

**RESOLUTOIN NO. 5366**  
**IRONTON INCOME TAX REGULATIONS**  
**FOR ORDINANCE NO. 5364**

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 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 on all business professions or other activities conducted by residents of the City of Ironton; on the net profits earned on 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 a 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 employers the duty of collecting the tax at the source and paying the same 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 Regulation shall be an emergency measure.

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

**ARTICLE I-1        DEFINITIONS**

*Section 1:*

For the purpose of these regulations the following terms shall have the definitions hereafter given:

- 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.
- L. The term "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.  
A taxpayer does not have a regular place of business outside Ironton solely by consigning goods to an independent factor or contractor outside the City for sale.
- M. The term "Business Allocation Percentage" as used in these Regulations, means the average percentage arrived at by applying the formula set forth in Section 2, sub-sections (g) 1-1,2,3 and 4 of the Ordinance. The "Business Allocation Percentage" is the percentage which may be applied to determine the portion of the entire net profits of a taxpayer to be allocated as having been made within the City of Ironton within the meaning of the provisions of said Section 2, sub-section © and (d).
- N. The term "The Ordinance" means Ordinance No. 5365 enacted by the Council of the City of Ironton, January 9, 1969, and any amendments or supplements thereto.

## ARTICLE I-2 COMMENCEMENT AND DURATION OF THE TAX

The tax imposed by this Ordinance is effective as to income and profits earned or accruing on and after February 1, 1969, and payroll deductions must be made against all salaries, wages, commissions, bonuses and other compensation earned or accruing on and after this date.

## ARTICLE II-1 IMPOSITION OF TAX-RESIDENT EMPLOYEES (SECTION 2-(A) )

In the case of the resident of the City of Ironton an annual tax of One Percent (1%) is imposed on all salaries, wages, commissions and other compensation earned or accrued on and after February 1, 1969. For the purpose of determining the tax on the earning of resident taxpayers taxed under this sub-section A of Section 2 of the Ordinance, the source of the earnings and the place or places in or at which the services were rendered are immaterial. All such earnings, wherever earned or paid are taxable.

The following are items, which are subject to the tax:

- a) Salaries, bonuses or incentive payments received by an individual whether directly or through an agent whether in cash or in property, for services rendered on and after February 1, 1969.
  - 1) As an officer or employee, or both, of a corporation (including charitable other non-profit corporations), joint stock associations or joint stock company;
  - 2) As an employee (as distinguished from a partner or member) of a partnership, limited partnership, or any other form of unincorporated enterprise owned by one or more persons;
  - 3) As an employee (as distinguished from the proprietor) of a business, trade or profession conducted by an individual owner;
  - 4) As an officer or employee (whether elected, appointed or commissioned) of a governmental administration, agency, are, authority, board, body, branch, bureau, department, division, subdivision, section or unit of the State of Ohio or any of the political subdivisions thereof;
  - 5) As an officer or employee (whether elected, appointed, or commissioned) of a governmental administration, agency, arm, authority, board, body, branch, bureau, department, division, subdivision, section or unit of the United States Government of a corporation created and owned or controlled by the United States Government or any of it agencies;
  - 6) As an employee of any other entity or person
- b) Wages, bonuses or incentive payments received by an individual, whether directly or through an agent and whether in cash or in property, for services rendered or and after February 1, 1969.
  - 1) Whether based upon hourly, daily, weekly, semi-monthly, monthly, annually, unit of production or piece-work rates, and
  - 2) Whether paid by an individual, limited partnership, co-partnership, association, corporation (including charitable and other non-profit corporations), governmental administration, agency, arm, authority, board, body, branch, department, division, subdivision, section or unit of any other entity.
- c) Commissions received by a taxpayer whether directly or through an agent and whether in cash or in property, for services rendered on and after February 1, 1969, regardless of how computed, by whom or wheresoever paid.

If amounts received as a drawing account exceed the commissions earned, the tax is payable on the gross amounts received.

Amounts received from an employer by way of expenses and no by way of compensation, and used as such by the individual receiving them are not deemed to be compensation if the employer deducts such expenses advances as such from his gross income for the purpose of determining his net profits taxable under this Ordinance.

If such commissions are included in the net earnings of a trade, business, profession, enterprise or activity regularly carried on by such individual and therefore subjected to tax under sub-section G of Section 2 of the Ordinance, they shall not again be separately taxed. In such case, such net earnings shall be taxed as provided in Article II-9 of these Regulations.

- d) The receipt of fees and other compensation for personal services rendered shall be deemed to be subject to taxation under the Ordinance.
- e) Domestic servants are subject to Ironton tax under this Ordinance but are not subject to withholding provision. That is to say, the domestic will report earning and pay the tax directly to the Ironton Income Tax Department. 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 States by the person rendering such service, or as a result of another person rendering such service.
  - 2) Poor relief, pensions, unemployment compensation or similar payments, including disability benefits received from private industry or local, state or federal government or from charitable, religious or educational organizations.
  - 3) Alimony received
  - 4) Dues, contributions and similar payments received by charitable, religious, educational or literary organizations or labor unions, lodges and similar organizations.
  - 5) Receipts from casual entertainment, amusements, sports event and health and welfare activities conducted by bona fide charitable, religious and educational organizations and associations.
  - 6) Any association, organization, 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 conversion, cancellation of indebtedness, interest on Federal obligations, items of income already taxed by the State of Ohio and income of a decedent's estate during the period of administration (except such income from the operation of a business).
- 8) Earnings and income of all persons under 16 years of age whether residents or non-residents.

**ARTICLE II-2 IMPOSITION OF TAX – NON- RESIDENTS**  
(SECTION 2 (B) )

In the case of individuals who are non-resident of Ironton, there is imposed under the Ordinance an annual tax of One Percent(1%) on all salaries, wages, commissions and other compensation, earned or accruing on and after February 1, 1969 for work done or services performed or rendered within the City of Ironton, whether such compensation or remuneration is received or earned directly or through an agent and whether paid in cash or in property.

The items subject to tax under this section are the same as those listed and defined in Article II-1. For methods of computing the extent of such work or services performed within the City of Ironton, and cases involving compensation for personal services partly within and partly outside the City of Ironton, see Article IV-1

**ARTICLE II-3 IMPOSITION OF TAX - NET BUSINESS PROFITS - RESIDENT**  
(SECTION 2 ( C ) )

- 1) In the case of trades, businesses, professions, other activities, enterprises or undertakings conducted, operated, engaged in, prosecuted or varied on by resident of Ironton, there is imposed an annual tax of One Percent (1%) on the net profits earned or accruing on and after February 1, 1969.
- 2) For the purpose of construing sub-section ( c ) and (d) of Section 2 of this Ordinance, the term “residents” in the phrase “conducted by residents of the City of Ironton” will ordinarily be construed to have reference to the business entity itself, as distinguished from the partners, co-partners, proprietors, and other participants in its profits.
- 3) Generally, a co-partnership, association or other unincorporated enterprise owned by two or more persons will be taxed as an entity. However, in the case of a non-resident, partnership, association or unincorporated enterprise which cannot be reached or taxed directly by the City of Ironton, or if only parts of its earnings may be directly taxed, then in either such case, resident partners, co-owners, proprietors or other participants in the profits thereof must include in their declaration and tax returns their distributive shares of such profits, or portion thereof not taxed to the business enterprise as an entity, any must pay the tax thereon.
- 4) The tax imposed under this section of the Ordinance ( 2 ( c ) ) is levied upon the entire net profits of the resident trade, business, profession or other activity, enterprise or undertaking, wherever earned, paid or accrued and regardless of the fact that any part of such business or professional activity may have been conducted at or through a place or places of business located outside the City of Ironton.

**ARTICLE II-4 IMPOSITION OF TAX - NET BUSINESS PROFITS - NON-RESIDENT**  
(SECTION 2 (E) )

- 1) In the case of a non-resident individual, partnership, association, fiduciary or other entity (other than a corporation engage in the conduct, operation, or prosecution of any trade, business, profession, enterprise, undertaking or other activity, there is imposed annually tax of One Percent (1%) of the net profits (earned or accruing on and after February 1, 1969) of such trade, business, profession, enterprise, undertaking or other activity if, and to the extent, conducted in or derived from activity in Ironton.
- 2) A non-resident entity within the meaning of sub-section (e) of Section 2 of the Ordinance which has a branch or branches, office or offices and / or store or stores, warehouse, or other place or places in which the entity's business is transacted, located in the City of Ironton, shall be considered to be conducting, operating, prosecuting, or carrying on a trade, business, profession, enterprise, undertaking or other activity to the full extent of the sum total of a transaction originating or consummated in, by or through such Ironton branch, office, store, warehouse or place of business, including (a) billings made on such transaction, or (b) services rendered or(c) shipments made, or (d) goods, chattels, merchandise, etc. sold ,or (e) commissions, fees or other remuneration or payments earned.
- 3) In the case of the partnership, association, or the other unincorporated business owned by one or more persons the tax, generally, shall be upon said partnership, association or business enterprise as an entity and not ordinarily upon the partners or members thereof. However, the provisions of Articles II-( c ) (3) are applicable to render taxable against such resident partners or members their distributive share of any profits or such non-resident entity not taxable under this Ordinance.
- 4) In determining the proportion or amount of the taxable net profits of a non-resident business entity having a place or places of business within and outside Ironton, such business entity may at its option use and apply the Business Allocation Percentage formula, set forth in Section 2 sub-section (g) 1-1,2,3 and 4 of the Ordinance. For explanation of Formula, see Article II-6.

**ARTICLE II-5 IMPOSITION OF TAX - NET BUSINESS PROFITS - CORPORATIONS**  
(SECTION 2 (G))

- 1) In the case of a corporation doing business in Ironton, whether domestic or foreign, and whether domiciled in Ironton or elsewhere, there is imposed an annual tax of One Percent (1%) on that part of the net profits (earned or accruing on and after February 1, 1969) or such corporations, which is earned by such corporations as a result of work done or services performed or rendered and business or other activities conducted in the City of Ironton
- 2) The provisions of Paragraph 2 of Article II-4 of these regulations are applicable to such corporations.
- 3) A corporation doing business both within and outside the City of Ironton may, in determining the part of the net profits which are taxable under the Ordinance, at it option:

- a. Use the usual accounting system of the taxpayer corporation, so long as said usual accounting system shall be one acceptable to the U.S. Internal Revenue Department as evidence by acceptance and approval of income tax returns filed therein; or
- b. Use the business Allocation Percentage formula set forth in Section 2, sub-sections (g) a-1, 2,3 and 4 of the Ordinance.

**Article II-6 BUSINESS ALLOCATION PERCENTAGE**  
(SECTION 2 (G-a))

- 1) At the option of a corporate taxpayer or a non-resident business entity, such taxpayers may, but are not obliged to, use the formula set forth in Section 2 of the Ordinance to compute the percentage of their entire net profits (derived from activities both within and outside the City of Ironton) which is taxable under the Ordinance, and to determine the tax payable to the City of Ironton, thereunder.

If the taxpayer did not have a place of business outside Ironton during the period covered by any declaration and / or return required under the Ordinance, its business allocation percentage is 100 percent; in other words the taxpayer is required to pay a tax of One Percent (1%) on the entire net profits of the business.

If the taxpayer had a place or places of business outside Ironton, and was doing business in Ironton, during such a period, the business allocation percentage shall be computed on the basis of such of the three following factors as may be applicable to the particular business activity:

- a) Real and tangible personal property within and without Ironton;
- b) Business receipts within and without Ironton; and
- c) Payrolls within and without Ironton.

“Business Receipts” as used in (b), means ascertaining the percentage which the gross sales of the taxpayer within the City of Ironton, plus the gross credits or charges for work done and performed or services rendered in the City of Ironton bears to the total gross sales wherever made, plus the total gross credits or charges for work done and performed or services rendered. “Within the City” sales shall be deemed to include:

- aa.) All sales of tangible personal property delivered to purchasers within the City if shipped or delivered from an office, store, warehouse, factory or place of storage, located within 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:
  - a. If the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the City, and 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, if  
The taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales in such other cities, or even if it is so engaged, if the sales are not directly or indirectly attributable to such activities.

“Payrolls” as used in (c), means the total wages, salaries, and other personal service compensation exclusive of compensation of general executive officers.

The business allocation percentages computed by determining the percentage (a) which Ironton real and tangible personal property bears to all real and tangible personal property (including that situated in Ironton) or taxpayer wheresoever situated; (b) which Ironton business sales bear the taxpayer’s entire business sales wheresoever derived (including those derived from Ironton); and (c) which payrolls paid by taxpayer within Ironton bear to taxpayer’s entire payroll wheresoever paid (including Ironton payrolls); adding together the three percentages so arrived at, and dividing the total by three.

However, if one of the factors (property, sales and payrolls) is missing, the other two percentages are added and the sum divided by two, and if two of the factors are missing the remaining percentage is the business allocation percentage. A factor is not to be deemed missing merely because all property, or the expenditures of the taxpayer for payrolls, or the expenditures of the taxpayer for payrolls, or the gross sales of the taxpayer are found to be situated, incurred or received either entirely within or entirely without the City of Ironton.

*EXAMPLE 1:*

*Corporation having places of business in Ironton, Detroit and Cleveland.*

- ❖ *Ironton real and tangible personal property \$10,000. All real and personal property (Ironton, Detroit and Cleveland) \$100,000. Percentage 10%.*
- ❖ *Ironton sales \$15,000. All sales \$75,000. Percentage: 20%.*
- ❖ *Ironton Payroll \$6,000. All payrolls \$20,000. Percentage: 30%.*
- ❖ ***Business Allocation percentage: 10% + 20% + 30% = 20%***

*EXAMPLE 2:*

*Same corporation owning no real estate or tangible personal property anywhere.*

- ❖ *Ironton sales \$15,000; all sales \$75,000; (percentage: 20%).*
- ❖ *Ironton payroll \$6,000; all payroll \$20,000; percentage: 30%*
- ❖ ***Business Allocation Percentage: 20% + 30% = 25%***

**EXAMPLE 3:**

*Same corporation owning real and tangible personal property in Ironton valued at \$10,000 and owning no real or tangible personal property outside Ironton.*

❖ *Other factors same as in examples 1 and 2.*

❖ **Business Allocation Percentage:  $100\% + 20\% = 25\%$**

After determining such business allocation percentage, the tax shall be determined by applying that percentage to the entire net profits of the taxpayer, wherever derived (thus arriving at the taxable net profit), and computing One Percent (1%) of the resultant taxable net profit.

In case it shall appear to the City Finance Director that any agreement, understanding or arrangement exists between the taxpayer and any other persons, firm or corporation whereby the activity, business, income or capital of the taxpayer is improperly or inaccurately reflected the Finance Director may adjust items on income, deductions and capital, and disregard assets in computing any allocation percentage, provided any income directly traceable thereto is also excluded from entire net income, so as equitable to determine the tax.

**2. EXPLANATION OF "PROPERTY FACTOR"**

The percentage of the taxpayer's real and tangible personal property within Ironton is determined by dividing the net book value (during the period covered by the report) of such property within Ironton, without deduction of any encumbrances, by the average net book value similarly computed, of all such property within and without Ironton. Only property owned by the taxpayer is considered in determining such percentage.

**3. EXPLANATION OF BUSINESS RECEIPTS FACTOR**

For sales applicable to Ironton, refer to Article II-6-1-1(b).

Receipts from the following are also allocable to Ironton:

- a. Work done and performed or services rendered in Ironton.
- b. Rentals from property situated in Ironton, where the rental of such property is a usual or normal part of the taxpayer's business activity.
- c. All other business receipts earned in Ironton. For the purpose of determining business allocation percentage, no account shall be given to receipts, within or without Ironton, or income derived from intangibles (including stocks, bonds, royalties and the like) the income of which is taxable under the statutes of the State of Ohio.

All receipts of the period covered by the report (computed on the cash or accrual basis, in accordance with the method of accounting used in the computation of the taxpayer's entire net income must be taken into account.

**4. COMPENSATION FOR WORK DONE AND PERFORMED OR SERVICES RENDERED.**

- a) Compensation and other receipts for work done or services performed within Ironton are allocable to Ironton and taxable under the Ordinance. All amount so received, credited or charged by taxpayer in payment for such work or services are so allocable, irrespective of whether done or performed by employees or agents of taxpayer, by bus-contractors, or by any other persons. It is immaterial where such amounts were payable or where they were received.
- b) Commissions or fees received by the taxpayer are allocated to Ironton if the services for which the commissions were paid were performed in Ironton. If the taxpayer's service services for which commissions or fees were paid were performed for the taxpayer by salesmen or other agents or employees attached to or working out of an Ironton place of business of the taxpayer, the taxpayer's services will be deemed to have been performed in Ironton. Where a lump sum is received by the taxpayer in payment for services within and without Ironton, the amount attributable to services within Ironton is to be determined on the basis of the relative values of, or amounts of time spent in the performance of, such services within and without Ironton.
- c) **OTHER BUSINESS RECEIPTS.**

Receipts from sale of capital assets (property not held by the taxpayer for sale to customers in the regular course of business) are not business receipts. Receipts from the sale of real property held by the taxpayer as a dealer for sale to customers in the regular course of business are business receipts and are allocable to Ironton if the real property was situated in Ironton. Receipts from sale of intangibles included in business capital, held by the taxpayer as a dealer for sale to customer in the regular course of business, are business receipts and are allocable to Ironton if the sales were made in Ironton or through a regular place of business of the taxpayer in Ironton.

**5. PAYROLL FACTOR**

The percentage of the taxpayer's payroll allowable to Ironton is determined by dividing the wages, salaries and other personal service compensation of the taxpayer's employees (except general executive officer, as defined below) within Ironton during the period covered by the report by the total amount of compensation of all taxpayers' employees (except general executive officers) during such period.

Wages, salaries and other compensation are computed on the cash or accrual basis in accordance with the method of accounting used in the computation of the entire net profit of the taxpayer.

Employees within Ironton included all employees regularly connected with or working out of a place of business maintained by the taxpayer in Ironton, irrespective of where the services of such employee were performed. However, if the taxpayer establishes to the satisfaction of the City Finance Director that because of the fact that a substantial part of its payroll was paid to employees attached to a Ironton place of business who performed a substantial part of their services outside Ironton, the computation of the payroll factor according to the general rule stated above would not produce an

equitable result, then the City Finance Director may, in his or her discretion, permit the payroll factor to be computed on the basis of the amount of compensation paid for services rendered within and without the City. On the other hand, wherever it appears that, because a substantial part of the taxpayer's payroll was paid to employees attached to places of business outside Ironton, who performed a substantial part of their services within Ironton, the computation of the payroll factor according to the general rule would not properly reflect the amount of the taxpayer's business done within Ironton by its employees, the City Finance Director may require the payroll factor to be computed on the basis of the amount of compensation paid for services performed within and without the City of Ironton. In any such case, where an employee performed services both within and without Ironton, the amount treated as compensation for services performed within Ironton shall be deemed to be (a) in the case of an employee whose compensation depends directly on volume of business secured by him, such as a salesman on a commission basis, the amount received by him for the business attributable to his efforts within Ironton; (b) in the case of an employee whose compensation depends on other results achieved, the proportion of the total compensation which the value of his services within Ironton bears to the value of all his services, and (c) in the case of an employee compensated on a time basis, the proportion of the total amount received by him which the working time employed in Ironton bears to the total working time.

#### GENERAL EXECUTIVE OFFICERS.

Personal service compensation paid to general executive officers of the taxpayer for acting as such should not be included in the computation of the payroll factor.

General executive officers include the chairman, president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, comptroller, director and any other officer charged with and performing general executive duties of the corporation. An executive officer whose duties or services are primarily restricted to one place of business of the taxpayer, whether within or without Ironton, is not a general executive officer.

In the case of unincorporated entities, an executive officer shall be deemed to be a partner, co-owner, proprietor or other active participant in the profit of the enterprise.

#### 6. ADJUSTMENT OF BUSINESS ALLOCATION PERCENTAGE FORMULA

Generally, the formula will result in a fair apportionment of the taxpayer's net profits within and without Ironton. However, due to the peculiar circumstances of certain businesses, the formula may work a hardship in some cases or result in a tax evasion in others, thus not do justice to the taxpayer or the City. Accordingly in such cases the Finance Director may substitute factors calculated to bring about a fair and proper allocation in any case where the taxpayer has adopted the optional use of the business allocation percentage formula.

### ARTICLE II-8 FISCAL YEARS (SECTION 3)

Where the fiscal year of a trade, business, profession, enterprise, undertaking and/or other activity differs from the calendar year, the tax shall be applicable to the net profits of the fiscal year.

A fiscal year will be recognized only if it ends on the last day of some calendar month and has been or may be recognized by the Director of Internal Revenue for the purposes of Federal Income Tax.

### ARTICLE II-9 NET BUSINESS PROFITS

In amplification of the definition contained in Article 1 (e) of these Regulations, but not in limitation thereof, the following additional information and requirements respecting net business profits are furnished:

- (a) Where necessary to properly reflect income, inventories must be used. The basis of pricing used for the purpose of the Federal Income Tax must in each instance be used.
- (b) Where the books and records are kept on an "accrual basis," long-term contract basis" or "installment basis," is used in filing of Federal Income Tax Returns, such basis must be used for the purpose of this tax.
- (c) If the return is made on a "cash basis." Gross Profit shall include receipts from commissions, fees and interest, as well as the gross profit or loss from sales of merchandise chattels, goods, wares, securities, notes, choses-in-action and services, except as hereinafter provided.
- (d) If the return is made on an "accrual basis." Gross Profit shall include (1) commission, fees and interest earned, plus (2) the gross profit or loss from sales of merchandise chattels, goods, wares, securities, notes, choses-in-action and services except as hereinafter provided
- (e) From Gross Profit there shall be subtracted allowable expenses to arrive at the net profits subject to tax.
- (f) All ordinary and necessary expenses of doing business, including reasonable compensation paid employees, shall be allowed, but no deduction may be claimed for "salary" or withdrawals of a proprietor or of the partners, members or other co-owners of an incorporated business or enterprise.
- (g) If not claimed as part of the cost of goods sold or elsewhere in the return filed, there may be claimed and allowed a reasonable deduction for depreciation, depletion, obsolescence, losses resulting from theft or casualty not compensated for by insurance or otherwise, of property used in the trade or business, but the amount may not exceed that recognized for the purpose of the Federal Income Tax. Provided, however, that loss on the sale, exchange or other disposition of depreciable property and Real Estate used in business, shall not be allowed as a deductible expenses.
- (h) Bad debts in a reasonable amount may be allowed in the year ascertained worthless and charged off, or (if the reserve method is used), a reasonable addition to the reserve may be claimed, but in no event shall the amount allowed exceed the amount recognized as a deduction for the purpose of the Federal Income Tax.

- i. Taxes – Only taxes directly connected with the taxpayer’s business may be claimed as a deduction. If for any reason the income from property is not subject to tax, then the tax on said property is not deductible. In any event, the following taxes ... are not deductible from income:
  - 1. The tax under the Ordinance;
  - 2. Any Federal taxes based upon income;
  - 3. Gifts, estate or inheritance taxes, and
  - 4. Taxes for local benefits or improvements to property which tend to appreciate the value thereof.
- (j) Capital gains and losses (including gains or losses from the sale, exchange, or other disposition of depreciable business property, and real property used in the taxpayer’s trade or business, shall not be taken into consideration in arriving at “net profits earned.”
- k. If the taxpayer is a non-resident, only the amount of net profits applicable to the activities of the business in Ironton shall be subjected to tax. If the non-resident taxpayer’s records do not disclose the actual net profits for the Ironton branch, office, store or activity separately, then the basis of allocation shall be disclosed in the return. If such basis of allocation is not deemed correct. In view of all the known circumstances, the Finance Director will make a re-allocation based upon gross receipts of any other basis, which shall, under the circumstances of the case, more accurately reflect the net profits.
- l. In general, all business expense recognized and to the extent allowed as such for the purpose of determining Federal Income Tax will be recognized and allowed for... determining Ironton Income Tax under the provisions of this Ordinance ... However, all expenses connected with the acquisition or carrying of securities, the income from which it not recognized as taxable under this Ordinance may not be deducted in determining taxable net profits hereunder.
- m. In general, unearned income is not to be included in computing the tax levied hereunder. Gain or loss from the sale, exchange or other disposition of capital assets, including depreciable property and real estate used in business, shall no be included in determining net profits. Income from intangibles ... by way of dividends, interest and the like, should not be included if the property from which such income is derived is subject to taxation under the Intangible Personal Property Tax Laws of the State of Ohio or is specifically exempted from taxation under said Laws.
- n. Rentals received by the taxpayer are to be included only if and to the extent that the rental, ownership, management or operation of the real estate from which such rentals are derived (whether so rented, managed or operated by taxpayer individually or through agents or other representatives) constitutes a ... business activity of the taxpayer in whole or in part.

The following are circumstances under which, in any instance, the rental of any real property shall or shall not be deemed to be a “Business Activity”:

- 1. Where the gross monthly rental of any and all real properties, aggregates in excess of \$100.00 per month, it shall be prima facie evidence that the rental, ownership, management or operation of such properties is a business activity of such taxpayer, and the net income of such rental property shall be subject to tax; provided that in case of commercial property, the owner shall be considered engaged in a business activity when the rental is based on a fixed or fluctuating percentage of gross or net sales, receipts or profits of the lessee, whether or not such rental exceeds \$100.00 per month; provided further that in the case of farm property, the owner shall be considered engaged in a business activity when he shares in the crops or when the rental is based on a percentage of the gross or net receipts derived from the farms, whether or not the gross income exceeds \$100.00 per month; and provided further that the one person who operates a licensed rooming house shall be considered in business whether or not the gross income exceeds \$100.00 per month.
  - 2. In determining the amount of gross monthly rental of any real property, periods during which (by reason of vacancy or any other cause) rentals are not received shall not be taken into consideration by the taxpayer.
  - 3. Rentals received by the taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.
  - 4. Real property, as the term is used in this Regulation, shall include commercial property, residential property, farm property, and any and all other types of real estate.
  - 5. In determining the taxable net income from rental, the deductible expenses shall be of the same nature, extent and amount as are allowed by the Department of Internal Revenue for Federal Income Tax purposes.
  - 6. Residents of Ironton are subject to taxation upon the net income from rentals (to the extent above specified) regardless of the location of the real property owned: Non-Residents of Ironton are subject to such taxation only if the real property is situated within the City of Ironton. Non-residents, in determining whether gross monthly rentals exceed one hundred dollars (\$100.00), shall take into consideration only real estate situated within Ironton.
- o. Income ... from royalties or copyrights is not to be included.

## **ARTICLE II-10 RECONCILIATION WITH FEDERAL RETURN**

In a form satisfactory to the Finance Director, there shall be submitted with each return filed by a taxpayer subject to the Federal Income Tax, reconciliation between the amount shown in the return filed with the Finance Director and the business income reported to the Federal Bureau of Internal Revenue.

If, as a result of a change made in business income by the Federal Bureau of Internal Revenue, or by a judicial decision, an additional amount will result as owing to the City of Ironton, a report of such change shall be filed by the taxpayer within thirty days after receipt of the final notice of such change from the Federal Authorities or after final decision of a Court adjudicating any such Federal Income Tax liability.

## **ARTICLE III RETURN AND PAYMENT OF TAX (SECTION 4)**

1. On or before April 15, 1969, every taxpayer engaged in any business, the net profits of which the tax imposed by this Ordinance, shall make and file with the Finance Director a final Return on a form furnished by or obtainable from the City Finance Director. Thereafter each such taxpayer shall, on or before April 15<sup>th</sup> of each subsequent year, make and file a return with the City Finance Director. Like returns shall be filed at the same time and in the same manner by all persons who wages, salaries, bonuses, incentive payments, commissions, fees and other compensation received during the preceding taxable year are subject to the tax imposed by the Ordinance. However, where an employee's entire earnings for the year are paid by an employer and the One percent (1%) tax thereon has in each instance been withheld and deducted by the employer from the gross amount or the entire earnings of such employee-taxpayer, and where the employer of such employee has filed a report, or return in which such employee's entire and only earnings are reported to the Finance Director, and where such employee has no taxable income other than such earnings, it shall not be necessary for such employee to file a return of any taxable year in which such conditions have prevailed.  
Any person who receives both compensation for services performed for an employer, in whatsoever form, and in addition receives income from any business activity or occupation not subject to withholding under the Ordinance, must file a Declaration and a Final Return.
2. In all returns filed hereunder there shall be set forth the aggregate amount of salaries, wages, bonuses, incentive payments, commissions, fees and other compensation received and/or net profits earned (all as herein before defined) by and during the preceding year and subject to said tax, together with such pertinent information as the City Finance Director may require.
3. If the return is made for a fiscal year or for any period other than a calendar year, the said return shall be made within one hundred five (105) days from the end of said fiscal year or other period.
4. The return shall also show the amount of the tax imposed by the Ordinance on such earnings, or net profits or both.
5. The taxpayer making the return shall at the time of filing thereof, pay to the City Finance Director the amount of tax shown to be due and unpaid by the return. If, pursuant to the provisions of Article V-2, the taxpayer has at the time of making such final return overpaid his tax, such taxpayer shall show the amount of overpayment and may in said return either (a) request a refund therefore, or (b) request that the amount thereof be credited against the amount which will be required to be paid by taxpayer on the next succeeding installment of tax which may become due.  
For payments in Installments, see Article V-2.
6. Where any portion of the tax otherwise due shall have been deducted at the source and shall have been paid to the City Finance Director by the person making the said deduction, a credit equal to 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 the filing of the said return.
7. Upon written request of the taxpayer, the Finance Director may extend the time for filing annual return for a period of not more than six months or not more than thirty days beyond any extension requested of and granted by the Bureau of Internal Revenue for the filing of the Federal Income Tax return.

## **ARTICLE IV-I COLLECTION OF TAX AT SOURCE (SECTION 5)**

1. It is the duty of each employer (as hereinbefore defined) who employs one or more persons on a salary, wage, commission or other compensation basis, to deduct from compensation paid to any employee subject to the Ordinance, the tax of One Percent (1%) of such salary, wages, bonus, incentive payment, commission or other compensation due by said employer to said employee. The tax shall be deducted by the employer from:
  - a. All compensation paid to employees who are non-residents of the City of Ironton or services rendered, work performed, or other activities engaged in to earn such compensation, within the City of Ironton, and
  - b. From the gross amount of all salaries, wages, bonuses, incentive payments, commissions or other form of compensation paid to employees who are residents of the City of Ironton, regardless of the place where the services are rendered.
2. All employer who or which maintain an office or other place of business in Ironton are required to make the recollections and deductions in this Article specified, regardless of the fact that the services on account of which any particular deduction is required as to residents of the City of Ironton, were performed at a place of business of any such employer situated outside the City of Ironton.
3. The mere fact that the tax is not withheld will not relieve the employee of the responsibility of filing a return and paying the tax on the compensation received.

4. Commissions and fees paid to professional men, brokers, and other who are independent contractors and not employees of the payer, are not subject to withholding or collection of the tax at the source. Such taxpayers must in all instances file returns and pay the tax pursuant to the provisions of Section 2 or of Section 3 of the Ordinance. (See Article II-3 and II-4).
5. In the case of employees who are non-residents of Ironton the amount to be deducted is One Percent (1%) of the compensation paid with respect to personal services rendered in Ironton.

Where a non-resident receives compensation for personal services rendered or performed partly within and partly outside Ironton, the withholding employer shall deduct, withhold and remit that portion of the compensation which is earned within Ironton in accordance with the following rules of apportionment:

- a. If the non-resident is a salesman, agent or other employee whose compensation on the basis of commissions depends directly on the volume of business transacted by him, the deducting and withholding shall attach to the portion of the entire compensation which the volume of business transacted by the employee within the City of Ironton bears to the volume of business transacted by him within and outside the City of Ironton.
  - b. The deducting and withholding of personal service compensation of all other employees (including officers or corporations) shall attach to the portion of the personal service compensation of such employee which the total number of working days employed within the City of Ironton bears to the total number of working days employed within and outside the City of Ironton.
  - c. If it is impossible to apportion the earnings as provided above, because of (1) the peculiar nature of the service of the employee, or (2) the unusual basis of compensation, apportionment shall be made in accordance with the facts and the tax deducted and withheld accordingly.
  - d. The occasional entry into the City of Ironton of a non-resident employee who performs the duties for which he is employed entirely outside the City, but enters the City for the purpose of reporting, receiving instructions, accounting, etc., incidental to his duties outside the City, shall not be deemed to take such employee out of the class of those rendering their services entirely outside the City.
6. An employer shall withhold the tax on the full amount of any advances made to an employee on account of commissions (whether by way of drawing account or otherwise – but see paragraph 7 below) where such advances are in excess of commissions earned.
  7. An employer required to withhold the tax on compensation paid to an employee shall, in determining the amount on which the tax is to be withheld, ignore any amount allowed and paid by the employer to the employees for expenses necessarily and actually incurred by the employee in the actual performances of his services. Provided, that such expenses must be of the kind and in the amount recognized and allowed as deductible expenses for Federal Income Tax purposes.

#### **ARTICLE IV-2 RETURNS OF TAX WITHHELD AND PAYMENT**

The deduction from salaries, wages, and other compensation required to be made by employer are to begin with compensation earned on and after February 1, 1969. The first return and payment required to be made on account of such deductions shall be made filed and paid to the City Finance Director between April 1, and April 30, 1969.

Each employer within the City of Ironton who employs one or more persons on a salary, wage, commission or other compensation basis shall deduct monthly, or more often than monthly, and at the time of payment of such salary, wage commission or other compensation, the tax of one Percent (1%) of salaries, wages, commissions or other compensation due by the said employer to the said employee and shall make a return any pay to the City Finance Director the amount of taxes so deducted as follows:

- ❖ For the three (3) month sending March 31<sup>st</sup>, on or before April 30<sup>th</sup>.
- ❖ For the three (3) months ending June 30<sup>th</sup>, on or before July 31<sup>st</sup>.
- ❖ For the three (3) months ending September 30<sup>th</sup>, on or before October 31<sup>st</sup>.
- ❖ For the three (3) months ending December 31<sup>st</sup>, on or before the following January 31<sup>st</sup>.

The reporting periods referred to in the preceding paragraph are elastic to this extent: the employer will use the same quarterly accounting period for reporting taxes withheld under the Ironton Income Tax Ordinance as he used in reporting quarterly taxes withheld to the Federal Government.

Said return shall be on a form or forms prescribed by the and obtained from the City Finance Director and shall be subject to the rules regulations prescribed therefore by the City Finance Director. Such employer in collecting said tax, shall be deemed to hold same until payment is made by such employer to the City of Ironton as a Trustee for the benefit of the /city of Ironton, and any tax collected by such employer from his employees shall until the same is paid to the Cit of Ironton, be deemed a trust fund I the hands of such employer.

For adjustment of errors in returns of tax withheld by employers, see Article VII of these Regulations.

#### **ARTICLE IV-3 LIMITATION ON CREDIT FOR TAX PAID AT SOURCE**

The failure of any employer, residing either within or outside the City of Ironton, to collect the tax and to make any return prescribed herein, shall not relieve the employee from the payment of such tax in compliance with these Regulations respecting the making of returns and the payment of taxes.

#### **ARTICLE IV-4 STATUS AND LIABILITY OF EMPLOYERS**

Every employer is deemed to be a trustee of the City of Ironton in collecting and holding the tax required under the Ordinance to be withheld, and the funds so collected by such withholding are deemed to be a trust funds.

Every such employer required to deduct and withhold the tax at the sources is liable directly to the City of Ironton for the payment of such tax, whether actually collected by such employer or not.

**ARTICLE V-1     DECLARATIONS**  
(SECTION 6)

1. An employee whose entire wages, salaries or other compensation for any taxable year will be subject to the withholding provision under Article IV of these Regulations, whose tax will accordingly be withheld as to his entire earnings for such year by his employer, and who during such taxable year expects to derive no other compensation or other income which is subject to tax under the Ordinance, need not file a declaration as provided in this Article.
2. All other taxpayer (as defined in the Ordinance and in these Regulations) subject to the taxes imposed in Section 2 of the Ordinance, and every taxpayer who anticipates any income or net profits not subject to total withholding as provided in the next preceding paragraph, shall file with the City Finance Director a declaration of his estimated tax as follows:
3. On or before April 15, 1969 every such taxpayer shall file a declaration on his estimated tax for the taxable period beginning January 1, 1969 and ending December 31, 1969.
4. A similar declarations shall be filed by each such taxpayer on or before the 15<sup>th</sup> day of April of each subsequent year during the life of the Ordinance and each such declarations shall contain a statement of the taxpayer's estimated tax for the full taxable year in which such declarations is filed.
5. Taxpayer who or which are permitted, pursuant to the provisions of article II-8, to return and pay their tax upon a fiscal year basis, shall file their first declaration within 105 days after the beginning of the first fiscal year beginning after January 1, 1969 and the subsequent declaration for each year thereafter on or before the 15<sup>th</sup> day of the fourth month following the beginning of each such fiscal year.
6. The estimated tax may be paid in full with the declaration or in equal installments on or before April 15, June 30, September 30 and December 31, of the first filing being as of April 15. Those taxpayers on a fiscal year basis shall make quarterly payments on or before the 15<sup>th</sup> day of the fourth month and on or before the 15<sup>th</sup> day of the fourth month and on or before the last day of the sixth, ninth and twelfth months following the beginning of such fiscal year. The first installment, equal to at least one-fourth of the estimated tax, must accompany the declaration.
7. The declarations so required shall be filed upon a form furnished by or obtainable from the City Finance Director. Any taxpayer who has filed an estimate for Federal Income Tax purpose may, in making the declaration, required hereunder, simply state therein that the figures therein contained are the same figures used by the taxpayer in making the declaration of his estimate for the Federal Income Tax. However, in addition to such statement, any such taxpayer may, in such declaration modify and adjust such declared income so as to exclude there from income which is not subject to tax under this Ordinance, in which case taxpayer shall indicate that such income has been excluded.
8. Any estimate filed hereunder may be amended by the filing of an estimate at the time prescribed for the payment of any installment of tax paid in accordance with Article V-2 of these Regulations.

**ARTICLE V-2     PAYMENT OF TAX IN INSTALLMENTS**  
(SECTION 6)

1. At the time of filing each declaration (required by Article V-1) each taxpayer shall pay to the City Finance Director one-fourth (1/4) of the amount of his estimated annual tax. Thereafter, on or before the 30<sup>th</sup> day of June, September and December 31<sup>st</sup> of each year during the life of the Ordinance, such taxpayer shall pay at least a similar amount. However, if any such payment date, file an amended declaration showing an increase or decrease of the estimated tax, the installments then and thereafter due shall be increased or diminished (as the cast may be) in such manner that the balance of the estimated tax shall be fully paid on or before December 31<sup>st</sup> of the taxable year involved through the payment of quarterly installments in equal amounts during the quarterly periods remaining from and after the filing of any such amended Declaration.
2. Taxpayers who or which are permitted to make returns and pay their tax on a fiscal year basis (see Article III-8), may make the quarterly payments on their declaration of estimated tax pursuant to Article V-1 (5) (6) of these Regulations.
3. For Final Returns and final adjustment of tax due, see Article III.

**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, but in no event shall the amount of the credit exceed an amount equal to fifty percent of the taxpayer's tax liability owed to the City of Ironton under this ordinance. (Amended Ordinance 04-72, Passed 09-09-2004)**

**ARTICLE VI-1     INQUISITORIAL POWERS OF THE CITY AUDITOR**  
(SECTION 8)

The City Auditor personally, or his agents, or his employees, is authorized and empowered to examine the books, papers and records of any employer, or supposed employer, or of any taxpayer, or supposed taxpayer, in order to verify the accuracy of any return made; or, if no return was made to ascertain the tax imposed by the Ordinance.

Every employer or supposed employer, and every taxpayer or supposed taxpayer, is required to furnish to the City Auditor or his duly authorized agents and employees, the means, facilities and opportunity for such examinations, investigations and audits as are authorized in and by the Ordinance.

The City Auditor or his duly authorized agent or employee is further authorized and empowered to examine under oath any person concerning any income which was or should have been returned for taxation, and to this end the City Auditor has the right and power to compel the production of books, papers and records and the attendance of all persons before him, whether as parties or witnesses, whom he believes to have knowledge of such income.

Refusal of any examination by any employer or person subject to the tax, or presumed to be such employer or person so subject, constitutes a misdemeanor punishable by fine or imprisonment, or both.

See Article IX, Penalties.

#### **ARTICLE VI-2 RECORDS TO BE KEPT BY EMPLOYERS AND TAXPAYERS**

Employers and others subject to the tax under the Ordinance are required to keep such records as will enable the filing of true and accurate returns, whether of taxes withheld at source or of taxes payable upon earnings or net profits, or both, and such records are to be preserved to enable the City Auditor, or any agent or any employee of the City Auditor, to verify the correctness of the returns filed.

#### **ARTICLE VI-3 COLLECTION OF DEFICIENCIES-ALLOWANCE OF CREDIT FOR OVERPAYMENT**

If, as a result of investigation conducted by the City Auditor, a return is found to be incorrect, the City Auditor is authorized to assess and collect any underpayment of tax withheld at source or any underpayment of tax owing by any taxpayer with respect to earnings or net profits, or both. If no return has been filed and a tax found to be owing, the tax actually owing may be assessed and collected with or without the formality of obtaining a delinquent return from the employer or taxpayer.

Should it be disclosed, either as a result of an investigation by the City Auditor or through the medium of the filing of a claim or petition for refund or credit, that an overpayment has been made, the City Treasurer will refund such overpayment.

The employer will be in every instance be required to pay the full tax which should have been withheld, even though he may fail to withhold from the employee. If too much has been withheld, the excess shall be refunded by the employer to the employee. While the withholding agent (employer) will be expected to maintain complete records of such adjustments with the employees, any such adjustment made during any month will not need to be reflected in the withholding return or disclosed by schedules or statements thereto attached.

In those cases in which too much has been withheld by an employer from an employee and remitted to the City Treasurer and there has been a termination of the employee-employer relationship, the taxpayer (employee) may obtain an adjustment by application to the City Treasurer.

#### **ARTICLE VI-4 PENALTY FOR DIVULGING CONFIDENTIAL INFORMATION (SECTION 8)**

Tax returns, and all audits connected therewith, are confidential. Any information gained by the City Auditor, by his agents or employees, or by any other official or agent of the City, as a result of any returns, investigation, hearings or verifications required or authorized by the Ordinance shall be held confidential, except for official purposes and except in accordance with proper judicial order, or as otherwise provided by law. Violation of this provision in the Ordinance constitutes a misdemeanor, punishable by fine not exceeding \$500.00 and imprisonment for not more than six months, or both. Every such breach of confidence constitutes a separate offense.

#### **ARTICLE VII INTEREST AND PENALTIES (SECTION 9)**

All taxes imposed by the Ordinance remaining unpaid after they become due shall bear interest, in addition to the amount of the unpaid tax, at a rate of six percent (6%) per annum, and the taxpayers upon whom said taxes are imposed shall be liable, in addition to the tax and interest, to a penalty of one-half of one percent (.5%) of the amount of the unpaid tax for each month or fraction of a month for the first six months of non-payment or five dollars (\$5), whichever is the greater.

The City Treasurer may waive or remit any such interest or penalties as he, in his discretion, would deem proper.

#### **ARTICLE VIII COLLECTION OF UNPAID TAXES (SECTION 10)**

All taxes imposed by the Ordinance remaining unpaid when the same have become due, together with all interest and penalties thereon, become a debt due the City from the taxpayer, and are recoverable as other debts by suit instituted by the City Solicitor.

Employer who or which, although obliged under the Ordinance to withhold and remit to the City Treasurer the taxes required to be withheld at the source (Article IV), shall fail to so withhold and/or remit, become liable to the City in a civil action to enforce the payment of the debt created by such failure.

When a final return is filed as prescribed in Section 4 hereof and a deficiency is determined to be due to the City of Ironton, action to collect the same shall not be commenced after two (2) years from the due date of said return and when a taxpayer fails to file a return, action to collect tax due to the City of Ironton shall not be commenced after five (5) years from the due date of said return.

All applications for refund shall be made within six (6) months of the due date of a final return or shall be forever barred thereafter. Provided, however, an extension may be granted by the City Auditor on written application.

**ARTICLE IX VIOLATIONS-PENALTIES**  
(SECTION 11)

Any person, firm or corporation who fails, neglects or refuses to make any return questionnaire or declaration required by the Ordinance; and any taxpayer who refuses to pay the tax, interest or penalties imposed by the Ordinance, and any person who refuses to permit the City Auditor or his duly authorized agent, or employee to examine his books, records and papers, or who knowingly makes any incomplete, false or fraudulent return, or who attempts to do anything whatsoever to avoid the payment of the whole or part of the tax, is guilty of a misdemeanor, punishable by a fine not to exceed \$100. and/or imprisonment for not to exceed sixty (60) days, or both.

The failure of any employer or taxpayer to receive or procure returns, declarations or other forms is not an excuse for failure to make any declaration, questionnaire or return, or to pay the tax.

Agents and employees charged with the duty of inspection or auditing of records of employers and taxpayers will carry proper identification, which shall be subject to examination by any person whose records are sought to be examined.

The penalties provided in this section are in addition to and not exclusive of the penalties provided by all pertinent criminal statutes of the State of Ohio, and to the civil remedies provided in the Ordinance.

**ARTICLE XI APPLICABILITY**  
(SECTION 13)

The Ordinance is inapplicable to any person or corporation upon whom or which it is beyond the legal power of Council to impose the tax; it is likewise inapplicable as to any property, income or profits (or part thereof) as to which it is beyond the legal power of Council to levy the tax.

**ARTICLE XII CONSTRUCTION – SEPARABILITY OF PROVISIONS**  
(SECTION 13)

With respect to construction, the Ordinance provides:

“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 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 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.”

**ARTICLE XIII COLLECTION OF TAX AFTER TERMINATION OF ORDINANCE**  
(SECTION 16)

In case of termination of the Ordinance imposing a tax, the Ordinance remains in force and effect for purposes of collection and payment of taxes due and payable beyond the termination date.

Taxes due and unpaid on account of compensation paid or received in any year and on account of profits earned in any year which remain unpaid on December 31 of said year, are payable in full on or before April 15 of the following year, and all final returns and withholding reports must be filed on or before that date.

For purposes of delinquent or unpaid taxes, actions or proceedings for such collection and/or the collection of interest and penalties thereon, or enforcing any provisions of the Ordinance (including prosecutions under the criminal sections of the Ordinance, the Ordinance remains in force and effect until two years from the due date of said return and when a taxpayer fails to file a return, action to collect tax due to the City of Ironton shall not be commenced after five years from the due date of said return.

**ARTICLE XIV**

The Ironton Income tax Department will not require filing of employee earning's report, resembling Federal Form W-2, as of December 1, 1969, or at any subsequent date. Moreover, the Department will not require at December 31, 1969, or at any subsequent date, a reconciliation of total payrolls, reconciled with payroll amounts reported subject to Ironton, Ohio, City Income Tax.

**ARTICLE XV**

This resolution is hereby declared to be an emergency measure necessary for the immediate preservation of 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 be curtailed so that the public safety and welfare would be jeopardized. This resolution will take effect immediately upon passage and publication.

PASSED: January 9, 1969

ATTEST:

JUANITA FAYNE,  
Clerk of Council,

EUGENE MOONEY,  
Chairman of Council

