

CITY COUNCIL AGENDA

February 5, 2018

7:30p.m.

The meeting convenes at City Hall, in Council Chambers, 1st Floor, 538 N. Market Street, Wooster, Ohio.

I. ROLL CALL & ORDERING OF AGENDA

II. APPROVAL OF MINUTES

III. COMMUNICATIONS FROM MAYOR/ADMINISTRATION

IV. PETITIONS/COMMUNICATIONS FROM PUBLIC

1. Liquor Control Hearing Notice – C1, C2 & D6
B&T Stations LLC
209 Beall Avenue
Wooster, Ohio 44691

V. COMMITTEE REPORTS; PUBLIC HEARINGS

VI. OLD BUSINESS

VII. NEW BUSINESS

1. First Reading – ORDINANCE NO. 2018-003
AN ORDINANCE TO APPROVE AND ADOPT CURRENT REPLACEMENT PAGES TO THE CODIFIED ORDINANCES AND DECLARING AN EMERGENCY. (Sanders)
2. First Reading – ORDINANCE NO. 2018-004
AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF A PARKING LOT FROM THE WAYNE COUNTY COMMISSIONERS AND ITS SUBSEQUENT TRANSFER TO THE WOOSTER GROWTH CORPORATION. (Warden)
3. First Reading – RESOLUTION NO. 2018-011
A RESOLUTION AUTHORIZING THE DIRECTOR OF FINANCE TO ESTABLISH TWO NEW FUNDS TO BE KNOWN AS THE WATER CAPITAL PROJECTS FUND AND THE SEWER CAPITAL PROJECTS FUND (Ansel)
4. First Reading – RESOLUTION NO. 2018-012
A RESOLUTION AUTHORIZING THE DIRECTOR OF ADMINISTRATION TO PURCHASE VEHICLES AND/OR EQUIPMENT IN ACCORDANCE WITH THE CAPITAL PLAN FOR 2018; AND DECLARING AN EMERGENCY (Cavin)
5. First Reading – ORDINANCE NO. 2018-005
AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 1701 OF THE CODIFIED ORDINANCES OF THE CITY OF WOOSTER OHIO, "INCOME TAX," TO CORRESPOND WITH CHAPTER 718 OF THE OHIO REVISED CODE: ENACTING NEW SECTION 1701.21; AND DECLARING AN EMERGENCY (Sanders)

VIII. EXECUTIVE SESSION – ORC121.22G(4)(1)

To discuss negotiations and bargaining; personnel

IX. MISCELLANEOUS

X. ADJOURNMENT

ORDINANCE NO. 2018-003

AN ORDINANCE TO APPROVE AND ADOPT
CURRENT REPLACEMENT PAGES TO THE
CODIFIED ORDINANCES AND DECLARING
AN EMERGENCY.

WHEREAS, various ordinances of a general and permanent nature have been passed which should be included in the Codified Ordinances, and

WHEREAS, certain traffic and misdemeanor provisions should be revised to comply with current State law; and

WHEREAS, the codification of such ordinances, together with the new matter to be adopted, the matters to be amended and those to be repealed are before the Council;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Wooster, Ohio:

SECTION 1. That the ordinances of the City of Wooster, Ohio, of a general and permanent nature, as revised, recodified, rearranged and consolidated into component codes, titles, chapters and sections within the 2017 Replacement Pages to the Codified Ordinances are approved and adopted.

SECTION 2. That the following sections are amended, enacted or repealed as respectively indicated to comply with current State law:

Traffic Code

303.04	Road Workers, Motor Vehicles and Equipment Excepted. (Amended)
303.081	Impounding Vehicles on Private Residential Property. (Amended)
303.082	Tow Away Zones. (Amended)
313.09	Driver's Duties Upon Approaching Ambiguous Traffic Signal. (Amended)
331.03	Overtaking, Passing to Left; Driver's Duties. (Amended)
333.01	Driving Under the Influence. (Amended)
335.09	Display of License Plates. (Amended)
337.28	Use of Sunscreening, Nontransparent and Reflectorized Materials. (Amended)
351.07	Unattended Vehicles: Duties. (Amended)
373.02	Riding Upon Seats; Handlebars; Helmets and Glasses. (Amended)

General Offenses Code

501.01	General Definitions. (Amended)
529.02	Hours of Sale or Consumption. (Amended)
549.01	Weapons Definitions. (Amended)

SECTION 3. The complete text of the sections of the Codified Ordinances listed above are set forth in full in the current replacement pages to the Codified Ordinances which are attached to this ordinance as Exhibit A. As provided in Section 2.19 of the Charter, notice of the proposed revision of the Codified Ordinances shall be published one time in a newspaper of general circulation in the City at least seven days prior to its final approval and no other publication shall be required.

SECTION 4. This Council finds and declares that all formal actions concerning and relating to the adoption of this Ordinance occurred in an open meeting of this Council or its committees, in compliance with the law.

SECTION 5. This Ordinance is declared to be an emergency measure necessary to the immediate preservation of the public health, peace, safety and welfare of the City, and for the further reason that prompt implementation is necessary to insure compatibility between state and local code provisions; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor; provided it receives the affirmative vote of at least three-fourths of the members of Council; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

1st reading _____ 2nd reading _____ 3rd reading _____

Passed: _____, 2018

Vote: _____

Attest: _____
Clerk of Council

President of Council

Approved: _____, 2018

Mayor

Introduced by: Craig Sanders

ORDINANCE NO. 2018-004

AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF A
PARKING LOT FROM THE WAYNE COUNTY COMMISSIONERS
AND ITS SUBSEQUENT TRANSFER TO THE WOOSTER
GROWTH CORPORATION.

WHEREAS, in accordance with Ohio Revised Code Section 307.10(B), the Board of County Commissioners may transfer real property in fee simple belonging to the county and not needed for public use to municipal corporations for public purposes upon the terms and in the manner that it may determine to be in the best interests of the county, without advertising for bids, provided that the board shall execute a deed or other proper instrument when such a transfer is approved, and;

WHEREAS, a municipality is authorized by Ohio law to transfer real property to a community improvement corporation designated by that municipality as its agent pursuant to Section 1724.10 of the Code so long as it finds that (a) the property will be useful as a "project" (as defined in Chapter 761 of the Ohio Revised Code) and (b) the utilization of such property in the creation, location, or expansion of such facilities is economically sound and will benefit the people of the municipality by increasing opportunities of employment and strengthening the economic welfare of the municipality; and

WHEREAS, the City is remains committed to provide parking spaces for county employees through its lease agreement, authorized by Resolution 1992-52, with the Wayne County Commissioners to provide parking spaces for County employees in return for the Wayne County Commissioners making its parking lot available for commercial lease to Rubbermaid's downtown retail operation (Everything Rubbermaid) to support economic development, and;

WHEREAS, St. Paul Hotel Properties has been instrumental in downtown Wooster's redevelopment with the creation of the St. Paul Hotel at 203 S. Market Street in 2007, and is now in need of securing a certain parking lot, known as Wayne County Parcel 64-00147.000, to ensure is long-term operations and to position itself for future expansion, and has acquired a parking lot at 230 W. South Street, Wooster, Ohio, also known as Wayne County Parcel 64-02069.000, and desires to exchange this lot for the former, and;

WHEREAS, the Wayne County Commissioners previously agreed to lease the same parking lot to the City of Wooster to make available to the St. Paul Hotel through a sublease with Wooster Growth to ensure the business's operations, in return for making other parking spaces available to County employees in other lots, and;

WHEREAS, the Wayne County Commissioners desire to exchange the 64-00147.000 lot leased to the City of Wooster for the 230 W. South Street parking lot and also relieve the City of Wooster of its lease obligations.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

SECTION 1. The Mayor is authorized to accept parcel 64-00147.000 from the Wayne County Commissioners concurrent with the mutual termination of the City's downtown parking lease obligations to Wayne County in connection with the St. Paul Hotel and Everything Rubbermaid (Resolution No. 1992-52). Further, the Council expresses its thanks to the Wayne County Commissioners for their commitment to economic development in Wooster's Downtown.

Request for Agenda Item Non-Capital

Division **Meeting Date Requested**

Project Name **Approved for Agenda**

Description (be as descriptive as possible, given space limitations)

St. Paul Hotel Properties (SPHP), in collaboration with the Wayne County Commissioners, is seeking the City of Wooster's assistance in accepting and transferring property it currently leases for overnight parking, to support its expansion in downtown Wooster. The St. Paul Hotel has been a fixture in Downtown Wooster's redevelopment over the last decade, having brought an abandoned apartment building through a major renovation to create the City's most prominent boutique hotel. Recently expanded in 2017, the establishment today provides 16 guest suites, producing approximately \$1,000 annually per room in bed tax in addition to employee payroll and business earnings tax.

The SPHP originally approached City staff and the Wooster Growth Corporation in Autumn of 2016 about the need to acquire additional land to support the business's growing operations. In addition to its most recent expansion, the company seeks to position itself for future expansion. To enable the hotel's growth, Council previously authorized the transfer of the South Market Street Lot to Wooster Growth. The Community Improvement Corporation has since arranged for the hotel to acquire a portion of the property at its fair-market value. Also needed, however, is a 0.1102-acre parcel, also known as 64-00147.00, which is owned by the Wayne County Commissioners and was leased to the City in 2007 and then subleased to the hotel through Wooster Growth.

At the same time, the City presently provides 27 parking spaces to Wayne County for employee parking, in part as a return for the St. Paul Hotel parking lot lease, but also per a 1992 lease where the County made its employee parking available for commercial lease to support the creation of Everything RubberMaid in Public Square.

Proposed is Council's authorization to accept Parcel 64-00147.000 from the Wayne County Commissioners (quitclaim deed), as is permitted under Ohio Revised Code 301.10(B), and Council's authorization to then transfer the same parcel to the Wooster Growth Corporation (also quitclaim deed), as permitted under Ohio Revised Code Chapter 1724.10(B)(2). The acceptance of the property by the City will require that the Wayne County Commissioners and City mutually terminate their 1992 parking lease agreement, freeing up 12 parking spaces for public use in the South Buckeye Parking Lot where there is a current waiting list for leased spaces.

Once in the care of the Wooster Growth Corporation, the property would then be transferred to St. Paul Hotel Properties in return for the business maintaining its operations to encourage the ongoing economic development of Downtown Wooster.

The transfer will support economic development, unwind complicated lease arrangements, and make more desirable public parking available in Downtown. Please find attached Exhibit A for reference.

Is there a need for rules suspension or time limitation when this must be passed?

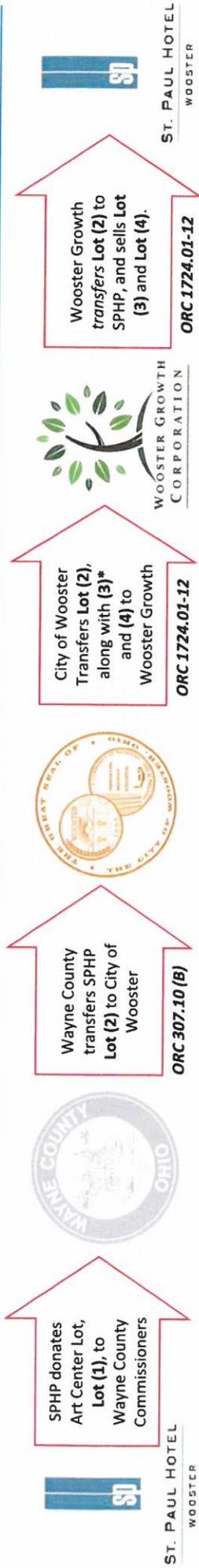
The St. Paul Hotel and the Wayne County Commissioners are ready to move forward as soon as the City of Wooster grants its approval for the acceptance and transfer of Parcel 64-00147.000. The next regularly scheduled Wooster Growth meeting is February 22, 2018.

Manager Requesting

Date

Approved for Agenda

Exhibit A: Real Estate Transfers to Harmonize Parking for SPHP, County, and City.



ST. PAUL HOTEL
WOOSTER



Wayne County transfers SPHP Lot (2) to City of Wooster

ORC 307.10 (B)



City of Wooster Transfers Lot (2), along with Lot (3)* and (4) to Wooster Growth

ORC 1724.01-12



WOOSTER GROWTH CORPORATION

Wooster Growth transfers Lot (2) to SPHP, and sells Lot (3) and Lot (4).

ORC 1724.01-12



ST. PAUL HOTEL
WOOSTER

- **Agreement or MOU to Wayne County Commissioners:** SPHP provides lot, contingent upon successful transfer of Lot (2).
- **MOU to Wooster Growth:** WG and St Paul Hotel Properties sign MOU/agreement affirming it will transfer Lot (2).
- **Legislation Item:** Wayne County Commissioners enter into agreement to accept Arts Center Lot (1).
- **Legislation Item:** Wayne County Commissioners Transfer Lot (2) to City of Wooster and releases City of its parking lease obligations under its 1992 and 2012 parking lease agreements.
- **Memo to Council:** Provides update.
- **Legislation Item:** City of Wooster accepts Lot (2).
- **Legislation Item:** City of Wooster transfers Lot (2) to Wooster Growth.
- **MOU to Wooster Growth:** WG and St Paul Hotel Properties sign MOU/agreement affirming it will transfer Lot (2).
- **WG accepts Lot (2), and also Lot (3), and Lot (4), from City, and transfers, sells, and capital-leases respectively to SPHP.**
- **WG Transfers to SPHP:** WG transfers Lot (2), Sells Lot (3), and capital leases Lot (4).



- Presently, Wayne County owns Lot (2), the City of Wooster owns Lot (3) and Lot (4) and has authorized a transfer of the lots to Wooster Growth. Lot (3) is encumbered by a lease to Wayne County, to accommodate employee parking. SPHP recently purchased Lot (1), the Arts Center Lot, and would like to exchange this for Lot (2), and the County's lease rights on Lot (3). WG would then be able to sell Lot (3) to SPHP unencumbered. Separately, WG has authority to extend a capital-lease (land-contract) for Lot (4).
- **Objective 1:** Wayne County Commissioners secure permanent parking for County employees, with after-hours maintenance services performed by SPHP as long as the firm exists, with an easement to the Arts Center to use the parking lot after 4:30pm weekdays and all-day weekends.
- **Objective 2:** City's South Market Street and South Buckeye Street lots unencumbered by lease, enabling WG to sell properties (3) and (4), while freeing up additional spaces to be dedicated for public use.
- **Objective 3:** St. Paul Hotel Secures space necessary for future expansion in downtown, aiding downtown redevelopment and supporting county tourism.
- **Wayne County:** + 32 spaces lot / - 12 SPHP leased spaces, - 22 City leased spaces. **Wooster:** 22 leased spaces freed + Proceeds to WG / - 22 spaces to SPHP. **SPHP:** + 34 space lot / - 12 leased spaces.

*NOTE: Lot (3) must first be split and recorded as a new parcel prior to transfer to Wooster Growth. Lot (4) to be provided via capital-lease. These transfers may happen either concurrently or at different times.



Lynne DePaulo <ldepaulo@woosteroh.com>

Resolution to Create Water Capital and Sewer Capital Funds

Andrei Dordea <adordea@woosteroh.com>

Tue, Jan 30, 2018 at 4:19 PM

To: City Council <city-council@woosteroh.com>

Cc: Bob Breneman <bbreneman@woosteroh.com>, Joel Montgomery <jmontgomery@woosteroh.com>, Linda Applebaum <lapplebaum@woosteroh.com>, Lynne DePaulo <ldepaulo@woosteroh.com>, Darrell Moser <dmoser@woosteroh.com>, Stacey Thomas <sthomas@woosteroh.com>, Saralyn Lash <slash@woosteroh.com>

Gentlepersons:

Coming soon in your Council Agenda Packet will be a resolution to create a water capital fund and a sewer capital fund.

The reason for creating these funds is that since we will be charging and receiving user charges for capital improvements (for each water and sewer [sanitary]), I want to separately track all revenues and expenditures relating to the capital charges and capital expenditures in a single fund, dedicated to this single purpose (for each water and sewer). This will also further our goals/mission of transparency and accountability.

Please let me know if you have additional questions or require additional information.

Cheers!

Andrei

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Andrei A. Dordea, CPA
Director of Finance
Treasurer - Wooster Growth Corporation
Treasurer - Wooster-Ashland Regional Council of Governments
City of Wooster, Ohio 44691-7082
[538 N. Market St.](#), P.O. Box 1128
Wooster, Ohio 44691-7082
Business: 330-263-5225
Facsimile: 330-263-5262
Email: adordea@woosteroh.com
Website: www.woosteroh.com

RESOLUTION NO. 2018-012

A RESOLUTION AUTHORIZING THE DIRECTOR OF
ADMINISTRATION TO PURCHASE VEHICLES AND/OR
EQUIPMENT IN ACCORDANCE WITH THE CAPITAL PLAN
FOR 2018; AND DECLARING AN EMERGENCY

WHEREAS, this City Council adopted an annual budget and capital plan for 2018, and such capital plan includes the purchase of new vehicles and equipment for the various divisions of municipal service.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WOOSTER, OHIO:

SECTION 1. That in accordance with the capital plan adopted for 2018, the Director of Administration is authorized to purchase the following vehicle and equipment, with payment to originate from the fund indicated:

CAPITAL IMPROVEMENTS FUND:

Fire Division: 2 new Ford Explorers
1 new Ford F250

With respect to each purchase, the Director of Administration will advertise according to law and enter into a purchase contract with the lowest and best bidder, except that if the item is available through either the Ohio Department of Administrative Services Cooperative Purchasing Program or the Ohio Department of Transportation Purchasing Program, s/he may make such purchase if that the price and availability is more advantageous to the City.

SECTION 2. The cost of each purchase will not exceed the amount budgeted for each in the funds designated above.

SECTION 3. This Council finds and declares that all formal actions concerning and relating to the adoption of this Resolution occurred in an open meeting of this Council or its committees, in compliance with the law.

SECTION 4. This Resolution is declared to be an emergency measure necessary to the immediate preservation of the public health, peace, safety and welfare of the City, or providing for the usual daily operation of a municipal department or division, and for the further reason that prompt action is necessary in order to complete such purchases and put the equipment into service for the improved efficiency of the respective divisions; wherefore, this Resolution shall be in full force and effect from and immediately after its passage and approval by the Mayor; provided it receives the affirmative vote of at least three-fourths of the members of Council; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2018

Vote: _____

Attest: _____
Clerk of Council

President of Council

Approved: _____, 2018

Mayor

Introduced by: Mark Cavin

Request for Agenda Item
Authorization for Bid or Purchase of Capital Item

Division Project Name Requested Meeting Date

- Approved for Agenda
 Full Amount is Budgeted

If not, how is purchase to be funded?

Description of Purchase

The Fire Division is requesting to purchase (2) Ford Explorers and (1) Ford F250, to replace our current staff/command and utility vehicles, that have been fully funded in the 2018 Capital Budget.

The above purchase will replace our (2) staff/command vehicles and the Utility truck at St. 3.

The current vehicles are: 10 years old (1302- Command), 8 year old (1301- Command), and 28 years old (Utility 3). These units have had increasing maintenance problems and we are having a difficult time locating parts for the 28 year old pick-up truck. The staff/command vehicles are at or above 100,000 miles and

All vehicles are used on a daily basis for emergency response, non-emergency tasks, and administrative duties.

Justifications / Benefits

The above requested vehicle are aging, have high mileage, and are having considerable maintenance issues. The Utility 3 pick-up truck is 28 years old and City garage is having difficulty obtaining parts for the truck. 1301-Command is consistently setting off and check engine light/code and is having an emission problem. 1302-Command has multiple rust and electric issues.

The replacement of these units will reduce the amount of dollars and time spent out of service at City garage. It will also reduce the amount of time spent working on staff vehicles and allow our maintenance crews to focus on our primary emergency response apparatus and front line PPM vehicles.

The vehicles are use for a variety of tasks, which reduces the need for additional resources.
Example; Utility 3 is equipped with a small snow plow and it takes care of the parking lot and apparatus bays of St. 3. Which keeps our staff on-station and eliminates the need for this service to be contracted out.

How will this project effect the City's operating budget?

The purchase of new Staff/Command vehicles will reduce the amount money and time spent of maintenance.

What alternatives exist, and what are the implications of the alternatives?

If not authorized, our option is to keep the old, worn vehicles and continue to spend additional money on maintenance.

Sole Source Bid or Non-Bid Situation?

If Yes, explain the circumstances

WFD is using the Ohio State Bid Program to purchase the requested vehicles.

Requesting suspension of the rules?

If Yes, explain reasons.

Fully funded in the Capital Budget.

Division Manager Date

CLIENT MEMORANDUM

To: Linda Applebaum, Law Director
From: William R. Hanna, Esq. Direct Telephone: (216) 928-2940
Brendan D. Healy, Esq.
cc: Direct Fax: (216) 916-916-2377
Email: whanna@walterhav.com
Date: February 3, 2018
RE: Wooster Income Tax Code Provisions

Ohio H.B. 49 Bill amended several provisions of Chapter 718 of the Ohio Revised Code and created an elective method of centralized collection and administration for net profit taxpayers. As a result of these amendments, if a net profit taxpayer elects to file on a centralized basis, the net profit tax will be administered and collected by the Ohio Tax Commissioner, rather than the City of Wooster, under Revised Code sections 718.80 to 718.95.

H.B. 49 also mandates that municipalities adopt by ordinance (or resolution) the amendments to Chapter 718, including the centralized tax collection and administration provisions. The proposed ordinance and attached exhibits identify the changes that must be made to Wooster's Income Tax Code to conform to the requirements of H.B. 49. City Council will also need to enact new Section 1701.21, which incorporates the centralized tax collection and administration provisions of R.C. 718.80 through 718.95. With these changes, the City's Income Tax Code will be in compliance with the requirements of H.B. 49.

If Wooster fails to adopt an ordinance incorporating H.B. 49's amendments to Chapter 718, it may lose its ability to collect income and withholding taxes altogether. However, over one-hundred Ohio municipalities are challenging the net profit tax provisions of H.B. 49. A Franklin County Judge has also issued a temporary stay of the effective date of the centralized tax collection and administration provisions until February 24, 2018. And if the tax provisions of H.B. 49 are ultimately declared invalid, Wooster may repeal Section 1701.21.

If you have any questions or need additional information, please let us know.

ORDINANCE NO. 2018-005

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 1701 OF THE CODIFIED ORDINANCES OF THE CITY OF WOOSTER, OHIO, "INCOME TAX," TO CORRESPOND WITH CHAPTER 718 OF THE OHIO REVISED CODE; ENACTING NEW SECTION 1701.21; AND DECLARING AN EMERGENCY.

WHEREAS, Chapter 1701 of the Codified Ordinances of the City of Wooster, Ohio provides the City's municipal income tax regulations for the year January 1, 2018 and subsequent years; and

WHEREAS, in 2017 the General Assembly amended Chapter 718 of the Ohio Revised Code by enacting H.B. 49; and

WHEREAS, City Council adopted Ordinance No. 2018-001 on January 2, 2018, amending Section 1701.03 of the City's Codified Ordinances in accordance with H.B. 49; and

WHEREAS, City Council deems it necessary to further amend Section 1701.03; to amend Sections 1701.062, 1701.063, 1701.07, 1701.091, and 1701.10 of Chapter 1701 of the Codified Ordinances of the City; and to enact a new Section 1701.21, all to update the municipal income tax code pursuant to H.B. 49, with the changes being effective for tax years beginning on or after January 1, 2018.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF WOOSTER, WAYNE COUNTY, STATE OF OHIO:

SECTION 1. That existing Section 1701.03 of the Codified Ordinances of the City of Wooster, Ohio is amended to read in accordance with Exhibit A, which is attached hereto and incorporated herein.

SECTION 2. That existing Section 1701.062 of the Codified Ordinances of the City of Wooster, Ohio is amended to read in accordance with Exhibit B, which is attached hereto and incorporated herein.

SECTION 3. That existing Section 1701.063 of the Codified Ordinances of the City of Wooster, Ohio is amended to read in accordance with Exhibit C, which is attached hereto and incorporated herein.

SECTION 4. That existing Section 1701.07 of the Codified Ordinances of the City of Wooster, Ohio is amended to read in accordance with Exhibit D, which is attached hereto and incorporated herein.

SECTION 5. That existing Section 1701.091, of the Codified Ordinances of the City of Wooster, Ohio is amended to read in accordance with Exhibit E, which is attached hereto and incorporated herein.

SECTION 6. That existing Section 1701.10 of the Codified Ordinances of the City of Wooster, Ohio is amended to read in accordance with Exhibit F, which is attached hereto and incorporated herein.

SECTION 7. That new Section 1701.21, “Filing Net Profit Taxes; Election Subject to R.C. 718.80 to 718.95,” is enacted to read and provide as follows:

“1701.21 FILING NET PROFIT TAXES; ELECTION SUBJECT TO R.C. 718.80 TO 718.95.

(A) The City of Wooster hereby adopts and incorporates herein by reference Sections 718.80 to 718.95 of the Ohio Revised Code for tax years beginning on or after January 1, 2018.

(B) A taxpayer, as defined in division (C) of this Section, may elect to be subject to Sections 718.80 to 718.95 of the Revised Code in lieu of the provisions of this Chapter.

(C) “Taxpayer” has the same meaning as in 1701.03 of this Chapter, except that “taxpayer” does not include natural persons or entities subject to the tax imposed under Chapter 5745 of the Revised Code. “Taxpayer” may include receivers, assignees, or trustees in bankruptcy when such persons are required to assume the role of a taxpayer.”

SECTION 8. That new Section 1701.21 and the foregoing amendments to Sections 1701.03, 1701.062, 1701.063, 1701.07, 1701.091 and 1701.10 of Chapter 1701 “Income Tax” are effective for tax years beginning on or after January 1, 2018.

SECTION 9. That existing Sections 1701.03, 1701.062, 1701.063, 1701.07, 1701.091 and 1701.10 of Chapter 1701 “Income Tax” are repealed.

SECTION 10. That all actions of this Council concerning and relating to the passage of this legislation were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 11. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the fair, stable, and efficient system of taxation in the City of Wooster and to comport with the Ohio Revised Code. This Ordinance shall be in full force and effect from and after its adoption and approval by the Mayor. The passage of this Ordinance does not waive any rights of the City, including, but not limited to, the City reserving the right under its home rule powers to challenge H.B. 49, including the amendments to Chapter 718 of the Ohio Revised Code.

EXHIBIT A

1701.03 DEFINITIONS.

- (A) Any term used in this chapter that is not otherwise defined in this chapter has the same meaning as when used in a comparable context in laws of the United States relating to federal income taxation or in Title LVII of the Ohio Revised Code, unless a different meaning is clearly required. **Except as provided in section 718.81 of the Revised Code,** if a term used in this chapter that is not otherwise defined in this chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Ohio Revised Code and the use is not consistent, then the use of the term in the laws of the United States relating to federal income tax shall control over the use of the term in Title LVII of the Ohio Revised Code.
- (B) The singular shall include the plural, and the masculine shall include the feminine and the gender-neutral.
- (C) **Except as otherwise provided in Section 718.81 of the Revised Code,** **As** used in this Chapter:
~~As used in this chapter:~~
- (1) **“ADJUSTED FEDERAL TAXABLE INCOME,”** for a person required to file as a C corporation, or for a person that has elected to be taxed as a C corporation under division 23(D) of this section, means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:
- (A) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.
- (B) Add an amount equal to five per cent of intangible income deducted under division (1)(A) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;
- (C) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;
- (D) (i) Except as provided in division (1)(D)(ii) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;
- (ii) Division (1)(D)(i) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.
- (E) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;
- (F) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;

(G) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Ohio Revised Code;

(H) Deduct any net profit of a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that net profit in the group's federal taxable income in accordance with division (E)(3)(b) of Section 1701.063 of this Chapter.

(I) Add any loss incurred by a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that loss in the group's federal taxable income in accordance with division (E)(3)(b) of Section 1701.063 of this Chapter.

If the taxpayer is not a C corporation, is not a disregarded entity that has made the election described in division (47)(B) of this section, is not a publicly traded partnership that has made the election described in division (23)(D) of this section, and is not an individual, the taxpayer shall compute adjusted federal taxable income under this section as if the taxpayer were a C corporation, except guaranteed payments and other similar amounts paid or accrued to a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible expense unless such payments are in consideration for the use of capital and treated as payment of interest under section 469 of the Internal Revenue Code or United States treasury regulations. Amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction.

Nothing in division (1) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

- (2) (A) **"ASSESSMENT"** means any of the following:
- (i) A written finding by the Tax Administrator that a person has underpaid municipal income tax, or owes penalty and interest, or any combination of tax, penalty, or interest, to the municipal corporation;
 - (ii) A full or partial denial of a refund request issued under Section 1701.096 (B)(2) of this Chapter;
 - (iii) A Tax Administrator's denial of a taxpayer's request for use of an alternative apportionment method, issued under Section 1701.062(B)(2) of this Chapter; or
 - (iv) A Tax Administrator's requirement for a taxpayer to use an alternative apportionment method, issued under Section 1701.062(B)(3) of this Chapter.
 - (v) For purposes of division (2)(A)(i), (ii), (iii) and (iv) of this Section, an assessment shall commence the person's time limitation for making an appeal to the Local Board of Tax Review pursuant to Section 1701.18 of this Chapter, and shall have **"ASSESSMENT"** written in all capital letters at the top of such finding.

- (B) **“ASSESSMENT”** does not include notice(s) denying a request for refund issued under Section 1701.096 (B)(3) of this Chapter, a billing statement notifying a taxpayer of current or past-due balances owed to the municipal corporation, a Tax Administrator’s request for additional information, a notification to the taxpayer of mathematical errors, or a Tax Administrator’s other written correspondence to a person or taxpayer that does not meet the criteria prescribed by division (2)(A) of this section.
- (3) **“AUDIT”** means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person, ordered to appear before the Tax Administrator, for the purpose of determining liability for a municipal income tax.
- (4) **“BOARD OF REVIEW”** has same meaning as “Local Board of Tax Review.”
- (5) **“CALENDAR QUARTER”** means the three-month period ending on the last day of March, June, September, or December.
- (6) **“CASINO OPERATOR”** and **“CASINO FACILITY”** have the same meanings as in section 3772.01 of the Ohio Revised Code.
- (7) **“CERTIFIED MAIL,” “EXPRESS MAIL,” “UNITED STATES MAIL,” “POSTAL SERVICE,”** and similar terms include any delivery service authorized pursuant to section 5703.056 of the Ohio Revised Code.
- (8) **“COMPENSATION”** means any form of remuneration paid to an employee for personal services.
- (9) **“DISREGARDED ENTITY”** means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes.
- (10) **“DOMICILE”** means the true, fixed and permanent home of the taxpayer to which, whenever absent, the taxpayer intends to return.
- (11) **“EMPLOYEE”** means an individual who is an employee for federal income tax purposes.
- (12) **“EMPLOYER”** means a person that is an employer for federal income tax purposes.
- (13) **“EXEMPT INCOME”** means all of the following:
- (A) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;
 - (B) (i) Except as provided in division (13)(B)(ii) of this section, intangible income;
(ii) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.
 - (C) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (11)(C) of this section, “unemployment compensation” does not include supplemental unemployment compensation described in section 3402(o)(2) of the Internal Revenue Code.
 - (D) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.

(E) Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation.

(F) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;

(G) Alimony and child support received;

(H) Awards for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or awards for punitive damages;

(I) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Ohio Revised Code. Division (13)(I) of this section does not apply for purposes of Chapter 5745 of the Ohio Revised Code.

(J) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;

(K) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;

(L) Employee compensation that is not qualifying wages as defined in division (37) of this section;

(M) Compensation paid to a person employed within the boundaries of a United States ~~air force~~ Air Force base under the jurisdiction of the United States ~~air force~~ Air Force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.

(N) Intentionally left blank.

(O) All of the municipal taxable income earned by individuals under eighteen years of age.

(P) (i) Except as provided in divisions (13)(P)(ii), (iii), and (iv) of this section, qualifying wages described in division (B)(1) or (E) of Section 1701.052 of this Chapter to the extent the qualifying wages are not subject to withholding for the Municipality under either of those divisions.

(ii) The exemption provided in division (13)(P)(i) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages.

(iii) The exemption provided in division (13)(P)(i) of this section does not apply to qualifying wages that an employer elects to withhold under division (D)(2) of Section 1701.052 of this Chapter.

(iv) The exemption provided in division (13)(P)(i) of this section does not apply to qualifying wages if both of the following conditions apply:

(a) For qualifying wages described in division (B)(1) of Section 1701.052 of this Chapter, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's

principal place of work is situated, or, for qualifying wages described in division (E) of Section 1701.052 of this Chapter, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(b) The employee receives a refund of the tax described in division (11)(P)(iv)(a) of this section on the basis of the employee not performing services in that municipal corporation.

(Q) (i) Except as provided in division (13)(Q)(ii) or (iii) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the Municipality on not more than twenty days in a taxable year.

(ii) The exemption provided in division (13)(Q)(i) of this section does not apply under either of the following circumstances:

(a) The individual's base of operation is located in the Municipality.

(b) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or public figure. For purposes of division (13)(Q)(ii)(b) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in Section 1701.052 of this Chapter.

(iii) Compensation to which division (13)(Q) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received where the individual is domiciled.

(iv) For purposes of division (13)(Q) of this section, "base of operation" means the location where an individual owns or rents an office, storefront, or similar facility to which the individual regularly reports and at which the individual regularly performs personal services for compensation.

(R) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to section 709.023 of the Ohio Revised Code on or after March 27, 2013, unless the person is subject to such taxation because of residence. If the compensation is subject to taxation because of residence, municipal income tax shall be payable only to the municipal corporation of residence.

(S) Income the taxation of which is prohibited by the constitution or laws of the United States.

Any item of income that is exempt income of a pass-through entity under division (13) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income.

(14) "**FORM 2106**" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

(15) "**GENERIC FORM**" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is designed for reporting taxes withheld by an

employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability, including a request for refund.

(16) **“GROSS RECEIPTS”** means the total revenue derived from sales, work done, or service rendered.

(17) **“INCOME”** means the following:

(A) (i) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident, except as provided in division (23)(D) of this section.

(ii) For the purposes of division (17)(A)(i) of this section:

(a) Any net operating loss of the resident incurred in the taxable year and the resident's distributive share of any net operating loss generated in the same taxable year and attributable to the resident's ownership interest in a pass-through entity shall be allowed as a deduction, for that taxable year and the following five taxable years, against any other net profit of the resident or the resident's distributive share of any net profit attributable to the resident's ownership interest in a pass-through entity until fully utilized, subject to division (17)(A)(iv) of this section;

(b) The resident's distributive share of the net profit of each pass-through entity owned directly or indirectly by the resident shall be calculated without regard to any net operating loss that is carried forward by that entity from a prior taxable year and applied to reduce the entity's net profit for the current taxable year.

(iii) Division (17)(A)(ii) of this section does not apply with respect to any net profit or net operating loss attributable to an ownership interest in an S corporation unless shareholders' distributive shares of net profits from S corporations are subject to tax in the municipal corporation as provided in division (17)(E) of this Section.

(iv) Any amount of a net operating loss used to reduce a taxpayer's net profit for a taxable year shall reduce the amount of net operating loss that may be carried forward to any subsequent year for use by that taxpayer. In no event shall the cumulative deductions for all taxable years with respect to a taxpayer's net operating loss exceed the original amount of that net operating loss available to that taxpayer.

(B) In the case of nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services performed or rendered, or activities conducted in the Municipality, including any net profit of the nonresident, but excluding the nonresident's distributive share of the net profit or loss of only pass-through entities owned directly or indirectly by the nonresident.

(C) For taxpayers that are not individuals, net profit of the taxpayer;

(D) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards. If the taxpayer is a professional gambler for federal income tax purposes, the taxpayer may deduct related wagering losses and expenses to the extent authorized under the Internal Revenue Code and claimed against such

winnings. Credit for tax withheld or paid to another municipal corporation on such winnings paid to the municipal corporation where winnings occur is limited to the credit as specified in Section 1701.081 of this Chapter.

(E) For residents, an S corporation shareholder's distributive share of net profits of the S corporation to the extent the distributive share would be allocated or apportioned to this state under divisions (B)(1) and (2) of section 5733.05 of the Ohio Revised Code if the S corporation were a corporation subject to taxes imposed under Chapter 5733 of the Ohio Revised Code, and the tax shall apply to the distributive share of a shareholder of an S corporation in the hands of the shareholder of the S corporation.

(18) **"INTANGIBLE INCOME"** means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701 of the Ohio Revised Code, and patents, copyrights, trademarks, trade names, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings, gambling winnings, or other similar games of chance.

(19) **"INTERNAL REVENUE CODE"** means the "Internal Revenue Code of 1986," 100 Sta. 2085, 26 U.S.C.A. 1, as amended.

(20) **"LIMITED LIABILITY COMPANY"** means a limited liability company formed under Chapter 1705 of the Ohio Revised Code or under the laws of another state.

(21) **"LOCAL BOARD OF TAX REVIEW"** and **"BOARD OF TAX REVIEW"** means the entity created under Section 1701.18 of this Chapter.

(22) **"MUNICIPAL CORPORATION"** means, in general terms, a status conferred upon a local government unit, by state law giving the unit certain autonomous operating authority such as the power of taxation, power of eminent domain, police power and regulatory power, and includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 715.74 of the Ohio Revised Code.

(23) (A) **"MUNICIPAL TAXABLE INCOME"** means the following:

(i) For a person other than an individual, apportioned or situated to the Municipality under Section 1701.062 of this Chapter, ~~and further~~ **as applicable** reduced by any pre-2017 net operating loss carryforward available to the person for the Municipality.

(ii) (a) For an individual who is a resident of a Municipality other than a qualified municipal corporation, income reduced by exempt income to the extent otherwise included in income, then reduced as provided in division (23)(B) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the Municipality.

(b) For an individual who is a resident of a qualified municipal corporation, Ohio adjusted gross income reduced by income exempted, and increased by deductions excluded, by the qualified municipal corporation from the qualified municipal corporation's tax on or before December 31, 2013. If a qualified municipal corporation, on or before December 31, 2013, exempts income earned by individuals who are not residents of the qualified municipal corporation and net profit of persons that are not wholly located within the qualified municipal corporation, such individual or person shall have no municipal taxable income for

the purposes of the tax levied by the qualified municipal corporation and may be exempted by the qualified municipal corporation from the requirements of section 718.03 of the Ohio Revised Code.

(iii) For an individual who is a nonresident of the Municipality, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or situated to the Municipality under Section 1701.062 of this Chapter, then reduced as provided in division (20)(B) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the Municipality.

(B) In computing the municipal taxable income of a taxpayer who is an individual, the taxpayer may subtract, as provided in division (23)(A)(ii)(a) or (iii) of this section, the amount of the individual's employee business expenses reported on the individual's form 2106 that the individual deducted for federal income tax purposes for the taxable year, subject to the limitation imposed by section 67 of the Internal Revenue Code. For the municipal corporation in which the taxpayer is a resident, the taxpayer may deduct all such expenses allowed for federal income tax purposes. For a municipal corporation in which the taxpayer is not a resident, the taxpayer may deduct such expenses only to the extent the expenses are related to the taxpayer's performance of personal services in that nonresident municipal corporation.

(24) **"MUNICIPALITY"** means the City of Wooster, Ohio.

(25) **"NET OPERATING LOSS"** means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.

(26) (A) **"NET PROFIT"** for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, or schedule F reduced by any net operating loss carried forward. For the purposes of this division, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in division (1)(C) of this section.

(B) "Net profit" for a person other than an individual means adjusted federal taxable income reduced by any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017, subject to the limitations of division (26)(c) of this section.

(C) (i) The amount of such operating loss shall be deducted from net profit to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five (5) consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.

(ii) No person shall use the deduction allowed by division (26)(c) of this section to offset qualifying wages.

(iii)(a) For taxable years beginning in 2018, 2019, 2020, 2021, or 2022, a person may not deduct more than fifty percent (50%) of the amount of the deduction otherwise allowed by division (26)(c) of this section.

(b) For taxable years beginning in 2023 or thereafter, a person may deduct the full amount allowed by 26(c) of this section without regard to the limitation of division (26)(c)(iii)(a) of this section.

(iv) Any pre-2017 net operating loss carryforward deduction that is available may be utilized before a taxpayer may deduct any amount pursuant to (26)(c) of this section.

(v) Nothing in division (26)(c)(iii)(a) of this section precludes a person from carrying forward, for use with respect to any return filed for a taxable year beginning after 2018, any amount of net operating loss that was not fully utilized by operation of division (26)(c)(iii)(a) of this section. To the extent that an amount of net operating loss that was not fully utilized in one or more taxable years by operation of division (1)(h)(iii)(a) of this section is carried forward for use with respect to a return filed for a taxable year beginning in 2019, 2020, 2021, or 2022, the limitation described in division (26)(c)(iii)(a) of this section shall apply to the amount carried forward.

(D) For the purposes of this chapter, and notwithstanding division (26)(A) of this section, net profit of a disregarded entity shall not be taxable as against that disregarded entity, but shall instead be included in the net profit of the owner of the disregarded entity.

(E) (i) For purposes of this chapter, “publicly traded partnership” means any partnership, an interest in which is regularly traded on an established securities market. A “publicly traded partnership” may have any number of partners.

(ii) For the purposes of this chapter, and notwithstanding any other provision of this chapter, the net profit of a publicly traded partnership that makes the election described in division (23)(D) of this section shall be taxed as if the partnership were a C corporation, and shall not be treated as the net profit or income of any owner of the partnership.

(iii) A publicly traded partnership that is treated as a partnership for federal income tax purposes and that is subject to tax on its net profits in one or more municipal corporations in this state may elect to be treated as a C corporation for the City, and shall not be treated as the net profit or income of any owner of the partnership. The publicly traded partnership shall make the election in every municipal corporation in which the partnership is subject to taxation on its net profits. The election shall be made on the annual tax return filed in each such municipal corporation. Once the election is made, the election is binding for a five-year period beginning with the first taxable year of the initial election. The election continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing municipal income tax returns as a C corporation for municipal purposes under division (D)(iv) of this section.

(iv) An election to discontinue filing as a C corporation must be made in the first year following the last year of a five-year election period in effect under division (D)(iii) of this section. The election to discontinue filing as a C corporation is binding for a five-year period beginning with the first taxable year of the election and continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing municipal income tax returns as a partnership for municipal purposes. An election to discontinue filing as a partnership must be made in the first year following the last year of a five-year election period.

(v) The publicly traded partnership shall not be required to file the election with any municipal corporation in which the partnership is not subject to taxation on its

net profits, but division (D) of this section applies to all municipal corporations in which an individual owner of the partnership resides.

(vi) The individual owners of the partnership not filing as a C Corporation shall be required to file with their municipal corporation of residence, and report partnership distribution of net profit.

- (27) **“NONRESIDENT”** means an individual that is not a resident of the Municipality.
- (28) **“OHIO BUSINESS GATEWAY”** means the online computer network system, created under section 125.30 of the Ohio Revised Code, that allows persons to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system.
- (29) **“OTHER PAYER”** means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. “Other payer” includes casino operators and video lottery terminal sales agents.
- (30) **“PASS-THROUGH ENTITY”** means a partnership not treated as an association taxable as a C corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a C corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. “Pass-through entity” does not include a trust, estate, grantor of a grantor trust, or disregarded entity.
- (31) **“PENSION”** means any amount paid to an employee or former employee that is reported to the recipient on an IRS form 1099-R, or successor form. Pension does not include deferred compensation, or amounts attributable to nonqualified deferred compensation plans, reported as FICA/Medicare wages on an IRS form W-2, Wage and Tax Statement, or successor form.
- (32) **“PERSON”** includes individuals, firms, companies, joint stock companies, business trusts, estates, trusts, partnerships, limited liability partnerships, limited liability companies, associations, C corporations, S corporations, governmental entities, and any other entity.
- (33) **“POSTAL SERVICE”** means the United States postal service, or private delivery service delivering documents and packages within an agreed upon delivery schedule, or any other carrier service delivering the item.
- (34) **“POSTMARK DATE,” “DATE OF POSTMARK,”** and similar terms include the date recorded and marked by a delivery service and recorded electronically to a database kept in the regular course of its business and marked on the cover in which the payment or document is enclosed, the date on which the payment or document was given to the delivery service for delivery
- (35) (A) **“PRE-2017 NET OPERATING LOSS CARRYFORWARD”** means any net operating loss incurred in a taxable year beginning before January 1, 2017, to the extent such loss was permitted, by a resolution or ordinance of the Municipality that was adopted by the Municipality before January 1, 2016, to be carried forward and utilized to offset income or net profit generated in such Municipality in future taxable years.
- (B) For the purpose of calculating municipal taxable income, any pre-2017 net operating loss carryforward may be carried forward to any taxable year, including taxable years beginning in 2017 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.
- (36) **“QUALIFIED MUNICIPAL CORPORATION”** means a municipal corporation that, by resolution or ordinance adopted on or before December 31, 2011, adopted Ohio adjusted gross

income, as defined by section 5747.01 of the Ohio Revised Code, as the income subject to tax for the purposes of imposing a municipal income tax.

(37) **“QUALIFYING WAGES”** means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(A) Deduct the following amounts:

(i) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.

(ii) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.

(iii) Intentionally left blank.

(iv) Intentionally left blank.

(v) Any amount included in wages that is exempt income.

(B) Add the following amounts:

(i) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.

(ii) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option. Division (37)(B)(ii) of this section applies only to those amounts constituting ordinary income.

(iii) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (34)(B)(iii) of this section applies only to employee contributions and employee deferrals.

(iv) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.

(v) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a)(8) of the Internal Revenue Code.

(vi) Any amount not included in wages if all of the following apply:

(a) For the taxable year the amount is employee compensation that is earned outside of the United States and that either is included in the taxpayer's gross income for federal income tax purposes or would have been included in the taxpayer's gross income for such purposes if the taxpayer did not elect to exclude the income under section 911 of the Internal Revenue Code;

(b) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code;

(c) For no succeeding taxable year will the amount constitute wages; and

(d) For any taxable year the amount has not otherwise been added to wages pursuant to either division (37)(B) of this section or section 718.03 of the Ohio Revised Code, as that section existed before the effective date of H.B. 5 of the 130th general assembly, March 23, 2015.

(38) **“RELATED ENTITY”** means any of the following:

(A) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(B) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, or corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(C) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under division (38)(D) of this section, provided the taxpayer owns directly, indirectly, beneficially, or constructively, at least fifty per cent of the value of the corporation's outstanding stock;

(D) The attribution rules described in section 318 of the Internal Revenue Code apply for the purpose of determining whether the ownership requirements in divisions (38)(A) to (C) of this section have been met.

(39) **"RELATED MEMBER"** means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code.

(40) **"RESIDENT"** means an individual who is domiciled in the Municipality as determined under Section 1701.042 of this Chapter.

(41) **"S CORPORATION"** means a person that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

(42) **"SCHEDULE C"** means internal revenue service schedule C (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(43) **"SCHEDULE E"** means internal revenue service schedule E (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(44) **"SCHEDULE F"** means internal revenue service schedule F (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(45) **"SINGLE MEMBER LIMITED LIABILITY COMPANY"** means a limited liability company that has one direct member.

(46) **"SMALL EMPLOYER"** means any employer that had total revenue of less than five hundred thousand dollars during the preceding taxable year. For purposes of this division, "total revenue" means receipts of any type or kind, including, but not limited to, sales receipts; payments; rents; profits; gains, dividends, and other investment income; commissions; premiums; money; property; grants; contributions; donations; gifts; program service revenue; patient service revenue; premiums; fees, including premium fees and service fees; tuition payments; unrelated business revenue; reimbursements; any type of payment from a governmental unit, including grants and other allocations; and any other similar receipts reported for federal income tax purposes or under generally accepted accounting principles. "Small employer" does not include the federal government; any state government, including any state

agency or instrumentality; any political subdivision; or any entity treated as a government for financial accounting and reporting purposes.

(47) (A) **“TAX ADMINISTRATOR”** means the individual charged with direct responsibility for administration of an income tax levied by a municipal corporation in accordance with this chapter, and also includes the following:

- (i) A municipal corporation acting as the agent of another municipal corporation;
- (ii) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis;
- (iii) The Central Collection Agency (CCA) or the Regional Income Tax Agency (RITA) or their successors in interest, or another entity organized to perform functions similar to those performed by the Central Collection Agency and the Regional Income Tax Agency. Tax Administrator does not include the state tax commissioner.

(B) **“Tax commissioner”** means the tax commissioner appointed under section 121.03 of the Revised Code.

(48) **“TAX RETURN PREPARER”** means any individual described in section 7701(a)(36) of the Internal Revenue CODE AND 26 C.F.R. 301.7701-15 .

(49) **“TAXABLE YEAR”** means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

(50) (A) **“TAXPAYER”** means a person subject to a tax levied on income by a municipal corporation in accordance with this chapter. **“Taxpayer”** does not include a grantor trust or, except as provided in division (50)(B)(i) of this section, a disregarded entity.

(B) (i) A single member limited liability company that is a disregarded entity for federal tax purposes may be a separate taxpayer from its single member in all Ohio municipal corporations in which it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:

(a) The limited liability company’s single member is also a limited liability company.

(b) The limited liability company and its single member were formed and doing business in one or more Ohio municipal corporations for at least five years before January 1, 2004.

(c) Not later than December 31, 2004, the limited liability company and its single member each made an election to be treated as a separate taxpayer under division (L) of section 718.01 of the Ohio Revised Code as this section existed on December 31, 2004.

(d) The limited liability company was not formed for the purpose of evading or reducing Ohio municipal corporation income tax liability of the limited liability company or its single member.

(e) The Ohio municipal corporation that was the primary place of business of the sole member of the limited liability company consented to the election.

(ii) For purposes of division (50)(B)(i)(e) of this section, a municipal corporation was the primary place of business of a limited liability company if, for the limited liability company’s taxable year ending in 2003, its income tax liability was greater in that municipal corporation than in any other municipal corporation in

Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 was at least four hundred thousand dollars.

(51) **“TAXPAYERS’ RIGHTS AND RESPONSIBILITIES”** means the rights provided to taxpayers in sections 718.11 , 718.12 , 718.19, 718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the Ohio Revised Code and any corresponding ordinances of the Municipality, and the responsibilities of taxpayers to file, report, withhold, remit, and pay municipal income tax and otherwise comply with Chapter 718 of the Ohio Revised Code and resolutions, ordinances, and rules adopted by a municipal corporation for the imposition and administration of a municipal income tax.

(52) **“VIDEO LOTTERY TERMINAL”** has the same meaning as in section 3770.21 of the Ohio Revised Code.

(53) **“VIDEO LOTTERY TERMINAL SALES AGENT”** means a lottery sales agent licensed under Chapter 3770 of the Ohio Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Ohio Revised Code.

EXHIBIT B

1701.062 NET PROFIT; INCOME SUBJECT TO NET PROFIT TAX; ALTERNATIVE APPORTIONMENT.

This section applies to any taxpayer engaged in a business or profession in the Municipality unless the taxpayer is an individual who resides in the Municipality 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 Ohio Revised Code.

(A) 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:

(1) 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;

(2) 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 1701.052 of this Chapter;

(3) 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.

(B)(1) If the apportionment factors described in division (A) 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:

- (a) Separate accounting;
- (b) The exclusion of one or more of the factors;
- (c) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the Municipality;
- (d) A modification of one or more of the factors.

(2) 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 division (A) of Section 1701.19 of this Chapter.

(3) A Tax Administrator may require a taxpayer to use an alternative apportionment method as described in division (B)(1) of this section only by issuing an assessment to the taxpayer within the period prescribed by division (A) of Section 1701.19 of this Chapter.

(4) Nothing in division (B) of this section nullifies or otherwise affects any alternative apportionment arrangement approved by a Tax Administrator or otherwise agreed upon by both the Tax Administrator and taxpayer before January 1, 2016.

(C) As used in division (A)(2) 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:

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

(a) The employer;

(b) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or patient;

(c) A vendor, customer, client, or patient of a person described in division (C)(1)(b) of this section, or a related member of such a vendor, customer, client, or patient.

(2) 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;

(3) 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 (C)(1) or (2) of this section solely in order to avoid or reduce the employer’s municipal income tax liability. If a 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.

(D) For the purposes of division (A)(3) of this section, receipts from sales and rentals made and services performed shall be situated to a municipal corporation as follows:

(1) 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 a municipal corporation~~ only if, regardless of where title passes, the property meets any of the following criteria:

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

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

~~(c) — The property is shipped from a place within the municipal corporation to purchasers outside the municipal corporation, 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.~~

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

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

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

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

(E) 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 tax only by the municipal corporation in which the property generating the net profit is located and the municipal corporation in which the individual taxpayer that receives the net profit resides.

A municipal corporation 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.

(F) (1) Except as provided in division (F)(2) of this section, 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 a municipal corporation based upon the ratio of the commissions the agent or broker received from the sale, purchase, or lease of real estate located in the municipal corporation to the commissions received from the sale, purchase, or lease of real estate everywhere in the taxable year.

(2) An individual who is a resident of a municipal corporation that imposes a municipal income tax shall report the individual's net profit from all real estate activity on the individual's annual tax return for that municipal corporation. The individual may claim a credit for taxes the individual paid on such net profit to another municipal corporation to the extent that such credit is allowed under Section 1701.081 of this Chapter.

(G) If, in computing a taxpayer's adjusted federal taxable income, the taxpayer deducted any amount with respect to a stock option granted to an employee, and if the employee is not required to include in the employee's income any such amount or a portion thereof because it is exempted from taxation under divisions (11)(L) and (34)(A)(iv) of Section 1701.03 of this Chapter, by a municipal corporation to which the taxpayer has apportioned a portion of its net profit, the taxpayer shall add the amount that is exempt from taxation to the taxpayer's net profit that was apportioned to that municipal corporation. In no case shall a taxpayer be required to add to its net profit that was apportioned to that municipal corporation any amount other than the amount upon which the employee would be required to pay tax were the amount related to the stock option not exempted from taxation.

This division applies solely for the purpose of making an adjustment to the amount of a taxpayer's net profit that was apportioned to a municipal corporation under this section.

(H) When calculating the ratios described in division (A) of this section for the purposes of that division or division (B) 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.

EXHIBIT C

1701.063 CONSOLIDATED FEDERAL INCOME TAX RETURN.

(A) As used in this section:

(1) "Affiliated group of corporations" means an affiliated group as defined in section 1504 of the Internal Revenue Code, except that, if such a group includes at least one incumbent local exchange carrier that is primarily engaged in the business of providing local exchange telephone service in this state, the affiliated group shall not include any incumbent local exchange carrier that would otherwise be included in the group.

(2) "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code.

(3) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions. "Consolidated federal taxable income" does not include income or loss of an incumbent local exchange carrier that is excluded from the affiliated group under division (A)(1) of this section.

(4) "Incumbent local exchange carrier" has the same meaning as in section 4927.01 of the Revised Code.

(5) "Local exchange telephone service" has the same meaning as in section 5727.01 of the Revised Code.

(B)(1) For taxable years beginning on or after January 1, 2016, a taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group of corporations is subject to the municipal income tax in that taxable year and if the affiliated group of corporations filed a consolidated federal income tax return with respect to that taxable year.

(a) The election is binding for a five-year period beginning with the first taxable year of the initial election unless a change in the reporting method is required under federal law.

(b) The election continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing consolidated municipal income tax returns under division (B)(2) of this section; or

(c) A taxpayer receives permission from the Tax Administrator. The Tax Administrator shall approve such a request for good cause shown.

(2) An election to discontinue filing consolidated municipal income tax returns under this section must be made in the first year following the last year of a five-year consolidated municipal income tax return election period in effect under division (B)(1) of this section. The election to discontinue filing a consolidated municipal income tax return is binding for a five-year period beginning with the first taxable year of the election.

(3) An election made under division (B)(1) or (2) of this section is binding on all members of the affiliated group of corporations subject to a municipal income tax.

(4) When a taxpayer makes the election allowed under section 718.80 of the Revised Code and section 1701.21 of this Chapter, a valid election made by the taxpayer under division (B)(1) or (2) of this section is binding upon the tax commissioner for the remainder of the five-year period.

(5) When an election is made under section 718.80 of the Revised Code and section 1701.21 of this Chapter is terminated, a valid election made under section 718.86 of the Revised Code is binding upon the tax administrator for the remained of the five-year period.

(C) A taxpayer that is a member of an affiliated group of corporations that filed a consolidated federal income tax return for a taxable year shall file a consolidated municipal income tax return for that taxable year if the Tax Administrator determines, by a preponderance of the evidence, that intercompany transactions have not been conducted at arm's length and that there has been a distortive shifting of income or expenses with regard to allocation of net profits to the municipal corporation. A taxpayer that is required to file a consolidated municipal income tax return for a taxable year shall file a consolidated municipal income tax return for all subsequent taxable years unless the taxpayer requests and receives written permission from the Tax Administrator to file a separate return or a taxpayer has experienced a change in circumstances.

(D) A taxpayer shall prepare a consolidated municipal income tax return in the same manner as is required under the United States Department of Treasury regulations that prescribe procedures for the preparation of the consolidated federal income tax return required to be filed by the common parent of the affiliated group of which the taxpayer is a member.

(E) (1) Except as otherwise provided in divisions (E)(2), (3), and (4) of this section, corporations that file a consolidated municipal income tax return shall compute adjusted federal taxable income, as defined in Section 1701.03(1) of this Chapter, by substituting "consolidated federal taxable income" for "federal taxable income" wherever "federal taxable income" appears in that division and by substituting "an affiliated group of corporation's" for "a C corporation's" wherever "a C corporation's" appears in that division.

(2) No corporation filing a consolidated municipal income tax return shall make any adjustment otherwise required under division (1) of Section 1701.03 of this Chapter to the extent that the item of income or deduction otherwise subject to the adjustment has been eliminated or consolidated in the computation of consolidated federal taxable income.

(3) If the net profit or loss of a pass-through entity having at least eighty per cent of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, the corporation filing a consolidated municipal income tax return shall do one of the following with respect to that pass-through entity's net profit or loss for that taxable year:

(a) Exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in Section 1701.062 of this Chapter, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit situated to a municipal corporation. If the entity's net profit or loss is so excluded, the entity shall be subject to taxation as a separate taxpayer on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(b) Include the pass-through entity's net profit or loss in the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in Section 1701.062 of this Chapter, include the property, payroll, and

gross receipts of the pass-through entity in the computation of the affiliated group's net profit situated to a municipal corporation. If the entity's net profit or loss is so included, the entity shall not be subject to taxation as a separate taxpayer on the basis of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group.

(4) If the net profit or loss of a pass-through entity having less than eighty per cent of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, all of the following shall apply:

(a) The corporation filing the consolidated municipal income tax return shall exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purposes of making the computations required in Section 1701.062 of this Chapter, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit situated to a municipal corporation;

(b) The pass-through entity shall be subject to municipal income taxation as a separate taxpayer in accordance with this chapter on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(F) Corporations filing a consolidated municipal income tax return shall make the computations required under Section 1701.062 of this Chapter by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section.

(G) Each corporation filing a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by a municipal corporation in accordance with this chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group.

(H) Corporations and their affiliates that made an election or entered into an agreement with a municipal corporation before January 1, 2016, to file a consolidated or combined tax return with such municipal corporation may continue to file consolidated or combined tax returns in accordance with such election or agreement for taxable years beginning on and after January 1, 2016.

EXHIBIT D

1701.07 DECLARATION OF ESTIMATED TAX.

(A) As used in this section:

(1) "Estimated taxes" means the amount that the taxpayer reasonably estimates to be the taxpayer's tax liability for a municipal corporation's income tax for the current taxable year.

(2) "Tax liability" means the total taxes due to a municipal corporation for the taxable year, after allowing any credit to which the taxpayer is entitled, and after applying any estimated tax payment, withholding payment, or credit from another taxable year.

(B) (1) Every taxpayer shall make a declaration of estimated taxes for the current taxable year, on the form prescribed by the Tax Administrator, if the amount payable as estimated taxes is at least two hundred dollars. For the purposes of this section:

(a) Taxes withheld from qualifying wages shall be considered as paid to the municipal corporation for which the taxes were withheld in equal amounts on each payment date. If the taxpayer establishes the dates on which all amounts were actually withheld, the amounts withheld shall be considered as paid on the dates on which the amounts were actually withheld.

(b) An overpayment of tax applied as a credit to a subsequent taxable year is deemed to be paid on the date of the postmark stamped on the cover in which the payment is mailed or, if the payment is made by electronic funds transfer, the date the payment is submitted. As used in this division, "date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.

(c) A taxpayer having a taxable year of less than twelve months shall make a declaration under rules prescribed by the Tax Administrator.

(d) Taxes withheld by a casino operator or by a lottery sales agent under section 718.031 of the Ohio Revised Code are deemed to be paid to the municipal corporation for which the taxes were withheld on the date the taxes are withheld from the taxpayer's winnings.

(2) Taxpayers filing joint returns shall file joint declarations of estimated taxes.

(3) The declaration of estimated taxes shall be filed on or before the date prescribed for the filing of municipal income tax returns under division (G) of Section 1701.091 of this Chapter or on or before the fifteenth day of the fourth month of the first taxable year after the taxpayer becomes subject to tax for the first time.

(4) Taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth day of the fourth month after the beginning of each fiscal year or period.

(5) The original declaration or any subsequent amendment may be increased or decreased on or before any subsequent quarterly payment day as provided in this section.

(C) (1) The required portion of the tax liability for the taxable year that shall be paid through estimated taxes made payable to the Municipality or Tax Administrator, including the application of tax refunds to estimated taxes and withholding on or before the applicable payment date, shall be as follows:

(a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half per cent of the tax liability for the taxable year;

(b) On or before the fifteenth day of the sixth month after the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year;

(c) On or before the fifteenth day of the ninth month after the beginning of the

taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year;

(d) ~~On~~ **For an individual, on or before the fifteenth day of the first month of the following taxable year, ninety per cent of the tax liability for the taxable year. For a person other than an individual, on** or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year.

(2) A taxpayer may amend a declaration under rules prescribed by the Tax Administrator. When an amended declaration has been filed, the unpaid balance shown due on the amended declaration shall be paid in equal installments on or before the remaining payment dates. The amended declaration must be filed on the next applicable due date as outlined in (C)(1)(a) through (d) of this section.

(3) On or before the fifteenth day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with Section 1701.091 of this Chapter.

(a) For taxpayers who are individuals, or who are not individuals and are reporting and filing on a calendar year basis, the annual tax return is due on the same date as the filing of the federal tax return, unless extended pursuant to division (G) of section 5747.08 of the Revised Code.

(b) For taxpayers who are not individuals, and are reporting and filing on a fiscal year basis or any period other than a calendar year, the annual return is due on the fifteenth day of the fourth month following the end of the taxable year or period.

(4) An amended declaration is required whenever the taxpayer's estimated tax liability changes during the taxable year. A change in estimated tax liability may either increase or decrease the estimated tax liability for the taxable year.

(D)(1) In the case of any underpayment of any portion of a tax liability, penalty and interest may be imposed pursuant to Section 1701.10 of this Chapter upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:

(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(b) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(c) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(d) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment.

(2) The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.

(E) An underpayment of any portion of tax liability determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be

added to the taxes for the taxable year if any of the following apply:

(1) The amount of estimated taxes that were paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due.

(2) The amount of estimated taxes that were paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the municipal corporation under Section 1701.091 of this Chapter for that year.

(3) The taxpayer is an individual who resides in the Municipality but was not domiciled there on the first day of January of the calendar year that includes the first day of the taxable year.

(F) A Tax Administrator may waive the requirement for filing a declaration of estimated taxes for any class of taxpayers after finding that the waiver is reasonable and proper in view of administrative costs and other factors.

EXHIBIT E

1701.091 RETURN AND PAYMENT OF TAX.

(A) (1) An annual return with respect to the income tax levied on Municipal Taxable Income by the Municipality shall be completed and filed by every taxpayer for any taxable year for which the taxpayer is subject to the tax, regardless of whether or not income tax is due.

(2) The Tax Administrator shall accept on behalf of all nonresident individual taxpayers a return filed by an employer, agent of an employer, or other payer located in the Municipality under subsection 1701.051(C) of this Chapter when the nonresident individual taxpayer's sole income subject to the tax is the qualifying wages reported by the employer, agent of an employer, or other payer, and no additional tax is due to the Municipality.

(3) All resident individual taxpayers, 18 years of age and older, shall file an annual municipal income tax return with the Municipality, regardless of income or liability.

(B) If an individual is deceased, any return or notice required of that individual shall be completed and filed by that decedent's executor, administrator, or other person charged with the property of that decedent.

(C) If an individual is unable to complete and file a return or notice required by the Municipality in accordance with this chapter, the return or notice required of that individual shall be completed and filed by the individual's duly authorized agent, guardian, conservator, fiduciary, or other person charged with the care of the person or property of that individual. Such duly authorized agent, guardian, conservator, fiduciary, or other person charged with the care of the person or property of that individual shall provide, with the filing of the return, appropriate documentation to support that they are authorized to file a return or notice on behalf of the taxpayer. This notice shall include any legally binding authorizations, and contact information including name, address, and phone number of the duly authorized agent, guardian, conservator, fiduciary, or other person.

(D) Returns or notices required of an estate or a trust shall be completed and filed by the fiduciary of the estate or trust. Such fiduciary shall provide, with the filing of the return, appropriate documentation to support that they are authorized to file a return or notice on behalf of the taxpayer. This notice shall include any legally binding authorizations, and contact information including name, address, and phone number of the fiduciary.

(E) No municipal corporation shall deny spouses the ability to file a joint return.

(F) (1) Each return required to be filed under this section shall contain the signature of the taxpayer or the taxpayer's duly authorized agent and of the person who prepared the return for the taxpayer, and shall include the taxpayer's social security number or taxpayer identification number. Each return shall be verified by a declaration under penalty of perjury.

(2) A taxpayer who is an individual is required to include, with each annual return, amended return, or request for refund required under this section, copies of only the following documents: all of the taxpayer's Internal Revenue Service form W-2, "Wage and Tax Statements," including all information reported on the taxpayer's federal W-2, as well as taxable wages reported or withheld for any municipal corporation; the taxpayer's Internal Revenue Service form 1040 **or, in the case of a return or request required by a qualified municipal corporation, Ohio IT-1040**; and, with respect to an amended tax return or refund request, any other documentation necessary to support the refund request or the adjustments made in the amended return. An individual taxpayer who files the annual return required by this section electronically is not required to provide paper copies of any of the foregoing to the Tax

Administrator unless the Tax Administrator requests such copies after the return has been filed.

(3) A taxpayer that is not an individual is required to include, with each annual net profit return, amended net profit return, or request for refund required under this section, copies of only the following documents: the taxpayer's Internal Revenue Service form 1041, form 1065, form 1120, form 1120-REIT, form 1120F, or form 1120S, and, with respect to an amended tax return or refund request, any other documentation necessary to support the refund request or the adjustments made in the amended return.

(4) A taxpayer that is not an individual and that files an annual net profit return electronically through the Ohio business gateway or in some other manner shall either mail the documents required under this division to the Tax Administrator at the time of filing or, if electronic submission is available, submit the documents electronically through the Ohio business gateway or a portal provided by Municipality. The department of taxation shall publish a method of electronically submitting the documents required under this division through the Ohio business gateway on or before January 1, 2016.

The department shall transmit all documents submitted electronically under this division to the appropriate Tax Administrator.

(5) After a taxpayer files a tax return, the Tax Administrator shall request, and the taxpayer shall provide, any information, statements, or documents required by the Municipality to determine and verify the taxpayer's municipal income tax liability. The requirements imposed under division (F) of this section apply regardless of whether the taxpayer files on a generic form or on a form prescribed by the Tax Administrator.

(6) Any other documentation, including schedules, other municipal income tax returns, or other supporting documentation necessary to verify credits, income, losses, or other pertinent factors on the return shall also be included to avoid delay in processing, or disallowance by the Tax Administrator of undocumented credits or losses.

(G) (1) (a) Except as otherwise provided in this chapter, each individual income tax return required to be filed under this section shall be completed and filed as required by the Tax Administrator on or before the date prescribed for the filing of state individual income tax returns under division (G) of section 5747.08 of the Ohio Revised Code. The taxpayer shall complete and file the return or notice on forms prescribed by the Tax Administrator or on generic forms, together with remittance made payable to the Municipality or Tax Administrator.

(b) Except as otherwise provided in this chapter, each annual net profit income tax return required to be filed under this section by a taxpayer that is not an individual shall be completed and filed as required by the tax administrator on or before the fifteenth day of the fourth month following the end of the taxpayer's taxable year or period. The taxpayer shall complete and file the return or notice on forms prescribed by the tax administrator or on generic forms, together with remittance made payable to the Municipality or Tax Administrator.

(c) In the case of individual income tax return required to be filed by an individual, and net profit income tax return required to be filed by a taxpayer who is not an individual, no remittance is required if the amount shown to be due is ten dollars or less.

(2) If the Tax Administrator considers it necessary in order to ensure the payment of the tax imposed by the Municipality in accordance with this chapter, the Tax Administrator may require taxpayers to file returns and make payments otherwise than as provided in this section, including taxpayers not otherwise required to file annual returns.

(3) With respect to taxpayers to whom Section 1701.092 of this Chapter applies, to the extent that any provision in this division conflicts with any provision in Section 1701.092

of this Chapter, the provision in Section 1701.092 of this Chapter prevails.

(H) (1) For taxable years beginning after 2015, the Municipality shall not require a taxpayer to remit tax with respect to net profits if the amount due is ten dollars or less.

(2) Any taxpayer not required to remit tax to the Municipality for a taxable year pursuant to division (H)(1) of this section shall file with the Municipality an annual net profit return under division (F)(3) and (4) of this section, unless the provisions of division (H)(3) apply.

(3) (a) A person may notify the Tax Administrator that the person does not expect to be a taxpayer subject to the City's income tax ordinance for a taxable year if both the following apply:

1. The person was required to file a tax return with the City for the immediately preceding taxable year because the person performed services at a worksite location within the City.

2. The person no longer provides services in the City and does not expect to be subject to the City's income tax for the taxable year.

(b) The person shall provide the notice in a signed affidavit that briefly explains the person's circumstances, including the location of the previous worksite location and the last date on which the person performed services or made any sales within the City. The affidavit shall also include the following statement: "The affiant has no plans to perform any services within the City, make any sales in the City, or otherwise become subject to the tax levied by the City during the taxable year. If the affiant does become subject to the tax levied by the City for the taxable year, the affiant agrees to be considered a taxpayer and to properly comply as a taxpayer with the City income tax ordinance and rules and regulations." The person shall sign the affidavit under penalty of perjury.

(c) If a person submits an affidavit described in division (H)(3)(b), the Tax Administrator shall not require the person to file a tax return for the taxable year unless the Tax Administrator possesses information that conflicts with the affidavit or if the circumstances described in the affidavit change.

(d) Nothing in division (H)(3) of this section prohibits the Tax Administrator from performing an audit of the person.

(I) This division shall not apply to payments required to be made under division (B)(1)(b) of Section 1701.051 of this Chapter.

(1) If any report, claim, statement, or other document required to be filed, or any payment required to be made, within a prescribed period or on or before a prescribed date under this chapter is delivered after that period or that to the Tax Administrator or other municipal official with which the report, claim, statement, or other document is required to be filed, or to which the payment is required to be made, the date of the postmark stamped on the cover in which the report, claim, statement, or other document, or payment is mailed shall be deemed to be the date of delivery or the date of payment. "The date of postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.

(2) If a payment under this chapter is ~~required to be~~ made by electronic funds transfer, the payment ~~shall be~~ is considered to be made ~~when the payment is credited to an account designated by the Tax Administrator for the receipt of tax payments, except that, when a payment made by electronic funds transfer is delayed due to circumstances not under the control of the taxpayer, the payment is~~

~~considered to be made when the taxpayer submitted the payment~~ **on the date of the timestamp assigned by the first electronic system receiving that payment.** For purposes of this section, “submitted the payment” means the date which the taxpayer has designated for the delivery of payment, which may or may not be the same date as the date the payment was initiated by the taxpayer.

(J) The amounts withheld for the Municipality by an employer, the agent of an employer, or other payer as described in Section 1701.051 of this Chapter shall be allowed to the recipient of the compensation as credits against payment of the tax imposed on the recipient unless the amounts withheld were not remitted to the Municipality and the recipient colluded with the employer, agent, or other payer in connection with the failure to remit the amounts withheld.

(K) Each return required by the Municipality to be filed in accordance with this section shall include a box that the taxpayer may check to authorize another person, including a tax return preparer who prepared the return, to communicate with the Tax Administrator about matters pertaining to the return. The return or instructions accompanying the return shall indicate that by checking the box the taxpayer authorizes the Tax Administrator to contact the preparer or other person concerning questions that arise during the examination or other review of the return and authorizes the preparer or other person only to provide the Tax Administrator with information that is missing from the return, to contact the Tax Administrator for information about the examination or other review of the return or the status of the taxpayer’s refund or payments, and to respond to notices about mathematical errors, offsets, or return preparation that the taxpayer has received from the Tax Administrator and has shown to the preparer or other person. Authorization by the taxpayer of another person to communicate with the Tax Administrator about matters pertaining to the return does not preclude the Tax Administrator from contacting the taxpayer regarding such matters.

(L) The Tax Administrator of the Municipality shall accept for filing a generic form of any income tax return, report, or document required by the Municipality in accordance with this Chapter, provided that the generic form, once completed and filed, contains all of the information required by ordinances, resolutions, or rules adopted by the Municipality or Tax Administrator, and provided that the taxpayer or tax return preparer filing the generic form otherwise complies with the provisions of this Chapter and of the Municipality’s Ordinance or resolution governing the filing of returns, reports, or documents.

(M) When income tax returns, reports, or other documents require the signature of a tax return preparer, the Tax Administrator shall accept a facsimile of such a signature in lieu of a manual signature.

(N) (1) As used in this division, “worksite location” has the same meaning as in Section 1701.052 of this chapter.

(2) A person may notify a tax administrator that the person does not expect to be a taxpayer with respect to the municipal corporation for a taxable year if both of the following conditions apply:

(a) The person was required to file a tax return with the municipal corporation for the immediately preceding taxable year because the person performed services at a worksite location within the municipal corporation, and the person has filed all appropriate and required returns and remitted all applicable income tax and withholding payments as provided by this chapter. The tax administrator is not required to accept an affidavit from a taxpayer who has not complied with the provisions of this chapter.

(b) The person no longer provides services in the municipal corporation, and does not expect to be subject to the municipal corporation's income tax for the taxable year.

The person shall provide the notice in a signed affidavit that briefly explains the person's circumstances, including the location of the previous worksite location and the last date on which the person performed services or made any sales within the municipal corporation. The affidavit also shall include the following statement: "The affiant has no plans to perform any services within the municipal corporation, make any sales in the municipal corporation, or otherwise become subject to the tax levied by the municipal corporation during the taxable year. If the affiant does become subject to the tax levied by the municipal corporation for the taxable year, the affiant agrees to be considered a taxpayer and to properly register as a taxpayer with the municipal corporation, if such a registration is required by the municipal corporation's resolutions, ordinances, or rules." The person shall sign the affidavit under penalty of perjury.

(c) If a person submits an affidavit described in division (N)(2) of this section, the tax administrator shall not require the person to file any tax return for the taxable year unless the tax administrator possesses information that conflicts with the affidavit or if the circumstances described in the affidavit change, or the taxpayer has engaged in activity which results in work being performed, services provided, sales made, or other activity that results in municipal taxable income reportable to the Municipality in the taxable year. It shall be the responsibility of the taxpayer to comply with the provisions of this chapter relating to the reporting and filing of municipal taxable income on an annual municipal income tax return, even if an affidavit has been filed with the tax administrator for the taxable year. Nothing in division (N) of this section prohibits the tax administrator from performing an audit of the person.

EXHIBIT F

1701.10 PENALTY, INTEREST, FEES, AND CHARGES.

(A) As used in this section:

(1) "Applicable law" means this chapter, the resolutions, ordinances, codes, directives, instructions, and rules adopted by the Municipality provided such resolutions, ordinances, codes, directives, instructions, and rules impose or directly or indirectly address the levy, payment, remittance, or filing requirements of a municipal income tax.

(2) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the Internal Revenue Code, for July of the current year.

(3) "Income tax," "estimated income tax," and "withholding tax" mean any income tax, estimated income tax, and withholding tax imposed by a municipal corporation pursuant to applicable law, including at any time before January 1, 2016.

(4) "Interest rate as described in division (A) of this section" means the federal short-term rate, rounded to the nearest whole number per cent, plus five per cent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined in accordance with division (A)(2) of this section.

(5) "Return" includes any tax return, report, reconciliation, schedule, and other document required to be filed with a Tax Administrator or municipal corporation by a taxpayer, employer, any agent of the employer, or any other payer pursuant to applicable law, including at any time before January 1, 2016.

(6) "Unpaid estimated income tax" means estimated income tax due but not paid by the date the tax is required to be paid under applicable law.

(7) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law.

(8) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law.

(9) "Withholding tax" includes amounts an employer, any agent of an employer, or any other payer did not withhold in whole or in part from an employee's qualifying wages, but that, under applicable law, the employer, agent, or other payer is required to withhold from an employee's qualifying wages.

(B) (1) This section shall apply to the following:

(a) Any return required to be filed under applicable law for taxable years beginning on or after January 1, 2016;

(b) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the Municipality on or after January 1, 2016 for taxable years beginning on or after January 1, 2016.

(2) This section does not apply to returns required to be filed or payments required to be made before January 1, 2016, regardless of the filing or payment date. Returns required to be filed or payments required to be made before January 1, 2016, but filed or paid after that date shall be subject to the ordinances or rules, as adopted from time to time before January 1, 2016 of this Municipality.

(C) The Municipality shall impose on a taxpayer, employer, any agent of the employer, and any other payer, and will attempt to collect, the interest amounts and penalties

prescribed in this section when the taxpayer, employer, any agent of the employer, or any other payer for any reason fails, in whole or in part, to make to the Municipality timely and full payment or remittance of income tax, estimated income tax, or withholding tax or to file timely with the Municipality any return required to be filed.

(1) Interest shall be imposed at the rate defined as “interest rate as described in division (A) of this section”, per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax. This imposition of interest shall be assessed per month, or fraction of a month.

(2) With respect to unpaid income tax and unpaid estimated income tax, a penalty equal to fifteen percent of the amount not timely paid shall be imposed.

(3) With respect to any, a penalty ~~equal to~~ **not exceeding** fifty percent of the amount not timely paid shall be imposed.

(4) With respect to returns other than estimated income tax returns, the Municipality shall impose a monthly penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed a total of one hundred fifty dollars in assessed penalty for each failure to timely file a return.

(D) With respect to income taxes, estimated income taxes, withholding taxes, and returns, the Municipality shall not impose, seek to collect, or collect any penalty, amount of interest, charges or additional fees not described in this section.

(E) With respect to income taxes, estimated income taxes, withholding taxes, and returns, the Municipality shall not refund or credit any penalty, amount of interest, charges, or additional fees that were properly imposed or collected before January 1, 2016.

(F) The Tax Administrator may, in the Tax Administrator’s sole discretion, abate or partially abate penalties or interest imposed under this section when the Tax Administrator deems such abatement or partial abatement to be appropriate. Such abatement or partial abatement shall be properly documented and maintained on the record of the taxpayer who received benefit of such abatement or partial abatement.

(G) The Municipality may impose on the taxpayer, employer, any agent of the employer, or any other payer the Municipality’s post-judgment collection costs and fees, including attorney’s fees.