

MAYOR
RON FALCONI

CITY OF BRUNSWICK

COUNCIL
MICHAEL J. ABELLA, JR.
ANTHONY P. CAPRETTA
JOSEPH P. DELSANTER
NICHOLAS HANEK
BRANDON LAMBERT
KRISTY PIPER
TIM SMITH

CITY MANAGER / SAFETY DIRECTOR
CARL S. DEFOREST

February 25, 2022

To: Distinguished Members of House Ways and Means Committee

My name is Todd Fischer, Finance Director/Income Tax Administrator of the City of Brunswick.

First, I want to thank you for the opportunity to write in opposition of HB 519. Second, please pay close attention the suggested language of HB 519. This language will more than likely create a problem for every municipality that collects income tax, if this language passes. To be up front, the City of Brunswick has only received one known complaint during the last six years regarding letters requesting an extension. The specific letter in question from the City of Brunswick kindly asked for a copy of an extension so that we could update our tax records accordingly. Our letter never said if the extension was not supplied what would happen, or that the extension wasn't automatic, or that any extension wasn't being honored if response wasn't received. This letter was written to stay in compliance of the law. We only sent this type of letter out because we were trying to figure out who had an automatic extension versus those who just simply forgot to file. Without the letter or extension, we were simply guessing. The whole goal of sending this letter out was not to hound the automatic extension people but rather save money or penalties from accruing for all those who simply just forgot to file; a situation in which some of our residents find themselves. I will do my best to explain why this is so important and why, I think, the legislature should keep the extension language the same (versus the H.B. 519 proposal).

If a taxpayer files an extension, under the current the law, he or she receives an automatic extension. No one argues this, including me or the City of Brunswick. Sending in an extension copy (regardless of whether it is automatic or not by law) only helps the entire local tax filing system function properly. The people who file an extension deserve an extension without penalty in accordance with the law.

However, if you have a taxpayer that honestly forgets to file or file an extension on time, the verbiage in HB 519 is problematic. Communication from the tax office would be prohibited, without consequences, until after the extension deadline has passed. In other words, if we were to have to follow this revised language, here is what would happen:

Situation: A taxpayer honestly forgets to file or file an extension before April 15th. The new law would handcuff the Tax Administrator or Tax Office from communicating with any non-filer until after the extension deadline of October 15th has passed. Then and only then could we truly verify an extension was not completed/filed if one was not given to us previously. Thus, the Tax Office then sends out a letter to the non-filing taxpayer on the earliest possible date on October 16th or after. The non-filer taxpayer then realizes they honestly forgot to file (now in late October), does not have an extension and then wants to know why they already have accrued a 6-month penalty (\$150) without hearing from the local tax office any sooner. If this amended language passes, our response would be the law prohibits us from communicating with you until after 6 months have passed (unless we had specific knowledge that you did not file an extension). This situation would look terrible on all of us as public servants if this is the way we have to communicate and conduct business. I'm fairly certain the non-filing taxpayers are going to say that we a running a "sham" and that we purposely waited 6 months so that we could generate the maximum penalty allowed by law to "fill up our pocket books." This would just add to "government distrust paradigm" in my mind. I can already tell you that our tax office gets hundreds of these complaints every



4095 CENTER ROAD - BRUNSWICK, OHIO 44212

CITY HALL PHONE: (330) 225-9144 - FAX: (330) 273-8023 - POLICE & FIRE PHONE: (330) 225-9111 - FAX: (330) 225-6002 <http://www.brunswick.oh.us>

year and this is even under our current letter system that we use to communicate to potential non-filers in June/July. By communicating as early as possible we are potentially saving each resident an additional penalty, in most cases around \$75 (because it hasn't reached the maximum \$150 penalty until October).

To date, I have always chosen to communicate as timely and as often as possible to benefit our customers, residents, etc. I think it is the right thing to do and it is my number one priority as Finance Director/Tax Administrator. I also expect our tax office to do the same. However, if a law prevents me/tax office from doing that because it is a consequence of a law change; then we would have no choice but to follow the law. Currently, we generally send out a friendly letter to anyone who did not file in the summer, as a reminder, as I indicated above. If someone ignored that letter and filed an extension, then no harm, other than they received a letter. If a person who honestly did not file or forgot to file received our letter, then they would get the opportunity to avoid additional months of penalties/fines for late filing. These people are generally appreciative that we communicated timely and saved them money. I personally see little harm in asking people to voluntarily send us a copy of an extension so that we can better identify who filed an extension vs. those who may have just forgotten. I'm certainly in the business of enforcing rules and regulations, but at the same time, giving our taxpayers a fair shake. In any given year, it is common that about 10-20% of our taxpayers just simply forget or it's still stuck in a folder from a CPAs office, etc. On the other hand, we receive very few complaints about someone being asked to send in a copy of an extension or those who tell us we are hounding them with our letters.

My plan is to make sure my concern and the voices of our non-filers who make an honest mistake are heard before it is too late. I'm trying to fight for what I believe is fair and do what my constituents expect of me as the Finance Director/Income Tax Administrator of the City of Brunswick. This suggested law change would handcuff the honest people when making a mistake from getting a fair deal and charge them maximum penalties before they are even aware of the situation. In my opinion, the current law still works for all parties involved by allowing us to communicate within certain parameters. If you agree with me, then consider keeping the extension and communication language "as is".

If anyone wants to discuss the contents of this letter, please feel free to email me at tfischer@brunswick.oh.us.

Thank you for your consideration of our concerns.

Respectfully,



Todd R. Fischer
Finance Director/Income Tax Administrator
City of Brunswick