



CITY OF **MASON** OHIO
more than you imagine.

February 28, 2022

Chairman and Members of the
Ways and Means Committee
The Ohio House of Representatives

Dear Mr. Chairman,

The City of Mason takes great pride in providing excellent customer service to its residents and businesses. HB 519 directly interferes with how the City of Mason communicates and assist, its taxpayers with their tax obligations. Therefore, the City of Mason opposes HB 519.

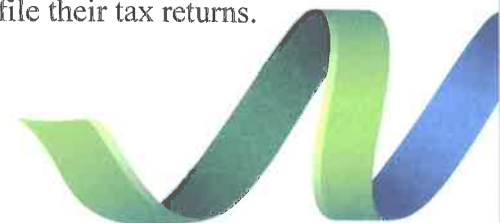
The first reason for our opposition is the bill would prohibit municipal tax administrators from sending notices prior to the October extension due date if the taxpayer receives an extension. It is impossible for the City of Mason to know if a taxpayer has an extension unless it is provided by the taxpayer. Municipalities with populations of less than 250,000 do not have access to IRS records and cannot know if a federal extension has been filed. Prior to HB5, extensions were required to be submitted by the tax due date which allowed tax offices to only send the notices to those without extensions.

The City of Mason sends notifications as soon as possible. The notification expresses that if the taxpayer has an extension to file, they may disregard the notice. We believe it is unfair to taxpayers who forget to file to not receive a notification until after October returns have been processed. This late notification can increase penalties and interest for those without extensions. Additionally, those receiving refunds (and many Mason residents do) may be later than they realize in receiving their refund. These notices enable municipal tax offices to offer customer service to our residents.

The bill further requires that if a municipal tax administrator sends a notice to a taxpayer who has received an extension, the municipality must reimburse the taxpayer for “reasonable costs” associated with responding to the notice. In the bill, “reasonable costs” are not defined, and it is not clear how these costs will be determined, making municipalities vulnerable to both unknown financial impacts and litigation that would cost taxpayer dollars.

The City of Mason strongly recommends that taxpayers be required to provide a copy of the federal extension or make an extension request prior to the filing deadline.

The City of Mason also opposes the bill since it eliminates any penalty for not filing when the taxpayer does not have a tax balance due. Municipalities must be able to enforce the accurate and fair administration of the municipal income tax because municipalities rely heavily on this revenue source. Most taxpayers file their tax return on time, but a small number do not. It sometimes requires significant time and effort to follow up on taxpayers who do not file their tax returns.



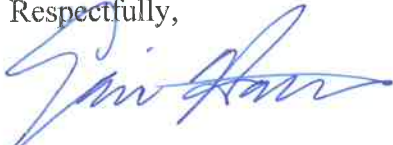
Ohio House Ways and Means Committee
February 28, 2022
Page 2

Without a penalty, municipalities will not be able to enforce mandatory filing. Some taxpayers will not file a return when mandated unless there is a monetary fee to enforce filing. Municipalities must be able to enforce mandatory filing for all taxpayers in order to be consistent, uniform, and fair to all taxpayers.

Taxpayers are currently able to ask a municipal tax administrator to waive these penalties which are reviewed so they are applied in a fair and consistent manner. For example, the City of Mason generally will not penalize a new resident for their first year, seniors with only retirement income, or minors working a summer job. This demonstrates the value of local tax offices, as municipalities will work with taxpayers to resolve these issues.

The City of Mason asks that HB519 not move forward in the legislative process and that local members of the General Assembly oppose the bill. Thank you for your consideration of our concerns.

Respectfully,



Eric Hansen
City Manager

cc: Representative Paul Zeltwanger, 54 District Representative
Senator Steve Wilson, District 7
Mason City Council