



Ohio Municipal League

Our Cities and Villages ★ Bringing Ohio to Life

December 10, 2014

Honorable John Kasich
Governor
State of Ohio

Dear Governor Kasich:

On behalf of the Ohio Municipal League Board of Directors and our member municipalities, I am writing you today to ask that you apply the constitutional powers afforded you and VETO AM. Sub. HB 5, the municipal income tax reform bill.

The municipal league has always championed the notion of greater uniformity in the administration of the municipal income tax. This was the original purpose and goal of HB 601, the first draft of the legislation we worked on, aimed at bringing greater uniformity to the administration of the municipal income tax, introduced in the 129th General Assembly. After many interested party meetings with the bill sponsors and proponents of greater simplicity to the municipal income tax, the focus of the legislation became one of reform and not uniformity.

The league and our municipal tax and finance officials from across the state continued to work with those seeking reforms to current administrative practices, to try and reach compromise on treatments being sought that would produce more advantageous procedures for municipal business filers who reported difficulties in meeting filing requirements while preserving this critical source of local revenue, to support the delivery of basic municipal services. The aspirations of our municipal officials to reach “common ground” on many reform treatments to avert significant revenue loss for communities, large and small across Ohio, have failed by virtue of what the Ohio General Assembly has presented to you for your consideration as a fair, balanced, and simplified solution to the administration of the municipal income tax.

The revenue losses included throughout Am. Sub. HB 5 will be unsustainable for scores of Ohio cities and villages. Already financially challenged as a result of previous changes in revenue sharing and other financial policies enacted by the state, Ohio municipal leaders and their taxpayers continue to be saddled with a heavy burden to keep their communities an attractive place for businesses to prosper and families to feel secure. The reform measures included in the legislation you are considering only increase this unsustainable downward pressure felt on taxpayers and local budgets to continue to keep Ohio strong and moving forward.

We ask that you VETO Am. Sub. HB 5 because of the tremendous potential for deep and consequential revenue loss to over 600 Ohio municipalities.

Thank you for your consideration and leadership in this regard.

Best regards,

Susan J. Cave
Executive Director