

**VILLAGE OF HIRAM, OHIO  
INCOME TAX REGULATIONS  
ORDINANCE NO. 2009-31**

**LEVYING A TAX TO PROVIDE FUNDS FOR THE PURPOSES OF GENERAL MUNICIPAL OPERATION MAINTENANCE OF EQUIPMENT, EXTENSION, ENLARGEMENT AND IMPROVEMENT OF MUNICIPAL SERVICES AND FACILITIES AND CAPITAL IMPROVEMENTS, ON ALL SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATIONS EARNED BY RESIDENTS OF THE VILLAGE OF HIRAM; ON ALL SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION EARNED BY NONRESIDENTS OF THE VILLAGE OF HIRAM FOR WORK DONE OR SERVICES PERFORMED OR RENDERED IN THE VILLAGE OF HIRAM; ON THE NET PROFITS EARNED ON ALL BUSINESSES, PROFESSIONS OR OTHER ACTIVITIES CONDUCTED BY RESIDENTS OF THE VILLAGE OF HIRAM; ON THE NET PROFITS EARNED ON ALL BUSINESSES, PROFESSIONS OR OTHER ACTIVITIES CONDUCTED IN THE VILLAGE OF HIRAM BY NON-RESIDENTS, AND ON THE NET PROFITS EARNED BY ALL CORPORATIONS DOING BUSINESS IN THE VILLAGE OF HIRAM AS THE RESULT OF WORK DONE OR SERVICES PERFORMED OR RENDERED IN THE VILLAGE OF HIRAM; REQUIRING THE FILING OF RETURNS AND FURNISHING OF INFORMATION BY EMPLOYERS AND ALL THOSE SUBJECT TO SAID TAX; IMPOSING ON EMPLOYERS THE DUTY OF COLLECTING THE TAX AT THE SOURCE AND PAYING THE SAME TO THE VILLAGE OF HIRAM; PROVIDING FOR THE ADMINISTRATION, COLLECTION, AND ENFORCEMENT OF SAID TAX; DECLARING VIOLATION THEREOF TO BE A MISDEMEANOR AND IMPOSING PENALTIES THEREFORE.**

**NOW THEREFORE, BE IT ORDAINED** by Council of the Village of Hiram, a majority or more of the members thereto concurring:

Section 1. That the following Chapter 181 of the Hiram Codified Ordinances is hereby enacted:

**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 the Village of Hiram there shall be, and is hereby, levied a tax on salaries, wages, commissions and other compensation, and on net profits as hereinafter provided.

## **181.02 DEFINITIONS.**

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

**ADJUSTED FEDERAL TAXABLE INCOME** – A C corporation’s federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

- a. Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income;
- b. Add an amount equal to five percent (5%) of intangible income deducted under division (1)(a) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;
- c. Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;
- d. Except as provided in division (1)(d)(1) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;
  1. Division (1) (d) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.
- e. Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;
- f. In the case of a real estate investment trust and regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;
- g. If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a C corporation, except:

1. Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense; and
2. Amounts paid or accrued to a qualified self-employed retirement plan with respect to an owner or owner-employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner-employee, and amounts paid or accrued to or for life insurance for an owner or owner-employee shall not be allowed as a deduction.

Nothing in division (a) of this section shall be construed as allowing the taxpayer to add or deduct any amount paid to or accrued for purposes of federal self-employment tax.

Nothing in this ordinance shall be construed as limiting or removing the ability of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

**ADMINISTRATOR** – The individual designated by the ordinance, whether appointed or elected, to administer and enforce the provisions of the ordinance. Unless the Village Council designates another individual, the Administrator shall be the Village Fiscal Officer or an Assistant Fiscal Officer designated by the Fiscal Officer to be the Administrator.

**ASSOCIATION** – A partnership, limited partnership, limited liability company, Subchapter S corporation as defined in the federal tax code, or any form of unincorporated enterprise owned by two or more persons.

**BOARD OF TAX APPEALS** – The Board created by and constituted as provided in SECTION 13 of this ordinance.

**BUSINESS** – 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, including but not limited to the renting or leasing of property, real, personal or mixed.

**CORPORATION** – 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 subchapter S corporations.

**DOMICILE** – a principal residence that the taxpayer intends to use for an indefinite time and to which whenever he is absent he intends to return. A taxpayer has only one domicile even though he may have more than one residence.

**EMPLOYEE** – One who works for wages, salary, commission or other type of compensation in the service of an employer.

**EMPLOYER** – An individual, partnership, association, corporation, government 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.

**FISCAL YEAR** – An accounting period of twelve (12) months or less ending on a day other than December 31<sup>st</sup>.

**GENERIC FORM** – an electronic or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability or for filing a refund claim that is not prescribed by a particular municipal corporation for the reporting of that municipal corporation’s tax on income. The Village of Hiram shall accept for filing a generic form of such a return, report, or document if the generic form, once completed and filed, contains all of the information required to be submitted with Village of Hiram’s prescribed returns, reports, or documents.

**GROSS RECEIPTS** – The total income from any source whatsoever.

**INCOME FROM A PASS-THROUGH ENTITY** – partnership income of partners, membership interests of members of a limited liability company, or other distributive or proportionate ownership shares of income from other pass-through entities.

**INTANGIBLE INCOME** – income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701 of the Ohio Revised Code, and patents, copyrights, trademarks, trade names, investments in real estate investments trusts, investments in regulated investment companies, and appreciation on deferred compensation. “Intangible income” does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.

**INTERNAL REVENUE CODE** – the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended.

**INTERNET** – the international computer network of both Federal and nonfederal interoperable packet switched data networks, including the graphical sub network known as the World Wide Web.

**LIMITED LIABILITY COMPANY** – a limited liability company formed under Chapter 1705 of the Ohio Revised Code or under the laws of another state.

**MUNICIPALITY** – the Village of Hiram.

**NET PROFITS** - for a taxpayer other than an individual means adjusted federal taxable income and “net profit” for a taxpayer who is an individual means the individual’s profit, other than amounts described in division (F) of section 3, required to be reported on schedule C, schedule E, or schedule F.

**NONQUALIFIED DEFERRED COMPENSATION PLAN** - a compensation plan described in section 3121 (v)(2)(C) of the Internal Revenue Code.

**NON-RESIDENT** – An individual domiciled outside the Village of Hiram.

**NON-RESIDENT UNINCORPORATED BUSINESS ENTITY** – An unincorporated business entity not having an office or place of business within the Village of Hiram.

**NON-RESIDENT INCORPORATED BUSINESS ENTITY** – an incorporated business entity not having an office or place of business within the Municipality.

**ORGANIZATION** – A corporation for profit or not for profit, a partnership, limited partnership, limited liability company, joint venture, unincorporated association, estate, trust or other commercial or legal entity organized as or by a governmental agency for the execution of a government program.

**OTHER PAYER** – any person, other than an individual’s employer or the employer’s agent that pays an individual any amount included in the federal gross income of the individual.

**OWNER** - a partner of a partnership, a member of a limited liability company, a shareholder of an S corporation, or other person with an ownership interest in a pass-through entity.

**OWNER’S PROPORTIONATE SHARE** – with respect to each owner of a pass-through entity, means the ratio of (a) the owner’s income from the pass-through entity that is subject to taxation by the municipal corporation, to (b) the total income from that municipal corporation.

**PASS-THROUGH ENTITY** – a partnership, Limited Liability Company, or any other class of entity the income or profits from which are given pass-through treatment under the Internal Revenue Code.

**PERSON** - includes individuals, firms, companies, business trusts, estates, trusts, partnerships, limited liability companies, associations, corporations, governmental entities, and any other entity.

**PLACE OF BUSINESS** – 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.

**PRINCIPAL PLACE OF BUSINESS** – in the case of an employer having headquarters' activities at a place of business within a taxing municipality, the place of business at which the headquarters is situated. In the case of any employer not having its headquarters' activities at a place of business within a taxing municipality, the term means the largest place of business located in a taxing municipality.

**QUALIFIED PLAN** – a retirement plan satisfying the requirements under section 401 of the Internal Revenue Code as amended.

**QUALIFYING WAGES** – wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted in accordance with section 718.03(A) of the Ohio Revised Code.

**RESIDENT** – An individual domiciled in the Village of Hiram.

**RESIDENT INCORPORATED BUSINESS ENTITY** – an incorporated business entity whose office; place or operations or business sites is within the Village of Hiram.

**RESIDENT UNINCORPORATED BUSINESS ENTITY** - An unincorporated business entity having an office or place of business within the Village of Hiram.

**RETURN PREPARER** – any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report, or other document for or on behalf of the taxpayer.

**SCHEDULE C** – Internal Revenue Service schedule C filed by a taxpayer pursuant to the Internal Revenue Code.

**SCHEDULE E** – Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

**SCHEDULE F** – Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.

**S CORPORATION** – a corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

**TAXABLE INCOME** – qualifying wages paid by an employer or employers, compensation for personal services, Lottery Winnings, awarded to residents or sold

to non residents while in the Village corporate limits, other income defined by statute as taxable, and/or adjusted federal taxable income from the operation of a business, profession, or other enterprise or activity adjusted in accordance with the provisions of this Ordinance.

**TAXABLE YEAR** – the corresponding tax-reporting period as prescribed for the taxpayer under the Internal Revenue Code.

**TAXING MUNICIPALITY** – a municipality levying a tax on income earned by non-residents working within such municipality or on income earned by its residents.

**TAXPAYER** – a person subject to a tax on income levied by a municipal corporation. “Taxpayer” does not include any person that is a disregarded entity or a qualifying subchapter S subsidiary for federal income tax purposes, but “taxpayer” includes any other person who owns the disregarded entity or qualifying subchapter S subsidiary. The singular shall include the plural, the masculine shall include the feminine and the neuter, and all periods set forth shall be inclusive of the first and last mentioned dates.

### **181.03 IMPOSITION OF TAX.**

**A.** Subject to the provisions of Section 181.16 of this ordinance, an annual tax the purposes specified in Section 1 hereof shall be imposed on and after January 1, 2011 at the rate of 2% per annum upon the following:

1. On all qualifying wages, commissions, and other compensation, Lottery Winnings and other taxable income earned or received during the effective periods of the ordinance by residents of Village of Hiram.
2. On all qualifying wages, commissions and other compensation, Lottery Winnings and other taxable income earned or received during the effective period of the ordinance by non-residents for work done or services performed or rendered in the Village of Hiram.

(a.) Excluding compensation paid to an individual for personal services performed within the municipal corporation, if the individual does not reside in the municipal corporation, performs such personal services in the municipal corporation on twelve or fewer days in the calendar year, and, if the individual is an employee, and the principal place of business of the individual’s employer is located outside the municipal corporation. This exclusion does not apply to professional entertainers or professional athletes or to promoters of

professional entertainment or sports events and their employees, as reasonably defined by the municipal corporation.

**3. (a.)** On the portion attributable to Village of Hiram of the net profits earned, received, accrued or in any other way set apart during the effective period of this ordinance of all resident unincorporated businesses, pass-through entities, professions or other activities, derived from sales made, work done, services performed or rendered and business or other activities conducted in Village of Hiram.

**(b)** On the portion of the distributive share of the net profits earned, received, accrued or in any other way set apart during the effective period of this ordinance of a resident partner, member or owner of a resident association or resident unincorporated business entity, or pass-through entity, not attributable to Village of Hiram and not levied against such unincorporated business entity or pass-through entity.

**4. (a)** On the portion attributable to Village of Hiram of the net profits earned, received, accrued or in any other way set apart during the effective period of this ordinance of all non-resident unincorporated businesses, pass-through entities, professions or other activities, derived from sales made, work done or services performed or entered and business or other activities conducted in Village of Hiram, whether or not such unincorporated business, profession or other entity has an office or place of business in Village of Hiram.

**(b)** On the portion of the distributive share, whether or not distributed, of the net profits earned, received, accrued or in any other way set apart during the effective period of this ordinance, a non-resident partner, member or owner of a non-resident association, or non-resident unincorporated business entity not attributable to Village of Hiram and not levied against such unincorporated business entity.

**5.** On the portion attributable to Village of Hiram, of the net profits earned during the effective period of this ordinance of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in Village of Hiram, whether or not such corporations have an office or place of business in Village of Hiram.

**(a.)** Rentals received by the taxpayer are to be included only if and to the extent that the rental, ownership, management, or operation of the real estate from which such rentals are derived (whether so rented, managed or operated by the 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 real properties, regardless of number and value, aggregate in excess of \$200.00 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 properties 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 \$200.00 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 \$200.00 per month; and provided further that the person who operated a rooming house of five or more rooms rented shall be considered in business whether or not the gross income exceeds \$200.00 per month.

(c.) In determining the amount of gross monthly rental of any real property, periods during which (by reason of vacancy or any other cause) rents are not received shall be taken into consideration by the taxpayer.

(d.) Rentals received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.

(e.) Real property, as the term is used in this regulation, shall include commercial property, residential property, farm property, and any and all other types of real estate.

(f.) 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.

(g.) Residents of Village of Hiram are subject to taxation upon the net income from rentals (to the extent above specified) regardless of the location of the real property owned.

(h.) Non-residents of Village of Hiram are subject to such taxation only if the real property is situated within Village of Hiram. Non-residents in determining whether gross monthly rentals exceed \$200.00 shall take into consideration only real estate situated within Village of Hiram.

(i.) Corporations owning or managing real estate are taxable only on that portion of income derived from property located in Village of Hiram.

6. On a resident's entire share, whether distributed or not, of the net profits of a subchapter S corporation as defined in Section 1361 of the Internal Revenue Code, for which the tax imposed by this chapter has not already been levied against. The tax imposed by

this paragraph is effective for all accounting periods commencing on or after January 1, 2011.

7. On earnings paid to an employee of an employer located in the Village for services rendered while on a sabbatical or other similar leave authorized by the employer. The reporting of the earnings paid by the employer to the employee on a form W-2 or form 1099 shall be conclusive of the payment as earnings subject to the Village Municipal Income Tax. This income tax shall be imposed on employees regardless of residence.

**B. Businesses Both In and Outside the Municipal Boundaries.** This section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745, of the Ohio Revised Code. Except as otherwise provided in division (D) of this section, net profit from a business or profession conducted both within and without the boundaries of a municipal corporation shall be considered as having a taxable situs in such municipal corporation for the purposes of municipal income taxation in the same proportion as the average ratio of the following:

1. Multiply the entire net profits of the business by a business apportionment percentage to be determined by:
  - a. The average original cost of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

- b. Wages, salaries, and other compensation paid during the taxable period to persons employed in the business or profession for services performed in such municipal corporation to wages, salaries, and other compensation paid during the same period to persons employed in the business or profession, wherever their

services are performed, excluding compensation that is not taxable by the municipal corporation under section 718.011 of the Ohio Revised Code;

- c. Gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.
- d. Adding together the percentages determined in accordance with subsections B. 1. A. b. and c. hereof, or such of the aforesaid percentages as are applicable to the particular taxpayer and dividing the total so obtained by the number of percentages used in deriving such total.

.1 A factor is applicable even though it may be apportioned entirely in or outside the Municipality.

.2 Provided however, that in the event a just and equitable result cannot be obtained under the formula provided for herein, the Tax Administrator, upon application of the taxpayer, shall have the authority to substitute other factors or methods calculated to effect a fair and proper apportionment.

C. As used in division (B) of this section, “sales made in a municipal corporation”

Mean:

- 1. All sales of tangible personal property delivered within such municipal corporation regardless of where title passes if shipped or delivered from a stock of goods within such municipal corporation;
- 2. All sales of tangible personal property delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion;
- 3. All sales of tangible personal property shipped from a place within such municipal corporation to purchasers outside such municipal corporation regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

D. Where the fiscal year of a business, profession or other activity is other than calendar year, in computing initial tax the profits of such taxpayer shall be determined by dividing the annual profits by twelve (12) and multiplying the quotient by the number of months within the period commencing January 1 and ending at the conclusion of said fiscal year.

E. Except as otherwise provided in division A of this section, net profit from rental activity not constituting a business or profession shall be subject to tax only by the municipal corporation in which the property generating the net profit is located.

F. This section does not apply to individuals who are residents of the Municipality and, except as otherwise provided in section 718.01 of the Ohio Revised Code, the Municipality may impose a tax on all income earned by residents of the Municipality to the extent allowed by the United States and Ohio Constitutions.

**G. Net Operating Loss (NOL).**

1. Village of Hiram does not allow a net operating loss carry back or carry forward.
2. Nothing in Chapter 718.01 of the Ohio Revised Code requires a municipal corporation to allow a net operating loss carry back or carry forward.

**H. CONSOLIDATED RETURNS.**

1. A consolidated return may be filed by a group of corporations who are affiliated through stock ownership if that affiliated group filed for the same tax period a consolidated return for Federal income tax purposes pursuant to section 1501 of the Internal Revenue Code. A consolidated return must include all companies that are so affiliated.
2. In the case of a corporation that carried 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 Village of Hiram constituting a portion only of its total business the Administrator shall require such additional information as he may deem necessary to ascertain whether net profits are properly allocated to the Village of Hiram. If the Administrator finds net profits are not properly allocated to Village of Hiram 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 Village of Hiram.

**I. EXCEPTION.** The provisions of this Ordinance shall not be construed as levying a tax upon the following:

1. Proceeds from welfare benefits, unemployment insurance benefits, social security benefits, and qualified retirement plans as defined by the Internal Revenue Service;
2. Proceeds of insurance, annuities, workers' compensation insurance, permanent disability benefits, compensation for damages for personal injury and like reimbursements, not including damage for loss of profits and wages;
3. Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations. Lodges and similar organizations;
4. Gains from involuntary conversion, a 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);
5. Spousal support paid;
6. Compensation for damage to property by way of insurance or otherwise;
7. Interest and dividends from intangible property;
8. Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the Ohio National Guard (ORC 718.01);
9. Income of any charitable, educational, fraternal or other type of nonprofit association or organization enumerated in Ohio Revised Code 718.01, but only to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities;
10. Any association or organization falling in the category listed in the preceding paragraph receiving income from non-exempt real estate, tangible or intangible personal property, or business activities of a type ordinarily conducted for profit by taxpayers operating for profit shall not be excluded hereunder;
11. In the event any association or organization receives taxable income as provided in the preceding paragraph from real or personal property ownership or income producing business located both within and without

the corporate limits of Village of Hiram, it shall calculate its income apportioned to Village of Hiram under the method or methods provided above;

12. If exempt for federal income tax purposes, fellowship and scholarship grants are excluded from Village of Hiram income tax;
13. In the case of a minister of the gospel, gross income does not include the rental value of a home furnished as part of his compensation, or the rental allowance paid to him, as part of his compensation to the extent used by him to rent or provide a home. ORC (Section 718.01)(F)(7);
14. Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually. Such compensation in excess of one thousand dollars may be subject to taxation. The payer of such compensation is not required to withhold Village of Hiram tax from that compensation;
15. Personal earnings of any natural person under eighteen (18) years of age;
16. The income of a public utility, when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745. Of the Ohio Revised Code:
  - a. The income of an electric company or combined company;
  - b. The income of a telephone company.
17. An S corporation shareholder's distributive share of net profits or losses of the S corporation.
18. Contract Provisions. No contract on behalf of the Village of Hiram for works or improvements of the Village of Hiram shall be binding or valid unless such contract contains the following provisions:

“Said ( \_\_\_\_\_ ) further agrees to withhold all Village income taxes due or payable under the provisions of this Ordinance for qualifying wages, salaries, commissions, other compensation, and other taxable income paid to its employees, and further agrees that any of its subcontractors shall be

required to agree to withhold any such Village income taxes due under said Ordinance for services performed.”

19. Generally the above noted items in this section are the only forms of income not subject to the tax. Any other income, benefits, or other forms of compensation shall be taxable.

#### **SECTION 181.04 EFFECTIVE PERIOD.**

Said 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 from January 1, 2011.

#### **SECTION 181.05 RETURNS AND PAYMENT OF TAX.**

- A. 1. Each taxpayer who engages in business or other activity or whose qualifying wage, commissions, other compensation, and other taxable income is subject to the tax imposed by this Tax Ordinance, shall make and file a return on or before April 15 of the following year of the effective date of this Ordinance, 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 on or before the fifteenth (15<sup>th</sup>) day of the fourth (4<sup>th</sup>) month following the end of such fiscal year of period. The Administrator 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 Administrator may be accepted as the return required of any employee whose sole income, subject to tax under this Ordinance, is such qualifying wage, commissions, other compensation, and other taxable income.
  2. Each resident of the Village of Hiram, regardless of length of residency, and regardless of the amount taxable income, if any, shall file a return on or before April 15 of the following year.
  3. All returns shall be signed under oath and with an assertion that the statements and representations contained therein are true under the penalty of perjury.
- B. The return shall be filed with the Administrator on a form or forms furnished by or obtainable upon request from such Administrator, or on a generic form, if the generic form, when completed and filed, contains all of the information required to be submitted with the Village of Hiram’s prescribed return, setting forth:
1. The aggregate amounts of qualifying wages, commissions and other compensation received, allocated, apportioned or set aside, other income

defined by statute as taxable and gross income from business, profession or other activity, less allowable 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 ordinance on such earnings and profits; and
3. Such other pertinent statements, information returns, or other information as the Administrator may require.
4. An employee may reduce income subject to Village of Hiram tax by deducting unreimbursed employee business expenses (as set forth on Internal Revenue Service form 2106 or 2106EZ) which the employee deducted as an itemized deduction from the employee's Adjusted Gross Income on his or her federal tax return, but only to the extent that such expenses were directly incurred in earning the income subject to the tax imposed by this chapter. The employee shall furnish a copy of the form 2106 or 2106EZ, Schedule A and Form 1040 as filed with the IRS. Further, the 2106 or 2106EZ expenses shall be allocated first to the municipality where the employment occurred, whether or not a refund from the employment municipality was requested or received.

**C.** The Administrator may extend the time for filing of the annual return upon the request of the taxpayer for a period of not to exceed six (6) months, or one (1) month beyond any extension requested of or granted by the Internal Revenue Service for the filing of the Federal Income Tax Return. A copy of the Federal extension form shall be filed with the Administrator on or before the original due date of the 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 shall be assessed in those cases in which the return is filed and the final tax paid within the period as extended; however, the amount by which the actual tax found to be due exceeds the payment submitted with the extension or paid declaration shall bear interest from the original due date of the return, pursuant to the provisions of Section 181.12.

1. An extension may be denied by the Administrator if the taxpayer fails to timely file the request, fails to file a copy of the request for the federal extension, owes on any delinquent income tax or any penalty, interest, assessment, or other charge for the late payment or nonpayment of income tax, or has failed to file any required income tax return, report, or other related document for any prior tax period. ORC (Section 718.05(D)).



**D.** 1. Administrator the amount of taxes shown 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 of this ordinance, or where any portion of said tax shall have been paid by the taxpayer pursuant to the provisions or Section 181.07 of this ordinance, or where any income tax has been paid to another municipality, credit for the amount so paid in accordance with Section 181.15 hereof, 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 the Village of Hiram is entitled under the provisions of this ordinance 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 tax 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 or tax overpaid, subject to the requirements and/or limitations contained in Sections 181.11 and 181.15. Such amended returns shall be on a form obtainable on request from the Administrator, or on a generic form, if the generic form, when completed and filed, contains all of the required to be submitted with Village of Hiram's prescribed return. 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 (3) months from the final determination of any federal tax liability affecting the taxpayer's Village of Hiram tax liability, such taxpayer shall make and file an amended Village of Hiram return showing income subject to the Village of Hiram tax 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.

3. Information returns, schedules and statements required to support tax returns which are incomplete without such information shall be filed within the time limits set forth for the filing of the tax returns and the failure to file such information returns, schedules and statements shall be a violation of the Ordinance. Provided, however, that the taxpayer shall have ten (10) days after notification by the Tax Administrator, or his authorized representative, to file the

items required by this paragraph.

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

**A.** In accordance with Rules and Regulations prescribed by the Administrator, each employer within or doing business within Village of Hiram, who employs one or more persons, shall deduct, when such salary, wage, commission or other compensation is paid, allocated, apportioned or set aside, the tax of 2.0% of the gross salaries, qualifying wages, commissions or other compensation due by the said employer to said employee and shall, on or before the fifth day of the month following the close of each month make a return and pay to the Administrator the amount of taxes so deducted. Said 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 therefor 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.

**B.** An employer is not required to make any withholding with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of the corporation with respect to whose stock the option has been issued.

**C. 1.** An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer's exemption from the requirement to withhold the tax.

**2.** The failure of an employer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.

**D.** Such employer in collecting said tax shall be deemed to hold the same, until payment is made by such employer to Village of Hiram, as a Trustee for the benefit of Village of Hiram and any such tax collected by such employer from his employee shall, until the same is paid to Village of Hiram, be deemed a trust fund in the hands of such employer.

**E.** Any person who is required to withhold tax from qualifying wages shall pay all such tax to Village of Hiram in accordance with the provisions of this section. In the event taxes withheld from the qualifying wages of employees are not paid to Village of Hiram in accordance with the provisions of this section, all officers, members, managers, employees, and trustees having control or supervision of or charged with the

responsibility of filing the return and making payment are jointly and severally personally liable for the tax not returned or paid to Village of Hiram as well as any related interest and penalties, and are also liable under the provisions of section 181.12 hereof. The dissolution, termination, or bankruptcy of a corporation, limited liability company, or business trust does not discharge an officer's, member's, manager's, employee's, or trustee's liability for a failure of the corporation, limited liability company, or business trust to file returns or pay said taxes.

F. Each employer shall file an annual withholding tax reconciliation showing the sum total of all compensation paid all employees, the portion of which, (if any) was not subject to withholding along with an explanation for same, and the portion of which was subject to withholding, together with the amount of such withholdings remitted. Such return shall include information concerning each employee from whom the Municipal tax was withheld, showing the name, address, zip code and social security number of each such employee, the total amount of compensation paid during the year and the amount of Municipal tax withheld. If the total tax withheld from any employee-included tax withheld and remitted to another municipality, the amount of same shall be separately shown on the return of information to the Municipality concerning each employee. The withholding tax reconciliation shall be filed by each employer on or before February 28 following the end of such calendar year.

G. In addition to the wage reporting requirements of this section, any person required by the Internal Revenue Service to report on Form 1099-Misc. payments to individuals not treated as employees for services performed shall also report such payments to Village of Hiram when the services were performed in the Municipality. The information may be submitted on a listing, and shall include the name, address and social security number (or federal identification number), and the amount of the payments made. Federal form(s) 1099 may be submitted in lieu of such listing. The information shall be filed annually on or before February 28 following the end of such calendar year.

H. No person shall be required to withhold the tax on the qualifying wages, commissions, other compensation, and other taxable income paid domestic servants employed exclusively in or about such person's residence. However, such domestic servants shall be responsible for filing and paying their own returns and taxes.

## **SECTION 181.07 DECLARATIONS**

A. Every person who anticipates any taxable income which is not subject to Section 181.06 hereof, or who engages in any business, profession, enterprise, or activity subject to the tax imposed by Section 181.03 hereof 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 the amount payable as estimated tax is expected to be One Hundred Dollars (\$100.00) or more.

**B.** 1. Such declaration shall be filed on or before April 15 of each year during the life of this ordinance, or on or before the fifteenth (15<sup>th</sup>) day of the fourth (4<sup>th</sup>) month following 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 on or before the fifteenth (15<sup>th</sup>) day of the fourth (4<sup>th</sup>) month following the beginning of each fiscal year or period.

**C.** 1. Such declaration shall be filed upon a form furnished by, or obtainable from the Administrator, or an acceptable generic form, and provided, however, credit shall be given for Village of Hiram tax to be withheld from any portion of such income. In accordance with the provisions of Section 181.15 hereof, 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 monthly payment date as provided for herein.

**D.** 1. For taxpayers who are individuals, such declaration of estimate tax to be paid Village of Hiram shall be accompanied by a payment of at least 22.5% of the taxpayer's estimated tax liability for the current year shall be required to have been remitted on or before April 15<sup>th</sup> and is required to be filed regardless of any extension, 45% by July 31, 67.5% by October 31, and 90% by January 31. ORC (Section 718.08)(B)(1) to (4).

2. For calendar year taxpayers who are not individuals such declaration or estimated tax to be paid Village of Hiram shall be accompanied by a payment of at least 22.5 per cent of the taxpayer's estimated tax liability for the current year shall be required to have been remitted on or before April 15<sup>th</sup> and is required to be filed regardless of any extension, 45% by June 15<sup>th</sup>, 67.5% by September 15<sup>th</sup>, and 90% by December 15<sup>th</sup>. ORC (Section 718.08)(D)(1) to (4).

3. For fiscal year taxpayers that are not individuals such declaration or estimated tax to be paid Village of Hiram shall be accompanied by a payment of at least 22.5% by the fifteenth (15<sup>th</sup>) day of the fourth month of the taxpayer's taxable year and is required to be filed regardless of any extension, 45% by the 15<sup>th</sup> day of the sixth month, 67.5% by the 15<sup>th</sup> day of the ninth month, and 90% by the 15<sup>th</sup> day of the 12 month. ORC (Section 718.08)(D)(1) to (4).

4. A declaration may be amended at any time. In the event that 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.

E. On or before the fifteenth (15<sup>th</sup>) 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 the Village of Hiram, shall be paid therewith in accordance with the provisions of Section 181.05 hereof. The mere submission of a declaration estimating a tax liability shall not constitute filing unless accompanied by the required payment.

F. On or before the first day of April and the first day of October every year thereafter, all landlords, or property owners, who rent property within the Municipality, must submit an up-to-date list of their tenants, or renters, to the Tax Administrator of the Municipality. This list is not required if the tenants, or renters, are responsible for their own utility, Water and Sewer, payments. The Tax Administrator shall cross reference Tax and Utility listings.

#### **181.08 DUTIES AND AUTHORITY OF THE ADMINISTRATOR**

**A.1.** It shall be the duty of the Administrator to receive the tax imposed by this ordinance in the manner prescribed herein from the taxpayers; to keep accurate record thereof; and to report all monies so received.

**2.** It shall be the duty of the Administrator to enforce payment of all taxes owing Village of Hiram, to keep accurate records for a minimum of five (5) 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. Said Administrator is hereby charged with the enforcement of the provisions of this ordinance, and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to 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 ordinance, including provisions for the re-examination and correction of returns. 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 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 the ordinance. Failure to make any installment 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 181.12 of the ordinance shall apply.

C. 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 Village of Hiram 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.

D. Subject to the consent of the Board of Review or pursuant to regulation approved by said Board the Administrator shall have the power to compromise any interest or penalty, or both imposed by Section 181.10 of this ordinance.

**181.09 INVESTIGATIVE POWERS OF THE ADMINISTRATOR –  
PENALTY FOR DIVULGING CONFIDENTIAL INFORMATION.**

A. The Administrator, or any other designated 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 ordinance, for the purpose of verifying the accuracy of any return made, or, if no return is made, to ascertain the tax due under this ordinance. Every such employer, alleged or prospective employer, taxpayer or alleged or prospective taxpayer is hereby directed and required to furnish upon written request from the Administrator, or his duly authorized agent or employee, the means, facilities, and opportunity for making such examinations and investigations as are hereby authorized.

B. The Administrator is hereby authorized to order, subpoena or otherwise compel any person presumed to have knowledge of the facts to appear before him 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, and for this purpose may compel the production of books, papers, records and federal income tax returns and the attendance of all persons before him, whether as parties or witnesses, whenever he believes such persons have knowledge of such income or information pertinent to such inquiry.

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 or by any officer, agent or employee of a person subject to the tax or required to withhold tax or the failure of any person to comply with the provisions of this Section or with an order or subpoena of the Administrator authorized hereby shall be deemed a violation of this ordinance, punishable as provided in Section 181.12 hereof.

D. Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this ordinance shall be confidential except for official purposes or except in accordance with proper judicial order. The Tax Administrator of Village of Hiram may furnish copies of returns filed under this Ordinance to the Internal Revenue Service and to the State Tax Commissioner. Any person divulging such information in violation of this ordinance, shall, upon conviction thereof, be deemed guilty of a first degree misdemeanor and shall be subject to a fine or penalty of not more than One Thousand Dollars (\$1,000.00) or imprisoned for not more than six (6) months, or both. Each disclosure shall constitute a separate offense. In addition to the above penalty, any employee of the Village of Hiram who violates the provisions of this Section relative to the disclosure of confidential information shall be guilty of an offense punishable by dismissal.

**B.** Every taxpayer shall retain all records necessary to compute his tax liability for a period of five (5) years from the date his return is filed, or the withholding taxes are paid.

#### **181.10 INTEREST AND PENALTIES.**

A. All taxes imposed and all monies withheld or required to be withheld by employers under the provisions of this ordinance and remaining unpaid five (5) days after they become due shall bear interest at the rate of one percent (1%) per month or fraction thereof.

B. In addition to interest as provided in paragraph A hereof, penalties based on the unpaid tax are hereby imposed as follows:

**1.** All taxes imposed by this ordinance and remaining unpaid after they become due shall bear interest, in addition to the amount of the unpaid taxes, at the rate of one percent (1%) per month, and the taxpayers for whom said taxes are imposed by this ordinance shall be liable, in addition thereto, to a penalty of ten percent (10%) of the amount of the unpaid tax or a penalty of twenty-five dollars, whichever is greater, whether or not taxes are

owed.

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 paid thereon within the time prescribed by the Administrator; 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 the additional tax is paid within three (3) months after the determination of the federal tax liability.

D. 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.

#### **181.11 COLLECTION OF UNPAID TAXES AND REFUNDS OF OVERPAYMENTS.**

A. All taxes imposed by this ordinance shall be collectible, together with any interest and penalties thereon, by suit as other debts of like amount are recoverable. Except in case of fraud, omission of a substantial portion of income subject to this tax, or failure to file a return, an additional assessment shall not be made after three (3) years from the time the return was due or filed whichever is later, provided, in those cases in which a Commissioner of Internal Revenue and the taxpayer have executed a waiver of the federal statute of limitation, the period within which an additional assessment may be made by the Administrator shall be one (1) year from the time of the final determination of the federal tax liability.

B. Taxes erroneously paid shall not be refunded unless a claim for refund is made within three (3) years from the date which such payment was made or the return was due, or within three (3) months after final determination of the Federal tax liability, whichever is later.

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

#### **181.12 VIOLATIONS – PENALTIES.**

A. Any person who shall:

1. Fail, neglect or refuse to make any return or declaration required by



this ordinance; or

2. Make any incomplete, false or fraudulent return; or
3. Refuse to pay the tax, penalties or interest imposed by this ordinance;  
or
4. Fail, neglect or refuse to withhold the tax from his employees or remit such withholding to the Administrator; or
5. Refuse to permit the Administrator or any duly authorized agent or employee to examine 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 Administrator 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 Administrator; or
7. Refuse to disclose to the Administrator any information with respect to the income or net profits of a taxpayer; or
8. Fail to comply with any of the provisions of this ordinance or any order or subpoena of the Administrator authorized hereby; or
9. Give to an employer false information as to his true name, correct social security number and residence address, or fail to promptly notify any 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 Village of Hiram tax withheld, or to knowingly give the Administrator false information; or
11. Attempt to or take actions to avoid the payment of the whole or part of the tax, penalties or interest imposed by this ordinance;

Shall be guilty of a First Degree Misdemeanor and shall be fined not more than One Thousand dollars (\$1,000.00) or imprisoned not more than six (6) months or both for each offense.

B. All prosecutions under this section must be commenced within three (3) years

from the time of the offense complained of except in the case of failure to file a return or in the case of filing a false or fraudulent return, in which event the limitation of time within which prosecution must be commenced shall be three (3) years from the date of determination by the Village that the return was false or fraudulent.

C. The failure of any employer or person to receive or procure a return, declaration or other required form shall not excuse him from providing any required information, filing any required return or declaration, or from paying the tax.

D. In addition to any other penalty set forth in this Chapter, any person who violates Section 181.07, paragraph F, shall be subject to a fine of Five Dollars (\$5.00) per day for each living unit. Each and every day that the violation exists shall be a separate offense.

### **181.13 BOARD OF TAX APPEALS.**

A. The Board of Tax Appeals is hereby created, and shall be maintained to hear appeals. The Board of Tax Appeals shall consist of three members, who shall be adult electors of the village, appointed by the Mayor with the approval of Council. The term of all members shall be four (4) years, except that the terms of two of the members of the first commission so appointed shall be four (4) years and the third member of the first commission so appointed shall be two (2) years. Members of the Board of Appeals shall not hold any other office or employment with the Village of Hiram.

B. Whenever the Administrator issues a decision regarding a municipal income tax obligation that is subject to appeal as provided in this section or in an Ordinance or regulation of the village, the Administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the decision and of the manner in which the taxpayer may appeal the decision.

C. Any person who is aggrieved by a decision by the Administrator and who has filed with the village the required returns or other documents pertaining to the municipal income tax obligation at issue in the decision may appeal the decision to the Board by filing a request with the Board. The appeal shall be in writing, shall state why the decision should be deemed incorrect or unlawful, and shall be filed within thirty days after the Administrator issues the decision from which the appeal is brought.

D. The Board shall schedule a hearing within forty-five (45) days after receiving the request, unless the taxpayer waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the Board and may be represented by an Attorney at Law, Certified Public Accountant, or other representative.

E. The Board may affirm, reverse, or modify the Administrator's decision or any part of that decision. The Board shall issue a decision on the appeal within ninety (90) days after the Board's final hearing on the appeal, and send notice of its decision by ordinary mail to all of the parties to the appeal within fifteen (15) days after issuing the decision. The taxpayer or the Administrator may appeal the Board's decision as provided in section 5717.011 of the Ohio Revised Code.

F. The Board may adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under Section 149.43 of the Revised Code. Hearings requested by a taxpayer before the Board are not meetings of a public body subject to Section 121.22 of the Revised Code.

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

All sums collected by this ordinance shall be allocated to the general fund of the Village of Hiram.

#### **181.15 CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY.**

A. Where a resident of Village of Hiram is subject to a municipal income tax in another municipality he shall be allowed a credit against the tax imposed by this ordinance of one hundred percent (100%) of the amount so paid by him to such other municipality.

B. Every individual taxpayer who resides in Village of Hiram who receives net profits, salaries, wages, commissions or other personal service compensation for work done or services performed or rendered outside of Village of Hiram, if it be made to appear that he has paid a municipal income tax on the same income taxable under this ordinance to another municipality, shall be allowed a credit against the tax imposed by this ordinance of one hundred percent (100%) of the amount so paid by him or on his behalf to such other municipality. The credit shall not exceed the tax assessed by municipalities where such tax is paid.

#### **181.16 SAVING CLAUSE.**

If any sentence, clause, section or part of this ordinance, 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 the specific clause, sentence, section or part of this ordinance found to be unconstitutional, illegal or invalid, and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this ordinance. It is hereby declared to be the intention of the Council of Village of Hiram that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

**181.17 COLLECTION OF TAX AFTER TERMINATION OF ORDINANCE.**

A. This ordinance 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 ordinance are concerned, it shall continue effective until all of said taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of said taxes or for the punishments of violations of this ordinance shall have been fully terminated subject to the limitations contained in Sections 181.11 and 181.12 hereof.

B. Annual returns due for all or any of the last effective years of this ordinance shall be due on the date provided in Sections 181.05 and 181.06 of this ordinance as though the same were continuing.

**Section 2.** This ordinance shall take effect and be in force on January 1, 2011.

**Section 3.** Resolution 260 and Ordinance 419 (1967), and other legislation inconsistent herewith are hereby repealed.

**Section 4.** It is hereby found and determined that all formal actions of the Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Revised Code of the State of Ohio.

PASSED IN COUNCIL June 8, 2010

\_\_\_\_\_  
Mayor Louis R. Bertrand

ATTEST:

\_\_\_\_\_  
Fiscal Officer

Approved as to form:

\_\_\_\_\_  
Solicitor