

# City of Willoughby Hills

## **ORDINANCE NO. 2010-38**

**AN ORDINANCE PROVIDING FOR AN INCREASE IN THE RATE OF THE MUNICIPAL INCOME TAX; AMENDING PART ONE – ADMINISTRATIVE CODE, TITLE NINE – TAXATION, CHAPTER 185 – INCOME TAX, SECTION 185.0101 – PURPOSE OF LEVY, SECTION 185.0501 – RATE AND INCOME TAXABLE, SECTION 185.0502 – EFFECTIVE PERIOD, SUBSECTION (a) of SECTION 185.1302 – COLLECTION AT SOURCE, AND SECTION 185.1902 – RESIDENT SUBJECT TO INCOME TAX IN OTHER MUNICIPALITY; REPEALING CONFLICTING LEGISLATION AND DECLARING AN EMERGENCY.**

**WHEREAS**, on November 2, 2010, a majority of the electors voted to approve an amendment to Section 7.4 of the City Charter as set forth by Ordinance No. 2010-27; and

**WHEREAS**, said amendment requires this Council to levy a tax on all incomes subject to the City Income Tax at the rate of two percent (2%); and

**WHEREAS**, said amendment further stipulates that any and all income above one and one-half (1.50%) up to two percent (2%) of income tax paid on income earned within the City and net profits shall be exclusively used to support the City's Safety Forces only; and

**WHEREAS**, Existing **Section 185-0101 – Purpose of Levy** of the Codified Ordinances of the municipality shall be amended to reflect that effective of January 1, 2011 the aforementioned stipulation shall apply; and

**WHEREAS**, by the terms of Ordinance No. 2010-27, Council shall amend existing **Section 185.0501 – Rate and Income Taxable, Section 185.0502 – Effective Period, Subsection (a) of Section 185.1302 – Collection at Source** of the Codified Ordinances of the municipality so that the rate of the municipal income tax shall be increased from one and one-half percent (1.50%) to two percent (2%) per annum, effective January 1, 2011; and

**WHEREAS**, **Section 185.1902 – Resident Subject to Income Tax in Other Municipality** shall be amended to reflect a tax credit of one hundred percent (100%); such credit limit shall be equal to one and one-half percent (1.50%). The credit and limits by this Section shall remain in effect until repealed by amendment of this Charter by a vote of the electors of Willoughby Hills.

**NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WILLOUGHBY HILLS, COUNTY OF LAKE, STATE OF OHIO THAT:**

**SECTION 1.** Existing **Section 185.0101 – Purpose of Levy** of the Codified Ordinances of the City be and the same hereby is amended effective January 1, 2011, to read and provide as follows:

**“185.0101 PURPOSE OF LEVY.**

To provide funds for the purposes of general municipal functions of the City there is hereby levied a tax on all salaries, wages, commissions, lottery winnings, gambling and games of chance winnings, and other compensation, and on net profits as hereinafter provided.

Effective as of January 1, 2011 the following stipulation shall apply: any and all income above one and one-half (1.50%) up to two percent (2%) of income tax paid on income earned within the City and net profits shall be exclusively used to support the City's Safety Forces only."

**SECTION 2.** Existing **Section 185.0501 – *Rate and Income Taxable*** of the Codified Ordinances of the City be and the same hereby is amended effective January 1, 2011, to read and provide as follows:

**"185.0501      RATE AND INCOME TAXABLE.**

An annual tax for the purposes specified in Section 185.0101 shall be imposed on and after January 1, 2011, at the rate of two percent per annum upon the following:

- (a) On all salaries, wages, commissions, and any state lottery winnings, gambling or games of chance winnings totaling one hundred thousand dollars (\$100,000) gross in winnings or more and other compensation earned on or after January 1, 2011 by residents of the City.
- (b) On all salaries, wages, commissions and other compensation earned on and after January 1, 2011, by nonresidents of the City for work done or services performed or rendered within the City.
- (c)
  - (1) On the portion attributable to the city on the net profits earned on and after January 1, 2011, of all resident unincorporated business entities or services performed or rendered and business or other activities conducted in the City.
  - (2) On the portion of the distributive share of the net profits earned on or after January 1, 2011, of a resident partner or owner of a nonresident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.
- (d)
  - (1) On the portion attributable to the City of the net profits earned on or after January 1, 2011, of all nonresident unincorporated business entities, professions or other activities, derived from sales made, work done, services performed or rendered and business and other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City.
  - (2) On the portion of the distributive share of the net profits earned on or after January 1, 2011, of a resident partner or owner of a nonresident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity.
- (e) On the portion attributable to the City of the net profits earned on and after January 1, 2011, of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City."

**SECTION 3.** Existing **Section 185.0502 – *Effective Period*** of the Codified Ordinances of the City be and the same hereby is amended effective January 1, 2011, to read and provide as follows:

**"185.0502      EFFECTIVE PERIOD.**

The tax shall be levied, collected and paid with respect to the salaries, wages, commissions, and any state lottery winnings, gambling or games of chance winnings totaling one hundred thousand dollars (\$100,000) gross in winnings or more, and other compensation, and with respect to the net profits of businesses, professions or other activities earned on and after January 1, 2011."

**SECTION 4.** Existing **Subsection (a) of Section 185.1302 – *Collection at Source*** of the Codified Ordinances of the City be and the same hereby is amended effective January 1, 2011, to read and provide as follows:

**“185.1302        COLLECTION AT SOURCE.**

- (a) In accordance with rules and regulations prescribed by the Administrator, each employer within or doing business within the City shall deduct at the time of the payment of such salary, wages, commissions or other compensation, the tax of two percent (2%) per annum of the gross salaries, wages, commissions or other compensation due by the employer to an employee and shall, on or before the twentieth day of the month following the close of each calendar quarter, make a return and pay to the Administrator the amount of taxes so deducted, subject to the provisions of subsections (c), (d) and (e) hereof. Such returns shall be on a form or forms prescribed by or acceptable to the Administrator and shall be subject to the rules and regulations prescribed therefore by the Administrator. Such 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.”

**SECTION 5.** Existing **Section 185.1902 – *Resident Subject to Income Tax in Other Municipality*** of the Codified Ordinances of the City be and the same hereby is amended effective January 1, 2011, to read and provide as follows:

**“185.1902        RESIDENT SUBJECT TO INCOME TAX IN OTHER MUNICIPALITY.**

When a resident of Willoughby Hills is subject to a municipal income tax in another municipality of the same income taxable under this Chapter, a credit shall be allowed against Willoughby Hills income tax of the amount of net tax for which he is liable under the ordinance of such other municipality but such credit shall not exceed the amount of tax due hereunder, or an amount equal to one and one-half percent (1.50%) of the total taxable income of the taxpayer, whichever amount is the lower. However, a resident of Willoughby Hills shall not be entitled to such credit in the event he fails, neglects or refuses to timely file a return or form as is prescribed by the Administrator and required by this Chapter.

The credit and limits by this Section shall remain in effect until repealed by amendment of this Charter by a vote of the electors of Willoughby Hills.”

**SECTION 6.** The actions of this Council concerning and relating to the passage of this legislation were conducted in lawful meetings of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in compliance with all legal requirements including Chapter 107 of the Codified Ordinances of the City of Willoughby Hills.

**SECTION 7.** This Ordinance constitutes an emergency measure in that the same provides for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the City of Willoughby Hills insofar as it provides for the usual daily operation of a municipal department, and further reason being that this Ordinance must be immediately effective in order to ensure said amendments to be effective as of January 1, 2011; wherefore this Ordinance shall be in full force and effect from and after its adoption and approval by the Mayor.

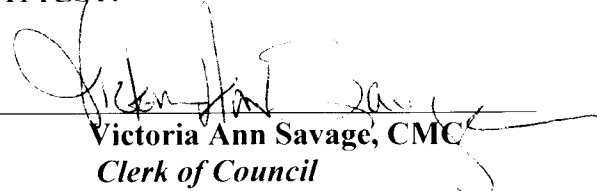
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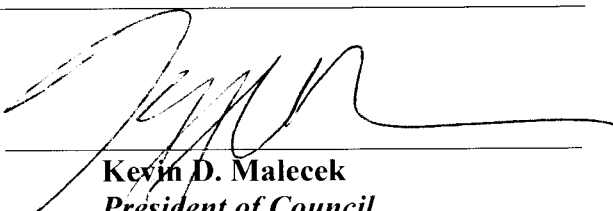
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PASSED: December 9, 2010

Submitted to the Mayor for his approval  
on this 9 day of December, 2010

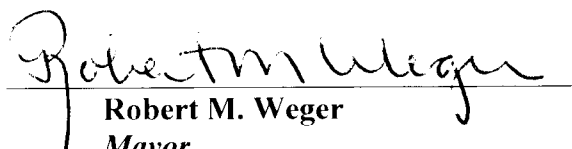
ATTEST:

  
Victoria Ann Savage, CMC  
Clerk of Council

  
Kevin D. Malecek  
President of Council

Approved by the Mayor

December 9, 2010

  
Robert M. Weger  
Mayor