

**TITLE SEVEN - Taxation**

- Chap. 181. Income Tax.  
 Chap. 182. Income Tax Effective January 1, 2016.  
 Chap. 183. License Tax.

**CHAPTER 181  
 Income Tax**

EDITOR'S NOTE: By Ordinance 77-10, as amended, Council also adopted rules and regulations for the administration of the income tax ordinance. Please see the Tax Clerk for a copy of these rules.

- |  |   |
|--|---|
| <b>181.01 Purpose.</b>   | <b>181.11 Interest and penalties.</b>                                 |
| <b>181.02 Definitions.</b>   | <b>181.12 Collection of unpaid taxes and refunds of overpayments.</b> |
| <b>181.03 Imposition of tax.</b>   | <b>181.13 Violations; penalties.</b>                                  |
| <b>181.04 Effective period.</b>  | <b>181.14 Allocation of funds.</b>                                    |
| <b>181.05 Return and payment of tax.</b>   | <b>181.15 Board of Review.</b>  |
| <b>181.06 Collection at source.</b>  | <b>181.16 Applicability.</b>  |
| <b>181.07 Declarations.</b>  | <b>181.17 Savings clause.</b>   |
| <b>181.08 Reciprocity; credit for tax paid to other municipalities.</b>                              | <b>181.18 Exemptions.</b>   |
| <b>181.09 Tax Clerk; duties.</b>   | <b>181.19 Collection of tax after termination of chapter.</b>         |
| <b>181.10 Investigative powers of the Tax Clerk; penalty for divulging confidential information.</b> | <b>181.20 Landlord reporting.</b>                                     |

**CROSS REFERENCES**

Taxation generally - see CHTR. Art. VIII  
 Municipal income taxes - see Ohio R.C. Ch. 718

**181.01 PURPOSE.**

To provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements of this Municipality, there shall be, and is hereby, levied a tax on salaries, wages, commissions and other compensation, and on net profits as hereinafter provided.  
 (Ord. 77-9. Passed 11-7-77.)

**181.02 DEFINITIONS.**

As used in this chapter, the following words shall have the meaning ascribed to them in this section, except as and if the context clearly indicates or requires a different meaning:

- (a) "Taxpayer" means a person, whether an individual, partnership, corporation, association or other entity, required hereunder to file a return or to pay a tax hereunder. (Ord. 77-9. Passed 11-7-77.)
- (b) "Tax Clerk" means the individual designated by this chapter, whether appointed or elected, to administer and enforce the provisions of this chapter. (Ord. 81-2. Passed 1-5-81.)
- (c) "Association" means a partnership, limited partnership, or any other form of unincorporated enterprise, owned by two or more persons.
- (d) "Business" means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, limited partnership, corporation, association or any other entity.
- (e) "Corporation" means a corporation or joint stock association organized under the laws of the United States, the State of Ohio, or any other state, territory, foreign country or dependency.
- (f) "Employee" means one who works for wages, salary, commission or other type of compensation in the service of an employer.
- (g) "Employer" means an individual, partnership, association, corporation, governmental body, unit or agency, or any other entity, whether or not organized for profit, who or that employs one or more persons on a salary, wage, commission or other compensation basis.
- (h) "Gross receipts" means the total income from any source whatsoever.
- (i) "Net profits" means the net gain from the operation of a business, profession or enterprise after provisions for all cost and expense incurred in the conduct thereof, including reasonable allowance for depreciation, depletion, amortization and reasonable additions to reserve for bad debts, either paid or accrued in accordance with recognized principles of accounting applicable to the method of accounting regularly employed and without deduction of federal taxes based on income, and without deducting taxes imposed by this chapter.
- (j) "Non-resident" means an individual, partnership, limited partnership, corporation, association or other entity domiciled outside the City.
- (k) "Other entity" means any persons or unincorporated body not previously named or defined and includes among other things, fiduciaries located within the City.
- (l) "Person" means every natural person, partnership, limited partnership, corporation, fiduciary, or association. Whenever used in any clause prescribing and imposing a penalty, the term "person" as applied to any association, shall mean the partners or members thereof, and as applied to a corporation, the officers thereof.
- (m) "Place of business" means any bona fide office (other than a mere statutory office), factory, warehouse or other space which is occupied and used by the taxpayer in carrying on any business activity individually or through one or more of his regular employees regularly in attendance.
- (n) "Resident" means an individual, partnership, limited partnership, corporation, association or other entity domiciled in the City.

- (o) "Taxable income" means wages, salaries, and other compensation paid by an employer or employers before any deductions and/or the net profits from the operation of a business, profession or other enterprise or activity adjusted in accordance with the provisions of this chapter.
- (p) "Taxable year" means the calendar year, or the fiscal year upon the basis of which net profits are to be computed under this chapter and, in the case of a return for a fractional part of a year, the period for which such return is required to be made.

The singular shall include the plural and the masculine shall include the feminine and the neuter. (Ord. 77-9. Passed 11-7-77.)

### 181.03 IMPOSITION OF TAX.

(a) Subject to provisions of Section 181.18, an annual tax for the purposes specified in Section 181.01 shall be imposed on and after January 1, 1978, at the rate of one percent (1%) per annum upon the following:

- (1) On all salaries, wages, commissions and other compensation earned during the effective period of this chapter by residents of the City.
- (2) On all salaries, wages, commissions and other compensation earned during the effective period of this chapter by non-residents for work done or services performed or rendered in this Municipality.
- (3) A. On the portion attributable to this Municipality of the net profits earned during the effective period of this chapter of all resident unincorporated businesses, professions or other entities, derived from sales made, work done, services performed or rendered and business or other activities conducted in this Municipality.  
B. On the portion of the distributive share of the net profits earned during the effective period of this chapter of a resident partner or owner of a resident unincorporated business entity not attributable to this Municipality and not levied against such unincorporated business entity by this Municipality.
- (4) A. On the portion attributable to this Municipality of the net profits earned during the effective period of this chapter of all nonresident unincorporated businesses, professions or other entities, derived from sales made, work done, or services performed or rendered and business or other activities conducted in this Municipality, whether or not such unincorporated business entity has an office or place of business in this Municipality.  
B. On the portion of the distributive share of the net profits earned during the effective period of this chapter of a resident partner or owner of a nonresident unincorporated business entity not attributable to this Municipality and not levied against such unincorporated business entity by this Municipality.
- (5) On the portion attributable to this Municipality, of the net profits earned during the effective period of this chapter of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in this Municipality, whether or not such corporations have an office or place of business in this Municipality.

(b) The portion of the net profits attributable to the City of a taxpayer conducting a business, profession or other activity both within and without the boundaries of the City shall be determined as provided in Ohio R.C. 718.02 and in accordance with the Rules and Regulations adopted by the Council of the City pursuant to this chapter.

(Ord. 77-9. Passed 11-7-77.)

(c) Operating Loss Carry-Forward.

(1) The portion of a net operating loss sustained in any taxable year, allocable to the City, may be applied against the portion of the profit of succeeding tax years, allocable to the City, until exhausted, but in no event for more than the five taxable years immediately following the year in which the loss occurred. No portion of a net operating loss shall be carried back against the net profits of any prior year.

(Ord. 81-2. Passed 1-5-81.)

(2) The portion of a net operating loss sustained shall be allocated to this Municipality in the same manner as provided herein for allocating net profits to this Municipality.

(3) The Tax Clerk shall provide by rules and regulations the manner in which net operating loss carry-forward shall be determined.

(d) Consolidated Returns.

(1) Filing of consolidated returns may be permitted, required, or denied in accordance with rules and regulations prescribed by the Tax Clerk.

(2) In the case of a corporation that carries on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates, or some other method, or in case any person operates a division, branch, factory, office, laboratory or activity within this Municipality constituting a portion only of its total business, the Tax Clerk shall require such additional information as he may deem necessary to ascertain whether net profits are properly allocated to this Municipality. If the Tax Clerk finds net profits are not properly allocated to this Municipality by reason of transactions with stockholders or with other corporations related by stock ownership, interlocking directorates or transactions with such division, branch, factory, office, laboratory or activity or by some other method, he shall make such allocation as he deems appropriate to produce a fair and proper allocation of net profits to this Municipality.

(Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

**181.04 EFFECTIVE PERIOD.**

The tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation, and with respect to the net profits of businesses, professions or other activities earned on and after January 1, 1978.

(Ord. 77-9. Passed 11-7-77.)

**181.05 RETURN AND PAYMENT OF TAX.**

(a) Each taxpayer, except as herein provided, shall, whether or not a tax be due thereon, make and file a return on or before April 30 of the year following the effective date of this chapter, and on or before April 30 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within four months from the end of such fiscal year or period. The Tax Clerk is hereby authorized to provide by regulation that the return of an employer or employers, showing the amount of tax deducted by said employer or employers from the salaries, wages, commissions or other compensation of an employee, and paid by him or them to the Tax Clerk shall be accepted unless otherwise specified as the return required of any employee whose sole income, subject to tax under this chapter, is such salary, wages, commissions or other compensation.

(b) The return shall be filed with the Tax Clerk on a form or forms furnished by or obtainable upon request from such Tax Clerk setting forth:

- (1) The aggregate amounts of salaries, wages, commissions and other compensation earned and gross income from business, profession or other activity, less allowable ordinary, reasonable and necessary expenses incurred in the acquisition of such gross income earned during the preceding year and subject to said tax;
- (2) The amount of the tax imposed by this chapter on such earnings and profits; and
- (3) Such other pertinent statements, information returns, or other information as the Tax Clerk may require.

(c) The Tax Clerk may extend the time for filing of the annual return upon the request of the taxpayer for a period of not to exceed six months, or one month beyond any extension requested of or granted by the Internal Revenue Service for the filing of the federal income tax return. The Tax Clerk may require a tentative return, accompanied by payment of the amount of tax shown to be due thereon by the date the return is normally due. No penalty shall be assessed in those cases in which the return is filed and the final tax paid within the period as extended.

- (d)
  - (1) The taxpayer making a return shall, at the time of the filing thereof, pay to the Tax Clerk the amount of taxes shown as due thereon; provided, however, that where any portion of the tax so due shall have been deducted at the source pursuant to the provisions of Section 181.06, or where any portion of said tax shall have been paid by the taxpayer pursuant to the provisions of Section 181.07, or where an income tax has been paid to another municipality, credit for the amount so paid in accordance with Section 181.08, shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing said return.
  - (2) A taxpayer who has overpaid the amount of tax to which this Municipality is entitled under the provisions of this chapter may have such overpayment applied against any subsequent liability hereunder or, at his election indicated on the return, such overpayment (or part thereof) shall be refunded, provided that no additional taxes or refunds of less than one dollar (\$1.00) shall be collected or refunded.

- (e) (1) Amended returns. Where necessary an amended return must be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Sections 181.08 and 181.12. Such amended returns shall be on a form obtainable on request from the Tax Clerk. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.
- (2) Within three months from the final determination of any federal tax liability affecting the taxpayer's tax liability to this Municipality, such taxpayer shall make and file an amended return showing income subject to the income tax of this Municipality based upon such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.  
(Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

### **181.06 COLLECTION AT SOURCE.**

(a) In accordance with the rules and regulations prescribed by the Tax Clerk, each employer within or doing business within this Municipality shall deduct, at the time of the payment of such salary, wage, commission or other compensation, the tax of one percent (1%) per annum of the gross salaries, wages, commissions or other compensation due by the employer to the employee or the tips or gratuities reported to the employer by each employee for Social Security or federal income tax purposes and shall, on or before the last day of April, July, October and January of each year, make a return and pay to the Tax Clerk, the amount of taxes so deducted. The returns shall be on a form or forms prescribed by or acceptable to the Tax Clerk and shall be subject to the rules and regulations prescribed therefor, by the Tax Clerk. Such employers shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have, in fact, been withheld. (Ord. 81-02. Passed 1-5-81.)

(b) Such employer in collecting the tax shall be deemed to hold the same, until payment is made by such employer to this Municipality, as a trustee for the benefit of this Municipality and any such tax collected by such employer from his employees, shall, until the same is paid to this Municipality, be deemed a trust fund in the hands of such employer.  
(Ord. 77-9. Passed 11-7-77.)

- (c) (1) On or before the last day of February following any calendar year, such employer shall file with the Tax Clerk an information return (annual reconciliation of tax withheld) for each employee from whom New Lexington income tax has been, or should have been withheld, showing the name, address, and Social Security number of the employee, the total amount of compensation paid during the year and the amount of New Lexington income tax withheld, as well as other municipal taxes withheld from such employee.
- (2) On or before the last day of February following any calendar year, in addition to the above wage reporting requirements, any person or business entity paying money to an individual or independent contractor for work done or services performed in New Lexington shall report such to the Tax Clerk by providing copies of Federal Form 1099.  
(Ord. 81-2. Passed 1-5-81; Ord. 2005-24. Passed 2-6-06.)

(d) The Tax Clerk for good cause may require immediate returns and payments to be submitted to his office. (Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

#### **181.07 DECLARATIONS.**

(a) Every person who anticipates any taxable income which is not subject to Section 181.06, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 181.03 shall file a declaration setting forth such estimated income or the estimated profit or loss from such business activity together with the estimated tax due thereon, if any; provided, however, if a person's income is wholly from wages from which the tax will be withheld and remitted to this Municipality in accordance with Section 181.06, such person need not file a declaration.

- (b) (1) Such declaration shall be filed on or before April 30 of each year during the life of this chapter, or within four months of the date the taxpayer becomes subject to tax for the first time.
- (2) Those taxpayers reporting on a fiscal year basis shall file a declaration within four months after the beginning of each fiscal year or period.

- (c) (1) Such declaration shall be filed upon a form furnished by, or obtainable from, the Tax Clerk, provided, however, credit shall be taken for this Municipality's income tax to be withheld from any portion of such income. In accordance with the provisions of Section 181.08, credit may be taken for tax to be paid to or to be withheld and remitted to another taxing municipality.
- (2) The original declaration (or any subsequent amendment thereof) may be increased or decreased on or before any subsequent quarterly payment date and provided for herein.  
(Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

(d) Such declaration or estimated tax to be paid this Municipality shall be accompanied by a payment of at least one-fourth of the estimated annual tax and at least a similar amount shall be paid on or before the last day of April, July, October and January. Provided, however, that, in case an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates.  
(Ord. 81-2. Passed 1-5-81.)

(e) On or before the last day of the fourth month of the year following that for which such declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due this Municipality shall be paid therewith in accordance with the provisions of Section 181.05. (Ord. 77-9. Passed 11-7-77.)

**181.08 RECIPROCITY; CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.**

No credit for income tax payable to another municipality shall be permitted as an offset to municipal income tax due the Village of New Lexington.

(Ord. 2013-12. Passed 9-3-13.)

**181.09 TAX CLERK; DUTIES.**

(a) It shall be the duty of the Tax Clerk to receive the tax imposed by this chapter in the manner prescribed herein from the taxpayer, to keep an accurate record thereof, and to report all monies so received. The Tax Clerk shall, daily, transmit all monies collected during the preceding day to the Finance Director, in a manner and upon forms prescribed by the Finance Director. (Ord. 81-2. Passed 1-5-81.)

(b) It shall be the duty of the Tax Clerk to enforce payment of all taxes owing the City, to keep accurate records for a minimum of five years showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld, and to show the dates and amounts of payments thereof.

(c) The Tax Clerk is hereby charged with the enforcement of the provisions of this chapter and to enforce the rules and regulations of Council, relating to any matter or thing pertaining to the collection of the City income taxes and the administration and enforcement of the provisions of this chapter, including provisions for the examination and correction of returns and payments.

The Tax Clerk is authorized to arrange for the payment of unpaid taxes, interest and penalties on a schedule of installment payments, when the taxpayer has proved to the Tax Clerk that, due to certain hardship conditions, he is unable to pay the full amount of the tax due. Such authorization shall not be granted until proper returns are filed by the taxpayer for all amounts owed by him under this chapter.

Failure to make any deferred payment when due, shall cause the total unpaid amount, including penalty and interest, to become payable on demand and the provisions of Sections 181.11 and 181.13 shall apply.

(d) In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Tax Clerk may determine the amount of tax appearing to be due the City from the taxpayer, and shall send to such taxpayer a written statement showing the amount of tax so determined, together with interest and penalties thereon, if any.



(e) Subject to the consent of the Board of Review or pursuant to regulations approved by Council, the Tax Clerk shall have the power to compromise any interest or penalty, or both, imposed by this chapter. (Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

(f) There is hereby created a Bureau of Taxation under the direction of the Finance Director, to be composed of the Tax Clerk and such other personnel as Council may approve. The Tax Clerk, under the direction of the Finance Director, will be responsible for the collection and enforcement of the Income Tax Chapter. The Tax Clerk shall prescribe the form and method of accounts and reports for said department, as well as the forms for taxpayers' returns and declarations, and shall be charged with the internal examination and audit of all such accounts, and shall maintain accurate records of all declarations and returns, showing the amount received from or refunded to each taxpayer, and the date of such receipt or payment. (Ord. 81-2. Passed 1-5-81.)

**181.10 INVESTIGATIVE POWERS OF THE TAX CLERK; PENALTY FOR DIVULGING CONFIDENTIAL INFORMATION.**

(a) The Tax Clerk or his duly authorized agent or employee, is hereby authorized to examine the books, papers and records of any employer, or of any taxpayer or person subject to the tax, or believed to be subject to the provisions of this chapter, for the purpose of verifying the accuracy of any return made, or if no return was made, to ascertain the tax due. Every such employer, supposed employer, taxpayer or supposed taxpayer, is hereby directed and required to furnish to the Tax Clerk or his duly authorized agent or employee, within thirty days following a written request by the Tax Clerk, or his duly authorized agent or employee, the means, facilities, and opportunity for making such examinations and investigations as are hereby authorized.

(b) The Tax Clerk, or his duly authorized agent or employee, is hereby authorized to examine any person, employer or employee under oath, concerning any income for which was or should have been returned for taxation, and for this purpose may compel the production of books, Federal income tax records, papers and records and the attendance of all persons before him, whether as parties or witnesses, whenever he believes such persons have knowledge of such income.

(c) The refusal to produce books, papers, records and Federal income tax returns, or the refusal to submit to such examination by any employer or person subject or presumed to be subject to the tax by any officer, agent or employee of a person subject to the tax required to withheld tax or the failure of any person to comply with the provisions of this section or with any order of subpoena of the Tax Clerk authorized hereby shall be deemed a violation of this chapter, punishable as provided in Section 181.13.

(d) Tax returns, investigations, hearings and all audit papers and information connected therewith are confidential and shall be carefully preserved so that they shall not be available for inspection by anyone other than the proper agents of the City for official purposes.

(e) Any information gained as the result of the filing of any tax returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential, except for official purposes and except in accordance with proper judicial order. Any person divulging such information shall be subject to a fine or penalty of not more than five hundred dollars (\$500.00) or imprisoned for not more than six months, or both. Each disclosure shall constitute a separate offense. In addition to the above penalties, any employee of the City who violates the provisions of this section shall be immediately dismissed from the service of the City.  
(Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

### **181.11 INTEREST AND PENALTIES.**

(a) All taxes imposed and all monies withheld or required to be withheld by employers under the provisions of this chapter and remaining unpaid after they become due shall bear interest at the rate of one-half of one percent (i.e.  $\frac{1}{2}\%$ ) per month or fraction thereof.

(b) In addition to interest as provided in subsection (a) hereof, penalties based on the unpaid tax are hereby imposed as follows:

- (1) For failure to pay taxes due, other than taxes withheld: one and one-half percent ( $1\frac{1}{2}\%$ ) per month or fraction thereof.
- (2) For failure to remit taxes withheld from employees: five percent (5%) per month or fraction thereof.

(c) In the case of taxpayers who fail to file tax returns when due as required by this chapter, the following late filing charge will apply:

<u>Late Charge</u>	<u>When Complete Tax Return is Filed</u>
\$25.00	Not more than thirty days late
50.00	More than thirty but not more than ninety days late
100.00	More than ninety days late.

(d) Effective for tax years 2005 and later, for failure to provide Forms 1099 as required in Section 181.06(c)(2), there shall be assessed a late filing charge of ten dollars (\$10.00) effective on the first day of the month following the due date and increased by ten dollars (\$10.00) on the first day of each month thereafter that the violation continues to a maximum of fifty dollars (\$50.00).

(e) Exceptions: A penalty shall not be assessed on an additional tax assessment made by the Tax Department when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Tax Department; and provided further that, in the absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a federal audit, providing an amended return is filed and additional tax is paid within three months after the final determination of the federal tax liability.

(f) The Tax Department is hereby given the authority to abate any of the penalties and late charges imposed by this section upon formal request of the taxpayer. Such abatement is authorized whether in full or in part. The Tax Department may promulgate reasonable rules and regulations governing the abatement of penalties and late fees.  
(Ord. 2005-23. Passed 2-6-06.)

**181.12 COLLECTION OF UNPAID TAXES AND REFUNDS OF OVERPAYMENTS.**

(a) All taxes imposed by this chapter shall be collectible, together with any interest and penalties thereon, by a civil action at law. All additional assessments shall be made and all civil actions to recover municipal income taxes and penalties and interest thereon shall be brought within three years after the tax was due or the return was filed, whichever is later.

(b) Taxes erroneously paid shall not be refunded unless a claim for a refund is made. Claims for refund of City income taxes must be brought within the time limitation provided in subsection (a) hereof. A refund may also be applied toward the declaration of tax due for the ensuing year. Claims for refunds shall be made on forms prescribed by and obtained from the Tax Clerk.

(c) Should it appear that any taxpayer has paid more than the amount of the tax to which the City is entitled under the provisions of this chapter, a refund of the amount so overpaid, if in excess of one dollar(\$1.00) shall be made, provided a proper claim for refund of such overpayment of tax has been filed by the taxpayer, or some may be applied toward the declaration of tax due for the ensuing year. Claims for refunds shall be made on forms prescribed and obtained from the Tax Clerk.

All applications for refund shall be made within six months of the due date of a final return or shall be forever barred thereafter. Provided, however, an extension may be granted by the Tax Clerk on written application.

(Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

**181.13 VIOLATIONS; PENALTIES.**

(a) Any person who shall:

- (1) Fail, neglect or refuse to make any return or declaration required by this chapter; or
- (2) Make any incomplete, false or fraudulent return; or
- (3) Willfully fail, neglect or refuse to pay the tax, penalties or interest imposed by this chapter; or
- (4) Willfully fail, neglect or refuse to withhold the tax from his employees or remit such withholding to the Tax Clerk; or
- (5) Refuse to permit the Tax Clerk or any duly authorized agent or employee to examine his books, records, papers and federal income tax returns relating to the income or net profits of a taxpayer; or
- (6) Fail to appear before the Tax Clerk and to produce his books, records, papers or federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Tax Clerk; or
- (7) Refuse to disclose to the Tax Clerk any information with respect to the income or net profits of a taxpayer; or
- (8) Fail to comply with the provisions of this chapter or any order or subpoena of the Tax Clerk authorized hereby; or
- (9) Give to any employer false information as to his true name, correct social security number and residence address, or fail to promptly notify an employer of any change in residence address and date thereof; or
- (10) Fail to use ordinary diligence in maintaining proper records of employees' residence addresses, total wages paid and this City's income tax withheld, or to knowingly give the Tax Clerk false information; or

(11) Attempt to do anything whatsoever to avoid payment of the whole or any part of the tax, penalties or interest imposed by this chapter; shall be fined not more than five hundred dollars (\$500.00) or imprisoned not more than six months or both for each offense.  
(Ord. 77-9. Passed 11-7-77; Ord. 81-2. Passed 1-5-81.)

(b) Prosecutions for an offense made punishable under this section or any other provisions of this chapter shall be commenced within three years after the omission of the offense, provided that in a case of fraud, failure to file return, or the omission of twenty-five percent (25%) or more of the income required to be reported, prosecutions may be commenced within six years after the commission of the offense.  
(Ord. 81-2. Passed 1-5-81.)

(c) The failure of any employer or person to receive or procure a return, declaration or other required form shall not excuse him from making any information return, return or declaration, from filing such form, or from paying the tax.  
(Ord. 77-9. Passed 11-7-77.)

#### **181.14 ALLOCATION OF FUNDS.**

The funds collected under the provisions of this chapter shall be deposited in the Income Tax Fund and said funds collected for each tax period shall be disbursed in the following order and manner:

- (a) Such part thereof as shall be necessary to defray all costs of collecting the taxes and the cost of administering and enforcing the provisions thereof and possible costs of contingent liabilities, i.e. tax refunds. In no case shall the amount be less than five percent (5%) of the net available income.
- (b) The balance of the net available income shall be disbursed as the Council shall deem necessary for the best interest of the City and funds balanced at their discretion, within the existing laws and resolutions, by motion at a regular meeting, with two-thirds of the elected members concurring.  
(Ord. 77-9. Passed 11-7-77.)

#### **181.15 BOARD OF REVIEW.**

(a) A Board of Review, consisting of three members of the community, one to be appointed by the Mayor, one to be appointed by the Finance Director, and the third to be selected by the two so appointed, is created by this section. No member shall be appointed to the Board of Review who holds other public office or appointment. The members of the Board of Review shall serve without pay.

(b) A majority of the members shall constitute a quorum. The Board shall adopt its own procedural rules and keep a record of its transactions.

(c) All hearings of the Board of Review shall be conducted privately and the provisions of previous ordinances in effect with reference to the confidential character of information required to be disclosed by this chapter shall apply to such matters as may be heard before the Board on appeal.

(d) All rules and regulations and amendments or changes thereto, which are adopted by the Tax Clerk under the authority conferred by ordinance, must be approved by the Board of Review before the same becomes effective. The Board shall hear and pass on appeals from any ruling or decision of the Tax Clerk, and, at the request of the taxpayer or Tax Clerk, is empowered to substitute alternate methods of allocation.

(e) Any person dissatisfied with any ruling or decision of the Tax Clerk which is made under the authority conferred by ordinance and the rules and regulations related thereto may appeal therefrom to the Board of Review within thirty days from the announcement of such ruling or decision by the Tax Clerk, and the Board of Review shall, upon hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof.

(f) Any person dissatisfied with any ruling or decision of the Board of Review may appeal therefrom to a court of competent jurisdiction within thirty days from the announcement of such ruling or decision.

(g) This section shall serve to supersede any prior ordinance enacted relative to this issue. (Ord. 2001-2. Passed 1-16-01.)

#### **181.16 APPLICABILITY.**

This chapter shall not apply to any person, firm, corporation, or to any property as to whom or which it is beyond the power of City Council to impose the tax herein provided for. (Ord. 77-9. Passed 11-7-77.)

#### **181.17 SAVINGS CLAUSE.**

If any sentence, clause, section or part of this chapter or any tax against any individual or any of the several groups specified herein, is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such sentence, clause, section or part of this chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof had not been included herein. (Ord. 77-9. Passed 11-7-77.)

#### **181.18 EXEMPTIONS.**

The provisions of this chapter shall not be construed as levying a tax upon the following:

- (a) Funds received from local, state or federal governments because of service in the Armed Forces of the United States by the person rendering such service, or as a result of another person rendering such service;
- (b) Poor relief, pensions, Social Security, unemployment compensation and disability benefits received from private industry or local, state or federal governments, or from charitable, religious or educational organizations;
- (c) Dues, contributions and similar payments received by charitable, religious, educational or literary organizations or labor unions, lodges and similar organizations;
- (d) Receipts from casual entertainment, amusements, sports events and health and welfare activities conducted by bona fide charitable, religious and educational organizations;

- (e) Any association, organization, corporation, club or trust, which is exempt from federal taxes on income by reason of its charitable, religious, educational, literary, scientific, etc., purposes;
- (f) Gains from involuntary conversions, cancellation of indebtedness, interest on federal obligations, and income of a decedent's estate during the period of administration (except such income from the operation of a business);
- (g)
  - (1) Before 1-1-16. Earnings and income of all persons under eighteen years of age, whether residents or non-residents. (Ord. 77-9. Passed 11-7-77.)
  - (2) After 1-1-16. Every individual within the municipal corporation shall be subject to income tax, regardless of age, effective January 1, 2016. Those individuals under the age of 18 years of age will no longer be exempt from paying applicable income tax, effective January 1, 2016. (Ord. 15-20. Passed 11-16-15.)

#### **181.19 COLLECTION OF TAX AFTER TERMINATION OF CHAPTER.**

(a) This chapter shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of said taxes levied hereunder are fully paid and any and all suits and prosecutions for the collection of said taxes or for the punishment of violations of this chapter shall have been fully terminated, subject to the limitations contained in Sections 181.11 and 181.13.

(b) Annual returns due for all or any part of the last effective year of this chapter shall be due on the date provided in Sections 181.05 and 181.06 as though the same were continuing. (Ord. 77-9. Passed 11-7-77.)

#### **181.20 LANDLORD REPORTING.**

(a) Every landlord/property owner who leases a dwelling(s), whether for residential, industrial, commercial or other purposes must report semi-annually, on a form approved by the Village, required tenant information. The report due date for January 1 through June 30 shall be July 31st of the same year, and for July through December shall be January 31st of the following year. The required tenant information is as follows:

- (1) All tenant(s) and/or resident(s) occupying the dwelling(s);
- (2) The date(s) when any tenant(s), eligible taxpayer(s), and/or resident(s) moves into or vacates a dwelling(s), including forwarding addresses, if known; and
- (3) Whether the dwelling(s) is government subsidized.

(b) If a landlord/property owner fails to file, or to timely file, the completed reports required by this section, it shall be considered an offense and the following shall apply:

- (1) The landlord/property owner shall be assessed a penalty of fifty dollars (\$50.00) for the first offense and one hundred dollars (\$100.00) for each subsequent consecutive (back-to-back) offense; provided that,
- (2) If any penalty remains unpaid each future violation, whether or not consecutive, will result in a one hundred dollar (\$100.00) penalty until such time as all penalties are fully paid. (Ord. 15-21. Passed 11-16-15.)