

**CITY OF IRONTON, OHIO**  
**INCOME TAX ORDINANCE**  
**ORDINANCE NO. 5365**  
Passed January 9, 1969

LEVYING A TAX TO PROVIDE FUNDS FOR THE PURPOSE OF GENERAL MUNICIPAL OPERATIONS AND OTHER MUNICIPAL PURPOSES, ON ALL SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION EARNED BY RESIDENTS OF THE CITY OF IRONTON: ON ALL SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION EARNED BY NON-RESIDENTS OF THE CITY OF IRONTON FOR WORK DONE OR SERVICES PERFORMED OR RENDERED IN THE CITY OF IRONTON: ON THE NET PROFITS EARNED BY ALL BUSINESSES, PROFESSIONS OR OTHER ACTIVITIES CONDUCTED IN THE CITY OF IRONTON BY NON-RESIDENTS AND ON THE NET PROFITS EARNED BY ALL CORPORATIONS HAVING AN OFFICE OR PLACE OF BUSINESS IN THE CITY OF IRONTON AS THE RESULT OF WORK DONE OR SERVICES PERFORMED OR RENDERED IN THE CITY OF IRONTON: REQUIRING THE FILING OF RETURNS AND FURNISHING OF INFORMATION BY EMPLOYERS AND ALL THOSE SUBJECT TO SAID TAX: IMPOSING ON EMPLOYER THE DUTY OF COLLECTING THE TAX AT THE SOURCE AND PAYING THE SUM TO THE CITY OF IRONTON: PROVIDING FOR THE ADMINISTRATION, COLLECTION AND ENFORCEMENT OF SAID TAX; DECLARING VIOLATION THEREOF TO BE A MISDEMEANOR AND IMPOSING PENALTIES THEREFORE; AND PROVIDING THAT THIS ORDINANCE SHALL BE AN EMERGENCY MEASURE.

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF IRONTON, STATE OF OHIO:**

**SECTION 1:** As used in this Ordinance, the following words shall have the meaning ascribed to them in this section, except as if the context clearly indicates or requires a different meaning:

- A. "TAXPAYER" – A person, whether an individual, co-partnership, limited partnership, corporation, association or other entity, required hereunder to file a return or to pay a tax hereunder.
- B. "ASSOCIATION" A partnership, limited partnership or any other form of unincorporated enterprise owned by two or more persons.
- C. "BUSINESS" An enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, co-partnership, limited partnership, corporation, association or other entity.
- D. "CORPORATION" A corporation or joint stock association organized under the laws of the United States, the State of Ohio or any other state, territory, foreign country or dependency.
- E. "EMPLOYEE" An individual whose earnings are subject to the withholding of Federal Income Tax or Social Security Tax.
- F. "EMPLOYER" An individual, co-partnership, limited partnership, association, corporation, governmental body, unit or agency or any other who or that employs one or more persons on a salary, wage, commission or any other compensation basis.
- G. "NET PROFITS" The net gain from the operation of a business, profession or enterprise after provision for all costs and expenses incurred in the conduct thereof, including a reasonable allowance for depreciation, depletion and amortization and reasonable additions to reserve for bad debts, either paid or accrued, in accordance with recognized principals of accounting applicable to the method of accounting regularly employed and without the deduction of Federal taxes based on income, and without deducting taxes imposed by this ordinance.
- H. "NONRESIDENT" An individual, co-partnership, limited partnership, corporation, association or other entity domiciled outside the City of Ironton.
- I. "PERSON" - Every natural person, co-partnership, limited partnership, corporation, fiduciary, or association, whenever used in any clause prescribing and imposing a penalty. The term "person" as applied to an association, shall mean the partners or members thereof, and as applied to a corporation, the officers thereof
- J. "RESIDENT" An individual, co-partnership, limited partnership, corporation, associations or other entity domiciled in the City of Ironton .
- K. "OTHER ENTITY" – The term "other entity" means any person or unincorporated body not previously named or defined and includes inter alia fiduciaries located within the City of Ironton from business conducted within the City of Ironton. The singular shall include the plural and the masculine shall include the feminine and the neuter.

**SECTION 2:** To provide funds for the purpose of general municipal operations and other municipal purposes of the City of Ironton, there be and hereby is levied a tax upon the earnings at the following rate: One percent (1%) upon the following:

- A. On all salaries, wages, commissions and other compensation earned on and after February 1, 1969, by resident individual of the City of Ironton.
- B. On all salaries, wages, commission and other compensation earned on and after February 1, 1969, by nonresident individuals of the City of Ironton, for work done or services performed or rendered in the City of Ironton.
- C. On the net profits attributable to Ironton, earned on and after February 1, 1969, of all resident unincorporated business, professions and other activities derived from work done, services rendered or performed and business or other activities conducted in the City of Ironton.
- D. On the portion of the distributive share of the net profits earned on and after February 1, 1969, of a resident individual, partner or owner of a resident unincorporated business entity attributable to Ironton and not levied against such unincorporated business entity;
- E. On the net profits attributable to Ironton earned on and after February 1, 1969, of all nonresident unincorporated business, professions or other activities derived from work done, services rendered or performed and business or other activities conducted in the City of Ironton.
- F. On that portion of the distributive share of the net profits earned on and after February 1, 1969, of a resident individual, partner or owner of a resident unincorporated business entity not attributable to Ironton and not levied against such unincorporated business entity; and

- G. On the net profits earned on and after February 1, 1969, of all corporations derived from work done, services performed or rendered and business or other activities conducted in the City of Ironton. The portion of the entire net profits of a taxpayer to be allocated as having been made within the City of Ironton, may, in the absence of actual records or separate accounting thereof, be determined as follows:
- a) Multiply the entire net profit by a business allocation percentage to be determined by –
    - 1) Ascertaining the percentage which the average value of the taxpayer's real and tangible personal property wherever situated during such period.  
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 by eight (8).
    - 2) Ascertaining the percentage which the gross sales of the taxpayer within the City of Ironton, plus the gross credits or charges for the work done or performed or services rendered within the City of Ironton bears to the total gross sales wherever made, plus the total gross credits or charges for work done or performed or services rendered. "Within the City" sales shall be deemed to include:
      - aa) All Sales of tangible personal property delivered to purchasers in the City if shipped or delivered from an office, store, warehouse, factory or place of storage located in the City.
      - bb) All sales of tangible personal property delivered to purchasers within the City, even though transported from a point outside the City, if both of the following conditions are present:
        1. If the taxpayer is regularly engaged through it won employees in the solicitation or promotion of sales within the City, and
        2. The sale is directly or indirectly the result of the taxpayer's activities within the City in soliciting or promoting sales.
      - cc) All sales of tangible personal property shipped from an office, store, warehouse, factory or place of storage within the City to purchasers in other cities or villages, if the taxpayer is not, though its won employees, regularly engaged in the solicitation or promotion of sales in such other cities or villages, or even if it is so engaged, if the sales are not directly or indirectly attributable to such activities.  
Gross sales shall be considered to mean gross receipts from sales in the case of cash basis taxpayer.
    - 3) Ascertaining the percentage which the total wages, salaries and other personal service compensation, similarly computed during such period, of employed in the City, except general executive officers, bears to the total wages, salaries and other personal service compensation, similarly computed during such period, of all the taxpayer's employees within and without the City, except general executive officers; and
    - 4) Adding together the percentages determined in accordance with sub-paragraphs 1,2 and 3 above, or such of the aforesaid percentages as shall be applicable to the particular taxpayer's business, and dividing the total so obtained by the number of percentages used in deriving the total.
      - a) If a just and equitable result cannot be obtained by the use of the factors set forth in paragraph (b) (1) hereof, the Director of Finance may substitute factors calculated to effect a fair and proper allocation.  
(Ord. 88-52. Passed 01-26-89)

**SECTION 3:** Said tax shall be levied, collected and paid with respect to salaries, wages, commissions and other compensation earned on and after February 1, 1969, and with respect to the net profit of businesses, professions and other activities earned on and after February 1, 1969. However, where the fiscal year of the business, profession or other activity differs from the calendar year, the tax shall be applied to the part of the net profit for the fiscal year earned on and after February 1, 1969, to the close of the taxpayer's fiscal year. Thereafter the taxpayer shall report on its fiscal year basis.

**SECTION 4: RETURN AND PAYMENT OF TAX**

- A. Each taxpayer whose earnings or profits are subject to the tax imposed by this chapter shall, on April 15 of each year, make and file a final return with the Director of Finance, on a form furnished by or obtainable from the Director, setting forth the aggregate amount of salary, wages or other compensation and net profits earned by him or her during the preceding year and subject to the tax, together with other pertinent information as the Director may require. However, when the final return is made for a fiscal year or other period different from the calendar year, the return shall be made within 105 days from the end of such fiscal year or other period.
- B. The return shall also show the amount of the tax imposed on such earning and profits. The taxpayer making the return shall, at the time of the filing thereof, pay to the Director the amount of taxes shown as due thereon. However, where any portion of the tax has been paid by such taxpayer pursuant to Section 5 and/or Section 6 of this Ordinance, credit for the amount so paid shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing the final return.
- C. The return of an employer showing the amount of tax deducted by the employer from the salary, wage or compensation of any employee, and paid by such employer to the Director, shall be accepted as the return required of any employee whose sole income subject to the tax under this chapter is such salary, wage or compensation.
- D. Upon written request of the taxpayer, the Director may extend the time for filing the annual return for a period of not more than six months or not more than thirty days beyond any extension requested and granted by the Internal Revenue Service for the filing of the taxpayer's Federal Income Tax Return.

## SECTION 5: COLLECTION AT SOURCE

Each employer within or doing business within the City of Ironton shall deduct, at the time of payment of salaries, wages, commissions or other compensation, the tax of one-percent of the gross salaries, wages, commissions or other compensation due by the employer to the employee and shall, on or before the last day of the month following the close of each calendar quarter, make a return showing the amount of taxes so deducted and a record of payment showing that all taxes deducted during this quarter have been paid to the City in accordance with the payment schedule prescribed by subsection (a) and (b) hereof. Such employer 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.

Employers shall pay to the City all income taxes withheld or required to be deducted and withheld on either a monthly or quarterly basis depending on the amount of taxes involved according to the following payment schedule:

- A. Monthly payments of taxes withheld shall be made by the employer if the taxes withheld in the prior calendar year were more than one-thousand one-hundred ninety-nine dollars (\$1,199), or if the taxes withheld during any month for the preceding quarter exceeded one-hundred dollars (\$100.00). Such payments shall be paid to the City within fifteen days after the close of each calendar month. However, those taxes accumulated for the third month of a calendar quarter need not be paid until the last day of the month following such quarter.
- B. All employers not required to make monthly payments of taxes withheld under subsection (1) hereof shall make quarterly payments not later than the last day of the month following the end of each quarter.

The employer shall make and file a return on a form furnished by the Director of Finance, showing the amount of tax deducted by the employer from the salaries, wages or other compensation of any employee and paid by the employer to the Director. Such employer, in collecting the tax, shall be deemed to hold the same as trustee for the benefit of the City until payment is made by such employer to the City and any such tax collected by such employer from his or her employees shall, until the same is paid to the City, be deemed a trust fund in the hand of such employer.

Each employer, on or before January 31, unless written request for a thirty-day extension is made to and granted by the Director, following any calendar year in which such deductions have been made or should have been made by an employer, shall file with the Director an information return (Withholding Statement of Wages Paid and City Income Tax Withheld) for each employee from whom income tax has been or should have been withheld, showing the name and address of the employee, the total amount of the salaries, wages, commissions and other compensation paid such employee during the year and the amount of City Income Tax withheld from each employee. (Amended: Ord. 88-52. Passed 01-26-89.)

## SECTION 6: DECLARATION

Every taxpayer who anticipates any income, which is not subject to Section 5, shall file a declaration of the estimated tax for the taxable period of 1969. Such declaration shall be filed on or before April 15, 1969, and thereafter a similar declaration shall be filed for each calendar year on or before April 15 of each ensuing year for the duration of the tax referred to herein, by all such taxpayers.

Such declaration shall be filed upon a form furnished by the Director of Finance, which form may simply state that the figures used in making such declaration are the figures used in making the declaration of the estimate for the Federal Income Tax, provided that it is understood that such figures may be modified according to this Ordinance so that the declaration required by this section shall set forth only such income as is taxable under this Ordinance.

The declaration to be filed on April 15 if each year shall be accompanied by payment of at least one fourth of the estimated annual tax, and at least a similar amount shall be paid on or before June 30, September 30 and December 31 of such year. Such estimate may be amended at the time of the making of any quarterly payment, and on or before April 15 of the year following that for which such declaration was filed, a final return shall be filed and any balance, which may be due, the City of Ironton shall be paid therewith. If it appear that such taxpayer has paid more than the amount of tax to which the City of Ironton would be entitled, a refund of the amount so overpaid shall be made, or the same may be applied toward the declaration of tax due for the ensuing year. Claims for refunds shall be made on forms prescribed by and obtainable from the Director. (Amended: Ord. 88-52. Passed 01-26-89.)

## SECTION 7: RECIPROCITY PROVISION: CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES

Every individual taxpayer who resides in the City but who received net profits, salaries, wages, commissions or other personal service compensation for work done or services performed or rendered outside the City, if it be made to appear that he has paid a municipal income tax on such net profits, salary, wages, commission or other compensation to another municipality, shall be allowed a credit against the tax imposed by this Ordinance of the amount so paid by him or in his or her behalf to such other municipality. The credit shall not exceed the tax assessed by this Ordinance on such net profit, salary, wages and commissions or other compensation earned in such other municipality where such tax paid.

## SECTION 8: DUTIES OF DIRECTOR OF FINANCE

The taxes imposed and levied pursuant to the provisions of this Ordinance shall be administered by such employees as may be from time to time determined by the Council of the City of Ironton, and they shall receive such salary as may be determined by the City Council.

The Director of Finance shall prescribe the form and method of accounts and reports to be rendered to his/her office and shall maintain accurate records showing the amount received from each taxpayer and the date of said receipt. The Director of Finance is hereby charged with the internal audit of all accounts and returns, including the correction if the returns.

The Director of Finance shall make a written report to Council each quarter of all monies collected and hereunder during the preceding quarter.

It shall be the duty of the Director of Finance to demand and receive all taxes due the City of Ironton.

**SECTION 9:** The Director of Finance or any other authorized employee is hereby authorized to examine the books, papers, records or Federal and State tax returns of any employer, or of any taxpayer or person subject to the tax, for the purposes of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax due. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish to the Director or his or her duly authorized agent or employee, the means, facilities and opportunity for making such examination and investigation as are hereby authorized.

The Director or his or her duly authorized agent or employee hereby authorized to examine any person, employer or employee under oath concerning any income which was or should have been returned for taxation, and for this purpose may compel the production of books,

papers, records and Federal and State tax returns, and the attendance of all persons before him or her, whether as parties or witnesses, whenever he or she believes such persons have knowledge of such income.

The refusal of such examination by any employer, employee or person subject or presumed to be subject to the tax shall be deemed a violation of this Ordinance.

Tax returns and all audit papers and information connected therewith are confidential and shall be carefully preserved so that they shall not be available for inspection by anyone other than the proper agents of the City of Ironton for official purposes. Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this Ordinance shall be confidential, except in accordance with proper judicial order. Any person divulging such information shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be subject to a fine or penalty of not more than FIVE HUNDRED DOLLARS (\$500.00) or imprisoned for not more than six (6) months, or both such fine and imprisonment for such offense. In addition to the above penalties, any employee of the City of Ironton who violates the provisions of this section relative to disclosures of confidential information shall be immediately dismissed from the service of the City.

#### **SECTION 10: INTEREST AND PENALTIES**

All taxes imposed by this ordinance, including taxes withheld from wages by an employer and remaining unpaid after they have become due, shall bear interest on the amount of the unpaid tax at a rate of one and one-half percent per month, and the taxpayers upon whom such taxes are imposed and the employers required by this chapter to deduct, withhold and pay taxes imposed by this chapter shall be liable, in addition thereto, to a penalty of one-half of one percent of the amount of the unpaid tax for each month or fraction of month of nonpayment. The Director of Finance may waive or remit any such interest or penalties as he or she, in his or her discretion deems proper.

#### **SECTION 11: COLLECTION OF UNPAID TAXES; REFUNDS**

All taxes imposed and administered by this ordinance shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable.

When a final return is filed as prescribed in Section 4 and a deficiency is determined to be due to the City of Ironton, an action to collect the same shall not be commenced after two years from the due date of such return, and when a taxpayer fails to file a return, an action to collect tax due to the City of Ironton shall not be commenced for five years from the due date of such return.

An application for a refund shall be made within six months of the due date of a final return or shall be forever barred thereafter. However, an extension may be granted by the Director of Finance on written application.

(Amended: Ord. 88-52. Passed 01-26-89.)

#### **SECTION 12: VIOLATIONS, PENALTIES**

No person, firm or corporation who shall fail, neglect or refuse to make any return, questionnaire or declaration require by this ordinance, or any taxpayer who shall refuse to pay the tax, penalties and interest imposed by this Ordinance, or any person who shall refuse to permit the Director of Finance or any duly authorized agent or employee, to examine his books, records and papers or who shall knowingly make any incomplete, false or fraudulent return, or attempt to do anything whatsoever to avoid the payment of the whole or any part of the tax shall be fined not more than One Hundred Dollars (\$100.00) or imprisoned for not more than sixty (60) days, or both. The failure of any employer or taxpayer to receive or procure a return, questionnaire or declaration form shall not excuse him or her from making a return, questionnaire or declaration or from paying the tax.

The Director of Finance shall be the only City official required to sign and implement the filing of complaints for alleged violations of this chapter. (Amended: Ordinance 88-32. Passed 08-25-88)

#### **SECTION 13: ALLOCATION OF FUNDS**

The funds collected under this chapter shall be deposited in the General Fund Income Tax Account and the funds shall be dispersed each calendar year in conformity with the approved budget allocations for that year, in the following order:

- 1) Such part thereof as shall be necessary to defray all costs of collecting the taxes and the cost of administering and enforcing the provisions thereof;
- 2) Such part thereof as shall be budgeted each year for special purposes in any fund of the City; and
- 3) The balance of funds available to be credited to the General Fund

**SECTION 14:** This Ordinance shall not apply to any person, firm, corporation or to any property, as to whom or which it is beyond the power of City Council of the City of Ironton to impose the tax herein provided for. If any sentence, clause, section or part of this Ordinance, or any tax against any individual or any of the several groups specified herein is found to be unconstitutional, illegal or invalid, such clause, sentence, section or part of this Ordinance shall not affect or impart any of the remaining provision, sentences, clauses, section or part of this Ordinance. It is hereby declared to be the intention of the Council of the City of Ironton that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

#### **SECTION 15: EXEMPTIONS**

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

- 1) Funds received from local, state or federal governments because of service in the Armed Forces of the United State by the person rendering such service, or as a result of another person rendering such service;
- 2) Poor relief, pension, unemployment compensation or similar payments, including disability benefits received from private industry or local, state or federal governments, or from charitable, religious or educational organizations;
- 3) Alimony received;
- 4) Dues, contributions and similar payment received by charitable, religious, educational or literary organizations or labor unions, lodges, and similar organizations;
- 5) Receipts from casual entertainment, amusements, sports events and health and welfare activated conducted by bona fide charitable, religious and educational organizations and associations;
- 6) Any association, organization, corporation, club or trust which is exempt from Federal taxes on income by reason of its charitable, religious, educational, literary, scientific, etc, purposes.

- 7) Gains from involuntary conversions, cancellations or indebtedness, interest on Federal obligations and income from a decedents estate during the period of administration (except such income from the operation of a business);  
(Amended: Ordinance. 5788. Passed 04-11-74)
- 8) Earnings and income of all persons under sixteen (16) years of age whether residents or non-residents.
- 9) Employment of duly enrolled full-time students by their school, college or university or any public library, and services performed by student nurses and hospital interns

**SECTION 16: REFUNDS**

Should it appear that any taxpayer has paid more than the amount of the tax to which the City of Ironton is entitled under the provisions of this Ordinance, a refund of the amount so overpaid shall be made, provided a proper claim for refund of such overpayment of tax has been filed by the taxpayer.

**SECTION 17:** This Ordinance shall continue effective insofar as the levy of taxes is concerned until amended or rescinded, provided that annual returns for any year shall be filed on or before April 15. Said Ordinance insofar as the collection of taxes levied during any year, and actions or proceedings for collecting any tax so levied, or enforcing any provision of said Ordinance is concerned, shall continue effective for such time as provided in Section 10, hereof.

**SECTION 18:** This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, welfare and safety, the emergency being the necessity of immediately raising additional funds for the operation of necessary governmental functions imposed by law, for, without said funds, said governmental functions would have to be curtailed to such an extent that the public safety and welfare would be greatly jeopardized, and, as such, this Ordinance shall take effect immediately upon passage and publication.

**PASSED:** January 9<sup>th</sup>, 1969.

Eugene Mooney, Chairman of Council

**ATTEST:**

Juanita Fayne  
Clerk of Council