

ORDINANCE #2046-19

AN ORDINANCE AMENDING THE PROVISION OF THE INCOME TAX CODE OF THE VILLAGE OF LISBON, OHIO TO PROVIDE FOR AN INCREASE OF ONE HALF OF ONE PERCENT (0.5%) TO THE PERMANENT 1.5% INCOME TAX; INCOME TAX TO COMMENCE ON JANUARY 1, 2020; AND AMENDING SECTION 191.02 OF THE CODIFIED ORDINANCES OF THE VILLAGE OF LISBON, ALL SUBJECT TO THE APPROVAL BY THE ELECTORS OF THE VILLAGE OF LISBON, OHIO, AT THE GENERAL ELECTION, ON THE NOVEMBER 5, 2019 BALLOT

WHEREAS, after review by Council, it has been determined that an increase in income tax (0.5% beginning on January 1, 2020) is required in order to provide funds for the purposes of general operations, maintenance of equipment, new equipment, extension, enlargement and improvement of services and facilities and capital improvements of the Village;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Lisbon, Columbiana County, Ohio:

Section 1. Subject to the approval of the electors of the Village of Lisbon, Ohio, as provided for in Section 718.01 of the Ohio Revised Code, Section 191.02 of the Codified Ordinances of the Village of Lisbon as written shall be amended to provide a permanent one-half percent (0.5%) increase in the tax levied on income, from one and one half percent (1.5%) to two percent (2.0%) beginning on January 1, 2020, and shall hereby be further amended to read as follows:

(a) To provide funds for the purpose of general municipal operations, maintenance of equipment, new equipment, extension, enlargement and improvement of municipal services and facilities and capital improvements of the Village, there shall be and hereby is levied a tax on and after January 1, 2020 upon the earnings at the rate of 2.0% upon the following:

(1) On all income, qualifying wages, commissions, and other compensation earned and/or received by resident individuals of the Village.

A. For clarification "income" includes, but is not limited to, lottery, gambling and sports winnings, and games of chance.

B. If the taxpayer is considered a professional gambler for federal income tax purposes, related deductions as permitted by the Internal Revenue Code shall be allowed against gambling and sports winnings.

C. If the taxpayer is not considered a professional gambler for federal income tax purposes, a deduction equal to the amount of income combined from lottery, gambling and sports winnings, and games of chance shall be allowed, provided that in no case shall the deduction exceed \$5,000. If said income is payable to the taxpayer in more than one year, the deduction applies only in the first year in which the income is received.

(2) On all income, qualifying wages, commissions, and other compensation earned and/or received by non-resident individuals of the Village. Separation pay, termination pay, reduction-in-force pay, and other compensation paid as a result of an employee leaving the service of an employer shall be allocable only to the Village.

A. The Village shall not, however, tax the compensation of a non-resident individual who will be deemed to be an occasional entrant if all of the following apply:

1. The compensation is paid for personal services performed by the individual in the Village on twelve or fewer days during the calendar year, in which case the individual shall be considered an occasional entrant for purposes of the Village income tax. A day is a full day or any fractional part of a day.

2. In the case of an individual who is an employee, the principal place of business of the individual's employer is located outside the Village and the individual pays tax on compensation described in Section 191.02(a)(2) to the municipality, if any, in which the employer's principal place of business is located, and no portion of that tax is refunded to the individual.

3. The individual is not a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such a promoter, all as may be reasonably defined by the Village.

B. Beginning with the thirteenth day an individual deemed to have been an occasional entrant to The Village performs services within The Village, the employer of said individual shall begin withholding The Village income tax from remuneration paid by the employer to the individual, and shall remit the withheld income tax to The Village in accordance with the requirements of this chapter. Since the individual can no longer be considered to have been an occasional entrant, the employer is further required to remit taxes on income earned in The Village by the individual for the first 12 days.

C. If the individual is self-employed, it shall be the responsibility of the individual to remit the appropriate income tax to The Village.

(3) On the net profits attributable to the Village by all resident unincorporated businesses, associations, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the Village.

(4) On the portion of the distributive share of the net profits earned and/or received by a resident individual, partner or owner or part owner of a resident unincorporated business entity or association attributable to the Village and not levied against such unincorporated business entity. On behalf of each owner, partner, or shareholder, the tax due on the distributive shares shall be collected and remitted by the resident and non-resident unincorporated businesses, professions and other entities in accordance with the provisions of this chapter and the rules and regulations.

(5) On the net profits attributable to the Village earned by all nonresident unincorporated businesses, associations, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the Village.

(6) On the portion of the distributive share of the net profits earned and/or received by a resident individual, partner or owner or part owner of a nonresident unincorporated business entity or association not attributable to the Village and not levied against such unincorporated business entity. On behalf of each owner, partner, or shareholder, the tax due on the distributive shares shall be collected and remitted by the resident and non-resident unincorporated businesses, professions and other entities in accordance with the provisions of this chapter and the rules and regulations.

(7) Effective for tax years 2004 and later, the distributive share of income paid to an S corporation shareholder shall be taxable in the following manner:

A. If no portion of the net profits of the S corporation are allocated or apportioned to the State of Ohio, the distributive share is taxable only to the extent that it represents wages or net earnings from self-employment.

B. If any portion of the net profits of the S corporation are allocated or apportioned to the State of Ohio, the full amount of the distributive share is taxable.

(b) Exemptions. The tax provided for herein shall not be levied upon:

(1) Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the Ohio National Guard.

(2) The income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax exempt real estate, tax exempt tangible or intangible property or tax exempt activities.

(3) Poor relief, unemployment insurance benefits, pensions paid as a result of retirement, and disability benefits received from local, State or Federal governments or charitable, religious or educational organizations.

(4) Proceeds of insurance paid by reason of the death of the insured, disability benefits, annuities or gratuities not in the nature of compensation for services rendered from whatever source derived.

(5) Receipts by bona fide charitable, religious and educational organizations and associations, when those receipts are from seasonal or casual entertainment, amusements, sports events and health and welfare activities when any such are conducted by bona fide charitable, religious or educational organizations and associations.

(6) Personal earnings of all individuals under 18 years of age, whether residents or non-residents.

(7) Parsonage allowance, to the extent of the rental allowance or rental value of a house provided as a part of an ordained minister's compensation. The minister must be duly ordained, commissioned, or licensed by a religious body constituting a church or church denomination and be permitted to perform all the sacraments of the religious body, including that of marriage.

(8) Compensation paid to a precinct election official, to the extent that such compensation does not exceed one thousand dollars (\$1,000.00) annually.

(9) Compensation for personal injuries or for damages to property by way of insurance or otherwise, but this exclusion does not apply to compensation paid for lost salaries or wages, or to compensate for punitive damages.

(10) Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations, items of income already taxed by the State of Ohio from which the Village is specifically prohibited from taxing and income of decedent's estate during the period of administration (except such income from the operation of a business).

(11) Expenses shown on federal form 2106, subject to audit and approval by the Income Tax Office.

(12) Income, salaries, wages, commissions and compensation and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce.

(13) Income, salaries, wages, commissions and compensation and net profits, the taxation of which is prohibited by the Constitution of the State of Ohio or any act of the Ohio General Assembly limiting the power of the Village to impose net income taxes.

Section 2. That, if the electors of the Village of Lisbon, Ohio approve the one half percent (0.5%) increase in income tax as provided for in Section 1 of this Ordinance, then Section 191.02 of the Codified Ordinances of Lisbon as existed prior to the enactment of this Ordinance shall be amended to allow for the half percent (0.5%) increase in income tax effective January 1, 2020; however, should the electors of the Village of Lisbon, Ohio not approve the one half percent (0.5%) increase in income tax, then Section 191.02 of the Codified Ordinances of Lisbon as existed prior to the enactment of this Ordinance shall not be amended and shall remain in full force and effect.

Section 3. Proposed: **Ordinance 2046-19** passed by the Council of the Village of Lisbon, Ohio, establishes therein a permanent one-half percent (0.5%) increase in the Village Income Tax from a rate of one and one half percent (1.5%) to a permanent rate of two percent (2.0%) to be allocated and dispersed in the following manner:

(1) A minimum of seventy-five percent (75.00%) of the one half percent (0.5%) increase in income tax shall be allocated and dispersed to the Village of Lisbon Police Department for the general operations of the Police Department; and

(2) The remaining additional funds collected as a result of the one half percent (0.5%) increase set forth in this Ordinance shall be allocated and dispersed to the General Fund of the Village of Lisbon to provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement, and improvement of municipal services and facilities, capital improvements of the Village, and for the promotion of economic development of the Village.

Section 4. That, it is found and determined that all formal actions of the council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this council, and that all deliberations of the council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including all lawful Ordinances and any applicable provisions of Section 121.22 of the Ohio Revised Code.


Section 5. That, if any other prior Ordinance or Resolution is found to be in conflict with this Ordinance, then the provisions of this Ordinance shall prevail. Further, if any portion of this Ordinance is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof.

Section 6. That, upon passage, this Ordinance shall take effect at the earliest time permitted by law.

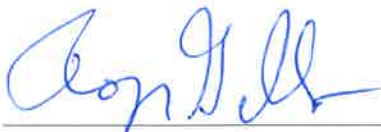
1st Reading June 11, 2019 2nd Reading July 9, 2019 3rd Reading July 23, 2019

This ORDINANCE passed at a regular meeting of the Village Council on the 23rd day of July, 2019.

ATTEST: 
Tracey Wonner, Fiscal Officer


Dawn Thomas, President of Council

APPROVED: _____


Roger Gallo, Mayor

APPROVED AS TO FORM: 
Alec Beech, Village Solicitor