

March 7, 2022

Hon. Derrick Merrin
Chairman, Ohio House Ways and Means Committee

Chairman Merrin:

Thank you for the opportunity to share with you some of our points of concern that brings us to oppose HB 519.

For more than 40 years I have practiced Municipal law representing a number of communities in Southwest Ohio. Currently I serve both the Village of Golf Manor and the City of Montgomery. Our communities are the foundation and the boots on the ground for critical local services. We rely upon the timely and orderly payment and collection of local taxes to support these vital services.

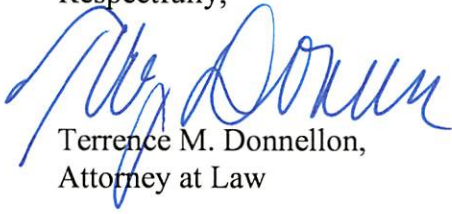
HB 519 has two parts that are deeply concerning. The first part of the bill eliminates the ability of municipalities to apply a late penalty and fees on taxpayers for not filing a required tax return if the taxpayer does not have a tax balance. My municipalities must be able to have an enforcement mechanism associated with all aspects of compliance, adequate enough to ensure accurate and fair administration of the municipal income tax. Without a monetary penalty, municipalities like mine will not be able to adequately enforce our communities' filing requirements. This is not fair to the complying taxpayers.

In the vast majority of instances when a taxpayer is alerted of a non-filing situation, the taxpayer contacts our tax administrator to explain the situation and if requested, the administrator typically will waive the penalties, especially if the taxpayer is not a habitual late filer. Our communities value the services we provide our taxpaying customers and our tax office works with our residents daily on a wide range of issues to resolve questions or challenges such as these.

The second part of HB 519 would prohibit our municipal tax administrator from sending notices to a resident if a filing has not been received prior to the October extension due date. Our communities do not receive communications from the IRS that one of our taxpayers has received a federal extension which automatically extends the filing date for their municipal tax filing, so if an extension has been granted, we are unaware of it. We send the reminders and notices to alert our resident that there is an outstanding obligation to make the filing or to follow up with their preparer if they believe a filing has already been made so that penalties and fees can be avoided and the compliance issue resolved. We believe stripping our cities and villages of this basic communication tool does not compliment the goals of effective customer service and that this important communication between a taxing entity and the taxpayer should be preserved.

Mr. Chairman and Members of the Ohio House Ways and Means Committee, thank you for your consideration of our concerns.

Respectfully,

A handwritten signature in blue ink, appearing to read "Terrence M. Donnellon". The signature is fluid and cursive, with the first name being the most prominent.

Terrence M. Donnellon,
Attorney at Law