183.01 DEFINITIONS.

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

a. "Adjusted federal taxable income" means a "C" corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, but including subsequent adjustments from required additions and deductions. Pass through entities must compute "Adjusted Federal Taxable Income" as if the pass-through entity was a "C" corporation. This definition does not apply to any taxpayer required to file a return under Ohio Revised Code (ORC) section 5745.03 or to the net profit from a sole proprietorship. This definition is effective for tax years beginning on or after January 1, 2004.

b. "Association" means a partnership, limited partnership, limited liability company, Chapter S Corporations as defined in the federal tax code, 26 U.S.C. 1361, or any other form of unincorporated enterprise.

c. "Board of Review" means the Board created by and constituted as provided in Section 183.13.

d. "Business" means an enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, limited partnership, corporation, association or any other entity.

e. "City" means the City of East Liverpool, Ohio.

f. "Corporation" means a corporation (excluding Chapter S Corporations as defined in the federal tax code, 26 U.S.C. 1361) 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.

g. "Domicile" means the permanent legal residence of a taxpayer. An individual may have more than one residence but not more than one domicile.

h. "Employee" means one who works for income, wages, salary, commission or other type of compensation in the service of and under the control of an employer. Any person upon whom an employer is required to withhold for federal income tax or social security or PERS on whose account payments are made under the Worker's Compensation Law shall be an employee.

a. "Employer" means an individual, partnership, limited partnership, association, corporation, governmental body, unit or agency, or any other entity who or that employs one or more persons on an income, salary, wage, commission or other compensation basis.

b. "Fiscal year" means an accounting period of twelve months or less, ending on any day other than December 31.

(k) "Generic form" means an electronic or paper form designed for reporting estimated municipal income taxes, and/ or annual municipal income tax liability, and/or separate requests for refunds that contain all the information required on East Liverpool's regular tax return and estimated payment forms ,and are in a similar

format that will allow processing of the generic forms without altering the City's procedures for processing forms..

(l) "Gross receipts" means the total revenue derived from sales, work done, or service rendered.

(m) "Income" means all monies and compensation in any form, subject to limitations imposed by ORC 718, derived from any source whatsoever, including but not limited to:

1. All wages (prior to tax year 2004), qualifying wages (for tax years 2004 and later), commissions, other compensation and other income from whatever source received by residents of the City,
2. All salaries, wages (prior to tax year 2004), qualifying wages (for tax years 2004 and later), commissions, other compensation and other income from whatsoever source received by nonresidents for work done or services performed or rendered or activities conducted in the City.
3. The portion attributable to the city of the net profits of all unincorporated businesses, associations, professions, corporations, or other entities, from sales made, work done, services performed or rendered, and business or other activities conducted in the City.

(n) "Net Profits" for taxable years prior to 2004, means the net gain from the operation of and/or the complete or partial sale or disposition of the assets of a business, profession or enterprise after provision for all cost and expense incurred in the conduct thereof, including reasonable allowance for depreciation, for bad debts, either paid or accrued in accordance with recognized principles of accounting applicable to the method of accounting regularly employed, and without deduction of federal and state taxes based on income, and without deducting taxes imposed by this chapter. (For taxable years 2004 and later, see "adjusted federal taxable income".)

(o) "Nonresident" means an individual, partnership, limited partnership, corporation, unincorporated business, association or other entity domiciled outside the City.

(p) "Other entity" means any person or unincorporated body not previously named or defined and includes fiduciaries located within the City.

(q) "Person" means every natural person, 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.

(r) "Place of business" means any bona fide office, other than a mere statutory office, factory, warehouse, or other space with 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 the City solely by consigning goods to an independent factor or contractor outside the City for sale.

a. "Qualifying wage" means Wages as defined in Section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, but including subsequent adjustments from required additions and deductions. "Qualifying wage" represents employees' income from which municipal tax shall be deducted by the employer, and any wages not considered a part of "qualifying wage" shall not be taxed by the City of East Liverpool. This definition is effective January 1, 2004, for taxable years 2004 and later.

b. "Resident" means an individual, partnership, limited partnership, corporation, unincorporated business, association or other entity domiciled in the City.

c. "Tax Administrator" means the individual, designated by the chapter, who is responsible for administering and enforcing the provisions of the chapter. The Tax Administrator shall be appointed by the Treasurer of the City of East Liverpool. In the absence of the Tax Administrator the duties of that office shall be the responsibility of the Treasurer.

d. 'Taxable year" means the calendar year, or the fiscal year upon the basis of which the net profits are to be computed under this chapter and, in the case of a return for a fractional part of a year, the period for which such return is required to be made.

e. "Taxpayer" means a person, whether an individual, partnership, limited partnership, corporation, association or other entity, required hereunder to file a return or to pay a tax.

183.02 IMPOSITION OF TAX.

A. Basis of Imposition. Subject to provisions of Ordinance #30, 1964 of the City of East Liverpool, Ohio, an annual tax shall be, and is hereby, levied on and after January 1, 1965, at the rate of one and one-half percent (1-1/2%) per annum upon the following, except as specifically excluded in Section 183.17.

1. On all qualifying wages, commissions, other compensation, and other taxable income earned or received by residents of the Municipality, regardless of the source of the earnings, the place or places in or at which the services were rendered , or the location at which the earning were paid. All such earnings, whether received or earned directly or through an agent, and whether paid in cash or in property are taxable.

a. The following are items which are subject to the tax imposed by the Ordinance: salaries, wages, bonuses, incentive payments, commissions or other compensation paid to an individual in cash or in kind on an hourly, daily, weekly, monthly, annual, or other basis, including, but not limited to, the following:

severance or termination pay; wage continuation payments made as a result of early retirement or employment termination; wage continuation payments made as a result of sickness or temporary disability and whether paid by the recipient's employer or by a third party; vacation or holiday pay; tips or gratuities received; group term insurance premiums paid on an employee's behalf; employee contributions to tax sheltered annuities, non-qualified pension plans, or into employer or third party trusts or pension plans as permitted by the Internal Revenue Service or employer contributions to non-qualified pension plans of deferred compensation plans, and which may be excludable from wages for federal tax purposes; ordinary income portion of stock options or employee stock purchase plans; supplemental unemployment benefits (SUB Pay); strike pay; jury pay; working condition fringe benefits subject to tax by the Internal Revenue Service; guardian, executor, conservator, trustee, or administrator fees; bonuses; gifts of any type; compensation paid to domestic servants, casual employees and other types of employees; back pay; retroactive pay increases; ordinary income portion of lump sum distributions which become subject to federal tax because the recipient did not roll over the distribution within the time required by the Internal Revenue Service; any form of income not listed above but included in the definition of "qualifying wages" as defined in section 3121 (a) of the Internal Revenue Code, and adjusted in accordance with section 718.03 (A) of the Ohio Revised Code.

b. Residents who are able to itemize deductions on their federal tax return and deduct thereon unreimbursed employee business expenses, may deduct those same expenses from their income subject to East Liverpool city income tax. In support of said deduction the taxpayer must furnish a copy of their federal Form 2106 and Schedule A as filed with the Internal Revenue Service. The unreimbursed employee business expenses are deductible only on those wages on which East Liverpool city income tax is paid.

c. Where compensation is paid or received in property, its fair market value at the time of payment or receipt shall be subject to the tax imposed by the Ordinance. Except in the case of a home or parsonage furnished by a church or an integral agency of a church to a duly ordained, commissioned, licensed, or designated minister, board, lodging, utilities, and similar items received by an employee in lieu of additional cash compensation shall be subject to the tax.

1. Board and lodging provided by the employer on the employer's premises shall not be considered wages or compensation if the employee is required to accept the board and lodging as a condition of employment.

2. Meals provided by the employer on the employer's premises for the convenience of the employer shall not be considered wages or compensation to the employee.

2. On all qualifying wages, commissions, other compensation, and other taxable income earned or received by nonresidents for work done, or services performed or rendered, in the Municipality, whether such compensation or remuneration is received or earned directly or through an agent and whether paid in cash or in property. The location of the place at which payment is made is immaterial.

a. The items which are subject to the tax imposed by the Ordinance are the same as those listed and defined in 183.02.

b. Nonresidents who are able to itemize deductions on their federal tax return and deduct thereon unreimbursed employee business expenses, may deduct those same expenses from their income subject to East Liverpool city income tax. In support of said deduction the taxpayer must furnish a copy of their federal Form 2106 and Schedule A as filed with the Internal Revenue Service. The unreimbursed employee business expenses are deductible only on those wages on which East Liverpool city income tax is paid.

c. The items subject to tax under 183.02 are the same for individuals who are not resident of the Municipality, for work done, or services performed or rendered in the Municipality.

3. On the portion attributable to the Municipality of the net profits earned by all resident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered, and business or other activities conducted in the Municipality. On the portion of the distributive share of the net profits earned by a resident owner of a resident unincorporated business entity or pass-through entity not attributable to the Municipality and not levied against such unincorporated business entity or pass-through entity.

4. On the portion attributable to the Municipality on the net profits by all nonresident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the Municipality, whether or not

such unincorporated business entity has an office or place of business in the Municipality. On the portion of the distributive share of the net profits earned by a resident owner of a nonresident unincorporated business entity or pass-through entity not attributable to the Municipality and not levied against such unincorporated business entity or pass-through entity.

a. A non-resident entity 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 Municipality, 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 all transactions originating or consummated in, by, or through such East Liverpool branch, office, store, warehouse, or other place of business, including (a) billings made on such transactions, or (b) services rendered, or (c) shipments made, or (d) goods, chattels, merchandise, ect. sold, or (e) commissions, fees, or other remuneration or payments earned, regardless of whether paid in cash or in property.

5. On the portion attributable to the Municipality of the net profits earned by all corporations that are not pass-through entities from work done or services performed or rendered and business or other activities conducted in the Municipality, whether or not such corporations have an office or place of business in the Municipality.

a. A non-resident corporation which has a branch or branches, office or offices and/or store or stores, warehouse, or other place or places in which the corporation's business is transacted, located in the Municipality, 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 all transactions originating or consummated in, by or through such East Liverpool branch, office, store, warehouse or other place of business, including (a) billings made on such transactions, or (b) services rendered, or (c) shipments made, or (d) goods, chattels, merchandise, ect. sold, or (e) commissions, fees, or other remuneration or payments earned regardless of whether paid in case or in property.

6. On all income six hundred dollars ($600.00) and over received from gaming, wagering, lotteries, sports winnings, or schemes of chance by residents, and all income received from gaming, wagering, lotteries or schemes of chance by nonresidents as a result of activities located in the Municipality, including the purchase in the Municipality of lottery tickets, as

reported on IRS Form W-2G, Form 5754 and or any other Form required by the Internal Revenue Service that reports winnings from gambling, prizes and lottery winnings. In no circumstance shall deductions be allowed against these winning. However, deductions shall be allowed against gambling and sports winnings if the taxpayer is considered a professional gambler for federal income tax purposes.

7. Royalty Income – earned by a taxpayer from a royalty interest in the production of an oil or gas well, whether managed, extracted or operated by the taxpayer individually or through an agent or other representative, shall be included in the computation of net profits from a business activity to the extent that such royalty interest constitutes a business activity of the taxpayer. Where the gross income received by a taxpayer from royalty interest in the production of an oil or gas well in a taxable year exceeds $1000.00, it shall be prima facie evidence that the income was derived from a business activity of such taxpayer and the net income from such royalty interest shall be subject to tax.

B. Businesses Both In and Outside the Municipal Boundaries. This section does not apply to taxpayers that are subject to and required to file reports under Chapter 5745, of the Ohio Revised Code. Except as otherwise provided in division (D) of this section, net profit from a business or profession conducted both within and without the boundaries of a municipal corporation shall be considered as having taxable situs in such municipal corporation for purposes of municipal income taxation in the same proportion as the average ratio of the following:

1. Multiply the entire net profits of the business by a apportionment percentage to be determined by:

a. The average original cost of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

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

b. Wages, salaries, and other compensation paid during the taxable period to persons employed in the business or profession for services performed in such municipal corporation to wages, salaries, and other compensation paid during the same period to persons employed in the business or profession, wherever their services are performed, excluding compensation that is not taxable by the municipal corporation under section 718.011 of the Ohio Revised Code;

a. Gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.
b. Adding together the percentages determined in accordance with subsections B. 1. a. b. and c, hereof, or such of the aforesaid percentages as are applicable to the particular taxpayer and dividing the total so obtained by the number of percentages used in deriving such total.

1. A factor is applicable even though it may be apportioned entirely in or outside the Municipality.

2. Provided however, that in the event a just and equitable result cannot be obtained under the formula provided for herein, the Tax Administrator, upon application of the taxpayer, shall have the authority to substitute other factors or methods calculated to effect a fair and proper apportionment.

2. Net profits as disclosed on any return filed pursuant to the provisions of the Ordinance shall be computed by the same accounting method used in reporting net income to the Internal Revenue Service (providing such method does not conflict with any provisions of the Ordinance). Net profits, shown on returns filed pursuant to the Ordinance must be reconciled with the net income reported to the Internal Revenue Service.

C. As used in item (B) of this Regulation, sales made in a municipal corporation" mean:

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

A. Rents 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 rents are derived (whether so rented, managed or operated by the taxpayer individually or through agents or other representatives) constitutes a business activity of the taxpayer in whole or in part.

a. Where the gross monthly rental of any real properties, regardless of number and value, aggregate in excess of $100 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 properties shall be subject to tax; provided that in the 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 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 farm, whether or not the gross income exceeds $1200 per year; and provided further that the person who operates a rooming house of five or more rooms rented shall be considered in the business whether or not the gross income exceeds $300 per month.

b. In determining the amount of gross monthly rental of any real property, periods during which (by reason of vacancy or any other cause) rents are not received shall not be taken into consideration by the taxpayer.

c. Rents received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.

d. 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.

e. In determining the taxable income from rentals, the deductible expenses shall be of the same nature, extent and amount as are allowed by the Internal Revenue Service for federal income tax purposes.

f. Residents of this Municipality are subject to such taxation on the net income from rentals (to the extent above specified), regardless of the location of the real property owned.

g. Non-residents of the Municipality are subject to such taxation only if the real property is situated within this Municipality. Non-residents, in determining whether gross monthly rentals exceed $100 shall take into consideration only real estate situated within this Municipality.

h. S corporations, general partnerships, limited partnerships, limited liability companies, limited liability partnerships, and other associations, subject to the provisions of "Section 183.02" items A and B, must include in gross receipts income from rentals and leases of real and tangible personal property.

F. Net Operating Loss (NOL).

1. The Municipality does not allow a net operating loss carryback or carryforward.
2. Nothing in Chapter 718.01 of the Ohio Revised Code requires a municipal corporation to allow a net operating loss carryforward.

183.03 EFFECTIVE DATE.

The tax shall be levied, collected and paid with respect to income, salaries, wages, commissions and other compensation earned and/or received on and after January 1, 1965, and with respect to the net profit of businesses, professions and other activities earned on and after January 1, 1965. Provided, however, that where the fiscal year of the business, profession or other activity differs from the calendar year, the tax shall be applied to that part of the net profit for the fiscal year as shall be earned on and after January 1, 1965, to the close of the taxpayers fiscal year thereafter the taxpayer shall report on its fiscal year basis. This Ordinance shall replace all prior tax ordinances and all supplements and amendments thereto, for taxable years 2004 and later as required by amendments
that were effective January 1, 2004 to Ohio Revised Code 718.

183.04 RETURN AND PAYMENT OF TAX.

(a) Each taxpayer shall, whether or not a tax is due thereon, make and file a return on or before April 15 of each year following the effective date of this section. When the 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 fiscal year or other period.

(b) East Liverpool taxpayers who are retired for the entire tax year receiving only Social Security, pension, interest or dividend income, and who are not self-employed or owners of rental property, are required to file an East Liverpool City exemption return once to identify their status. However, if the taxpayers income or employment status changes during any year, the taxpayer would again be required to comply with Section 183.04(a) herein.

(c) The return shall be filed with the Tax Administrator on a form or forms furnished by or obtainable upon request from such Tax Administrator, or on a generic form as defined in this chapter, setting forth:

1. The aggregate amounts of income, salaries, wages, commissions and compensation earned and/or received and gross income from business, profession or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to the tax.
1. The amount of tax imposed by this chapter on such earnings and profits; and
2. Such other pertinent statements, information returns or other information as the Tax Administrator may require, including but not limited to copies of all W-2 forms, 1099 Miscellaneous Income Forms, form 1040, Form 1120, 1120S (including (K-1), 2106, 1065, Schedule C (including cost of goods manufactured and/or sold), Schedule E, schedule F and any other Federal Schedules if applicable.

(d) The taxpayer, in addition to the forms and schedules in (c)(3) above, may file copies of any other documents the taxpayer considers as necessary.

(e) The return shall also show the amount of the tax imposed on such earning and profit. The taxpayer making the return shall, at the time of the filing thereof, pay to the Tax Administrator the amount of taxes shown as due thereon. Provided, however, that where any portion of the tax shall have been paid by such taxpayer pursuant to the provisions of Section 183.05 and/or Section 183.06 of this chapter, 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.

(f) Joint Filing. A husband and wife may file, in any tax year, a joint tax return. Husband and wife are liable jointly and severally for payment of the tax associated with the joint return. A husband and wife's tax return shall be deemed a joint return whenever the facts indicate that the taxpayers intended to have the filed tax return be a joint return. Conclusive indications of such intention include when the husband and wife both signed the tax return, when the return reports both spouses' income or when the husband and wife were both required to file tax returns, but only one spouse filed a tax return.

(g) Extensions. The Tax Administrator shall extend the time for filing of the annual city return upon the filing of a copy of the taxpayer's request for a federal extension. For tax years prior to 2004, no extension may exceed six (6) months or one (1) month beyond the extension requested of or granted by the internal Revenue Service for filing of the federal income tax return, and will not be approved for a period less than the federal extension request. For the taxable year 2004, the extended due date shall be the last day of the month following the month to which the due date of the federal income tax return has been extended. The request for extension shall be filed not later than the last day for filing the municipal income tax return as prescribed by ordinance or rule of the City of East Liverpool income tax. The City may require a tentative return accompanied by payment of the amount of tax shown to be due thereon by the date the return is normally due. The City of East Liverpool may deny a taxpayer's request for an extension only if the taxpayer fails to timely file the request, fails to file a copy of the request for the federal extension, owes this municipality any delinquent income tax or any penalty, interest, assessment, or other charge for the late payment or nonpayment of income tax, or has failed to file any required income tax return, report, or other related document for a prior tax period. The granting of an extension for filing this municipality's income tax return does not extend the last date for paying the tax without penalty unless this municipality grants an extension of the date.

(h) In the computation of any tax due under this section, a business loss of a previous tax year shall not be allowed or carried forward to reduce the tax due in any subsequent year.

(i) Within three months from the final determination of any Federal tax liability affecting the taxpayer's tax liability to the City, the taxpayer shall make and file

an amended return showing income subject to the City tax, based upon the final determination of Federal tax liability, and shall pay any additional tax due or make claim for refund of any overpayment.

(j) An officer or employee of an employer who has control or supervision of, or is charged with responsibility for filing the City income tax report or paying the City income tax withheld for employees, shall be personally liable for failure to file the report and/or for failure to pay the City income tax withheld. Dissolution, bankruptcy, or reorganization of an employer shall not discharge an officer's or employee's personal liability for a prior failure of the employer to file City income tax returns and/or to pay City income tax due or withheld on behalf of employees.

(k) All employers, businesses, contractors or subcontractors who do work in the City shall register with the Income Tax Department of the City and shall present thereto a list of all employees, subcontractors, contractors or others who may do work for them whose profits, wages or earnings are not presently subject to withholding of the East Liverpool City Income Tax before they begin doing business therein. Further, all employers, businesses, contractors or subcontractors have a continuing duty to notify the City Income Tax Department of any additional employees, subcontractors, contractors or others when such new employee, subcontractor, contractor or other is hired or contracted with or by such employer, business, contractor or subcontractor. There shall be no cost for the registration of any business, employee, contractor or subcontractors thereof.

(l) <u>Tax Registration Requirements for Construction Permits.</u>

1. All contractors involved in any project within the incorporated city limits whether general contractor, subcontractor or other, must be identified and registered with the City Income Tax Department before any permit from the Housing, Planning and Zoning Office will be issued for the project. The general contractor, or owner if self-contracted, is responsible for notifying any additional contractors brought into the project after the start of the project that income tax registration is required.
2. In the event that an unregistered contractor is discovered performing work within the city limits, the City Income Tax Department shall have the authority to stop the project until such time as contractor or contractors are in compliance. The City Income Tax Department shall also have the authority to stop any project where the contractor or contractors are registered but one or more is delinquent in filing city income tax or paying city income tax with the City Income Tax Department.
1. All contractors, including the owner if the project was self-contracted, shall provide a listing of any and all contractors or subcontractors who worked with or for them during the tax year within the city limits with such list to be included with the annual income tax return of the contractor or owner.

(m) All new businesses, employers, contractors, developers, subcontractors or any other such person or entity must register with the City Income Tax Department before they will be eligible to receive any City services including but not limited to, City utilities. Each new resident of the City shall register with the Tax Department of the City within thirty (30) days of residence in the City. There shall be no cost for this registration.

(n) Landlords of residential, commercial or other property within the City of East Liverpool are required to submit a report to the City Income Tax Department listing new adult tenants whether by lease, sublease or other such agreement in any rental property owned by landlord within the city limits, and also listing tenants who have moved from said rental properties during the reporting period. The reports shall be filed at the time of annual license payment or when new tenants move into the unit/units. Penalties for non-filing shall be assessed in accordance with Section 183.12.

(o) Consolidated Returns.

(1) Any affiliated group which files a consolidated return for federal income tax purposes pursuant to Section 1501 of the Internal Revenue Code may file a consolidated return with the City. However, once the affiliated group has elected to file a consolidated return or a separate return with the City, the affiliated group may not change their method of filing in any subsequent tax year without written approval from the City.

(2) In the case of a corporation that carried on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates or some other method, or in case any person operates a division, branch, factory, office, laboratory or activity within the City constituting a portion only of its total business, the Administrator shall require such additional information as the Administrator may deem necessary to ascertain whether net profits are properly allocated to the City. If the Administrator finds net profits are not properly allocated to the City by reason of transactions with stockholders or with other corporations related by stock ownership, interlocking directorates or transactions with such division, branch, factory, office, laboratory or activity or by some other method, the Administrator shall make such allocation as the Administrator deems appropriate to produce a fair and proper allocation of net profits to the City.

(p) Any business, profession, association or corporation reporting a net loss is subject to the filing requirements of this Chapter.

(q) Losses from a business cannot be used to offset wages or other types of non-business income.

183.05 COLLECTION AT SOURCE.

(a) Except as provided in subsection (d) below, each employer within the City who employs within the City one or more persons on a salary, wage, commission or other compensation basis, excluding exempted incomes set forth in Section 183.15 shall deduct at the time of the payment of such salary, wage, commission or other compensation the tax of one and one-half percent (1.5%) of salaries, wages, commissions or other compensation due by the employer to the employee and shall make a return and pay to the Tax Administrator the amount of taxes so deducted. If the taxes withheld by an employer for the City during the previous tax year averaged less than five hundred dollars ($500.00) per month, payments may be made quarterly on or before the last day of the month following the end of the quarter, subject to the approval of the Tax Administrator. The Tax Administrator may revoke the approval of quarterly filing and payments whenever he has reason to believe that the conditions for granting such authorization have changed, were judged incorrectly, were not met, or when it is in the best interest of the City to do so.

a. If the amount of the tax due is five hundred dollars ($500.00) or greater per month, the employer shall make a return and pay to the Tax Administrator the amount of taxes so deducted on a monthly basis, due on or before the last day of the month following the month for which the taxes were withheld.
b. Such return shall be on a form prescribed by the Tax Administrator. 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 the employer to the City, and any such tax collected by such employer from his employee shall, until same is paid to the City, be deemed a trust fund in the hands of such employer.
c. An officer or employee of an employer who has control or supervision of, or is charged with responsibility for withholding the City income tax and/or paying the City income withheld for employees, shall be personally liable for failure to withhold and/or to pay the City income tax withheld. Dissolution, bankruptcy, or reorganization of an employer shall not discharge an officer's or employee's personal liability for a prior failure of the employer to withhold and/or to pay City income tax due.

183.06 DECLARATIONS.

a. Every taxpayer who anticipates any income which is not subject to the provisions of Section 183. 05 shall file a declaration of the estimated tax for the taxable year of 1965. Such declaration shall be filed on or before April 15, 1965, and thereafter a similar declaration shall be filed for each calendar year on or before April 15 of each ensuring year for the duration of the taxes referred to herein, by all such taxpayers.

b. Such declaration shall be filed upon a form prescribed by the Tax Administrator, or on an acceptable generic form, which form may simply state that 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 the provisions of this chapter so that the declaration required by this section shall set forth only such income as is taxable under the provisions of this chapter.

(c) Declarations in the amount of one hundred dollars ($100.00) or more shall be made as follows:

1. If the taxpayer is an individual, the declaration shall be accompanied by a payment of at least one-fourth the estimated tax required to be paid by this section, and at least a similar amount shall be paid on or before the last day of the sixth, ninth, and twelfth months after the beginning of the taxable year; provided, however, that in case an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates.
2. Estimated tax to be paid the City by taxpayers who are corporations and associations shall be accompanied by a payment of at least one-fourth the estimated tax required to be paid by this section, and at least a similar amount shall be paid on or before the last day of the sixth, ninth, and twelfth months of the taxable year. Provided, however, that in case an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates.

(d) No penalties or interest shall be assessed, for not filing a declaration, on any resident taxpayer who was not domiciled in the City on the first day of January in the year in which they became subject to estimated payments, nor shall penalties or interest be assessed on estimated payments if the taxpayer has remitted an amount equal to one hundred percent (100%) of the previous year's tax liability, provided that the previous year reflected a twelve- month period and the taxpayer filed a return for that year, or has remitted an amount equal to ninety percent (90%) of the estimated liability for the current year for which estimated payments have been made.

(e) Should it appear that such taxpayer has paid more than the amount of tax to which the City is entitled, a refund of the amount so overpaid shall be made, or 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 Tax Administrator, or on an acceptable generic form.

183.07 CONTRACT PROVISIONS.

No contract on behalf of the City for works or improvements of the City shall be binding or valid unless such contact contains the following provisions:

- "Said hereby further agrees to withhold all City income tax due or payable under the provisions of chapter 183, Income Tax, of the Codified Ordinances of the City of East Liverpool, Ohio, for wages, salaries, and commissions paid to its employees and further agrees that any of its contractors shall be required to agree to withhold any such City income taxes due under said Chapter for services performed under this contract."

183.08 DUTIES OF THE TAX ADMINISTRATOR.

a. The Tax Administrator shall receive the tax imposed by this chapter in the manner prescribed herein from the taxpayers; shall keep an accurate record thereof; and shall report all moneys so received. All cashiers handling tax moneys shall be subject directly to the Tax Administrator and shall give daily accountings to the Tax Administrator.

b. It shall be the duty of the Tax Administrator to enforce payment of all taxes owing the City, to keep accurate records for a minimum of six years showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld, and to show the dates and amounts of payments thereof.

a. The Tax Administrator is hereby charged with the enforcement of the provisions of this chapter and to enforce the rules and regulations as approved by the Board of Review relating to any matter or thing pertaining to the collection of City income taxes and the administration and enforcement of the provisions of this chapter, including provisions for the examination and correction of returns and payments. Taxpayers are hereby required to comply with said rules and regulations.

c. In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Tax Administrator may determine the amount of tax appearing to be due the City from the taxpayer and shall send to such taxpayer a written statement showing the amount of tax so determined, together with interest and penalties thereon, if any. Such determination may be modified or amended based upon information or data subsequently secured by or made available to the Tax Administrator. If the taxpayer fails to respond to the assessment within 30 days, the tax, penalties, and interest assessed shall become due and payable and collectible as are other unpaid taxes.

(e) A Department of Taxation is hereby created within the office of the Treasurer; the Department of Taxation shall have such assistants, clerks and other employees as may be from time to time determined by Council, and shall receive such salary as may be determined by Council, The Treasurer shall make all appointments of personnel for the Department of Taxation. The Department of Taxation shall be charged with the administration and operation of this chapter, under the direction of the Treasurer, The Tax Administrator, who works under the direction of the Treasurer, shall prescribe the form and method of accounts and reports for the Department as well as the forms for taxpayers' returns and declarations, and shall be charged with the internal examination and audit of all such accounts, and shall exhibit accurate records showing the amount received from each taxpayer, and the date of

such receipt. The Treasurer shall also make written report to Council annually of all moneys collected hereunder during the preceding year.

183.09 INVESTIGATIVE POWERS.

a. The Tax Administrator or his duly authorized agent or employee, is hereby authorized to examine the books, papers, records, and Federal and State income tax returns of any employer, or of any taxpayer or person subject to the tax, for the purpose 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 Tax Administrator or his duly authorized agent or employee, the means, facilities and opportunity for making such examination and investigations as are hereby authorized.

a. The Tax Administrator, or his duly authorized agent or employee, is 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 income tax returns, and the attendance of all persons before him, whether as parties or witnesses, wherever he believes such persons have knowledge of such income.

b. 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 chapter.

(d) 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 for official purposes.

a. Any information gained as the result of the filing of any tax returns, investigations, hearings or verifications required or authorized by this chapter shall be confidential, except for official purposes and 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 months, or both. Each disclosure shall constitute a separate offense. In addition to the above penalties, any employee of the City who violates the provisions of this section relative to disclosures of confidential information shall be immediately dismissed from the service of the City.

183.10 AUTHORITY TO MAKE AND ENFORCE REGULATIONS.

a. The Administrator is hereby charged with the enforcement of the provisions of this chapter, and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the

provisions of this chapter, including provisions for the re-examination and correction of returns. Taxpayers are required to comply with the requirements of this chapter and any rules and regulations promulgated thereto.

b. Administrative Opinions: The Administrator shall have the power to issue opinions interpreting this ordinance and/or the Administrator's regulations. An Administrative Opinion shall carry the full force and effect of a regulation under this ordinance until the next meeting of the Board of Review, when the Board shall either adopt the opinion or reject the opinion.

183.11 AUTHORITY TO ARRANGE INSTALLMENT PAYMENTS.

a. The Administrator is authorized to arrange for the payment of unpaid taxes, interest and penalties on a schedule of installment payments when the taxpayer has proved to the Administrator that due to certain hardship conditions he or she is unable to pay the full amount of the tax due. Such authorization shall not be granted until proper returns are filed by the taxpayer for all amounts owed by him or her under this chapter.

b. Failure to make any deferred payment when due shall cause the total unpaid amount, including penalty and interest, to become payable on demand.

183.12 INTEREST AND PENALTIES.

a. All taxes imposed by this chapter, including declarations and estimated payments, and also 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 the rate of six percent (6%) per annum.

a. Failure of a landlord to file the required annual reports regarding tenants shall result in a penalty in the amount of twenty-five dollars ($25.00) per license.

a. Any person required to file a tax return with the City who fails to timely file a return shall be liable to pay a penalty to twenty-five dollars ($25.00) even if no tax is found to be due.

a. The Tax Administrator may abate interest or penalties, or both.

183.13 COLLECTION OF UNPAID TAXES.

(a) All taxes imposed and administered by the chapter shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. Except in the case of fraud, omission of twenty-five percent (25%) or more of income subject to this tax, or failure to file a return, an additional assessment shall not be made after three years from the time the return was due or filed, whichever is later. In the case of fraud, omission of twenty-five percent (25%) or more of income subject to this tax, or failure to file a return, all additional assessments shall be made and all prosecutions to recover Municipal income taxes

and penalties and interest thereon shall be brought within six (6) years after the tax was due or the return was filed, whichever is later.

a. In those cases in which the Commissioner of Internal Revenue and the taxpayer have executed a waiver of the Federal Statute of Limitations, the period within which an additional assessment may be made by the Tax Administrator shall be one year from the time of the final determination of the Federal tax liability.

a. All delinquent tax accounts outsourced by the City to a law firm or collection agency shall be assessed a collection fee on the entire balance due equal to the contingency collection percentage charged by each law firm or collection agency as set forth in their collection contract with the City. The entire balance shall be the principle balance due plus interest, penalties, late fees, and/or other permissible fines, penalties and charges and collection fees. The collection fee shall be assessed against all payments made by the taxpayer whether or not the balance due is paid in full with one payment, or over time with more than one payment. The assessment of the collection fee shall be made by the law firm or collection agency after the delinquent account has been outsourced for collection. Additionally, court costs shall be added.

b. Payments on delinquent amounts shall be applied in the following manner:

1. To the taxes owed for any previous year in the order in which such taxes become due.
2. To unpaid penalty and interest assessments in the order in which such assessments became due.
3. To the taxpayer's current estimated tax liability.

a. To the balance due as they are incurred but shall not be assessed a collection fee.

b. Any amount of less than one dollar ($1.00) shall not be collected or refunded.

183.14 BOARD OF REVIEW.

(a) A Board of Review, consisting of three (3) electors of the City of East Liverpool, one to be appointed by and serve at the pleasure of the Mayor, one to be appointed by and serve at the pleasure of the Treasurer, and the third to be selected by the two so appointed, is hereby created. No member shall be appointed to the Board of Review who holds other public office or appointment. The members of the Board of Review shall serve without pay. Effective January 1, 2013, the Board member appointed by the Mayor shall serve a three year term, the Board member appointed by the City Treasurer shall serve a two year term, and the Board member selected by the two so appointed shall serve a one year term. At the expiration of each term that begins January 1, 2013, each subsequent term shall be three years in length.

(b) A majority of the members of the Board of Review shall constitute a quorum. The Board of Review shall adopt its own procedural rules and shall keep a record of its transactions.

(c) All hearings of the Board shall be conducted privately and the provisions of Section 183.09 with reference to the confidential character of information required to be disclosed by the chapter shall apply to such matters as may be heard before the Board of Review on appeal.

(d) At the time a decision is issued regarding an income tax obligation that is subject to an appeal, as provided in this section or in the ordinance or regulation, the Tax Administrator shall notify the taxpayer of his right to appeal the decision and of the manner in which the taxpayer may appeal the decision.

(e) Any person who is aggrieved by a decision by the Tax Administrator and who has filed the required returns or other documents pertaining to the municipal income tax obligation at issue in the decision may appeal the decision to the Board of Review by filing a request with the Board. The request shall be in writing, shall state why the decision should be deemed incorrect or unlawful, and shall be filed within thirty days after the Tax Administrator issues the decision complained of.

a. The Board shall schedule a hearing within forty-five days after receiving the request, unless the taxpayer waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the Board and may be represented by an attorney at law, certified public accountant, or other representative.

The Board may affirm, reverse, or modify the Tax Administrator's decision or any part of that decision. The Board shall issue a decision on the appeal within ninety days after the Board's final hearing on the appeal, and send notice of its decision by ordinary mail to the petitioner within fifteen

d) Receipts by bona fide charitable, religious and educational organizations and associations,

days after issuing the decision.(h) Any person dissatisfied with any ruling or decision of the Board of Review may appeal therefrom to a court of competent jurisdiction as provided by law within thirty (30) calendar days from the date of the Board's ruling or decision. For matters relating to tax years beginning on or after January 1, 2004, any ruling or decision of the Board of Appeal may be appealed to a court of competent jurisdiction or to the State Board of Tax Appeals.

(i) It shall be the responsibility of the Board of Review to create, approve and adopt the rules and regulations, including all amendments and changes thereto.

183.15 SEVERABILITY.

This chapter shall not apply to any person, firm, corporation, or to any property as to whom or which it is beyond the power of Council to impose the tax herein provided for. If any sentence, clause, section or part of this chapter, or any tax against any individual or any of the several groups specified herein, is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such sentence, clause, section or part of this chapter and shall not affect or impair any of the remaining provisions, sentence, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

183.16 EXCLUSIONS.

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

1. Proceeds from welfare benefits, unemployment insurance benefits, social security benefits, and qualified retirement plans as defined by the Internal Revenue Service.
2. Proceeds of insurance, annuities, Workers' Compensation insurance, permanent disability benefits, compensation for damages for personal injury and like reimbursements, not including damages for loss of profits and wages.
3. Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, trade or professional associations, lodges and similar organizations.
4. Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations and income of a decedent's estate during the period of administration (except such income from the operation of a business).
5. Alimony paid or received.
6. Compensation for damage to property by way of insurance or otherwise.
7. Interest and dividends from intangible property.
8. Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the Ohio National Guard (ORC 718.01).
9. Income of any charitable, educational, fraternal or other type of nonprofit association or organization enumerated in Ohio R.C. 718.01 to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities.
10. Any association or organization falling in the category listed in the preceding paragraph receiving income from non-exempt real estate, tangible or intangible personal property, or business activities of a type ordinarily conducted for profit by taxpayers operating for profit shall not be excluded hereunder.
11. In the event any association or organization receives taxable income as provided in the preceding paragraph from real or personal property ownership

or income producing business located both within and without the corporate limits of the Municipality, it shall calculate its income apportioned to the Municipality under the method or methods provided above.

12. If exempt for federal income tax purposes, fellowship and scholarship grants are excluded from Municipal income tax.
13. The rental value of a home furnished to a minister of the gospel as part of his compensation, or the rental allowance paid to a minister of the gospel as part of his compensation, to the extent used by him to rent or provide a home pursuant to section 107 of the Internal Revenue Code.
14. Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand dollars ($1,000) annually. Such compensation in excess of one thousand dollars may be subject to taxation. The payer of such compensation is not required to withhold Municipal tax from that compensation.
15. Compensation paid to an employee of a transit authority, regional transit authority, or a regional transit commission created under Chapter 306 of the Ohio Revised Code for operating a transit bus or other motor vehicle for the authority or commission in or through the Municipality, unless the bus or vehicle is operated on a regularly scheduled route, the operator is subject to such tax by reason of residence or domicile in the municipality, or the headquarters of the authority or commission is located within the Municipality.
16. Personal earnings of any natural person under eighteen years or age.
17. Mentally retarded and developmentally disabled employees earning less than the minimum hours wage while employed at government sponsored sheltered workshops shall be exempt from the levy of the tax provided herein with approval of the Tax Administrator.
18. The Municipality shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the Municipality on twelve (12) or fewer days is a calendar year unless one of the following applies:

A. The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days; and the individual is not liable to that other municipality for tax on the compensation paid for such services.

B. The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined by the Municipality.

19. The income of a public utility, when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745 of the Ohio Revised Code:

. The income of an electric company or combined company;

A. The income of a telephone company.

- As used in division (f)(19) of this section, "combined company", "electric company" , and "telephone company" have the same meaning as in section 5727.01 of the Ohio Revised Code.

20. An S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code, to the extent such distributive share would not be allocated or apportioned to this State under division (B)(1) and (2) of section 5733.05 of the Ohio Revised Code if the S corporation were a corporation subject to the taxes imposed under Chapter 5733 of the Ohio Revised Code.
21. Generally, the above noted items in this section are the only forms of income not subject to the tax. Any other income, benefits, or other forms of compensation shall be taxable.
22. Income, salaries, wages, commissions and other compensations and net profits, the taxation of which is prohibited by the Constitution of the State of Ohio or any act of the Ohio general assembly limiting the power of a municipality to impose net income taxes.
23. Income, salaries, wages, commissions and other compensation and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce.

183.17 REFUNDS.

(a) Should it appear that any taxpayer has paid more than the amount of the tax to which the City is entitled under the provisions of this chapter, a refund or credit 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 within three years of the due date or filing date of the tax return, whichever is later. However, the following shall apply regarding refunds of tax withheld from non-qualified deferred compensation plans (NDCP):

(1) A taxpayer may be eligible for a refund if the taxpayer has suffered a loss from a NDCP. The loss will be considered sustained only in the taxable year in which the taxpayer receives the final distribution of money and property pursuant to the NDCP. Full loss is sustained if no distribution of money and property will be made by the NCP.

1. A taxpayer who receives income as a result of payments from a NDCP, and that income is less than the amount of income deferred to the NDCP and upon which municipal tax was withheld, then a refund will be issued on the

amount representing the difference between the deferred income that was taxed and the income received from the NDCP. If different tax rates applied to the tax years in which deferrals, a weighted average of the different tax rates will be used to compute the refund amount. Refunds shall be allowed only if the loss is attributable to the bankruptcy of the employer who had established the NDCP, or the employee's failure or inability to satisfy all of the employer's terms and conditions necessary to receive the nonqualified compensation.

(b) Income tax that has been deposited with the City of East Liverpool, but should have been deposited with another municipality, is allowable by the City of East Liverpool as a refund but is subject to the three-year limitation on refunds. Income tax that should have been deposited with the City of East Liverpool, but was deposited with another municipality, shall be subject to recovery by the City of East Liverpool.

(c) Overwithholding – If more than the amount of tax required to be deducted by the Ordinance is withheld from an employee's pay, such excess may be refunded by the employer or Administrator, depending upon the circumstances and the time when the overwithholding is determined as follows:

(1) Current Employees:

(a) If the overwithholding is discovered in the same month, the employer shall make the necessary adjustment directly with the employee and the amount to be reported on the Employer's Municipal Tax Withholding Statement as withheld shall be the corrected amount.

(b) If the overwithholding is discovered in a subsequent month of the same calendar year, the employer may make proper adjustment with the employee. In such case, the Employer's Municipal Tax Withholding Statement for the month in which the adjustment is made shall reflect the total amount actually withheld for the month and the amount of the adjustment deducted therefrom. Also, an amended Form must be filed for the month in which the error occurred reflecting the adjustment.

(c) If the overwithholding is discovered in a subsequent month of the following calendar year, the employee must make and file a request for a refund. This request is to be filed on a form prescribed by and obtainable from the Administrator.

(2) Former Employees:

(a) In the cases where an amount is excess of the tax has been withheld from an employee who is no longer employed by the employer, the Administrator shall refund the amount of such excess withholding to the employer.

(b) If the error is discovered by the employee, such employee shall file a claim with the Administrator and upon verification thereof by the employer, the Administrator shall refund the amount of such excess withholding to the employee.

(c) Insufficient Withholding - If less than the amount of tax required to be deducted is withheld from the employee and is discovered in the same year, such deficiency shall be withheld from subsequent wages. If the employee/employer relationship has terminated, or if the underwithholding is discovered in a later year and the employee/employer relationship still exists, the employer shall notify the Administrator of such deficiency and the reason therefore, and payment shall be made by the employer in conformity with Section 181.05 of these Regulations.

(d) Annual Reconciliation – On or before February 28th following any calendar year in which such deductions have been made by any employer, such employer shall file with the Administrator, in the form prescribed by the Administrator, and information return for each employee from whom municipal income tax has been withheld showing the name, address, and social security number of the employee, the total amount of taxable compensation paid during the year and the amount of municipal income tax withheld for East Liverpool from each employee.

(e) Reconciliation Return – In addition to such information returns and at the time the same are filed , such employer shall file with the Administrator a reconciliation form (as prescribed by the Administrator) to enable the Administrator to reconcile the sum total of taxes withheld as disclosed by the total W-2 Forms. The reconciliation form shall also reconcile to prior remittances and returns filed by the employer for such tax year with respect to taxes withheld.

(f) All employers that provide any contractual service within East Liverpool City and who employ subcontractors in conjunction with that service shall provide East Liverpool the names and address of the subcontractors. The subcontractors shall be responsible for all income tax withholding requirements under East Liverpool's ordinance.

183.18 EFFECTIVE PERIOD.

This chapter shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes Levied hereunder and actions or proceedings for collecting any tax so levied, or enforcing any provisions of this chapter are concerned, shall continue effective until all of such taxes levied hereunder are fully paid and any and all suits and prosecutions for the collection of such taxes or for the punishment of violations of this chapter shall have been fully terminated.

183.99 PENALTY.

(a) The following shall be considered violations of this chapter:

1. Failing, neglecting or refusing to make any return or 'declaration required by this chapter; or
2. Making any incomplete, false or fraudulent return; or
1. Failing, neglecting or refusing to pay the tax, penalties or interest imposed by this chapter; or
1. Failing, neglecting or refusing to withhold the tax from employees or to remit such withholding to the Tax Administrator; or

2. Refusing to permit the Tax Administrator or any duly authorized agent or employee to examine books, records, papers, and federal and State income tax returns relating to the income or net profits of a taxpayer; or

3. Failing to appear before the Tax Administrator and to produce books, records, papers, and federal and State income tax returns relating to the income or net profits of a taxpayer under order or subpoena of the Tax Administrator; or

3. Refusing to disclose to the Tax Administrator any information with respect to the income or net profits of a taxpayer; or

(8) Failing to comply with the provisions of this chapter or any order or subpoena of the Tax Administrator authorized hereby; or

(9) Attempting to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter.

(b) Whoever violates any of the provisions of subsection (a) hereof shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars ($500.00) or imprisoned not more than six months or both, for each offense.

a. All prosecutions under this section must be commenced within three years from the time of the offense complained of, except in the case of failure to file a return or in the case of filing a false or fraudulent return, or failure to include twenty-five percent or more of income, in which cases the limitation of time within which prosecution must be commenced shall be six years from the date the return was due or the date the false or fraudulent return was filed.

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