

**As Introduced**

**133rd General Assembly  
Regular Session  
2019-2020**

**S. B. No. 206**

**Senator Schaffer**

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**A BILL**

To enact section 718.17 of the Revised Code to 1  
require municipal corporations with more than 2  
\$100 million in annual income tax collections to 3  
provide a tax credit to nonresident taxpayers. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 718.17 of the Revised Code be 5  
enacted to read as follows: 6

**Sec. 718.17.** (A) As used in this section: 7

(1) "Nonresident taxpayer" means an individual whose 8  
compensation for personal services performed in a municipal 9  
corporation is subject to a tax on income imposed by that 10  
municipal corporation and who is not domiciled in that municipal 11  
corporation at the time the personal services are performed. 12

(2) "Tax liability" means the municipal income tax 13  
liability of an individual taxpayer for the taxpayer's taxable 14  
year computed without regard to the credit provided under this 15  
section. 16

(3) "Taxable income" means the measure of an individual 17  
taxpayer's income upon which the rate of a municipal 18

corporation's income tax is applied to compute the taxpayer's 19  
municipal income tax liability for the taxpayer's taxable year. 20

(B) This section applies to any municipal corporation that 21  
collects taxes on income from all taxpayers, whether individuals 22  
or otherwise, in a total amount exceeding one hundred million 23  
dollars in any calendar year after 2009. Once applicable, this 24  
section continues to apply regardless of the amount of the 25  
municipal corporation's annual income tax collections. 26

Each such municipal corporation shall allow a credit 27  
against the tax liability of each nonresident taxpayer. The 28  
amount of the credit shall not be less than the greater of the 29  
following for the taxpayer's taxable year: 30

(1) Ten per cent of the nonresident taxpayer's tax 31  
liability; 32

(2) The amount by which the nonresident taxpayer's tax 33  
liability exceeds two per cent of the nonresident taxpayer's 34  
taxable income. 35

The credit shall apply to taxable years beginning in the 36  
later of 2019 or the calendar year following the first calendar 37  
year in which the municipal corporation's income tax collections 38  
exceed one hundred million dollars. 39

If the amount of the credit exceeds the amount of the tax 40  
otherwise due after applying all remittances from employer 41  
withholding, estimated tax payments, or other payments by or on 42  
behalf of the taxpayer, the taxpayer is entitled to a refund of 43  
the excess or, upon election of the taxpayer, a credit equal to 44  
the excess against the amount due for the following taxable 45  
year. 46