



Amberley Village

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INCOME TAX DEPARTMENT

March 4, 2022

Ohio House Ways and Means Committee
Chairman Merrin

Re: Ohio HB 519

Dear Mr. Merrin:

Thank you for the opportunity to write in opposition of HB 519. As the Amberley Village Tax Administrator, I want to let you know how the proposed legislation will negatively affect tax collection in the Village. Amberley Village strives to provide top level services in all areas, including Income Tax filing and collection. Amberley Village residents appreciate open and frequent communication on a variety of issues as proven by website usage, social media subscriptions for the monthly e-newsletter and by the numerous calls fielded on tax issues from our residents.

Being that there are two parts to HB 519, issues related to each will be addressed separately.

The first part of the proposed change would prohibit municipal tax administrators from sending non-file notices prior to the October 15 extension due date if the taxpayer receives a federal or local filing extension. Additionally, the proposed legislation 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.

- Notices from municipal tax offices are for the benefit of residents, as early notice of lateness may reduce the late filing penalty for residents who missed the filing deadline. Penalties and interest accrue during the extension period; therefore, early notification enables municipal tax offices to provide good customer service to their residents.
- Municipalities with populations of less than 250,000 do not have access to IRS records and therefore cannot know if a federal extension has been filed. While Amberley Village requests this information be shared with our office, it is not always supplied to us in time to avoid notifications that would violate the proposed legislation. Furthermore, “reasonable costs” are not defined, and it is unclear how these costs will be determined. This change would make municipalities vulnerable to both unknown financial impacts and litigation that would certainly require the unnecessary expenditure of taxpayer dollars.

The second part of the bill eliminates a penalty for not filing a legally required tax return if the taxpayer does not have a tax liability. This portion of the bill would also limit the penalty imposed to 50% of the

tax liability, capped at \$150.

- Municipalities need a means to enforce the accurate and fair administration of their income tax code. Amberley Village relies heavily on income tax revenue to provide top level services that our residents expect. Hindering the ability to enforce the income tax code would have an unreasonable and negative impact on the Village. It does not make sense to wait to notify residents of non-file issues. Rather, it is a disservice to restrict the flow of information between Tax Offices and residents. In accounting, reasonableness is just as important as accuracy and timeliness.
- The reduction/removal of a late filing penalty will make mandated filing unenforceable. Some taxpayers will not file a return unless there is a monetary fee to enforce filing. Reducing and/or removing late filing penalty will only serve to diminish the importance of and urgency related to filing properly.
- Taxpayers are currently able to request a municipal tax administrator to waive these penalties and often municipalities will waive the late fee when asked-if the taxpayer is not a habitual late filer. One means of providing customer service to residents is the ability to negotiate or remove a filing penalty. This is a way to create relationships and show kindness to residents. An example of this happened recently when a resident called regarding a tax notice. She had lost her husband to COVID-19 and needed grace on filing, to catch her breath and get acclimated to life without her spouse. The notification she received caused her to reach out and make a plan to file. The Tax Office removed the late filing penalty, showing her compassion and easing her stress, if only just a bit. I know she was thankful for this small kindness amidst her grief.

Please take these concerns to the committee and consider the negative impact proposed HB 519 will have on municipalities statewide.

Thank you for your consideration of these concerns.

Respectfully,



Jennifer West
Tax Administrator
Amberley Village