



CITY OF FAIRVIEW PARK

20777 Lorain Road
Fairview Park, Ohio 44126-2018
- *Established in 1910* -

Patrick J. Cooney, Mayor

April 19, 2021

VIA EMAIL (rep47@ohiohouse.gov)

Representative Derek Merrin
Ohio House District 47
77 South High Street, 13th Floor
Columbus, OH 43215

Dear Representative Merrin:

The City of Fairview Park (the “City”) is writing to urge your opposition to Sub. HB 157. This legislation would change the original intent of Section 29 of HB 197, the temporary provision instructing municipalities to continue withholding municipal income tax at a taxpayer’s place of work, even if the taxpayer is currently working from home in a different local jurisdiction due to the COVID-19 pandemic.

While the City supports the provision in Sub. HB 157 extending of the sunset of Sec. 29 of HB 197 until December 31, 2021, it strongly opposes the remaining provisions in the substitute bill that attempt to rewrite the original intent of the temporary withholding provision.

The issues that will be addressed in Sub. HB 157 could impact decades of tax policy and not enough time has been dedicated to these issues to determine both the short and long term effects on municipalities throughout the State. These changes to municipal tax policy will affect local government funding and the support of city services, including police and fire. Section 29 of HB 197 was unambiguous in its intention to preserve the status quo regarding withholding for municipalities and business. This certainty is beneficial to municipalities as they are planning for future projects and moving through the pandemic.

Municipalities across the state have made budgetary decisions that are dependent upon the revenue stability granted to them by Sec. 29 of HB 197. While changes might be necessary based on post pandemic work changes, these changes cannot destabilize local government. There is a need for all interested parties (i.e. municipalities, employers, and tax payers) to gather adequate and current data to determine the best way to proceed.

Not only will municipalities be impacted, but businesses will suffer the additional administrative burden of having to certify each employee requesting a refund for the duration of the time they worked from home by tracking when and where every employee worked for both 2020 and 2021. Sub. HB 157 could cause cities to issue a substantial amount of refunds to employees working from home during the emergency. Issuing refunds for a closed tax year could be devastating to municipalities, who were protected by the language in Sec. 29 of HB 197.

Fairview Park is a bedroom community and 40-45% of its tax collections are from individuals. The City has had a difficult time projecting collections throughout the pandemic and the dramatic changes in Sub. HB157, without sufficient debate or analysis of current conditions, will only make it more difficult moving forward.

The City asks that the legislature respect the original intent of Sec. 29 of HB 197 and not entertain the retroactive treatment being proposed in Sub. HB 157. Thank you for your consideration of these concerns, and, once again, the City urges the legislature's opposition to Sub. HB 157.

If you have any questions or would like to discuss further, please contact me at any time. Thank you for your consideration.

Respectfully,

Patrick J. Cooney

Patrick J. Cooney, Mayor
City of Fairview Park

cc: Representative Lisa A. Sobecki (rep45@ohiohouse.gov)
Representative Monique Smith (rep16@ohiohouse.gov)