

A RESOLUTION OPPOSING SUB. HOUSE BILL 157 AMENDING THE LAW REGARDING THE WITHHOLDING OF MUNICIPAL EARNED INCOME TAX FOR THOSE WORKING VIRTUALLY AND/OR AT HOME, AND DECLARING AN EMERGENCY

WHEREAS, the Village of Richfield Council and Mayor have been advised that the Ohio House Ways and Means Committee adopted a substitute bill for House Bill 157 (“Sub. HB 157”), which would repeal the state’s municipal income tax withholding policy during the COVID-19 pandemic; and

WHEREAS, Sub. HB 157 would removes the language in Sec. 29 of HB 197 that treated wages earned by employees temporarily working from home during the Governor’s declaration emergency as taxable to the principal place of work; and

WHEREAS, the intent of the Sec. 29 of HB 197 was for employer withholding and liability for the employee to be taxable for the municipality where the principle place of work is located; and

WHEREAS, businesses will suffer the additional administrative burden of having to certify each employee requesting a refund for the duration of the time they worked from home by tracking when and where every employee worked for both 2020 and 2021; and

WHEREAS, Sub. HB 157 could cause cities to issue a substantial amount of refunds to employees working from home during the emergency, which could be devastating to municipalities, who were protected by the language in Sec 29 of HB 197; and

WHEREAS, the courts should decide on the issue regarding refunds; and

WHEREAS, Sub. HB 157 allows the employer to determine the principle place of work for each employee during the declaration of emergency and may cause a further reduction in tax revenues; and

WHEREAS, municipalities would also face the added financial burden of taxpayers receiving money they have already taken as credit against their resident tax liability. Taxes for 2020 have already been filed and residents have already taken credits for taxes they paid to the principle place of work. Sub. HB 157 would allow those same taxpayers to go back and file for refunds against municipalities where their principle place of work is located; and

WHEREAS, Sub. HB 157 does not allow the wages earned at the employee’s home from creating a filing requirement to file a municipal net profit return; and

WHEREAS, Sub. HB 157 would not allow the assessment of tax, penalties and interest by the resident municipality taxing jurisdiction for failure to properly withhold to their jurisdiction.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, County of Summit, State of Ohio that:

SECTION 1. The Village of Richfield opposes Sub. HB 157 and urges the Ohio General Assembly not to support nor enact Sub. HB 157.

SECTION 2. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 3. This Resolution is hereby declared to be an emergency measure for the immediate preservation of the public health, safety, and welfare and for the further reason that is necessary to immediately state the Village's opposition to Sub. HB 157; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.


PASSED: 5-4-2021



President of Council

ATTEST:


Clerk of Council



Mayor

Dated: 5/10/2021