

880.01 PURPOSE.

To provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities, improvement of municipal parks and recreation facilities and capital improvements of the City of Ravenna, there is hereby levied a tax on gross income, including salaries, wages, commissions and other compensation, and on net profits, as hereinafter provided.

880.02 DEFINITIONS.

For purposes of this chapter the following definitions shall apply unless the context clearly indicates or requires a different meaning.

- (a) Administrator means the individual designated by ordinance to administer and enforce the provisions of this chapter.
- (b) Association means any partnership, limited partnership, limited liability corporations and limited liability partnerships, Sub Chapter S Corporation as defined in the Federal Tax Code or any other form of unincorporated business or enterprise, owned by one or more persons. The term association and unincorporated business are interchangeable items.
- (c) Board of Review means the board established by and as constituted in [Section 880.14](#).
- (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, association, corporation 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 or foreign country or dependency, but not including Chapter S Corporations.
- (f) Domicile means the permanent legal residence of a taxpayer. A taxpayer may have more than one residence but not more than one domicile.
- (g) Employee means one who works for wages or a salary, commission or other type of compensation in the service of an employer.
- (h) 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.

- (i) Fiscal Year means an accounting period of twelve months or less ending on any day other than December 31.
- (j) Generic Form means a paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability that is not prescribed by a particular municipal corporation for the reporting of that municipal corporation's tax of income which conforms to Section 880.05 (B).
- (k) Gross Income shall include all monies derived from any source whatsoever, including
 1. All salaries, wages, commissions, other compensation and other income from whatever source received by residents of the city, including distributive shares of an unincorporated business entity or association against which Ravenna municipal income tax is not already levied.
 2. All salaries, wages, commissions, other compensation and other income from whatsoever source received by nonresidents for work done or services performed or rendered or activities conducted in the City of Ravenna.
 3. The portion attributable to the city of the net profits of all unincorporated businesses, associations, professions, corporations, or other entities, from sales made, work done, services performed or rendered, and business or other activities conducted in the City of Ravenna. Such portion shall be determined as provided in [Section 880.03](#) and in accordance with the regulations adopted by the Board of Review pursuant to this Chapter.
- (l) Gross Receipts means the total revenue derived from sales, work done, or service rendered, before any deductions, exceptions, or credits are claimed.
- (m) Joint Economic Development District (JEDD) means a District created under [Ohio Revised Code Sections 715.70](#) and [715.71](#), as amended from time to time.

- (n) Net Profits means a net gain from the operation of a business, profession, enterprise or other activity after provision is made for all ordinary and necessary expenses which are either paid or accrued in accordance with the accounting system used by the taxpayer for Federal income tax purposes, without the deduction of taxes imposed by this chapter and Federal, State and other taxes based on income, and, in the case of an association, without the deduction of salaries paid to partners and other owners, and otherwise adjusted to the requirements of this chapter.
- (o) Nonresident means an individual domiciled outside the City or who does not reside within the City for thirty days or more within any ninety-day period.
- (p) Nonresident unincorporated business entity means an unincorporated business entity not having an office or place of business within the City. (Ord. 1970-67. Passed 12-7-70.)
- (q) Other Compensation includes all forms of earned income, including but not limited to tips, gifts of any type for services rendered, vacation and holiday pay, severance pay, director's fees, jury duty fees, sick pay and third party sick pay, bonuses, incentive payments in whatever form, company closing benefits, earnings designated as deferred compensation or compensation paid by an employer in whatever form for services rendered, employer paid premiums for group-term insurance in excess of fifty thousand dollars (\$50,000), strike benefits, ordinary income shown on federal form 4797, and a resident partner's or stockholder's distributive share of a nonresident partnership or S- corporation net profits (whether received as wages paid or a draw from a drawing or capital account and whether received or accrued). The term "other compensation" shall also include income reported on federal tax returns as earned or derived from gaming, wagering, lotteries (including the Ohio or any other State lottery or combined State lotteries), schemes of chance effective during the tax year in which such income from gaming, wagering, lotteries or schemes of chance is received.
- (r) Person means every natural person, partnership, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a penalty, the term "person," as applied to an unincorporated entity, means the partners or members thereof, and, as applied to corporations, the officers thereof.
- (s) 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 or her regular employees regularly in attendance.

- (t) Resident means an individual domiciled in the City of Ravenna, or who resides within the City for thirty days or more within any ninety-day period.
- (u) Resident Unincorporated Business Entity means an unincorporated business entity having an office or place of business within the City of Ravenna.
- (v) Taxable Income means wages, salaries, commissions, 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.
- (w) Taxable Year means the calendar year, or the fiscal year on the basis of which the taxable income is 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.
- (x) Taxpayer means a person, whether an individual, partnership, association, corporation or other entity, required hereunder to file a return or pay a tax. (Ord. 1990-146. Passed 12-3-90)

880.03 IMPOSITION OF TAX.

An annual tax for the purposes specified in [Section 880.01](#) is imposed on and after January 3, 1958, at the rates indicated, during the years indicated

- .50% - per year during each calendar years 1958 to 1965; inclusive
- 1.00% - per year during each calendar years 1966 to 1974; inclusive
- 1.10% - per year during each calendar years 1975 to 1978 inclusive, and the months of January 1, 1979 to June 30, 1979
- 1.35% - per the months of July 1, 1979 to December 31, 1979

- 1.25% - per the months of January 1, 1980 to March 31, 1980
- 1.35% - per the months of April 1, 1980 to July 31, 1980
- 1.43% - per the months of August 1, 1980 to December 31, 1980, and per the year during each calendar years 1981 to 1984, inclusive, and the months of January and February 1985
- 1.75% - per the months of March 1, 1985 to December 31, 1985, and per the year during each calendar years 1986 to 1989, inclusive
- 1.80% - per year during each calendar years 1990 to 1994, inclusive
- 1.75% - per the calendar year of 1995, and the months of January 1, 1996 to June 30, 1996
- 1.80% - per the months of July 1, 1996 to December 31, 1996

One and eight tenths percent (1.8%) during the calendar year thereafter, per annum, until modified by ordinance, on all taxable income, and such tax to be distributed as set forth in [Section 880.18](#), 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 of Ravenna.
- (2) On all salaries, wages, commissions and other compensation earned during the effective period of this chapter by nonresidents for work done or services performed or rendered in the City of Ravenna.
- (3)
 - a. On the portion attributable to the City 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 the City of Ravenna.
 - 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 the City of Ravenna and not levied against such unincorporated business entity.
- (4)
 - a. On the portion attributable to the City 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 businesses or other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City of Ravenna.

- 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 non resident unincorporated business entity not attributable to the City of Ravenna and not levied against such unincorporated business entity.
- (5) On the portion attributable to the City 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 the City of Ravenna, whether or not such corporations have an office or place of business in the City.
- (6) a. Rental income received by a taxpayer, all of which shall be included in the computation of net profits from business activities under paragraphs (A) (4) through (6) hereof, only if and to the extent that the rental, ownership, management or operations of the real estate from which such rentals are derived (whether so rented, managed or operated by a taxpayer individually or through agents or other representatives) constitutes a business activity of the taxpayer in whole or in part.
- b. Where the gross monthly rental of any and all real properties, regardless of number and value, aggregates in excess of one hundred dollars (\$100.00) per month, it shall be prima facie evidence that the rental, ownership, management or operation of such properties is a business activity of such taxpayer, and the net income of such rental property shall be subject to tax; provided that in case of commercial property, the owner shall be considered engaged in a business activity when the rental is based on a fixed or fluctuating percentage of gross or net sales, receipts or profits of the lessee, whether or not such rental exceeds one hundred dollars (\$100.00) per month; provided further that in the case of farm property, the owner shall be considered engaged in a business activity when he shares in the crops or when the rental is based on a percentage of the gross or net receipts derived from the farm, whether or not the gross income exceeds one hundred dollars (\$100.00) per month; and provided further that the person who operates a licensed rooming house shall be considered in business whether or not the gross income exceeds \$100.00 per month.
 - c. In determining the taxable income from rentals, the deductible expenses shall be of the same nature, extent and amount as are allowed by the Internal Revenue Service for Federal Income tax purposes.
 - d. All persons engaged in the rental of real property shall, in filing their annual return, provide a copy of the Schedule E of the Federal Income Tax Return, and shall provide such other information relative to the rental activities as the Administrator may request, if

known.

(B) Attribution of Net Profits. The portion of 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 Administrator pursuant to this chapter.

(C) Net Operating Loss Carry-Forward shall be as follows:

- (1) The portion of a net operating loss sustained in any taxable year subsequent to January 1, 1991, allocable to the City of Ravenna, may be applied against the portion of the profit of succeeding years allocable to the City, until exhausted, but in no event for more than five taxable years. No portion of a net operating loss shall be carried back against net profits of any prior years.
- (2) The portion of net operating loss sustained shall be allocated to this City in the same manner as provided herein for allocating net profits to the City.
- (3) A business or rental loss is not allowed as an offset against Federal form W-2 income from salaries, wages and other compensation.
- (4) The Administrator shall provide rules and regulations for the manner in which such net operating loss carry forward shall be determined.

(d) Consolidated Returns.

- (1) Filing of consolidated returns may be permitted or required in accordance with rules and regulations prescribed by the Administrator.
- (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 the City constituting only a portion of its total business, the Administrator shall require such additional information as he deems necessary to ascertain whether net profits are properly allocated to the City. If the Administrator finds that net profits are not properly allocated to the City 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 the City.

880.04 EXEMPTIONS.

The tax provided for herein shall not be levied upon:

- (a) Military pay or allowance of active member of the Armed Forces of the United States;
- (b) Unemployment insurance benefits, welfare benefits, pensions paid as a result of retirement or similar payments including disability benefits received from local, state or federal governments or charitable, religious or educational organizations.
- (c) The income of religious, charitable, fraternal, scientific, literary, or educational institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities;
- (d) Retirement disability benefits, annuities, or gratuities not in the nature of compensation for services rendered from whatever source derived;
- (e) Pensions, income from intangibles (e.g., interest, royalties, and dividends from stocks and bonds), proceeds of insurance except for loss of business income, annuities, government allotments;
- (f) Receipts from seasonal or casual entertainment, amusements, fund raising, sports events, and health and welfare activities when conducted by bona fide charitable, religious, or educational organizations and associations;
- (g) Alimony or Child support received;
- (h) The income of individuals under 16 years of age;
- (i) Gains from involuntary conversion, cancellation of indebtedness, interest on federal obligations, items of income already taxed by the state from which the City is specifically prohibited from taxing, and income of a decedent's estate during the period of administration (except such income from the operation of a business);
- (j) Salaries, income, wages, commissions, other compensation, other income and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce; and
- (k) Salaries, wages, commissions, other compensation, other income and net profits the taxation of which is prohibited by the Constitution of the State or any act of the Ohio General Assembly limiting the power of the City to impose net income taxes.

880.05 RETURN AND PAYMENT OF TAX; AMENDED RETURNS.

(A) Filing Date. Each taxpayer except as herein provided, shall, whether or not a tax is due thereon, make and file a return on or before April 15 of the year following the effective date of this chapter, and on or before April 15 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 105 days from the end of such fiscal year or period. (Ord. 1986-132. Passed 12-1-86.)

(B) Form and Content. The return shall be filed with the Administrator on a form furnished by or obtainable upon request from the Administrator, or a generic form, setting forth the following:

- (1) The aggregate amount of salaries, wages, commissions, and other compensation earned, and the gross income from a business, profession, or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to the tax;
- (2) The amount of tax imposed by this chapter on such earnings and profits; and
- (3) Such other pertinent statements, information returns or other information as the Administrator may require.
(Ord. 1970-67. Passed 12-7-70.)
- (4) Any business, profession, association, or corporation reporting a net loss is subject to the filing requirements of this chapter.

(C) Extension of Time for Filing. Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a municipal income tax return. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal filing extension with the Ravenna Income tax department. Provided that a request for an extension of time to file an annual income tax return is made prior to April 16, the Administrator may extend the time for filing of the annual return, upon the request of the taxpayer, for a period of not more than 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 Administrator 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 or interest shall be assessed in those cases in which the return is filed and the final tax is paid within the period as extended. (Ord. 1999-146. Passed 12-3-90.)

(D) Payment on Filing the Return.

- (1) The taxpayer making a return, shall, at the time of filing, pay to the Administrator the amount of taxes shown as due thereon. However, where any portion of the tax so due has been deducted at the source pursuant to [Section 880.06](#), where any portion of the tax has been paid by the taxpayer pursuant to [Section 880.08](#), or where an income tax has been paid to another municipality, credit for the amount so paid, in accordance with [Section 880.15](#), 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 the return.

- (2) A taxpayer who has overpaid the amount of tax to which the City is entitled under this chapter may have such overpayment applied against any subsequent liability hereunder, or, at his or her election indicated on the return, such overpayment shall be refunded, provided that no taxes or refunds of less than one dollar (\$1.00) shall be collected or refunded.

(E) Amended Returns.

- (1) Where necessary, an amended return shall be filed in order to report additional income and pay and additional tax due, or to claim a refund of tax overpaid, subject to the requirements and/or limitations contained in [Sections 880.12](#) and [880.15](#). Amended returns shall be made on a form obtainable on request from the Administrator. 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 City tax liability, such taxpayer shall make and file an amended City return showing income subject to the City tax based upon such final determination of Federal tax liability, and shall pay any additional tax shown due thereon or shall make a claim for a refund of any overpayment.
- (3) Where a taxpayer, as a consequence of moving out of the corporate limits, or in any other manner, terminates his or her liability to file and pay any taxes that may be imposed by this chapter, shall within sixty (60) days of the date of such termination of liability, file a final return covering the portion of the taxable year he or she is liable for and pay any taxes shown due thereon. █

880.06 COLLECTION AT SOURCE, EMPLOYEE WITHHOLDING.

- (A) Liability of Employer. Each employer within, or doing business within the City of Ravenna, shall, at the time of the payment of any salary, income, wage, commission, or other compensation, deduct the tax at its then applicable percentage ([Section 880.03](#)) on salaries, wages, commissions, other compensation and other income due by the employer to his employees who are subject to the provisions of this chapter.
 - (1) Liability for Payment. The employer 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. 1984-124. Passed 12-3-84.)

- (2) Employer as Trustee. The employer, in collecting the tax, shall be deemed to hold the tax as a trustee for the benefit of the City, and any such tax collected shall be deemed a trust fund in the hands of the employer until the collected tax is paid by the employer to the City. (Ord. 1970-67. Passed 12-7-70.)
- (3) Domestic Labor. No person shall be required to withhold the tax on salaries, wages, commissions, other compensation and other income paid domestic workers employed by such person exclusively in or about such person's residence, even though the residence is in the City, but such employee shall be subject to all of the requirements of this chapter.

(B) Filing and Payment. Each employer shall, on or before the last day of the month, make a return and pay to the Administrator the tax withheld during the preceding month. However, the Administrator shall have the authority to approve the filing of returns and payment of the tax withheld on a quarterly basis, provided that monthly employer withholdings do not exceed the sum of two hundred dollars (\$200.00) in any monthly collection period. In such case, the employer shall make a return and pay to the Administrator the tax withheld on a quarterly basis as follows:

- (1) Calendar quarters ending March 31, on or before April 30;
- (2) Calendar quarters ending June 30, on or before July 31;
- (3) Calendar quarters ending September 30, on or before October 31;
- (4) Calendar quarters ending December 31, on or before January 31.

(C) Forms. Such return shall be on a form or forms prescribed by or acceptable to the Tax Administrator and shall be subject to the rules and regulations prescribed therefore by the Tax Administrator.

- (1) On or before January 31 of each year, each employer shall file a withholding return setting forth the names, addresses and social security numbers of all employees from whose compensation the tax was withheld during the preceding calendar year and the amount of tax withheld from his employees and such other information as may be required by the Administrator.

(D) Managers Obligation. The officer or employee of any business entity, including, but not limited to Sole Proprietor, Partnership, LLC, Corporation, or any entity functioning as a pass-through entity, having control or supervision of, or charged with the responsibility of filing any return or declaration required by this chapter and making payment, or any officer of the above mentioned entities who is responsible for execution of said entities fiscal responsibilities, shall be personally liable for failure to file any return or declaration, or pay the tax or employer withholding due by the provisions of this chapter. The dissolution,

termination or bankruptcy of a business entity does not discharge the responsible officer, employees, members or partner's liability for a failure of the Sole Proprietorship, Partnership, LLC, Corporation, or entity functioning as a pass-through entity, to file returns or declarations or pay tax or employer withholding due.

880.07 INFORMATION QUESTIONNAIRE.

(A) Every resident of the City who has not previously filed an information questionnaire for City income tax purposes, or who, having previously filed such a questionnaire, has since changed his or her occupation or business, place of employment or residence and who is gainfully employed or is customarily so employed, or who is engaged in business or a profession or is customarily so engaged, shall, within ten days after the effective date of this section (Ordinance 1970-67, passed 12-7-70), or within ten days after becoming a resident or gainfully employed or engaged in business or a profession within the City, file an information questionnaire with the Administrator on a form obtainable from him or her.

(B) Any person within the City, upon request by the Administrator, or any authorized employee of the Administrator, shall file the information questionnaire, whether or not such person is subject to the tax provided for in this chapter. (Ord. 1970-67. Passed 12-7-70.)

880.08 DECLARATIONS.

(A) Every person who anticipates any taxable income which is not subject to [Section 880.06](#), or who engages in any business, profession, enterprise or activity subject to the tax imposed by [Section 880.03](#), shall file a declaration setting forth such estimated income or the estimated profit or loss from such business activity, together with the estimated tax thereon, if any. However, if a person's income is wholly from wages from which the tax will be withheld and remitted to the City in accordance with [Section 880.06](#), such person need not file a declaration.

(A) Filing of Declaration.

- (1) Such declaration shall be filed before April 16 of each year during the life of this chapter, or within 105 days 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 105 days after the beginning of each fiscal year or period.

(B) Form of Declaration.

- (1) Such declaration shall be filed upon a form furnished by or obtainable from the Administrator, or a generic form, and credit shall be taken for the City income tax to be withheld from any portion of that income. In accordance with the provisions of

[Section 880.15](#), 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 as provided for herein.
- (C) Payment of Declaration. Such declaration of estimated tax to be paid to the City 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 the sixth, ninth and twelfth months after the beginning of the taxable year. However, if 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.
- (D) Annual Return. On or before the fifteenth day of the fourth month of the year following for which a declaration or an amended declaration was filed, an annual return shall be filed, and any balance which may be due the City, shall be paid therewith in accordance with the provisions of [Section 880.05](#). (Ord. 1970-67. Passed 12-7-70.)

880.09 DUTIES OF THE ADMINISTRATOR.

- (A) Duty to Receive Tax and Enforce Collection.
- (1) It shall be the duty of the Administrator to receive the tax imposed by this chapter in the manner prescribed from the taxpayers, to keep an accurate record thereof and to report all moneys so received.
- (2) It shall be the duty of the Administrator to enforce payment of all taxes owing the City of Ravenna imposed by this chapter, to keep accurate records for a minimum of six (6) 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.
- (B) Authority to Make and Enforce Regulations. The Administrator is hereby charged with the enforcement of the provisions of this chapter, and is hereby empowered, subject to the approval of the Board of Review, to adopt, promulgate and enforce rules and regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this chapter, including provisions for the re-examination and correction of returns.
- (C) Authority to Arrange Installment Payments. The Administrator 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 Administrator that, due to certain hardship conditions, he or she 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 or her 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 880.12](#) and [880.99](#) shall apply.

(D) Authority to Determine Amount of Tax Due. 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 Administrator may determine the amount of tax appearing to be due the City 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) Authority Granted by Board of Review. Subject to the consent of the Board of Review or pursuant to regulation approved by the Board, the Administrator shall have the power to compromise any interest or penalty, or both, imposed by [Section 880.11](#). (Ord. 1970-67. Passed 12-7-70.)

880.10 INVESTIGATIONS; CONFIDENTIAL INFORMATION.

(A) Authority to Make Investigations. The Administrator or any authorized employee is hereby authorized to examine the books, papers, records and Federal Income Tax Returns of any employer or of any taxpayer or person subject to, or whom the Administrator believes is 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 under this chapter. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish, upon written request by the Administrator or his or her duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized.

(B) Authority to Compel Production of Records. The Administrator is hereby authorized to order any person presumed to have knowledge of the facts to appear before him or her and may examine such person under oath concerning any income which was or should have been returned for taxation, or any transaction tending to affect such income. For this purpose the Administrator may compel the production of books, papers, records and Federal Income Tax Returns and the attendance of all persons before him or her, whether as parties or witnesses, whenever he or she believes such persons have knowledge of such income or information pertinent to such inquiry.

(C) Refusal to Produce Records. Any employer, or officer, agent, or employee of an entity, or a person subject to, or presumed to be subject to the tax, or

required to withhold tax, that refuses to produce papers, books, records, and Federal Tax Returns for purposes of examination by the City of Ravenna Income Tax Department, or the failure of any entity or person to comply with an order or subpoena of the Administrator authorized shall be deemed in violation of this chapter, punishable as provided in [Section 880.99](#).

(D) Confidential Nature of Information Obtained. Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential and no disclosure thereof shall be made, except to municipal, State, or federal taxing Agencies, except for official purposes, or except in accordance with proper judicial order.

Any person divulging such information in violation of this chapter shall be punished as prescribed in [Section 880.99](#).

(E) Taxpayer Required to Retain Records. Every taxpayer shall retain all records necessary to compute his or her tax liability for a period of six years from the date his or her return is filed or the withholding tax is paid. (Ord. 1970-67. Passed 12-7-70.)

880.11 INTEREST AND PENALTIES .

(A) Interest shall accrue on all unpaid taxes as follows:

- (1) Interest on Annual Returns. All taxes imposed, other than taxes withheld or required to be withheld by an employer, under the provisions of this chapter and remaining unpaid after they become due shall bear interest at the rate of one and one-half percent (1.5%) per month or fraction thereof.
- (2) Interest on Employer Withholding. All moneys withheld, or required to be withheld by an employer 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 (.50%) 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) Late Filing Fine for Failure to File. Whoever fails to file a City tax return for any tax year shall be fined twenty-five dollars (\$25.00) per tax year, which shall be paid by the person liable for filing the tax return. (Ord. 1986-132. Passed 12-1-86.)
- (2) Penalty on Annual Returns. For failure to pay taxes due, other than taxes withheld, one and one-half percent (1.5%) per month or fraction thereof.
- (3) Penalty on Employer Withholding. For failure to remit taxes withheld from employees, three percent (3%) per month or fraction thereof. (Ord. 1986-132. Passed 12-1-86.)

(C) Exceptions. A penalty shall not be assessed on an additional tax assessment made by the Administrator when a return has been filed in good faith and the tax has been paid thereon within the time prescribed by the Administrator. In the absence of fraud, neither penalty nor interest shall be

assessed on any additional tax assessment resulting from a Federal audit, provided that an amended return is filed and the additional tax is paid within three (3) months after final determination of the Federal tax liability.

(D) Abatement. Upon recommendation of the Administrator, the Board of Review may abate penalty or interest, or both, or upon an appeal from the refusal of the Administrator to recommend abatement of penalty and interest, the Board may nevertheless abate penalty or interest, or both. (Ord. 1970-67. Passed 12-7-70.)

880.12 COLLECTION OF UNPAID TAXES; REFUND OF OVERPAYMENTS.

(A) All taxes imposed by this chapter shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. Except in the case of fraud, omission of substantial portion of income subject to this tax or failure to file a return, an additional assessment shall not be made after three years from the time the return was due or filed, whichever is later. However, in those cases in which the Commissioner of Internal Revenue and the taxpayer have executed a waiver of the Federal statute of limitations, the period within which an additional assessment may be made by the Administrator shall be one year from the time of the final determination of the Federal tax liability.

(B) Refund of Taxes Erroneously Paid. Taxes erroneously paid shall not be refunded unless a claim for refund is made within three years from the date which such payment was made or the return was due or within three months after the final determination of the Federal tax liability, whichever is later.

(C) Amounts of Less Than One Dollar. Amounts of less than one dollar (\$1.00) shall not be collected or refunded.

880.13 VIOLATIONS.

- (A) No Person shall:
- (1) Fail, neglect or refuse to make any return, declaration or questionnaire required by this chapter;
 - (2) Make any incomplete, false or fraudulent return or questionnaire;
 - (3) Fail, neglect or refuse to pay the tax, penalties, or interest imposed by this chapter;
 - (4) Fail, neglect or refuse to withhold the tax from his or her employees or remit such withholding to the Administrator;
 - (5) Refuse to permit the Administrator, or any duly authorized agent or employee to examine his or her books, records, papers and Federal Income Tax Returns relating to the income or net profits of a taxpayer;

- (6) Fail to appear before the Administrator and to produce his or her books, records, papers and Federal Income Tax Returns relating to the income or net profits of a taxpayer upon order or subpoena of the Administrator; (Ord. 1984-124. Passed 12-3-84.)
- (7) Refuse to disclose to the Administrator any information with respect to the income or net profits of a taxpayer;
- (8) Fail to comply with the provisions of this chapter or any order, rule, regulation or subpoena of the Administrator authorized hereby;
- (9) Give to an employer false information as to his or her true name, correct social security number and residence address, or fail to promptly notify an employer of any change in residence address and the date thereof;
- (10) Fail to use ordinary diligence in maintaining proper records of employees residence addresses, total wages paid and City tax withheld, or knowingly give the Administrator false information; or (Ord. 1970-67. Passed 12-7-70.)
- (11) Attempt to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter. (Ord. 1986-132. Passed 12-1-86.)

(B) All prosecutions under this section must be commenced within the time prescribed under [Ohio R.C. 718.12](#).

(C) The failure of any employer or person to receive or procure a return, declaration or other required form shall not excuse him or her from making any information questionnaire, return or declaration, from filing such form or from paying the tax. (Ord. 1970-67. Passed 12-7-70.)

880.14 BOARD OF REVIEW.

(A) Established. A Board of Review, consisting of the Director of Finance and two other individuals appointed by the Mayor, is hereby established. One of the members appointed by the Mayor shall be an attorney with ten (10) or more years of practice, and the other shall be a public accountant with ten (10) or more years of professional experience. A majority of the members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions. Any hearing by the Board may be conducted privately, and the provisions of [Section 880.10](#) 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 of appeal.

(B) Duty to Approve Regulation and to Hear Appeals. All rules and regulations and amendments or changes thereto, which are adopted by the Administrator under the authority conferred by this chapter, must be approved by the Board of Review before they become effective. The Board shall hear and pass on appeals from any ruling or decision of the Administrator, and, at the request of the taxpayer or the Administrator, is empowered to substitute alternative methods of allocation.

(C) Right of Appeal. Any person dissatisfied with any ruling or decision of the Administrator which is made under the authority conferred by this chapter may appeal to the Board of Review, in writing, stating why the decision should be deemed incorrect or unlawful within thirty days from the announcement of the ruling or decision by the Administrator. The Board shall schedule a hearing within forty-five days after receiving the request, unless the taxpayer waives a hearing. The taxpayer may appear before the Board and may be represented by an attorney, certified public accountant, or other representative. The Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof. (Ord. 1970-67. Passed 12-7-70.) The Board shall issue a decision on the appeal within ninety days after the final hearing on the appeal, and send notice of its decision by ordinary mail to the petitioner within fifteen days after issuing the decision.

880.15 CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.

(A) Where a resident of the City of Ravenna is subject to a municipal income tax in another municipality, or in a Joint Economic Development District, he or she shall not pay a total municipal income tax on the same income greater than the tax imposed at the higher rate.

(B) Every individual taxpayer who resides in the City who receives net profits, salaries, wages, commissions, or other personal service compensation, for work done or services performed or rendered outside of the City, if it is made to appear that he or she has paid a municipal income tax on the same income taxable under this chapter to another municipality, or to a Joint Economic Development District, shall be allowed a credit against the tax imposed by this chapter of the amount so paid by him or her or in his or her behalf to such other municipality or Joint Economic Development District. The credit shall not exceed the tax assessed by this chapter on such income earned in such other municipality or municipalities, or Joint Economic Development District, where such the tax is paid. (Ord. 1970-67. Passed 12-7-70.) For the purposes of this section, taxable income shall include the distributive share of net profits of a resident partner or owner of an unincorporated business entity.

(C) No credit will be given unless the taxpayer claims such on his or her final return, or other form prescribed by the Administrator, and presents such evidence of the payment of the similar tax to another municipality, as the Administrator may require.

(D) For returns with multiple, or jointly filed w-2's, each w-2 form must be calculated separately.

(E) If the W-2 has more than one locality in which tax was withheld, each locality must be calculated separately.

880.16 COLLECTION OF TAX AFTER TERMINATION OF CHAPTER.

(A) This chapter shall continue effective insofar as the levy of the tax is concerned until it is repealed, and, insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provision of this chapter are concerned, it shall continue effective until all the taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of such taxes or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in [Sections 880.12](#) and [880.13](#).

(B) Annual returns due for all or any part of the last effective year of this chapter shall be due on the date provided for in [Sections 880.05](#) and [880.06](#) as though the same were continuing. (Ord. 1970-67. Passed 12-7-70.)

880.17 JOINT ADMINISTRATION WITH ANY OTHER CITY INCOME TAX.

The taxes presently imposed by the City of Ravenna, and any additional taxes imposed shall be administered, collected and enforced as a single tax equal to the sum of those several taxes. (Ord. 1970-67. Passed 12-7-70.)

880.18 DISTRIBUTION OF TAX.

The one and eight-tenths (1.8%) percent tax levied under Section 880.02 shall be distributed as follows:

<u>FUND</u>	<u>DISTRIBUTED PERCENTAGE</u>
General Fund	.812
Street Maintenance and Repair	.147
Income Tax Fund	.039
Parks and Recreation Fund	.100
Ambulance Fund	.080
Parks Capital Improvement Fund	.050
Capital Improvement Fund	.264
Water Debt Fund	.057
Water Revenue Fund	<u>.250</u>
	1.800

880.19 PLAN FOR USE OF TAX FUNDS.

The Finance Committee of Council shall, on an annual basis, prepare a capital improvement plan. This plan shall be based upon projected Income Tax revenue, the engineer's tentative estimates of project costs, and the priority of needed capital improvements.

880.20 SEPARABILITY.

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 clause, sentence, section or part 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 not been included. (Ord. 1970-67. Passed 12-7-70.)

880.99 PENALTY.

(A) Whoever violates or fails to comply with any of the provisions of this chapter, for which no penalty is otherwise provided, is guilty of a misdemeanor of the first degree and shall be fined not more than one thousand dollars (\$1,000) or imprisoned not more than six (6) months, or both, for each offense.

(B) In addition to the penalty provided in subsection (A) hereof, any employee of the City who violates [Section 880.10\(D\)](#) shall be immediately dismissed.

CITY OF RAVENNA, OHIO

TITLE FOUR – Taxation
 Chap. 880. Earned Income Tax.
 Chap. 882. Motor Vehicle License Tax.
 Chap. 884. Transient Guest Tax.

CHAPTER 880 Earned Income Tax

880.01 Purpose.
 880.02 Definitions.
 880.03 Imposition of Tax.

- 880.04 Exemptions.
- 880.05 Return and payment of tax; Amended returns.
- 880.06 Collection at source, Employee Withholding.
- 880.07 Information questionnaire.
- 880.08 Declarations.
- 880.09 Duties of the Administrator.
- 880.10 Investigations; Confidential Information.
- 880.11 Interest and penalties.
- 880.12 Collection of unpaid taxes; Refunds of overpayments.
- 880.13 Violations.
- 880.14 Board of Review
- 880.15 Credit for tax paid to other municipalities.
- 880.16 Collection of tax after termination of chapter.
- 880.17 Joint administration with any other City income tax.
- 880.18 Distribution of tax.
- 880.19 Plan for use of tax funds.
- 880.20 Separability.
- 880.99 Penalty.

CROSS REFERENCES

Power to levy – see Ohio Const., Art. XVIII Sec. 3

Payroll deductions – see Ohio R.C. 9.42

Municipal income taxes – see Ohio R.C. Ch. 718

Bond for Income Tax Administrator and Chief Clerk – see ADM. 260.17