

VILLAGE OF ROCKFORD INCOME TAX ORDINANCE

ORDINANCE # 10-19-2004

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NOTE: Amendments to Ordinance (See back of Book)

ORDINANCE #10-19-2004

LEVYING A TAX, to provide funds for the purpose of general municipal operation including wages, salaries and fringe benefits of employees, purchases of new and used equipment, maintenance of equipment, extension, enlargement and improvement of municipal services and facilities and other capital improvements, on all salaries, wages, commissions and other compensation earned by residents of Rockford, Ohio; on all salaries, wages, commissions and other compensation earned by non-residents of Rockford, Ohio, for work done or services performed or rendered in Rockford, Ohio; on the net profits earned on all businesses, professions or other activities conducted by residents of Rockford, Ohio; on the net profits earned by all businesses, professions or other activities conducted in Rockford, Ohio, by non-residents, and on the net profits earned by all corporations doing business in Rockford, Ohio; as a result of work done or services performed or rendered in Rockford, Ohio; requiring the filing of returns and furnishings of information by employers and all those subject to said tax; imposing on

Rockford, Ohio; providing for the administration, collection and enforcement of said tax; declaring violation thereof to be a misdemeanor and imposing penalties therefore; declaring effective date; and repeal Ordinance 8-85 for transactions after the effective date.

BE IT ORDAINED by the Council of the Village of Rockford, State of Ohio:

SECTION 1 PURPOSE

To provide funds for the purposes of general municipal operations, including wages, salaries and fringe benefits of employees, purchase of new equipment, maintenance, extension and enlargement of municipal services and facilities and capital improvements of the Village of Rockford, Ohio; there shall be and is hereby levied a tax on qualifying wages, commissions and other compensation, and on net profits and other taxable income as hereinafter provided. The allocation of funds is to be determined by the Council of the Village of Rockford, Ohio.

SECTION 2 DEFINITIONS

A. As used in this ordinance, the following words shall have the meaning ascribed to them in this section, except as and if the context clearly indicates or requires a different meaning.

ADJUSTED FEDERAL TAXABLE INCOME—means a “C” corporation’s federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code and adjusted as follows:

1. DEDUCT intangible income (EG. interest and dividends) to the extent included in federal taxable income;
2. ADD an amount equal to five percent (5%) of intangible income deducted in item 1 above, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;
3. ADD any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;
4. DEDUCT income and gains included in federal taxable income to the extent the income and gain is directly related to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code.
4a) The deduction described in item 4 does NOT APPLY to the extent that the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.
5. ADD taxes on or measured by net income allowed as a deduction in computation of federal taxable income
6. ADD (in the case of a real estate investment trust and/or a regulated investment company) all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of the investors and allowed as a deduction in the computation of federal taxable income.

7. If the taxpayer is not a "C" corporation and is not an individual person, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a "C" corporation, except;
 - 7a) Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense; and
 - 7b) Amounts paid or accrued to a qualified self-employment retirement plan with respect to an owner or owner-employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner-employee, and amounts paid or accrued to or for life insurance for an owner or owner-employee shall not be allowed as a deduction.
8. Nothing in this definition shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid or accrued for the purpose of self-employment tax.
9. Nothing in this section shall be construed as limiting or removing the ability of the municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

ADMINISTRATOR—means the individual designated by the ordinance and appointed by the Mayor with confirmation of Council to administer and enforce the provisions of this ordinance.

ASSOCIATION— means a partnership, limited partnership, limited liability company, "S" corporation or any other form of unincorporated enterprise, owned by one or more persons.

BOARD OF REVIEW — (Board of Appeals, Board of Adjudication, etc) means the Board created by and constituted as provided for in Section 13 of this ordinance.

BUSINESS— means an enterprise, activity, profession, or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association, corporation or any other entity including but not limited to the renting or leasing of property, real, personal or mixed.

CORPORATION—means a corporation or joint stock association organized under the laws of the United States, the State of Ohio, or any other state, territory, or foreign country or dependency.

DOMICILE —means a principle residence that the taxpayer intends to use for an indefinite time and to which whenever he is absent he intends to return. A taxpayer has only one domicile even though he may have more than one residence

EMPLOYEE —means one who works for wages, salary, commissions, or other types of compensation in the service of an employer. This includes part-time workers, seasonal workers, intermitted workers, and workers of temp agencies.

EMPLOYER—means an individual, partnership, association, corporation, governmental body, unit or agency, or other entity, whether or not organized for profit, who or that employs one or more persons on a salary, wage, commission, or other basis of compensation.

FISCAL YEAR—An accounting period of twelve (12) months or less ending on any day other than December 31.

FORM 2106 -- means Internal Revenue Service Form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

FORM 4835 --means Internal Revenue Service Form 4835 filed by a taxpayer pursuant to the Internal Revenue Code.

GENERIC FORM -- means an electric or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability or for filing a refund claim that is not prescribed by a particular municipal corporation for the reporting of that municipal corporation's tax on income.

GROSS RECEIPTS— means total income of taxpayers from whatsoever source derived.

INCOME FROM A PASS-THROUGH ENTITY—means partnership income of partners, membership interests of members of a limited liability company, distributive shares of shareholders of an S corporation, or other distributive or proportionate ownership shares of income from any other pass-through entities.

INTANGIBLE INCOME—means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701. of the Ohio Revised Code, and patents, copyrights, trademarks, trade names, investments in real estate investment trust, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible Income" does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.

INTERNAL REVENUE CODE—means the Internal Revenue Code of 1986, 100 Stat.2085, 26 U.S.C. 1 as amended.

INTERNET—means the international computer network of both Federal and nonfederal interoperable packet switched data networks, including the graphical sub network known as the world wide web.

JOINT ECONOMIC DEVELOPMENT DISTRICT—means districts created under the Ohio Revised Code sections 715.70 through 715.83 as amended from time to time.

LIMITED LIABILITY COMPANY—means a limited liability company formed under Chapter 1705 of the Ohio Revised Code or under the laws of another state.

MUNICIPALITY—means the Village of Rockford, Ohio.

NET OPERATING LOSS—means the sum of losses reported on schedules C, schedule F, and pass-through entities that are materially participating in any trade or business activities conducted for profit. Rental losses reported on schedule E and rental activities conduct by a pass-through entity shall not be included in the net operating loss calculation.

NET PROFITS— for a taxpayer other than an individual means adjusted federal taxable income and "Net Profit" for a taxpayer who is an individual means the individual's wages, profit, and other income required to be reported on schedule C, schedule F, or net schedule E profit not including amounts described in division (F) of section 3,.

NET RENTAL LOSSES—means the net sum of rental profits and losses as reported on Schedule E, page 1, and the sum of rental income and losses from pass-through entities engaged in rental activities. Net rental losses are **NOT** allowed as deductions from earned income such as wages, salaries, and trade or business income reported on schedules C and F. Net rental losses **CAN NOT** be carried forward or backwards.

NONQUALIFIED DEFERRED COMPENSATION PLAN—means a compensation plan described in section 3121(v)(2)(c) of the Internal Revenue Code.

NON-RESIDENT —means an individual domiciled outside the Village.

NONRESIDENT INCORPORATED BUSINESS ENTITY—means an incorporated business entity not having an office or place of business within the Village.

NON-RESIDENT UNINCORPORATED BUSINESS ENTITY —means an unincorporated business entity not having an office or place of business within the Village.

OTHER PAYER—means any person, other than an individual’s employer or the employer’s agent that pays an individual any amount included in the federal gross income of the individual.

OWNER—means a partner of a partnership, a member of a limited liability company, a shareholder of an S corporation, or other person with an ownership interest in a pass-through entity.

OWNER’S PROPORTIONATE SHARE— with respect to each owner of a pass-through entity, means the ratio of (a) the owner’s income from the pass-through entity that is subject to taxation by the municipal corporation, to (b) the total income from that entity of all owners whose income from the entity is subject to taxation by that municipal corporation.

PASS-THROUGH ENTITY—means a partnership, a limited liability company, a S corporation, or any other class of entity that the income or profits from which are given pass-through treatment under the Internal Revenue Code.

PERSON—includes individuals, firms, companies, business trusts, estates, trusts, partnerships, limited liability companies, associations, corporations, governmental entities, and any other entity.

PLACE OF BUSINESS—means any bona fide office, other than a mere statutory office, factory, warehouse, or other space, which is occupied and used by the taxpayer in carrying on any business activity, individually or through one or more of his regular employees regularly in attendance.

PRINCIPAL PLACE OF BUSINESS—means in the case of an employer having headquarters’ activities at a place of business within a taxing municipality, is the place of business at which the headquarters is situated. In the case of any employer not having its headquarters’ activities at a place of business within a taxing municipality, the term means the largest place of business located in a taxing municipality.

QUALIFIED PLAN—means a retirement plan satisfying the requirements under section 401 of the Internal Revenue Code as amended.

QUALIFYING WAGES—means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitation, adjusted in accordance with section 718.03(A) of the Ohio Revised Code.

RESIDENT—means an individual domiciled in the Village.

RESIDENT INCORPORATED BUSINESS ENTITY—means an incorporated business entity whose office, place of operations or business situs is within the Village.

RESIDENT UNINCORPORATED BUSINESS ENTITY — means an unincorporated business entity whose office, place of operations or business situs is within the village.

RETURN PREPARER—means any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report, or other documents for or on behalf of the taxpayer.

SCHEDULE C —means Internal Revenue Service schedule C filed by a taxpayer pursuant to the Internal Revenue Code.

SCHEDULE E —means Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

SCHEDULE F --means Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.

S CORPORATION --means a corporation that has made an election under subchapter S of chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

TAX ADMINISTRATOR-- means the person appointed by the mayor with the confirmation of council to administer and enforce the Municipality's Income Tax Ordinance and to direct the operation of the Municipality Income Tax Department or the person executing the duties of the tax administrator.

TAXABLE INCOME — means qualifying wages paid by an employer or employers, compensation for personal services, other income defined as taxable, and/or adjusted federal taxable income from the operation of a business, profession, or other enterprise or activity but NOT including net rental losses reported on schedule E or other forms where rental activities are reported, or losses from pass-through entities that are engaged in the renting or leasing of property, real, personal or mixed, adjusted in accordance with the provisions of this ordinance. Net rental activity losses CAN NOT be subtracted from wages or other business income and CAN NOT be carried forward

TAXABLE YEAR —means the corresponding tax-reporting period as prescribed for the taxpayer under the Internal Revenue Code.

TAXING MUNICIPALITY—means a municipality levying a tax on income earned by nonresidents working within such municipality or on income earned by its residents.

TAXPAYER — means a person, whether an individual, partnership, association, or any corporation or other entity, subject to a tax on income levied by a municipal corporation.

VILLAGE --means the Village of Rockford, Ohio

- B. The singular shall include the plural, the masculine shall include the feminine and the neuter and all periods set forth shall be inclusive of the first and last mentioned dates.

SECTION 3 IMPOSITION OF TAX

A. **BASIS of IMPOSITION.** Subject to the provisions of Section 16 of this ordinance, an annual tax for the purposes specified in Section 1 hereof shall be and is hereby levied on and after January 1, 2005, at the rate of one percent per annum upon the following;

1. On all qualifying wages, commissions, and other taxable income earned or received by residents of the Village.
2. On all qualifying wages, commissions, and other taxable income earned or received by nonresidents for work done or services performed or rendered in the Village. Non-resident members and employees of the Ohio general assembly including the Lieutenant governor who's salaries and wages are paid from appropriated funds of the State of Ohio are exempt from this tax.
3. On the portion attributable to the Village of the net profits earned by all resident unincorporated businesses, pass-through entities, professions, or other activities, derived from work done or services performed or rendered, and business or other activities conducted in the Village. On the portion of the distributive share of the net profits earned by a resident owner of a resident unincorporated business entity or pass-through entity

not attributable to the Village and not levied against such unincorporated business entity or pass-through entity.

4. On the portion attributable to the Village of the net profits by all non-resident on incorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the Village, whether or not such unincorporated business entity has an office or place of business in the Village. On the portion of the distributive share of the net profits earned by a resident owner of a nonresident unincorporated business entity or pass-through entity not attributable to the Village and not levied against such unincorporated business entity or pass-through entity.
5. On the portion attributable to the Village of the net profits earned by all corporations that are not pass-through entities from work done, or services performed or rendered and business or other activities conducted in the Village, whether or not such corporations have an office or place of business in the Village.
6. On all income received as gambling winnings by residents of this Village as reported on IRS Form W2-G, Form 5754 and any other Form required by the Internal Revenue Service that reports winnings from gambling, prizes, and lottery winnings.
7. On all income received as gambling winnings by non residents of this Village provided, the winning ticket/wager was purchased and the winnings were received within the Village of Rockford, Ohio, and the winnings are reported on IRS Form W2-G, Form 5754 and any other Form required by the Internal Revenue Service that reports winnings from gambling, prizes, and lottery winnings.

B. BUSINESS BOTH IN and OUTSIDE THE MUNICIPAL BOUNDARIES. This section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745, of the Ohio Revised Code. Except as otherwise provided in division (D) of this section, net profits from a business, or profession or other activity conducted both within and without the boundaries of the municipal corporation shall be considered as having a taxable situs in such municipal corporation for purposes of municipal income taxation in the same proportion as the average ration of the following:

1. Multiply the entire net profits of the business by a business apportionment percentage to be determined by:
 - a. The average original cost of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

- b. Wages, salaries, and other compensation paid during the taxable period to persons employed in the business or profession for services performed in such municipal corporation to wages, salaries, and other compensation paid during the same period to persons employed in the business or profession, wherever

their services are performed, excluding compensation that is not taxable by the municipal corporation under section 718.011 of the Ohio Revised Code.

- c. Gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.
- d. Adding together the percentages determined in accordance with subsections B. 1. a., b., and c. hereof, or such of the aforesaid percentages as are applicable to the particular taxpayer and dividing the total so obtained by the number of percentages used in deriving such total.
 - .1 If no amounts are listed for any factor, then that factor is not used to determine the number of percentages used for the denominator. A factor may be applicable even though it may be apportioned entirely in outside the Municipality.
2. Provided however, that in the event a just and equitable result cannot be obtained under the formula provided for herein, the Tax Commissioner, upon application of the taxpayer, shall have the authority to substitute other factors or methods calculated to effect a fair and proper apportionment.

C. SALES MADE IN A MUNICIPAL CORPORATION, as used in division B. of this section, mean:

1. All sales of tangible personal property delivered within such municipal corporation regardless of where title passes if shipped or delivered from a stock of goods within such municipal corporation;
2. All sales of tangible personal property delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion.
3. All sales of tangible personal property shipped from a place within such municipal corporation to purchasers outside such municipal corporation regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

D. NET OPERATING LOSS (NOL)

1. The portion of the net operating loss sustained in any taxable year beginning on or after January 1, 1986, apportioned to the Village may be applied against the portion of the profit of succeeding year(s) apportioned to the Village until exhausted, but in no event for more than five (5) taxable years immediately following the year in which the loss occurred. No portion of a net operating loss shall be carried back against net profits of any prior year.
2. The portion of a net operating loss sustained shall be allocated to the Village in the same manner as provided herein for apportioning net profits to the Village.
3. Net operating loss of a taxpayer is the sum of losses reported on schedules C, schedule F, and similar form used by a business entity and pass-through entities that are materially participating in any trade or business activities conducted for profit. Rental

losses reported on schedule E and rental activities conduct by pass-through entities shall not be included in the net operating loss calculation.

4. The net operating loss of a taxpayer that loses its legal identity, by any means such as merger or consolidation, shall not be allowed as a carry forward loss deduction to the surviving or new taxpayer.

E. CONSOLIDATED RETURNS.

1. A consolidated return may be filed by a group of corporations who are affiliated through stock ownership if that affiliated group filed for the same tax period a consolidated return for Federal income tax purposes pursuant to section 1501 of the Internal Revenue Code. A consolidated return must include all companies that are so affiliated.
2. Once a consolidated return has been filed for any taxable year, consolidated returns shall continue to be filed in subsequent years unless the applicable requirements of the Rules and Regulations for discontinuing the filing of consolidated returns have been met.

F. EXCLUSIONS.

The provisions this chapter shall not be construed as levying a tax upon the following:

1. Proceeds from welfare benefits, unemployment insurance benefits, social security benefits, and qualified retirement plans as defined by the Internal Revenue Service.
2. Proceeds of insurance, annuities, workers' compensation insurance, permanent disability benefits, compensation for damages for personal injury and like reimbursements, not including damages for loss of profits and wages.
3. Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations, lodges and similar organizations.
4. Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations and income of a decedent's estate during the period of administration (except such income from the operation of a business).
5. Alimony.
6. Compensation for damage to property by way of insurance or otherwise.
7. Interest and dividends from intangible property.
8. Military pay or allowances of members of the Armed Forces of the United States and of members of the reserve components, including the Ohio National Guard (ORC 718.01).
9. Income of any charitable, educational, fraternal or other type of nonprofit association or organization enumerated in Ohio Revised Code 718.01 to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.
10. Any association or organization falling in the category listed in the preceding paragraph receiving income from non-exempt real estate, tangible or intangible personal property, or business activities of a type ordinarily conducted for profit by taxpayers operating for profit shall not be excluded.
11. In the event any association or organization receives taxable income as provided in the preceding paragraph from real or personal property ownership or income producing business located both within and without the corporate limits of the Municipality, it shall calculate its income apportioned to the Municipality under the method or methods provided above.

12. If exempt for federal income tax purposes, fellowship and scholarship grants are excluded from Municipal income tax.
13. The rental value of a home furnished to a minister of the gospel as part of his compensation, or the rental allowance paid to a minister of the gospel as part of his compensation, to the extent used by him to rent or provide a home pursuant to section 107 of the Internal Revenue Code.
14. Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually. Such compensation in excess of one thousand dollars may be subjected to taxation. The payer of such compensation is not required to withhold Municipal tax from that compensation.
15. Compensation paid to an employee of a transit authority, regional transit authority, or a regional transit commission created under Chapter 306 of the Ohio Revised Code for operating a transit bus or other motor vehicle for the authority or commission in or through the Municipality, unless the bus or vehicle is operated on a regularly scheduled route, the operator is subject to such tax by reason of residence or domicile in the Municipality, or the headquarters of the authority or commission is located within the Municipality.
16. The Municipality shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the Municipality on twelve (12) or fewer days in a calendar year unless one of the following applies:
 - a. The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days; and the individual is not liable to that other municipality for tax on the compensation paid for such services.
 - b. The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined by the Municipality.
17. The income of a public utility, when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745 of the Ohio Revised Code:
 - a. The income of an electric company or combined company;
 - b. The income of a telephone company.As used in division (F)(17) of this section, "combined company", "electric company", and "telephone company" have the same meanings as in section 5727.01 of the Ohio Revised Code.
18. Grain grown within 30 miles of this municipal corporation and delivered to a facility designed to buy, process, and/or ship to facilities outside this municipal corporation, shall not be treated as sales of tangible personal property within this municipal corporation.
19. Transportation of tangible personal property from a point outside the municipal corporation through the municipal corporation and delivered to a point outside the municipal shall not be treated as sales of personal property or as a services earned or provided within the municipality.
20. An S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self employment as

defined in section 1402(a) of the Internal Revenue Code, to the extent such distributive share would not be allocated or apportioned to this state under division (B)(1) and (2) of section 5733.05 of the Ohio Revised Code if the S corporation were a corporation subject to the taxes imposed under Chapter 5733 of the Ohio Revised Code.

21. Generally the above noted items in this section are the only forms of income not subject to the tax. Any other income, benefits, or other forms of compensation shall be taxable.

SECTION 4 EFFECTIVE PERIOD

Said tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation earned or received and shall be levied with respect to the net profits from the lease or rental of real estate or tangible personal property, and with respect to the net profits of businesses, professions or other activities earned on and after January 1, 2005.

SECTION 5 RETURN AND PAYMENT OF TAX

- A. Each person who engages in business or other activity or whose qualifying wage, commissions, other compensation and other taxable income or is the owner of real estate located within the village of Rockford is subject to the tax imposed by this ordinance, shall, whether or not a tax be due thereon make and file a return on or before April 15 of the year following the effective date of this ordinance, and on or before April 15 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed by the fifteenth day of the fourth month from the end of such fiscal year or period. The Tax Administrator is hereby authorized to accept the return of an employer or employers, showing the amount of Village income tax deducted by said employer or employers from the qualifying wages, commissions, other compensation, and other taxable income of a nonresident employee, and paid by him or them to the Tax Administrator may be accepted as the return required of a nonresident employee whose sole income, subject to tax under this ordinance, is such qualifying wages, commissions, other compensation, and other taxable income.
- B. A husband and wife may file either separate returns or a joint return for Village income tax purposes, even though one of the spouses has neither taxable income nor deductions included on the Village return regardless of whether their federal and state returns were filed separately or jointly. If a joint Village return is made, the tax shall be computed on the aggregate taxable income and the liability with respect to the tax shall be joint and several.
- C. The return shall be filed with the Tax Administrator on a form or forms furnished by or obtainable upon request from such Administrator; or on a generic form, if the generic form, when completed and filed contains all the information required to be submitted with Rockford's prescribed tax return form and otherwise complies with the tax ordinance governing the filing of returns.

D. RETURNS shall set forth:

1. The aggregate amounts of salaries, qualifying wages, commissions and other compensation received, allocated, apportioned, or set aside, and other income defined by this ordinance as taxable and gross income from any business, profession or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to said tax; and
2. The amount of the tax imposed by this ordinance on such earnings and profits; and
3. Such other pertinent statements, information returns, copies of federal or state tax returns and/or other information as the Administrator may require including a statement that the figures used in the return are the figures used for federal income tax adjusted to set forth only such income as is taxable under the provisions of this ordinance.

E. EXTENTIONS

1. Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a Village Income Tax Return by filing a copy of the taxpayer's federal extension request with the Village Income Tax Administrator. Any taxpayer not required to file a federal income tax return, may request an extension for filing a Village Income Tax Return in writing. If the request is granted, the extended due date of the village income tax return shall be the last day of the month following the month to which the due date of the federal income tax return has been extended. The Administrator may require a tentative return, accompanied by payment of the amount of tax shown to be due thereon by the date the return is normally due.
2. The tax administrator may deny a taxpayer's request for extension if the taxpayer:
 - a. fails to timely file the request.
 - b. fails to file a copy of the federal extension request, (if applicable); or
 - c. owes the Village any delinquent income tax, penalty, interest or other charge for the late payment or nonpayment of income tax; or
 - d. has failed to file any required income tax return, report, or other related documents for a prior tax period.
3. The granting of an extension for filing a Village income tax return does not extend the due date as provided in this section for payment of the tax; hence, penalty and interest may apply to any unpaid tax during the period of extension at the rate set out by Section 10. No penalty shall be assessed in those cases in which the return is filed and the final tax paid within the extension period provided all other filing and payment requirements of the Tax Code have been met. Any extension by the Tax Commissioner shall be granted upon the condition that declaration filing and payment requirements have been fulfilled; however, if, upon further examination it then becomes evident that declaration filing and payment requirements have not been fulfilled, penalty and interest may be assessed in full and in the same manner as though no extension had been granted.

F. PAYMENTS WITH RETURNS.

1. The taxpayer making a return shall, at the time of the filing thereof, pay to the Administrator the amount of tax shown as due. However; credit shall be allowed for:
 - a. Any portion of the tax so due which shall have been deducted at the source pursuant to the provisions of Section 6 of this ordinance; and
 - b. Any portion of said tax shall have been paid by the taxpayer pursuant to the provisions of Section 7 of this ordinance; and
 - c. Any portion of the said tax that has been withheld or paid to another Ohio

municipality, to the extent allowed by Section 15 of this ordinance.

- d. Any portion of said tax has been withheld or paid to an Indiana County, to the extent allowed by Section 15, of this ordinance.
3. Subject to the limitation contained in Section 11 of this ordinance, Any taxpayer who has overpaid the amount of tax to which the Village is entitled to under the provisions of this ordinance may have such overpayment applied against any subsequent liability here under or, at his election indicated on the return, such overpayment (or part thereof) shall be refunded, provided that no additional taxes or refunds or credit of less than One Dollar (\$1.00) shall be collected or refunded or credited.

G. PAYMENTS to INDEPENDENT CONTRACTORS and SUBCONTRACTORS.

Every individual, firm, company, business trust, estate, trust, partnership, limited liability company, association, corporation, governmental entity, or any other entity that own real estate within the Village of Rockford and pays a sum of two thousand dollars (\$2,000.00) or more to any individual, firm, company, business trust, estate, trust, partnership, limited liability company, association, corporation, governmental entity, or any other entity, (excluding payments to employees), for repair, maintenance, improvements or any other construction on real estate located with in the Village of Rockford shall submit on a list of such payment to the tax Administrator. The list shall include the name, address, telephone number and the total amount paid during the calendar year and shall be filed with the tax return or if no return is filed the list should be filed with the tax administrator by April 15 each year.

H. AMENDED RETURNS:

1. Where necessary an amended return must be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Sections 11 and 15. Amended returns shall be filed on a form obtainable upon request from the Administrator. A taxpayer may not change the method of accounting after the due date for filing the original return.
2. Within three (3) months from the final determination of any federal tax liability affecting the taxpayer's Village tax liability, such taxpayer shall make and file an amended Village return showing income subject to the Village tax based upon such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

- I. INFORMATION RETURNS, SCHEDULES and STATEMENTS** required to support tax returns which are incomplete without such information shall be filed within the time limits set forth for the filing of the tax returns and the failure to file such information returns, schedules and statements shall be a violation of this Tax Code. Provided, however, that the taxpayer shall have ten (10) days after notification by the Tax administrator, or his authorized representative, to file the items required by this paragraph.

**SECTION 6
COLLECTION AT SOURCE**

- A. WITHHOLDING BY EMPLOYER.** Each employer within, or doing business within, the Village who employs one or more persons on a salary, wage, commission or other compensation basis shall deduct the tax at the rate provided in Section 3 of this ordinance

WHICH SUCH SALARY, WAGE, COMMISSION OR OTHER COMPENSATION IS PAID, OR TO BE PAID, OR SET ASIDE. Each employer within, or doing business within, the Village, shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have in fact been withheld. Each employer, on or before the last day of the month following the close of each calendar quarter, shall make a return and pay to the Administrator the amount of taxes so deducted. Said returns shall be on a form or forms prescribed by or acceptable to the Administrator.

B. MINIMUM CARRYOVER EMPLOYERS

An employer may submit request to the tax Administrator to be a "Minimum Carryover Employer" if that employer is located outside the municipality and that employer regularly withholds less than \$5.00 of tax per quarter. If the tax Administrator grants such a request, then the employer is permitted to carryover the amount of taxes deducted and withheld for such quarter, to the next quarter of that calendar year until the accumulated withholding is greater than \$10.00. Any minimum carryover employer that deducted and withheld income tax for this municipality during any calendar year, under this section, and has not filed a return and paid such tax withheld to the tax administrator prior to December 31 of that calendar year, shall file a return and pay all tax deducted and withheld to the tax Administrator by January 31 of the year following the year when such taxes were deducted and withheld. The tax administrator may revoke this privilege at any time by notifying the employer.

C. MONTHLY PAYMENTS

1. When the amount of Municipal income taxes deducted and withheld by an employer for the Municipality are greater than three hundred dollars (\$300) per month, the tax Administrator may send notice of this section to the employer and require that employer to make a return and pay to the tax Administrator the amount of taxes so deducted on or before the end of the month following such withholding. Said returns shall be on a form or forms prescribed by or acceptable to the Administrator.
2. The tax Administrator may send notice of this section to the employer and require that employer to make a return and pay to the tax Administrator the amount of taxes so deducted on or before the end of the month following such withholding if the employer fails to file or pay any quarterly taxes deducted or withheld or when the tax Administrator has reason to believe it is in the best interest of the municipality to do so.

D. EMPLOYEE INFORMATION

1. An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer's exemption from the requirement to withhold the tax.
2. The failure of an employer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.

E. EMPLOYER'S FIDUCIARY RESPONSIBILITY

Each employer in collecting said tax shall be deemed to hold the same, until payment is made by such employer to the Village, as a Trustee for the benefit of the Village and any such tax collected by such employer from his employees shall, until the same is paid to the Village, be deemed a trust fund in the hands of such employer. Each employer shall be

liable for the payment of the taxes required to be deducted or withheld, whether or not such taxes have in fact been withheld.

F. OFFICERS' PERSONAL LIABILITY

Any person who is required to withhold tax from qualifying wages shall pay all such tax to the Village in accordance with the provisions of this section. In the event taxes withheld from the qualifying wages of employees are not paid to the Village in accordance with the provisions of this section, all officers, members, managers, employees, and trustees having control or supervision of or charged with the responsibility of filing the return and making payment are jointly and severally personally liable for the tax not paid to the Village as well as any related interest and penalties, and are also liable under the provisions of Section 12 of this ordinance. The dissolution, termination, or bankruptcy of a corporation, limited liability company, or business trust does not discharge an officer's, member's, manager's, employee's, or trustee's liability for a failure of the corporation, limited liability company, or business trust to file returns or pay said taxes.

G. WITHHOLDING RETURNS: LIST of EMPLOYEES.

Each employer shall file a withholding tax reconciliation return form showing the sum total of all compensation paid all employees, the portion of which, (if any) was not subject to withholding along with an explanation for same, and the portion of which was subject to withholding, together with the amount of such withholdings remitted. Such return shall include the following information concerning each employee from whom the Village tax was withheld: 1) the name, address, zip code and social security number of each such employee, 2) the total amount of compensation paid during the year and 3) the amount of Village tax withheld. If the total tax withheld from any employee, includes tax withheld and remitted to another municipality, the amount of such taxes shall be separately shown on the return of information to the Village concerning each employee. The withholding tax reconciliation form shall be filed by each employer on or before February 28th following the end of such calendar year.

I. 1099 FILING REQUIREMENT

In addition to the wage reporting requirements of this section, any person required by the Internal Revenue Service to report on Form 1099-Misc payments to individuals not treated as employees for services performed shall also report such payments to the Village when the services were performed in the Village. The information may be submitted on a listing, and shall include the name, address, and social security number (or federal identification number), and the amount of the payments made. Federal form(s) 1099 may be submitted in lieu of such listing. The information shall be filed annually on or before February 28 following the end of such calendar year.

J. DOMESTIC SERVANTS

No person shall be required to withhold the tax on the qualifying wages, commissions, other compensation, and other taxable income paid domestic servants employed exclusively in or about such person's residence. However, such domestic servants shall be responsible for filing and paying their own returns and taxes.

SECTION 7

DECLARATIONS of ESTIMATED TAX

A. REQUIREMENT FOR FILING ESTIMATED TAX PAYMENTS

1. Every person who anticipates any taxable income in excess of Fifteen thousand Dollars (\$15,000.00) which is not subject to Section 6 of this ordinance, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 3 of this ordinance, shall file a declaration setting forth such estimated income or the estimated profit or loss from such business or rental activity together with the estimated tax due thereon.
2. A credit shall be allowed for the Rockford village Income tax to be withheld from any portion of such income subject to withholding in accordance with the provisions of Section 6, and a credit in accordance with Section 15, shall be allowed for tax to be withheld and remitted to another Ohio taxing municipalities and Indiana counties.
3. However, if a person's income is wholly from qualifying wages from which the tax will be withheld and remitted to the Village in accordance with Section 6 of this ordinance, such person need not file a declaration of estimated tax.
4. The original declaration (or any subsequent amendment thereof) may be increased or decreased on or before any subsequent quarterly payment date as provided for herein.

B. DATES FOR FILING.

1. Individuals and other calendar year taxpayers who are liable for declaration of estimated tax payments under paragraph A of this section, shall file a declaration of estimated tax and pay tax due thereon, on or before April 30, July 31, October 31, and January 31 of the following year.
2. Those taxpayers reporting on a fiscal year basis shall file a declaration of estimated tax on or before the last day of the fourth month, the seventh month, the tenth month and the thirteenth month after the beginning of each fiscal year or period.

C. FORMS - Such declaration shall be filed upon a form furnished by, or obtainable from, the Tax Administrator, or an acceptable generic form.

D. AMOUNT OF PAYMENTS

Such declaration of estimated tax to be paid Village shall be accompanied by a payment of at least one-fourth (1/4) of the estimated annual tax based on 90% of the estimated income subject to this tax. However, if the payment amount is less than One Hundred Dollars (\$100.00), then the amount may be carried over to the following quarter until such accumulated amount is equal to or greater than One Hundred Fifty Dollars (\$150.00). When the One Hundred Fifty Dollar amount is reached, the total accumulated amount of the year-to-date payments, not previously paid, shall be paid to the tax administrator on or before the last day of the following month. IF an amended declaration is being filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates. A declaration may be amended at any time. The mere submission of a declaration of estimated tax liability shall not constitute filing unless accompanied by the required payment.

E. ANNUAL FILING

On or before the Fifteenth day of the fourth month of the year following that for which such declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due the Village shall be paid therewith in accordance with the provisions of Section 5 of this ordinance.

F. UNREASONABLE ESTIMATED DECLARATIONS

When the Tax Administrator deems a declaration of estimated tax to be inadequate, he may determine a reasonable estimated tax and adjust the declaration and may demand the additional payment due. The Tax Administrator may demand a declaration immediately upon a taxpayer becoming subject to the tax.

SECTION 8 APPOINTMENT and DUTIES OF THE ADMINISTRATOR

- A. The Tax Administrator is the individual appointed by the Mayor and approved by council.
- B.
 - 1. It shall be the duty of the Administrator to collect and receive the tax imposed by this ordinance in the manner prescribed herein, to keep an accurate record thereof; and to report all monies so received.
 - 2. It shall be the duty of the Administrator to enforce payment of all taxes owing Village, to keep accurate records for a minimum of six (6) year's showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld, and to show the dates and amounts of payments thereof.
- C. The Tax Administrator is hereby charged with the enforcement of the provisions of this ordinance, and is hereby empowered, subject to the approval of the Board of Review to adopt, promulgate and enforce policies relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this ordinance, including provisions for the re-examination and correction of returns.
- D. The Administrator is authorized to arrange for the payment of unpaid taxes, interest, and penalties on a schedule of installment payments, when the taxpayer has proved to the satisfaction of the Administrator that due to certain hardship conditions, he is unable to pay the full amount of the tax due. Such authorization shall not be granted until the proper returns are filed by the taxpayer for all amounts owed by him under the ordinance. Failure to make any installment payment when due shall cause the total unpaid amount, including penalty and interest, to become payable on demand, and the provisions of Sections 11 and 12 of the ordinance shall apply.
- E. In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Administrator may determine the amount of tax appearing to be due the Village from the taxpayer, and shall send to such taxpayer a written statement showing the amount of tax so determined, and also may add interest and/or penalties to the amount due thereon.
- F. In accordance with policies approved by the Board of Review, and after considering documentation supplied by the taxpayer for good cause, the Tax Administrator may have authority to compromise penalty and/or interest liabilities imposed by Section 10 of this ordinance.

SECTION 9 INVESTIGATIVE POWERS OF THE ADMINISTRATOR- PENALTY FOR DIVULGING CONFIDENTIAL INFORMATION

the books, papers, records and federal income tax returns of any employer or of any taxpayer or person subject to, or whom the Administrator believes is subject to the provisions of this ordinance, for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax due under this ordinance. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish upon written request by the Administrator, or his duly authorized agent or employee, the means, facilities, and opportunity for making such examinations and investigations as are hereby authorized.

- B. The Administrator is hereby authorized to order any person presumed to have knowledge of the facts to appear before him and may examine such person under oath concerning any income which was or should have been returned for taxation or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and federal income tax returns and the attendance of any persons before him, whether as parties or witnesses, whenever he believes such persons have knowledge of such income or information pertinent to such inquiry.
- C. The refusal to produce books, papers, records and federal income tax returns, or the refusal to submit to such examination, by any employer or person subject or presumed to be subject to the tax or required to withhold tax, or the failure of any person to comply with the provisions of this Section or with an order or subpoena of the Administrator authorized hereby, shall be deemed a violation of this ordinance, punishable as provided in Section 12 hereof.
- D. Every taxpayer shall retain all records necessary to compute his tax liability for a period of Six (6) years from the date his returns filed, or the withholding taxes are paid.
- E. Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this ordinance shall be confidential, and no person shall disclose such information except in accordance with proper judicial order or in connection with the performance of that person's official duties or the official business of the municipal corporation as authorized by this chapter. The tax administrator of the municipal corporation may furnish copies of returns filed under this ordinance to the Internal Revenue Service and to the Tax Commissioner of the State of Ohio.
- F. Any person divulging such information in violation of this ordinance, shall, upon conviction thereof, be deemed guilty of a misdemeanor punishable by a maximum fine of not more than Five Hundred Dollars (\$500.00) or shall be imprisoned for not more than six (6) months, or both.
- G. In addition to the above penalty, any employee of the Village of Rockford who violates the provisions of this Section relative to the disclosure of confidential information shall be guilty of an offense punishable by fine, imprisonment, or immediate dismissal.

**SECTION 10
INTEREST AND PENALTIES**

- A. All taxes imposed and all monies withheld or required to be withheld by employers under the provisions of this tax ordinance and remaining unpaid for five (5) days after they become due shall bear interest at the rate of one percent (1%) per month or fraction thereof.
- B. In addition to interest as provided in Paragraph A, hereof penalties are hereby imposed as follows, based on the tax remaining unpaid after it becomes due.
1. For failure to pay taxes due, other than taxes withheld from employees: the penalty will be one (1%) per month or fraction thereof not to exceed fifteen percent (15%) or five dollars (\$5.00), whichever is greater.
 2. For failure to remit taxes withheld from employees: the penalty will be three percent (3%) per month or fraction thereof not to exceed fifty percent (50%) or five dollars, whichever is greater.
 3. For under payment of estimated taxes, the penalty shall be imposed on a final return if the estimated tax payments and withholding equal less than eighty percent (80%) of the final tax liability except when payment due on the final return is less than One Hundred Fifty Dollars (\$150.00). The penalty will be one (1%) per month or fraction thereof not to exceed fifteen percent (15%).
 4. When the estimated declaration payments and withholding equal or exceeds the previous years tax liability, no penalty shall be assessed.
 5. For failure to file any return required by any provision of this ordinance a minimum penalty of Five Dollars (\$5.00) will be imposed.
 6. For failure of a landlord to provide a complete and accurate list of tenants that rent, lease or occupied real estate located within the Village of Rockford in accordance with Section 14 of this ordinance, the penalty will be twenty-five dollars (\$25.00) per property.
 7. For failure of any individual or business to provide a list of independent contractor, sub-contractors or other persons or businesses, excluding employees, that were paid \$2,000.00 or more repairs, maintenance, improvements or other construction on property located within the Village of Rockford in accordance with section 5-G of this ordinance, the penalty will be twenty five dollars (\$25.00) per missing entity.
- C. EXCEPTIONS. A penalty shall not be assessed on an additional tax assessment made by the Tax Administrator when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Administrator. In the absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a federal audit, provided that an amended return is filed and the additional tax is paid within three (3) months after final determination of the federal tax liability.
- D. Computed penalties of less than five dollars (\$5.00) for a first violation shall not be assessed.
- E. Upon an appeal to the Board of Review, from the refusal of the Administrator to allow abatement of penalty and interest, the Board may abate penalty or interest, or both.

**SECTION 11
COLLECTION OF UNPAID TAXES
AND REFUNDS OF OVERPAYMENTS**

- A. All taxes imposed by this ordinance shall be collectable, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. Except in the case of fraud, omission of a substantial portion of income (25% of income subject to this tax), or failure to file a return, an additional assessment shall not be made after three (3) years from the time the return

Revenue and the taxpayer have executed a waiver of the federal statute of limitation, the period within which an additional assessment may be assessed by the tax Administrator shall be extended one (1) year from the time of the final determination of the federal tax liability.

- B. Taxes erroneously paid shall not be refunded unless a claim for refund is made within three (3) years from the date which such payment was made or the return was due, or within three (3) months after final determination of the Federal tax liability, whichever is later.
- C. Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment, with the following exception: No interest shall be allowed on any overpayment that is refunded within ninety (90) days after the final filing date of the annual return or ninety (90) days after the complete return is filed, whichever is later. For purposes of computing the payment of interest on overpayments, no amount of tax for any taxable year shall be treated as having been paid before the date on which the tax return for that year was due without regard to any extension of time for filing that return. The interest shall be paid at the rate of interest prescribed by Ohio R.C. 5703.47.
- D. Amounts of less than One Dollar (\$1.00) shall not be collected or refunded.

SECTION 12 VIOLATIONS — PENALTIES

A. Any person who shall:

1. Fail, neglect or refuse to make any return or declaration required by this ordinance; or
2. Knowingly make any incomplete, false or fraudulent return; or
3. Willfully fail, neglect, or refuse to pay the tax, penalties or interest imposed by this ordinance; or
4. Fail, neglect or refuse to withhold the tax from his employees or remit such withholding to the Administrator; or
5. Refuse to permit the Administrator or any duly authorized agent or employee to examine his books, records, papers and Federal income tax returns relating to the income or net profits of a taxpayer; or
6. Fail to appear before the Administrator to produce his books, records, paper or Federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Administrator; or
7. Refuse to disclose to the Administrator any information with respect to the income or net a taxpayer; or
8. Fail to comply with the provisions of this ordinance or any order or subpoena of the Administrator; or
9. Willfully give to an employer by an employee false information as to his true name, correct social security number and residence address; or the failure of such employee to promptly notify an employer of any change in residence address and the date thereof; or
10. Fail on the part of the employer to use ordinary diligence in maintaining proper records of employees' residence addresses, total wages paid and Village tax withheld; or knowingly give the Administrator false information; or
11. Attempt to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this ordinance; for which no other penalty is otherwise provided shall be guilty of a minor misdemeanor and shall be fined not more than one hundred dollars. On a second offense within two years after the first offense, such person is guilty of a

misdemeanor of the third degree and shall be fined not more than Five Hundred Dollars (\$500.00) or imprisoned not more than sixty days (60 days) or both, for each offense.

B. STATUTE of LIMITATIONS.

1. Civil actions to recover Municipal income taxes and penalties and interest on Municipal income taxes shall be brought within three (3) years after the tax was due or the return was filed, whichever is later.

2. Prosecutions for an offense made punishable under this Chapter shall be commenced within three (3) years after the commission of the offense, provided that in the case of fraud, failure to file a return, or the omission of twenty-five percent (25%) or more of income required to be reported, prosecutions may be commenced within six (6) years after the commission of the offense (ORC 718.12).

C. The failure of any employer, taxpayer, or person to receive or procure a return, declaration or other required form shall not excuse him from making any information return, return, or declaration, from filing such form, or from paying or withholding or remitting the tax.

**SECTION 13
BOARD OF REVIEW**

- A. A Board of Review, consisting of a chairman and two other members, all to be residents of the village, each to be appointed by the Mayor of Village and approved by the council, is hereby created. No elected officer or employee of the Village shall be appointment to the Board of Review. A majority of the members of the Board shall constitute a quorum. The Board shall adopt rules governing its procedural and shall keep a record of its transactions. Such records are not public records available for inspection under section 149.43 of the Ohio Revised Code. Hearings requested by a taxpayer or by the tax administrator before a Board of Review pursuant to this section are not meetings of a public body subject to section 121.22 of the Ohio Revised Code. Any hearing by the Board shall be conducted privately and the provisions of Section 9 hereof with reference to the confidential character of information required to be disclosed by the ordinance shall apply to such matters as may be heard by the Board, on appeal.
- B. All regulations and amendments or changes thereto, which are adopted by the Administrator under the authority conferred by this ordinance, must be approved by Village Council before the same become effective. The Board shall hear and pass on appeals from any ruling or decision of the Administrator, and at the request of the taxpayer or Administrator, is empowered to substitute alternate methods of allocation and apportionment.
- C. Whenever the Tax Administrator issues a decision regarding an income tax obligation that is subject to appeal as provided in this section, or in an ordinance or regulation of the Village, the Tax Administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the decision and of the manner in which the taxpayer may appeal the decision.
- D. Any person aggrieved by a ruling or decision by the Tax Administrator and who has filed with the municipality the required returns and documents pertaining to the municipal income tax obligation at issue in the decision may appeal the decision to the Board of Review by filing a written request with the Board. The request shall be in writing, and shall state with

ordinance may be appealed to the Board of Review and shall be filed within thirty days (30 days) from the day the Tax Administrator issues the ruling or decision. The imposition of penalty and interest as prescribed in this ordinance is not a sole basis for an appeal.

- E. The Board of Review shall schedule a hearing within forty-five (45) days after receiving the request, unless the taxpayer waives the hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the board; or, if the taxpayer notifies the Board at least five days (5 days) prior to the hearing, he or she may be represented by an attorney, certified public accountant, or other representative having knowledge of the facts and circumstances.
- F. The Board may affirm, reverse, or modify the Tax Administrator's decision or any part of that decision. The Board shall issue a decision on the appeal within ninety days (90 days) after the Board's final hearing on the appeal, and send notice of its final decision by ordinary mail to all of the parties to the appeal within fifteen (15) days after issuing the decision. The taxpayer or the tax administrator may appeal the board's decision as provided in section 5717.011 of the Ohio Revised Code.
- G. The original appointments to the Board of Review shall be for terms of one (1), two (2) and three (3) years respectively, and thereafter all appointments shall be for terms of three (3) years. Vacancies on said Board shall be filled by appointment by the Mayor, subject to confirmation by Council, and shall be for the un-expired term of the Board member replaced. All original terms shall begin on January 2, 1986, and end on January 1 of the appropriate year, and thereafter all terms shall begin on January 2 and end on January 1. All appointments and confirmations thereof shall state the dates of beginning and ending of the term for which the appointment is made, calculated in accordance with this Section. Members of the Board shall receive no compensation, but shall be allowed such amounts for actual expenses, including but not limited to mileage, as Council may provide.

SECTION 14 INFORMATION BY LANDLORDS

- A. All owners of rental property who rent to tenants, apartments, rooms and other rental accommodations shall file with the Tax Administrator a report showing the name, address, and telephone number, if available, of each such tenant who occupies an apartment, room or other rental property within the municipality. If there was a change of tenants during the year, the report shall also list the first day of occupancy of the new tenant and the last date of occupancy of the prior tenant and forwarding address, if available.

SECTION 15 CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY OR COUNTY

- A. Every individual taxpayer who resides in Rockford, Ohio, who receives net profits, salaries, wages, commissions or other compensation for work done or services performed or rendered outside of the Village, if it appears that he has paid a municipal income tax on the same income taxable under this ordinance to another Ohio municipality or Indiana county, he shall be allowed a credit against the tax imposed by this ordinance of the amount so paid by him or in his behalf to such other Ohio municipality or Indiana county.

1. For other Ohio municipalities, the credit shall be one-half of 1% (0.5%) of income and other compensation earned and taxed in the other municipality or municipalities where such tax is paid. (Multiply the income taxed by the other municipality by .005)
 2. For Indiana counties, the credit shall be one-quarter of 1% (0.25%) of income and other compensation earned and taxed in a county located in Indiana where such tax is paid (Multiply the income taxed by the Indiana county by .0025)
- B. A claim for refund or credit under this section shall be made at the time of filing the original return or on an amended return in accordance with Section 11 of this ordinance.

SECTION 16 SAVING CLAUSE

Any sentence, clause, section or part of this ordinance, or any tax against or exception granted any individual or any of the several groups of persons or forms of income specified herein, is found to be unconstitutional, or illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this ordinance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this ordinance. It is hereby declared to be the intention of the Council of the Village of Rockford that this ordinance would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, section or part thereof not been included herein.

SECTION 17 COLLECTION OF TAX AFTER TERMINATION OF ORDINANCE

- A. This ordinance shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this ordinance are concerned, it shall continue effective until all of said taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of said taxes or for the punishment of violations of this ordinance shall have been fully terminated, subject to the limitations contained in Sections 11 and 12 hereof.
- B. Annual returns and payments due for all or any part of the last effective year of this ordinance shall be due on the date provided in Sections 5 and 6 of this ordinance as though the same were continuing.

SECTION 18 STUDENTS

The provisions of this ordinance shall not apply to persons who have not, during the taxable year, attained their eighteenth (18th) birthday.

SECTION 19

This ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed this _2nd day of November, 2004

Robert King, Mayor

Amy Lyons, Clerk

APPROVED AS TO FORM:

Judy Koesters, Solicitor

SECTION 19

This ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed this 2nd day of November, 2004

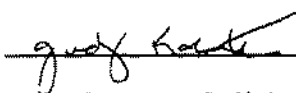


Robert King, Mayor



Amy Lyons, Clerk

APPROVED AS TO FORM:



Judy Koesters, Solicitor