

**As Introduced**

**129th General Assembly  
Regular Session  
2011-2012**

**S. B. No. 145**

**Senator Schaffer**

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**A B I L L**

To enact section 718.17 of the Revised Code to 1  
require municipal corporations with more than \$100 2  
million in annual income tax collections to 3  
provide a tax credit to nonresident taxpayers. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 718.17 of the Revised Code be enacted 5  
to read as follows: 6

**Sec. 718.17.** (A) As used in this section: 7

(1) "Nonresident taxpayer" means an individual whose 8  
compensation for personal services performed in a municipal 9  
corporation is subject to a tax on income imposed by that 10  
municipal corporation and who is not domiciled in that municipal 11  
corporation at the time the personal services are performed. 12

(2) "Tax liability" means the municipal income tax liability 13  
of an individual taxpayer for the taxpayer's taxable year computed 14  
without regard to the credit provided under this section. 15

(3) "Taxable income" means the measure of an individual 16  
taxpayer's income upon which the rate of a municipal corporation's 17  
income tax is applied to compute the taxpayer's municipal income 18  
tax liability for the taxpayer's taxable year. 19

(B) This section applies to any municipal corporation that 20

collects taxes on income from all taxpayers, whether individuals 21  
or otherwise, in a total amount exceeding one hundred million 22  
dollars in any calendar year after 2009. Once applicable, this 23  
section continues to apply regardless of the amount of the 24  
municipal corporation's annual income tax collections. 25

Each such municipal corporation shall allow a credit against 26  
the tax liability of each nonresident taxpayer. The amount of the 27  
credit shall be not less than the greater of the following for the 28  
taxpayer's taxable year: 29

(1) Ten per cent of the nonresident taxpayer's tax liability; 30

(2) The amount by which the nonresident taxpayer's tax 31  
liability exceeds two per cent of the nonresident taxpayer's 32  
taxable income. 33

The credit shall apply to taxable years beginning in the 34  
later of 2011 or the calendar year following the first calendar 35  
year in which the municipal corporation's income tax collections 36  
exceed one hundred million dollars. 37

If the amount of the credit exceeds the amount of the tax 38  
otherwise due after applying all remittances from employer 39  
withholding, estimated tax payments, or other payments by or on 40  
behalf of the taxpayer, the taxpayer is entitled to a refund of 41  
the excess or, upon election of the taxpayer, a credit equal to 42  
the excess against the amount due for the following taxable year. 43