

As Introduced

**134th General Assembly
Regular Session
2021-2022**

S. B. No. 172

Senator Schaffer

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 2020. 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 2021 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