Dear (INSERT LEGISLATOR NAME):

We write today in opposition of the Governor’s proposal to institute a state-operated central collection program for the Ohio municipal income tax.

Municipalities have faced an array of financial challenges in recent years. State policy changes have meant reduced revenue through a variety of cuts. The Local Government Fund was slashed approximately in half in 2011, followed swiftly by the elimination of the state tax and the tangible property tax.

For the vast majority of cities and villages, their financial bedrock is the municipal income tax. With the passage of HB5 in 2012, alterations to the structure of the municipal income tax have resulted in a further loss of revenue and increased financial strain.

The Governor’s proposal of instituting centralized collection will only increase the financial burdens shouldered by municipalities by further reducing revenue and by effectively severing municipalities from their financial lifeblood. Quarterly distributions would severely damage cities’ and villages’ ability to meet the daily challenges of both typical and unforeseen financial obligations-especially those of smaller communities with greater financial instability.

There is also grave concern regarding local communities’ inability to audit and enforce accurate filings and correct returns. Centralized correction offers zero accountability in ensuring the state returns the correct amount of revenue back to the municipality.

At the meeting on February 27, 2017 Mason City Council approved Resolution 2017 – 3 opposing the passage of the State of Ohio’s proposed 2017-2018 Budget, which proposes centralized collection of net profit tax returns causing financial harm to the City of Mason and other municipalities while encroaching upon the City’s Home Rule Powers granted by the Ohio Constitution.

We respectfully ask that you consider our strong objections to the municipal income tax proposal and that you stand with municipalities as the economic engines of our state. We ask that you oppose the State’s proposal and vote instead to strengthen and invest in our local communities for a safer, stronger, more prosperous Ohio.

Sincerely,