shall be determined in accordance with division (C)(2)(b) of this Section, except that "location" shall be substituted for "municipal corporation" wherever "municipal corporation" appears in that division.

(d) "Professional athlete" means an athlete who performs services in a professional athletic event for wages or other remuneration.

(e) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis.

(f) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis.

(g) "Worksite location" means a construction site or other temporary worksite in this state at which the employer provides services for more than 20 days during the calendar year. "Worksite location" does not include the home of an employee.

(2) (a) Subject to divisions (C)(3), (5), (6), and (7) of this Section, an employer is not required to withhold the Municipality's income tax on qualifying wages paid to an employee for the performance of personal services in the Municipality if the employee performed such services in the Municipality on 20 or fewer days in a calendar year, unless one of the following conditions applies:

(i) The employee's principal place of work is located in the Municipality.

(ii) The employee performed services at one or more presumed worksite locations in the Municipality. For the purposes of this division, "presumed worksite location" means a construction site or other temporary worksite in the Municipality at which the employer provides or provided services that can reasonably be, or would have been, expected by the employer to last more than 20 days in a calendar year. Services can "reasonably be expected by the employer to last more than 20 days" if either of the following applies at the time the services commence:

(a) The nature of the services is such that it will require more than 20 days of the services to complete the services;

(b) The agreement between the employer and its customer to perform services at a location requires the employer to perform the services at the location for more than 20 days.

(iii) The employee is a resident of the Municipality and has requested that the employer withhold tax from the employee's qualifying wages as provided in Section 185.04.

(iv) The employee is a professional athlete, professional entertainer, or public figure, and the qualifying wages are paid for the performance of services in the employee's capacity as a professional athlete, professional entertainer, or public figure.

(b) For the purposes of division (C)(2)(a) of this Section, an employee shall be considered to have spent a day performing services in the Municipality only if the employee spent more time performing services for or on behalf of the employer in the Municipality than in any other municipal corporation on that day. For the purposes of determining the amount of time an employee spent in a particular location, the time spent performing one or more of the following activities shall be considered to have been spent at the employee's principal place of work:

(i) Traveling to the location at which the employee will first perform services for the employer for the day;

(ii) Traveling from a location at which the employee was performing services for the employer to any other location;

(iii) Traveling from any location to another location in order to pick up or load, for the purpose of transportation or delivery, property that has been purchased, sold, assembled, fabricated, repaired, refurbished, processed, remanufactured, or improved by the employee's employer;

(iv) Transporting or delivering property described in division (C)(2)(b)(iii) of this Section, provided that, upon delivery of the property, the employee does not temporarily or permanently affix the property to real estate owned, used, or controlled by a person other than the employee's employer;

(v) Traveling from the location at which the employee makes the employee's final delivery or pick-up for the day to either the employee's principal place of work or a location at which the employee will not perform services for the employer.

(3) If the principal place of work of an employee is located in another Ohio municipal corporation that imposes an income tax, the exception from withholding requirements described in division (C)(2)(a) of this Section shall apply only if, with respect to the employee's qualifying wages described in that division, the employer withholds and remits tax on such qualifying wages to that municipal corporation.

(4) (a) Except as provided in division (C)(4)(b) of this Section, if, during a calendar year, the number of days an employee spends performing personal services in the Municipality exceeds the 20-day threshold, the employer shall withhold and remit tax to the Municipality for any subsequent days in that calendar year on which the employer pays qualifying wages to the employee for personal services performed in the Municipality.

(b) An employer required to begin withholding tax for the Municipality under division (C)(4)(a) of this Section may elect to withhold tax for the Municipality for the first 20 days on which the employer paid qualifying wages to the employee for personal services performed in the Municipality.

(5) If an employer's fixed location is in the Municipality and the employer qualifies as a small employer as defined in Section 185.02, the employer shall withhold the income tax imposed under this Chapter on all of the employee's qualifying wages for a taxable year and remit that tax only to the Municipality, regardless of the number of days which the employee worked outside the corporate boundaries of the Municipality.

To determine whether an employer qualifies as a small employer for a taxable year, the employer will be required to provide the Tax Administrator with the employer's federal income tax return for the preceding taxable year.

(6) Divisions (C)(2)(a) and (4) of this Section shall not apply to the extent that the Tax Administrator and an employer enter into an agreement regarding the manner in which the employer shall comply with the requirements of Section 185.04."

**Section 4.** Section 185.06 of the Codified Ordinances of the City of Huron, Ohio, as established by Ordinance No. Ordinance No. 2015-30, passed November 10, 2015, is hereby further amended to read as follows:

**"185.06 CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.**

(A) Every individual taxpayer domiciled in the City who is required to and does pay, or has acknowledged liability for, a municipal tax to another municipality on or measured by the same income, qualifying wages, commissions, net profits or other compensation taxable under this chapter may claim a non-refundable credit upon satisfactory evidence of the tax paid to the other municipality. Subject to division (c) of this section, the credit shall not exceed the tax due the City under this chapter. If the tax rate of the other municipality is less than one and seventy-five one-hundredths percent (1.75%), the credit shall be limited to the tax due at the lower rate.

(B) The City shall grant a credit against its tax on income to a resident of the City who works in a joint economic development zone created under Ohio R.C. 715.691 or a joint economic development district created under Ohio R.C. 715.70, 715.71, or 715.72 to the same extent that it grants a credit against its tax on income to its residents who are employed in another municipal corporation.

(C) If the amount of tax withheld or paid to the other municipality is less than the amount of tax required to be withheld or paid to the other municipality, then for purposes of division (a) of this section, "the income, qualifying wages, commissions, net profits or other compensation" subject to tax in the other municipality shall be limited to the amount computed by dividing the tax withheld or paid to the other municipality by the tax rate for that municipality."

**Section 5.** Effective January 1, 2025, Sections 185.01, 185.03, 185.04 and 185.06 of the Codified Ordinances of the City of Huron, Ohio, as they have heretofore existed, are hereby repealed. Provided, however, that no provision of this ordinance, including the repeal of Sections 185.01, 185.03, 185.04 and 185.06 of the Codified Ordinances of the City of Huron, Ohio, as they have heretofore existed, shall in any way affect any rights or obligations of the City, any taxpayer, or any other person, official or entity, with respect to the one percent municipal income tax assessed by Chapter 185 of the Codified Ordinances of the City of Huron, Ohio, as it has heretofore existed and shall remain in effect until January 1, 2025.

**Section 6.** The Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this ordinance were taken, and all deliberations of this Council and of any of its committees that resulted in such formal action were held, in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

**Section 7.** This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of this City, and for the further reason that this ordinance is required to be immediately effective in order to enable the City to timely commence

collection of the City’s income tax at the increased rate provided for in this ordinance commencing January 1, 2025 and thereby to provide services and permanent improvements critical to the safety and well-being of the residents of the City; wherefore, this ordinance shall be in full force and effect immediately upon its passage.

Passed: \_\_\_\_\_, 2024  

\_\_\_\_\_  
Monty Tapp, Mayor

Attest: \_\_\_\_\_  
Clerk of Council

**Section 3.** It is the desire of this Council that the ballot language presented to the electors of the City of Huron shall be in substantially the following form:

A majority affirmative vote is necessary for passage.

Shall the ordinance (Ordinance No. 2024-24) providing for an increase in the municipal levy on income from one percent (1%) to one and seventy-five one-hundredths percent (1.75%) and providing a credit up to one and seventy-five one-hundredths percent (1.75%) for income tax paid to other municipalities be passed?

:	:	:
:	:	:
:	FOR THE INCOME TAX	:
:	:	:
:	:	:
:	:	:
:	AGAINST THE INCOME TAX	:
:	:	:
:	:	:

The City Manager and the Director of Law, with the advice of the City’s legal counsel, are each authorized to further or differently summarize the language of the proposed amendment for purposes of creating an appropriate ballot if requested or required by the Erie County Board of Elections, the Ohio Secretary of State or others.

**Section 4.** The Clerk of Council be and is hereby directed to file a certified copy of this resolution with the Board of Elections before the close of business on August 7, 2024.

**Section 5.** If the electors should fail to approve the passage of Ordinance No. 2024-24 at the election on November 5, 2024, such failure shall not in any way affect any rights or obligations of the City, any taxpayer, or any other person, official or entity, with respect to Chapter 185 of the City’s Codified Ordinances.

Section 6. This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this resolution were taken, and all deliberations of this Council and of any of its committees that resulted in such formal actions were held, in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 7. This resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of this City, and for the further reason that this resolution is required to be immediately effective in order to place this question on the ballot at an election on November 5, 2024; wherefore, this resolution shall be in full force and effect immediately upon its adoption.

Adopted: 23 JUL 2024, 2024

Attest: Joni Wellener  
Clerk of Council

Monty Tapp  
Monty Tapp, Mayor