

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

S. B. No. 187

**Senator Eklund
Cosponsor: Senator Wilson**

A BILL

To amend section 718.27 of the Revised Code to 1
allow municipal corporations to charge 2
delinquent taxpayers the costs of collecting 3
municipal income taxes regardless of whether the 4
costs are incurred before or after a judgment is 5
entered against the taxpayer. 6

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

Section 1. That section 718.27 of the Revised Code be 7
amended to read as follows: 8

Sec. 718.27. (A) As used in this section: 9

(1) "Applicable law" means this chapter, the resolutions, 10
ordinances, codes, directives, instructions, and rules adopted 11
by a municipal corporation provided such resolutions, 12
ordinances, codes, directives, instructions, and rules impose or 13
directly or indirectly address the levy, payment, remittance, or 14
filing requirements of a municipal income tax. 15

(2) "Income tax," "estimated income tax," and "withholding 16
tax" means any income tax, estimated income tax, and withholding 17
tax imposed by a municipal corporation pursuant to applicable 18

law, including at any time before January 1, 2016. 19

(3) A "return" includes any tax return, report, 20
reconciliation, schedule, and other document required to be 21
filed with a tax administrator or municipal corporation by a 22
taxpayer, employer, any agent of the employer, or any other 23
payer pursuant to applicable law, including at any time before 24
January 1, 2016. 25

(4) "Federal short-term rate" means the rate of the 26
average market yield on outstanding marketable obligations of 27
the United States with remaining periods to maturity of three 28
years or less, as determined under section 1274 of the Internal 29
Revenue Code, for July of the current year. 30

(5) "Interest rate as described in division (A) of this 31
section" means the federal short-term rate, rounded to the 32
nearest whole number per cent, plus five per cent. The rate 33
shall apply for the calendar year next following the July of the 34
year in which the federal short-term rate is determined in 35
accordance with division (A) (4) of this section. 36

(6) "Unpaid estimated income tax" means estimated income 37
tax due but not paid by the date the tax is required to be paid 38
under applicable law. 39

(7) "Unpaid income tax" means income tax due but not paid 40
by the date the income tax is required to be paid under 41
applicable law. 42

(8) "Unpaid withholding tax" means withholding tax due but 43
not paid by the date the withholding tax is required to be paid 44
under applicable law. 45

(9) "Withholding tax" includes amounts an employer, any 46
agent of an employer, or any other payer did not withhold in 47

whole or in part from an employee's qualifying wages, but that, 48
under applicable law, the employer, agent, or other payer is 49
required to withhold from an employee's qualifying wages. 50

(B) (1) This section applies to the following: 51

(a) Any return required to be filed under applicable law 52
for taxable years beginning on or after January 1, 2016; 53

(b) Income tax, estimated income tax, and withholding tax 54
required to be paid or remitted to the municipal corporation on 55
or after January 1, 2016. 56

(2) This section does not apply to returns required to be 57
filed or payments required to be made before January 1, 2016, 58
regardless of the filing or payment date. Returns required to be 59
filed or payments required to be made before January 1, 2016, 60
but filed or paid after that date shall be subject to the 61
ordinances or rules, as adopted before January 1, 2016, of the 62
municipal corporation to which the return is to be filed or the 63
payment is to be made. 64

(C) Each municipal corporation levying a tax on income may 65
impose on a taxpayer, employer, any agent of the employer, and 66
any other payer, and must attempt to collect, the interest 67
amounts and penalties prescribed under division (C) of this 68
section when the taxpayer, employer, any agent of the employer, 69
or any other payer for any reason fails, in whole or in part, to 70
make to the municipal corporation timely and full payment or 71
remittance of income tax, estimated income tax, or withholding 72
tax or to file timely with the municipal corporation any return 73
required to be filed. 74

(1) Interest shall be imposed at the rate described in 75
division (A) of this section, per annum, on all unpaid income 76

tax, unpaid estimated income tax, and unpaid withholding tax.	77
(2) (a) With respect to unpaid income tax and unpaid	78
estimated income tax, a municipal corporation may impose a	79
penalty equal to fifteen per cent of the amount not timely paid.	80
(b) With respect to any unpaid withholding tax, a	81
municipal corporation may impose a penalty not exceeding fifty	82
per cent of the amount not timely paid.	83
(3) With respect to returns other than estimated income	84
tax returns, a municipal corporation may impose a penalty of	85
twenty-five dollars for each failure to timely file each return,	86
regardless of the liability shown thereon for each month, or any	87
fraction thereof, during which the return remains unfiled	88
regardless of the liability shown thereon. The penalty shall not	89
exceed one hundred fifty dollars for each failure.	90
(D) (1) With respect to the income taxes, estimated income	91
taxes, withholding taxes, and returns, no municipal corporation	92
shall impose, seek to collect, or collect any penalty, amount of	93
interest, charges, or additional fees not described in this	94
section.	95
(2) With respect to the income taxes, estimated income	96
taxes, withholding taxes, and returns not described in division	97
(A) of this section, nothing in this section requires a	98
municipal corporation to refund or credit any penalty, amount of	99
interest, charges, or additional fees that the municipal	100
corporation has properly imposed or collected before January 1,	101
2016.	102
(E) Nothing in this section limits the authority of a	103
municipal corporation to abate or partially abate penalties or	104
interest imposed under this section when the tax administrator	105

determines, in the tax administrator's sole discretion, that 106
such abatement is appropriate. 107

(F) By the thirty-first day of October of each year the 108
municipal corporation shall publish the rate described in 109
division (A) of this section applicable to the next succeeding 110
calendar year. 111

(G) The municipal corporation may impose on the taxpayer, 112
employer, any agent of the employer, or any other payer the 113
municipal corporation's ~~post-judgment~~ collection costs and fees, 114
including attorney's contingency fees and other attorney's fees. 115

Section 2. That existing section 718.27 of the Revised 116
Code is hereby repealed. 117