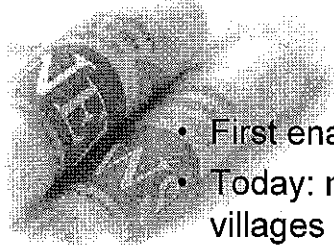


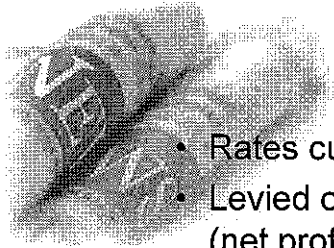
## Overview: Municipal Income Tax



- First enacted in Toledo in 1946
- Today: more than 540 cities and villages levy an income tax
- Income tax typically largest source of municipal revenue – approx. 35%
- Generates \$4B + for municipalities / State income tax \$8B (approx.)

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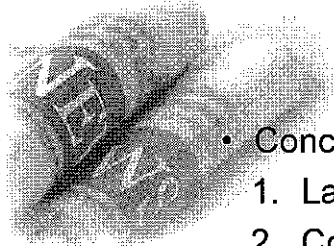
## Overview: Municipal Income Tax



- Rates currently range 0.4 – 3.0%
- Levied on individuals and businesses (net profits)
- Administration varies: some in-house, some contract out (RITA, etc.)

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## Overview: Municipal Income Tax



- Concerns:
  1. Lack of uniformity
  2. Complexity
  3. Costly for businesses

## Municipal Income Tax: Future Plans



- Lt. Governor initiative, related to the Common Sense Initiative
- Goal: Develop proposal to standardize tax base and credits
- Goal: Determine feasibility of centralized administration by Ohio Dept. of Taxation
- NOT INCLUDED: Standardizing tax rates or reciprocity

## Municipal Income Tax: Future Benefits



- **Municipalities**
  - Lower costs
  - Reduced staff
  - More effective compliance
- **Taxpayers**
  - Greater consistency
  - Ease of compliance

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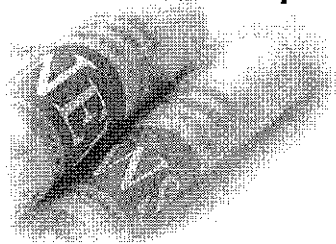
## One final bit of news . . .



- **Please Visit our Web Site –**  
**[tax.ohio.gov](http://tax.ohio.gov)**
  - ‘**Contact the Commissioner**’ (in Contact Us) section
  - Looking for your ideas on how we might better run the department and serve you and your clients

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# Ohio Department of Taxation



Thank You

