



Eugene L Hollins
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September 19, 2017

Interested Municipal Coalition Members

Re: Municipal Coalition to Challenge Centralized Collection and Other Provisions of Ohio Revised Code Chapter 718 Regarding Municipal Income Tax

Dear Mayors, Councilmembers,
and Other Municipal Representatives:

Once again, municipalities in Ohio are faced with an impending deadline to make state-mandated changes to their municipal income tax code. H.B. 49 (the biennial budget bill) contained numerous additional provisions relating to centralized collection of municipal net profits taxes by the Ohio Department of Taxation. According to the bill, if a municipality does not adopt these new provisions by January 2018, that city or village risks losing its authority to collect any income taxes at all.

While municipalities adopted new income tax ordinances in 2015 rather than file litigation to challenge the General Assembly's authority to dictate a uniform municipal income tax code, most if not all ordinances were careful to reserve the right to argue in the future that home rule prohibits the state preempting local income tax ordinances or threatening to invalidate our income tax authority. Given the latest foray by the legislature into our taxing authority, a number of municipalities have decided that we have no option but to challenge the constitutionality of the recent amendments to Chapter 718.

I am enclosing a memorandum regarding Potential Constitutional Challenges to House Bill 49 for your information and consideration. I am also enclosing a draft ordinance in the event that your municipality desires to join the effort, together with a potential cost sharing proposal. Please do not hesitate to contact me if you have any questions or if I can provide you with any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene L Hollins".

Eugene L Hollins

Enclosures