

RULES AND REGULATIONS

ARTICLE I

Purpose

The tax is levied to provide funds for the purposes of permanent improvements, new equipment, extension and enlargement of municipal services and facilities, capital improvements and operating expense of the City of Piqua.

ARTICLE II

Definitions

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

ADJUSTED FEDERAL TAXABLE INCOME – A C Corporation’s federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

- a. Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.
- b. Add an amount equal to five percent (5%) of intangible income deducted under Section (2)(a), but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in Section 1221 of the Internal Revenue Code;
- c. Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in Section 1221 or 1231 of the Internal Revenue Code;
- d. (1) Except as provided in Section (2)(d)(2) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in Section 1221 or 1231 of the Internal Revenue Code;

(2) Section (2)(d)(1) does not apply to the extent the income or gain is income or gain described in Section 1245 or 1250 of the internal Revenue Code.
- e. Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;

- f. In the case of a real estate investment trust and regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;
- g. If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a C corporation, except;
 - (1) Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense; and
 - (2) Amounts paid or accrued to a qualified self-employed retirement plan with respect to an owner or owner-employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner-employee, and amounts paid or accrued to or for life insurance for an owner or owner-employee shall not be allowed as a deduction.

Nothing in Section (2) shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

Nothing in this ordinance shall be construed as limiting or removing the ability of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

ADMINISTRATOR – The individual designated by the Director of Finance, with the approval of the City Manager, to administer and enforce the provisions of the ordinance.

ASSIGNMENT – The assignment made by a resident of the City of Piqua of claim for refund due from another taxing municipality granting credit to non-residents thereof.

ASSOCIATION – A partnership, limited partnership, limited liability company (including a single owner LLC), Chapter S corporation as defined in the federal tax code, 26 U.S.C. 1361, or any other form of unincorporated enterprise owned by two or more persons.

BOARD OF REVIEW – The Board created by and constituted as provided in Section 13 of this ordinance.

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

CORPORATION – A corporation or joint stock association organized under the laws of the United States, the State of Ohio or any other state, territory or foreign country or dependency, but not including Chapter S corporations.

THE DIRECTOR OF FINANCE – The Director of Finance of the City of Piqua, Ohio.

DOMICILE – The permanent legal residence of a taxpayer. A taxpayer may have more than one residence, but not more than one domicile.

EMPLOYEE – One who works for qualifying wages, commission or other type of compensation in the service of an employer.

EMPLOYER – An individual, partnership, association, corporation, governmental body, unit or agency or any other entity, whether or not organized for profit, who or that employs one or more persons on a qualifying wage, commission or other compensation basis.

FISCAL YEAR – An accounting period of twelve (12) months or less ending on any day other than December 31, and used by the taxpayer for Federal Income Tax purposes.

FORM 2106 – The Internal Revenue Service Form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

GROSS RECEIPTS – The total revenue derived from sales, work done, or service rendered before any deductions, exceptions or credits are claimed.

INCOME – Shall include all monies derived from any source whatsoever, including but not limited to:

- a. All qualifying wages, commissions, other compensation and other income from whatever source received by residents of the City of Piqua.
- b. All qualifying wages, commission, 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 of Piqua.
- c. 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 of Piqua.

INTANGIBLE INCOME – Income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701 of the Ohio Revised Code, and patents, copyrights, trademarks, trade names, investments in real

estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. Intangible income does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.

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

JOINT ECONOMIC DEVELOPMENT DISTRICT – Districts created under the Ohio Revised Code sections 715.70 through 715.83, as amended from time to time.

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

MUNICIPALITY – The City of Piqua.

NET PROFITS – A net gain from the operation of a business, profession, enterprise or other activity after provision for all ordinary and necessary expenses either paid or accrued in accordance with the accounting system used by the taxpayer for Federal Income Tax purposes, without deduction of taxes imposed by this ordinance, federal, state, and other taxes based on income; and in the case of an association, without deduction of qualifying wages paid to partners, and other owners; and otherwise adjusted to the requirements of this ordinance.

Net profits shall include any amount or value received, realized or recognized in a sale or other disposition of tangible personal property or real property used in business, in excess of book value.

NONQUALIFIED DEFERRED COMPENSATION PLAN – A compensation plan described in Section 3121(v)(2)(C) of the Internal Revenue Code.

NON-RESIDENT – An individual domiciled outside the City of Piqua.

NON-RESIDENT UNINCORPORATED BUSINESS ENTITY – An unincorporated business entity not having an office or place of business within the City of Piqua.

PERSON – Every natural person, partnership, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a penalty, the term “person” as applied to any unincorporated entity, shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

PLACE OF BUSINESS – 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.

QUALIFIED PLAN – A retirement plan satisfying the requirements under Section 401 of the Internal Revenue Code as amended.

QUALIFYING WAGES – Wages, as defined in Section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted in accordance with Section 718.03(A) of the Ohio Revised Code.

RESIDENT – An individual domiciled in the City of Piqua.

RESIDENT UNINCORPORATED BUSINESS ENTITY – An unincorporated business entity having an office or place of business within the City of Piqua.

RULES AND REGULATIONS – Administrative directives promulgated by the Administrator and approved by the Board of Review for the purpose of administering this ordinance.

SCHEDULE C – The Internal Revenue Service schedule C filed by a taxpayer pursuant to the Internal Revenue Code.

SCHEDULE E – The Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

SCHEDULE F – The Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.

S CORPORATION – A corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

TAXABLE INCOME – Qualifying wages, and other compensation paid by an employer or employers before any deductions and/or the net profits from the operation of a business, profession or other enterprise or activity adjusted in accordance with the provisions of the ordinance. Please refer to INCOME.

TAXABLE YEAR – The calendar year, or the fiscal year upon the basis of which the net profits are to be computed under the ordinance 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.

TAXING MUNICIPALITY – Any municipal corporation levying a municipal income tax on income, qualifying wages, commissions and other compensation earned by individuals, and on the net profits and other taxable income earned from the operation of a business, profession or other activity.

TAXPAYER – A person, whether an individual, partnership, association or any corporation or other entity, required under this ordinance to file a return or pay a tax.

ARTICLE III
Imposition of Tax

A. Bases

1. Resident Employee:

- a. In the case of residents of the City of Piqua, an annual tax of one and three-fourths percent (1.75%) is imposed on all qualifying wages, commissions, other compensation and other income earned or received during the effective period of the ordinance. For the purpose of determining the tax on the earnings of resident taxpayers taxed under Section 3, Paragraph A-1 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.
- b. The following are items, which are subject to the tax imposed by Section 3, Paragraph A-1 of the ordinance:
 - .1 Qualifying wages, bonuses and incentive payments earned or received by an individual, whether directly or through an agent and whether in cash or in property for services rendered during the tax period as:
 - .01 An officer, director or employee of a corporation (including charitable and other non-profit organizations), joint stock association, or joint stock company;
 - .02 An employee (as distinguished from a partner or member) of a partnership, limited partnership, or any form of unincorporated enterprise owned by two or more persons;
 - .03 An employee (as distinguished from a proprietor) of a business, trade or profession conducted by an individual owner;
 - .04 An officer or employee (whether elected, appointed or commissioned) of the United States Government or of a corporation created and owned or controlled by the United States Government, or any of its agencies; or of the State of Ohio or any of its political subdivisions or agencies thereof; or any foreign country or dependency except as provided in Section 3 of the ordinance;
 - .05 An employee of any other entity or person, whether based upon hourly, daily, weekly, semi-monthly, monthly, annual, unit of production or piece work rates; and whether paid by an individual, partnership, association, corporation (including charitable and other non-profit corporations), governmental administration, agency,

authority, board, body, branch, bureau, department, division, subdivision, section or unit, or any other entity.

- .2 Commissions earned or received by a taxpayer, whether directly or through an agent and whether in cash or in property for the services rendered during the effective period of the ordinance, regardless of how computed or by whom or wheresoever paid.
 - .01 If amounts received as a drawing account exceed the commissions earned and the excess is not subject to the demand of the employer for repayment, the tax is payable on the amount received as a drawing account.
 - .02 Amounts received from an employer for expenses and used as such by the individual receiving them are not deemed to be compensation if the employer deducts such expenses or advances as such from his gross income for the purpose of determining his net profits taxable under federal law, and the employee is not required to include such receipts as income on his federal tax return.
 - .03 If commissions are included in the net earnings of the trade, business, profession, enterprise, or activity, carried on by an unincorporated entity of which the individual receiving such commission is owner or part owner and therefore subject to the tax under paragraphs A-3 or A-4 of Section 3 of the ordinance, they shall not be taxed under Section 3, paragraph A-1.
- .3 Fees, unless such fees are properly includible as part of the net profits of a trade, business, profession or enterprise regularly carried on by an unincorporated entity owned or partly owned by said individual and such net profits are subject to the tax under Section 3, paragraph A-3 of this ordinance.
- .4 Other compensation and income including but not limited to tips, bonuses or gifts of any type, lottery and other prize winnings, covenant not to compete, and including compensation paid to domestic servants, casual employees, and other types of employees. Non-compensatory gifts are not taxable. Gambling losses are not deductible unless losses are supported by an independent verifiable statement containing a person's name, address, date, and amount.
- .5 Payments made to employees by an employer as vacation wages are taxable. Payments made to an employee by an employer or under an employer-paid insurance plan during periods of disability or sickness, are taxable.

- c. Where compensation is paid or received in property, its fair market value at the time of receipt shall be subject to the tax and to withholding. Board, lodging and similar items received by an employee in lieu of additional cash compensation shall be included in earnings at their fair market value unless not taxable under federal income taxes.
 - .1 In the case of domestics and other employees whose duties require them to live at their place of employment or assignment, board and lodging shall not be considered as wages or compensation earned
- 2. Non-Resident Employee:
 - a. In the case of individuals who are not residents of the City of Piqua, there is imposed under Section 3, paragraph A-2 of the ordinance, a tax of one and three-fourths percent (1.75%) on all qualifying wages, commissions, other compensation and other income earned or received during the effective period of the ordinance for work done or services performed or rendered within the City of Piqua, whether such compensation or remuneration is received or earned directly or through an agent or whether paid in cash or in property. The location of the place from which payment is made is immaterial.
 - b. Occasional entry provision:
 - .1 A non-resident individual who works in the City of Piqua twelve (12) or fewer days per year shall be considered an occasional entrant, and shall not be subject to the City of Piqua municipal income tax for those 12 days. For purposes of the 12-day calculation, any portion of a day worked in the City of Piqua shall be counted as one day worked in the City of Piqua.
 - .2 Beginning with the thirteenth day, the employer of said individual shall begin withholding Piqua income tax from remuneration paid by the employer to the individual, and shall remit the withheld income tax to the City of Piqua in accordance with Article VI. Since the individual can no longer be considered to have been an occasional entrant, the employer is further required to remit taxes on income earned in the City of Piqua by the individual for the first twelve days.
 - .3 If the individual is self-employed, it shall be the responsibility of the individual to remit the appropriate income tax to the City of Piqua.
 - .4 The 12-day occasional entry rule does not apply to entertainers or professional athletes, their employees or individuals who perform services on their behalf, or to promoters and booking agents of such entertainment events and sporting events.

- c. The items subject to tax under Section 3, paragraph A-2 of the ordinance are the same as those listed and defined in Article III-A. For the methods of computing the extent of such work or services performed within the City of Piqua, in cases involving compensation for personal services partly within and partly without the City of Piqua, see Article VI-A.6.

3. Non-Resident City Employees:

All employees of the City of Piqua, Ohio who are not otherwise subject to this ordinance shall have deducted from their qualifying wages, commissions or other personal service compensation the applicable Piqua city income tax. The non-resident employee shall be subject to or beneficiary of the same provisions allowed non-residents working within the City of Piqua.

4. a. Resident Unincorporated Businesses:

- .1 In the case of resident unincorporated businesses, professions, enterprises, undertakings or other entities conducted, operated, engaged in, prosecuted or carried on, irrespective of whether such taxpayer has an office or place of business in the City of Piqua, there is imposed an annual tax of one and three-fourths percent (1.75%) on the net profits earned, accrued or received during the effective period of the ordinance attributable to the City of Piqua, under the formula or separate accounting method provided for in Section 3 of the ordinance, derived from sales made, work done or services performed or rendered and business or other activities conducted in the City of Piqua.
- .2 The tax imposed on resident associations or other unincorporated entities owned by two or more persons is upon the individual members or owners thereof.
- .3 The tax imposed by Section 3, paragraph A-3a of the ordinance is imposed on all individual owners or members of such businesses having net profits attributable to the City of Piqua under the method of allocation provided for in the ordinance, regardless of where the owner or owners of such resident unincorporated business entity reside.

b. Imposition of Tax on Residents Distributive Share of Profits of a Resident Unincorporated Business Entity, Not Attributable to the City of Piqua:

- .1 A resident individual who is sole owner of a resident unincorporated entity shall disregard the business allocation formula and pay the tax on the entire net profits of his resident unincorporated business entity.
- .2 In the case of a resident individual partner or part owner of a resident unincorporated entity, there is imposed an annual tax of one and three-

fourths percent (1.75%) on such individual's distributive share of net profits earned, accrued or received under the method of allocation provided for in Section 3 of the ordinance, and not taxed against the entity.

5. a. Non-Resident Unincorporated Businesses:

- .1 In the case of non-resident unincorporated businesses, professions, enterprises, undertakings or other activities conducted, operated, engaged in, prosecuted or carried on, there is imposed an annual tax of one and three-fourths percent (1.75%) on the net profits earned, accrued or received during the effective period of the ordinance attributable to the City of Piqua, under the formula or separate accounting method provided for in the ordinance.
- .2 The tax imposed on non-resident unincorporated entities owned by two or more persons is upon the entities rather than the individual members or owners thereof.

(For tax on that part of a resident owner's distributive share of net profits not taxed against the entity, see Article III-A.4b).

- .3 Non-resident unincorporated entities owned by two or more persons, all of whom are residents of the City of Piqua, may elect to disregard the method of allocation provided for in the ordinance and pay the tax on the entire net profits. In such case, the tax paid by the entity shall constitute all tax due from the owners or members of the entity for their distributive share of the net profits; however, a return shall be required from such owner or member having taxable income other than the distributive share of the net profit from the entity.

b. Imposition of Tax on Resident's Share of Profits of a Non-Resident Unincorporated Business Entity Not Attributable to the City of Piqua:

- .1 A resident individual who is sole owner of a non-resident unincorporated business entity shall disregard the business allocation formula and pay the tax on the entire net profits of his unincorporated entity.
- .2 In the case of a resident individual partner or part owner of a non-resident unincorporated entity, there is imposed an annual tax of one and three-fourths percent (1.75%) on such individual's distributive share of net profits earned, accrued or received during the effective period of the ordinance not attributable to the city under the method of allocation provided for in Section 3 of the ordinance and not taxed against the entity.

6. Imposition of Tax on Net Profits of Corporations:

- a. In the case of corporations, whether domestic or foreign and whether or not such corporations have an office or place of business in the City of Piqua, there is imposed an annual tax of one and three-fourths percent (1.75%) on the net profits earned, received or accrued during the effective period of the ordinance attributable to the City of Piqua under the formula or separate accounting method provided for in the ordinance.
- b. In determining whether a corporation is conducting a business or other activity in the City of Piqua, the provisions of Article III-B of these regulations shall be applicable.
- c. Corporations, which are required by the provisions of Section 5727.38 to 5727.41 inclusive, of the Revised Code of Ohio, to pay an excise tax in any taxable year as defined by the ordinance, may exclude that part of their gross receipts upon which the excise tax is paid. In such case, expenses incurred in the production of such gross receipts shall not be deducted in computing net profits subject to the tax imposed by the ordinance.

7. Amplification:

In amplification of the definition contained in Article II of these regulations, but not in limitation thereof, the following additional information respecting net business profits is furnished.

a. NET PROFITS:

- .1 Net profits as used in the ordinance and these regulations means net profits derived from any business, profession or other activity or undertaking carried on for profit or normally carried on for profit.
- .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 federal 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 income reported to the federal Internal Revenue Service.

b. GROSS RECEIPTS:

- .1 Gross receipts shall include, but not be limited to, income in the form of commissions, fees, rentals from real and tangible personal property, and other compensation for work or services performed or rendered as well as income from sales of stock in trade.

- .2 From gross receipts there shall be deducted allowable expenses to arrive at the net profit subject to tax.

c. EXPENSES

- .1 In determining taxable business income, the deductible expenses shall be of the same nature, extent and amount as allowed by the Internal Revenue Service for federal income tax purposes.
- .2 All ordinary and necessary expenses of doing business, including reasonable compensation paid employees, shall be allowed but no deduction may be claimed for qualifying wages or withdrawal of a proprietor or of the partners, members, or other owners of an unincorporated business or enterprise.
 - .01 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 or real estate used in the taxpayer's business shall not be allowed as a deductible expense.
 - .02 Current amortization of emergency facilities under the provisions of the Internal Revenue Code, if recognized as such for federal income tax purposes, may be included as an expense deduction hereunder.
 - .03 Where depreciable property is voluntarily destroyed only the cost of such demolition and the undepreciated balance thereof will be allowed as an expense in the year of such demolition, to the extent allowable for federal income tax purposes.
 - .04 Bad debts in a reasonable amount may be allowed in the year ascertained worthless and charged off, or at the discretion of the Administrator (if the reserve method is used), a reasonable addition to the reserve may be claimed, but in no event shall the amount exceed the amount allowable for federal income tax purposes.
 - .05 Only taxes directly connected with the business may be claimed as a deduction. If, for any reason, the income from property is not subject to the tax, then taxes on and other expenses of said property are not deductible. In any event, the following taxes are not deductible from income; (1) the tax under the ordinance; (2) federal

or other 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.

- .06 In general, non-taxable income and expenses incurred in connection therewith are not to be considered in determining net profits. Income from intangibles, by way of dividends, interest and the like, shall not be included if such income is subject to taxation under the intangible personal property laws of the State of Ohio or is specifically exempt from taxation under said law.
- .07 If the taxpayer reports income that is non-taxable under the ordinance and such amounts are deducted in order to reconcile to the City of Piqua return with the taxpayer's federal income tax return, expenses attributable to this non-taxable income shall not be allowed. The taxpayer may submit to the Administrator satisfactory evidence of the actual amount of expense attributable to the non-taxable income. In the absence of records showing the actual expenses attributable to such non-taxable income, and upon approval of the Administrator, such amount shall be deemed to equal five percent (5%) of such non-taxable income.
- .08 Capital gains and losses, as defined by the IRS for federal tax purposes, from sale, exchange or other disposition of property shall not be taken into consideration in arriving at net profits earned. Any amount received on a sale or other disposition of tangible personal property used in business, in excess of book value, shall be treated as taxable income under the ordinance to the extent of depreciation allowed or allowable after January 1, 1967. The balance shall be treated as a capital gain.

.001 Definition of Property Used in the Trade or Business:

For purpose of this Article, the term "property used in the trade or business" means property used in the trade or business of a character which is subject to the allowance for depreciation and real property used in the trade or business, which is not:

- (a) Property of a kind, which would properly be includable in the inventory of a taxpayer if on hand at the close of the taxable year;
- (b) Property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business; or

(c) A copyright, a literary, musical or artistic composition, or similar property held by the taxpayer.

8. Rentals from Real Property:

- a. All rentals received by the taxpayer for the rental of real estate constitutes a business activity and are to be included in the city tax return.
- b. Rentals received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.
- c. 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.
- d. 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.
- e. Residents of the City of Piqua are subject to taxation upon the net income from rentals, regardless of the location of the real property owned.
- f. Non-residents of the City of Piqua are subject to such taxation only if the real property is situated within the City of Piqua.
- g. Corporations owning or managing real estate are taxable only on that portion of income derived from property located in the City of Piqua.

9. Patents and Copyrights:

Income from patents or copyrights is not to be included in net profits subject to the tax if the income from such patents or copyrights is subject to the state intangible tax. Conversely, such a state intangible tax is not deductible in determining city tax. Such items shall be clearly disclosed on an attachment to be filed with the city tax return.

B. Allocations of Business Profits

A request to change the method of allocation must be made in writing before the end of the taxable year.

1. Separate Accounting Method:

- a. Net profits allocable to the City of Piqua from business, professional or other activities conducted in the City of Piqua by corporations or unincorporated entities (whether resident or non-resident) may be determined from the

records of the taxpayer if the taxpayer has bona fide records which disclose with reasonable accuracy what portion of his net profits is attributable to that part of his activities conducted within the City of Piqua.

- b. If the books and records of the taxpayer are used as the basis for apportioning net profits rather than the business allocation formula, a statement must accompany the return explaining the manner in which such apportionment is made in sufficient detail to enable the Administrator to determine whether the net profits attributable to the City of Piqua are apportioned with reasonable accuracy.
 - c. In determining the income allocable to the City of Piqua from the books and records of a taxpayer, an adjustment may be made for the contributions made to the production of such income by headquarters activities of the taxpayer, whether such headquarters is within or without the City of Piqua.
2. Business Allocation Percentage Method:
- a. STEP1: Ascertain the percentage which the average original cost of real and tangible personal property, including leasehold improvements, owned or used in the business and situated within the City of Piqua, is of the average original cost of all real and tangible personal property, including leasehold improvements, owned or used in the business wherever situated, during the period covered by the return.
 - .1 The percentage of taxpayer's real and tangible personal property within the City of Piqua is determined by dividing the average original cost of such property within the City of Piqua (without deduction of any encumbrances) by the average original cost of all such property within and without the City of Piqua. In determining such percentage, property rented to the taxpayer as well as real and tangible personal property owned by the taxpayer, must be considered.
 - .01 The original cost of real and tangible personal property rented by the taxpayer shall be determined by multiplying gross annual rents payable by eight (8).
 - .02 Gross rents means the actual sum of money or other consideration payable, directly or indirectly, by the taxpayer for the use or possession of property and includes:
 - .001 Any amount payable for the use or possession of real and tangible personal property or any part thereof, whether designated as a fixed sum of money or as a percentage of sales profits or otherwise;

.002 Any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs or other amounts required to be paid by the terms of a lease or other arrangement.

b. STEP 2: Ascertain the percentage which the gross receipts of the taxpayer derived from sales made and services rendered in the City of Piqua is of the total gross receipts wherever derived during the period covered by the return.

.1 The following sales shall be considered City of Piqua sales:

.01 All sales made through retail stores located within the City of Piqua to purchasers within or without the City of Piqua, except such of said sales to purchasers outside the City of Piqua that are directly attributable to regular solicitations made outside the City of Piqua personally by taxpayer's employees.

.02 All sales of tangible personal property delivered to purchasers within the City of Piqua if shipped or delivered from an office, store, warehouse, factory or place of storage located within the City of Piqua.

.03 All sales of tangible personal property delivered to purchasers within the City of Piqua, even though transported from a point outside the City of Piqua, if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the City of Piqua and the sale is directly or indirectly the result of such solicitation.

.04 All sales of tangible personal property shipped from an office, store, warehouse, factory or place of storage within the City of Piqua to purchasers outside the City of Piqua, if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place of delivery.

.05 Charges for work done or services performed incident to a sale, whether or not included in the price of the property, shall be considered gross receipts from such sale.

.2 In the application of the foregoing subparagraphs, a carrier shall be considered the agent of the seller regardless of the FOB point or other conditions of the sale; and the place at which orders are accepted or contracts legally consummated shall be immaterial. Solicitation of customers outside the City of Piqua by mail or phone from an office, or place of business within the City of Piqua, shall not be considered a solicitation of sales outside the City of Piqua.

- c. STEP 3: Ascertain the percentage which the total qualifying wages, commissions and other compensation of employees within the City of Piqua is of the total qualifying wages, commissions, and other compensation of all the taxpayer's employees within and without the City of Piqua during the period covered by the return.
 - .1 Salaries and reasonable compensation paid owners or credited to the account of owners or partners during the period covered by the return are considered wages for the purpose of this computation.
 - .2 Qualifying wages and other compensation shall be computed on the cash or accrual basis in accordance with the method of accounting used in the computation of the entire net income of the taxpayer.
 - .3 In the case of an employee who performs services both within and without the City of Piqua, the amount treated as compensation for services performed within the city shall be deemed to be:
 - .01 In the case of an employee whose compensation depends directly on the 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 the City of Piqua.
 - .02 In the case of an employee whose compensation depends on other results achieved, the proportion of the total compensation received which the value of his services within the City of Piqua bears to the value of all his services; and
 - .03 In the case of an employee compensated on a time basis, the proportion of the total amount received by him which his working time within the City of Piqua is of his total working time.
- d. STEP 4: Add the percentage determined in accordance with Steps 1, 2 and 3 or such of the aforesaid percentages as may be applicable to the particular taxpayer's business and divide the total so obtained by the number of percentages used in ascertaining said total. The result so obtained is the business allocation percentage. In determining the average percentage, a factor shall not be excluded from the computation merely because said factor is found to be allocable entirely outside the City of Piqua. A factor is excluded only when it does not exist anywhere.
- e. STEP 5: The business allocation percentage determined in Step 4 above shall be applied to the entire taxable net profits of the taxpayer wherever derived to determine the net profits allocable to the City of Piqua.

3. Substitute Method:

- a. In the event a just and equitable result cannot be obtained under the formula, the Board, upon application of the taxpayer or the Administrator, may substitute other factors in the formula or prescribe other methods of allocating net income calculated to effect a fair and proper allocation.
- b. Application to the Board to substitute other factors in the formula, or to use a different method to allocate net profits, must be made in writing before the end of the taxable year and shall state the specific grounds on which the substitution of factors or use of a different method is requested and the relief sought to be obtained. A copy thereof shall be served at the time of filing upon the taxpayer or Administrator as the case may be. No specific form need to be followed in making such application. Once a taxpayer has filed under a substitute method, he must continue to so file until given permission to change by the Board of Review.

C. Operating Losses

1. The Municipality does not allow a net operating loss carryback or carryforward.
2. Losses from federal schedules and other sources reported for federal income tax purposes cannot be used to offset qualifying wages, commissions, other compensation and other taxable income earned or received by residents or nonresidents of the Municipality.

If an individual is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity may be used to offset the profits of another (except any portion of a loss or profit separately reportable for municipal tax purposes to another taxing entity) for purposes of arriving at overall net profits or net operating loss.

D. 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 of Piqua. However, once the affiliated group has elected to file a consolidated return or a separate return with the City of Piqua, the affiliated group may not change its method of filing in any subsequent tax year without written approval from the City of Piqua.
2. Once a consolidated return has been filed for any taxable year, the consolidated group must continue to file consolidated returns in subsequent years unless:

- a. Permission in writing is granted by the Administrator to file separate returns,
 - b. A new corporation other than a corporation created or organized by a member of the group has become a member of the group during the taxable year, and
 - c. A corporation member of the group is sold or exchanged. Liquidating a corporation or merging one of the corporations of the group into another will not qualify the group for filing separate returns.
3. If a corporation becomes a member of the group during the taxable year, the consolidated return must include the income for the entire taxable year of the common parent corporation and any subsidiaries, which were members of the group for the entire year, plus the income of each subsidiary, which becomes a member of the group during the year for the period beginning with the date it became a member of the affiliated group. For the period prior to the time any subsidiary became a member of the group, separate returns must be filed for that subsidiary. When a subsidiary ceases to be a member of the affiliated group, the consolidated return must include the income of such subsidiary for the period during which it was a member of the group, but for the period after it ceases to be a member, separate returns must be filed. If a corporation has been a member of the affiliated group for less than one month of the taxable year of the group, it may be considered as not being part of the group. Similarly, a subsidiary may be considered as being a member of affiliated group during the entire taxable year of the group if the period during which it was not a member of the group does not exceed one month. If a subsidiary is a member of the consolidated group for only part of a taxable year, the income considered to be earned in such fractional part of the year shall be that portion of the net income for the entire year, which the number of days it was a member of the group bears to the total number of days in the taxable year.
4. In determining the allocation fraction where a corporation becomes a member of the group or ceases to be a member of the group during the taxable year, the property fraction (Step 1 of the formula) shall be determined on the basis of the average net book value of the property during the period such corporation was a member of the group. The rental portion of the fraction, however, shall be computed at eight (8) times the annual rent. The gross receipts and wage fractions shall be based on the actual figures.
5. In consolidating the net income, the taxable income of each corporation shall be computed in accordance with the provisions governing the taxable income of separate corporations, except that there shall be eliminated unrealized profits and losses in transactions between members of the affiliated group.
6. In determining expenses that are not allowable because they are allocable to non-taxable income, such calculations shall be based on the consolidated net income. As an example, inter-company dividends, which are eliminated in the

consolidation, will not be taken into consideration in determining non-taxable income.

E. Exclusions from Taxation

The following shall not be considered taxable:

1. Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the National Guard.
2. Poor relief, pensions, including Social Security benefits, unemployment compensation or similar payments, including disability benefits received from private industry or local, state or federal governments, or from charitable, religious or educational organizations.
3. Alimony received.
4. Dues, contributions and similar payments received by charitable, religious, educational or literary organizations or labor unions, lodges and similar organizations.
5. Any charitable, educational, fraternal or other type of non-profit association or organization enumerated in Section 718.01 of the Revised Code of Ohio, which is exempt from payment of real estate taxes, is exempt from payment of the tax.
 - a. Any association or organization falling in the category listed in the preceding paragraph not exempt from the payment of real estate taxes is required to file declarations and final returns and remit the taxes levied on all business activities of a type ordinarily conducted for profit by taxpayers operating for profit.
 - b. Where such non-profit association or organization conducts income-producing business, both within and without the corporate limits, it shall calculate its profits allocable to the City of Piqua under the method or methods provided above.
6. Any association, organization, corporation, club or trust, which is exempt from federal taxes on income by reason of its charitable, religious, educational, literary, scientific, etc., purposes.
7. Gains from involuntary conversion and capital gains, cancellation of indebtedness, interest on federal obligations, items of income already taxed by the State of Ohio, as of the date of enactment of Ordinance 33-66 (being 7/5/66), 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 17 years of age and under. Earnings and income will be taxable for the portion of the year after which they become 18.
9. Parsonage allowance, to the extent of the rental allowance or rental value of a house provided as a part of an ordained minister's compensation. The minister must be duly ordained, commissioned or licensed by a religious body constituting a church or church denomination.
10. Compensation paid under Section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually.
11. Intangible income.
12. The income of a public utility, when that public utility is subject to the tax levied under Section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745 of the Ohio Revised Code:
 - a. The income of an electric company or combined company;
 - b. The income of a telephone company.

As used in Section 17 (L) of this ordinance, "combined company", "electric company", and "telephone company" have the same meanings as in Section 5727.01 of the Ohio Revised Code.
13. The City of Piqua shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the City of Piqua on twelve (12) or fewer days in a calendar year unless one of the following applies:
 - a. The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days; and the individual is not liable to that other municipality for tax on the compensation paid for such services.
 - b. The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined by the City of Piqua.

ARTICLE IV
Effective Period of Tax

- A. The tax imposed by Section 3, paragraphs A-1 and A-2 of the ordinance shall be levied, collected and paid with respect to qualifying wages, bonuses, incentive payments, commissions, fees and other compensation.
- B. The tax imposed by Section 3, paragraphs A-3, A-4 and A-5 of the ordinance, with respect to net profits of trades, businesses, professions, enterprises, undertakings and other activities is on the net profits.

ARTICLE V
Return and Payment of the Tax

A. Date and Requirements for Filing

- 1. Each taxpayer who engages in business or other activity or whose qualifying wages, commissions, other compensation and other taxable income is subject to the tax imposed by this ordinance, and every resident shall, make and file a return on or before April 15th of each year, whether or not a tax is due. “Generic or alternate”, meaning electronic or paper form, is acceptable if it contains the prescribed information required by this ordinance and the taxpayer or return preparer otherwise complies with the City of Piqua rules or ordinances governing the filing of returns, reports or documents.
- 2. If the return is made for a fiscal year or any period less than a year, said return shall be made within 15 days of the fourth month from the end of each fiscal year or other period.
- 3. Every person subject to the provisions of Section 3 of the ordinance shall, except as hereinafter provided, file a return setting forth the aggregate amount of qualifying wages, commissions and other personal service compensation, net profits from business or other activities, including the rental from use of real and personal property, and other income taxable under the ordinance, received for the period covered by the return and such other pertinent facts and information in detail as the Administrator may require.
- 4. An employee who is permitted to deduct business expenses from gross wages or commissions must file a return in order to claim such deductions even though all or part of such wages or commissions are subject to withholding.
- 5. Any taxpayer who received taxable income not subject to withholding under the ordinance must file a return.

6. Any taxpayer having income, wages or other compensation for which a return must be filed, and also having net profits from a business covering the same or a different period, is required to file only one return.
7. Trustees of trusts are required to file returns and pay the tax on the taxable income thereof.
8. Except as provided herein, the tax imposed on resident or non-resident associations or other unincorporated entities owned by two or more persons is upon the individual member or owners thereof.
9. A husband and wife may, in any tax year, elect to file separate or joint returns.

B. Information Required and Reconciliation with Federal Returns

1. In returns filed hereunder, there shall be set forth the aggregate amount of qualifying wages, bonuses, incentive payments, commissions, fees and other compensation subject to the tax earned from each employer, taxable net profits and other pertinent information as the Administrator may require.
2. Where figures of total income, total deductions and net profits are included, as shown by a federal return, any items of income as are not subject to the City of Piqua tax and unallowable expenses shall be eliminated in determining net income subject to the City of Piqua tax. In the absence of records showing the actual unallowable expenses, such expenses shall be determined in accordance with Article III A-6.c.1.08 of these regulations. The fact that any taxpayer is not required to file a federal tax return does not relieve him from filing a City of Piqua tax return.
3. If a change in federal income tax liability, made by the federal Internal Revenue Service, or by a judicial decision, results in an additional amount of tax payable to the City of Piqua, a report of such change shall be filed by the taxpayer within three (3) months after receipt of the final notice from the federal Internal Revenue Service or final court decision, see Article XI-B.
4. If a change in federal income tax liability results in a reduction of taxes owed and paid to the City of Piqua, a claim for refund shall be filed with the Administrator as prescribed in Section II of the ordinance and Article XI-C of these regulations.

C. Extensions

1. Beginning January 1, 2001, any taxpayer who has requested an extension for filing a federal income tax return may request an extension for the filing of a City of Piqua income tax return. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal filing extension with the City of Piqua income tax department. The request for extension shall be filed not later than the

last day for filing the City of Piqua income tax return as prescribed by the City of Piqua Income Tax Rules and Regulations. The City of Piqua shall grant such a request for extension for a period not less than the period of the federal extension request. The City of Piqua may deny a taxpayer's request for extension only if the taxpayer fails to timely file the request, fails to file a copy of the request for the federal extension, owes the City of Piqua 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 prior tax period. The granting of an extension for filing a City of Piqua income tax return does not extend the last date for paying the tax without penalty unless the Tax Administrator grants an extension of that date.

2. Information returns, schedules and statements needed to support tax returns are to be filed within the time limits set forth for filing tax returns.

D. Payment With Return

1. The taxpayer making a return shall, at the time of the filing thereof, pay to the Administrator the amount of taxes shown as due thereon; provided, however, that where any portion of the tax so due shall have been deducted at the source pursuant to the provisions of Section 6 of the ordinance, or where any portion of said tax shall have been paid by the taxpayer pursuant to the provisions of Section 7 of the ordinance, or where an income tax has been paid to another municipality, credit for the amount so paid in accordance with Section 15 hereof, 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 said return.
2. A taxpayer who has overpaid the amount of tax to which the City of Piqua is entitled under the provisions of the ordinance may have such overpayment applied against any subsequent liability hereunder or, at his election indicated on the return, such overpayment (or part thereof) shall be refunded, provided that no additional taxes or refunds of less than five dollars (\$5.00) shall be collected or refunded.

E. Amended Returns

1. Where necessary, an amended return must be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Sections 11 and 12. Such amended return shall be on a form obtainable on request from the Administrator. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.
2. Within three (3) months from the final determination of any federal tax liability affecting the taxpayer's City of Piqua tax liability, such taxpayer shall make and file an amended City of Piqua return showing income subject to the tax based

upon such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

ARTICLE VI
Collection of Tax at the Source

A. Duty of Withholding

1. Except as otherwise provided herein, it is the duty of each employer within or doing business within the City of Piqua, who employs one or more persons, whether as an employee, officer, director or otherwise, to deduct each time any compensation is paid, the tax of one and three- fourths percent (1.75%) from:
 - a. The total of all qualifying wages, bonuses, incentive payments, fees, commissions or other forms of compensation paid to residents of the City of Piqua, regardless of the place where the services are rendered; and
 - b. All compensation paid non-residents for services rendered, work performed or other activities engaged in within the City of Piqua.
2. All employers within, or doing business within, the City of Piqua are required to make the collections and deductions specified in this article, regardless of the fact that the services on account of which any particular deduction is required, as to residents of the City of Piqua, were performed outside the City of Piqua.
3. Employers who do not maintain a permanent office or place of business in the City of Piqua, but who are subject to tax on net profits attributable to the City of Piqua, under the method of allocation provided for in the ordinance, are considered to be employers within the City of Piqua and subject to the requirements of withholding.
4. 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 paid. If the employer has withheld the tax and failed to pay the tax withheld to the Administrator, the employee is not liable for the tax so withheld.
5. Commissions and fees paid to professional persons, brokers and others who are independent contractors, and not employees of the payor, are not subject to withholding or collection of the tax at the source. Such taxpayers must, in all instances, file a declaration and return and pay the tax pursuant to the provisions of the ordinance and Articles V and VII of the regulations.
6. Where a non-resident receives compensation for personal services rendered or performed partly within and partly without the City of Piqua, the withholding employer shall deduct, withhold and remit the tax on that portion of the

compensation which is earned within the City of Piqua in accordance with the following rules of apportionment:

- a. If the non-resident is a salesperson, agent or other employee whose compensation depends directly on the volume of business that is transacted or chiefly effected by him, the deducting and withholding shall attach to the portion of the entire compensation which the volume of business transacted or chiefly effected by the employee within the City of Piqua bears to the total volume of business transacted by him within and outside the City of Piqua;
 - b. The deducting and withholding of personal service compensation of other non-resident employees, including officers of corporations, shall attach to the proportion of the personal service compensation of such employee which the total number of his working hours within the City of Piqua is of the total number of working hours;
 - c. The fact that non-resident employees are subject to call at any time does not permit the allocation of pay for time worked within the City of Piqua on a seven-day-per-week basis. The percentage of time worked in the City of Piqua will be computed on the basis of a forty-hour week, unless the employer notifies the Administrator that a greater or lesser number of hours per week is worked.
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 to the employee for expenses necessarily and actually incurred by the employee in the actual performance of his services, provided such expenses are incurred in earning compensation, and are not deducted as a business expense by the employee under Article III of these regulations.
 8. A City of Piqua employer whose records show that an employee is a non-resident of the City of Piqua and has no knowledge to the contrary, shall be relieved of the responsibility of withholding the tax on personal service compensation paid to such employee for services rendered or work done outside the City of Piqua by such employee, provided, however, that such employer must withhold the tax on all personal service compensation paid such employee after the Administrator notified said employer in writing that such employee is a resident of the City of Piqua. All employees are required to notify the employer of any change of residence and the date thereof.
 9. A City of Piqua employer required to withhold the tax from a City of Piqua resident for work done or services performed in another municipality, and who does so withhold and remit to such other municipality, shall be relieved from the requirement of withholding the City of Piqua tax from such Piqua resident, except where the rate of tax for such other municipality is less than the rate of tax

imposed by this ordinance. In such case the employer shall withhold and remit the difference to the City of Piqua.

10. Subject to approval by the Board of Review, the Administrator shall have authority to permit the filing of individual returns and payment thereon of employers of less than four (4) employees and to enter into agreements with other taxing municipalities permitting an employer to withhold the entire tax on the wages of a taxpayer working in more than one taxing municipality, either for the taxing municipality in which the employer has his principal place of business or the taxing municipality in which the employee resides.

B. Return and Payment of Tax Withheld and Status of Employers

1. Every employer required to withhold city income tax from the salaries, qualifying wages and other compensation shall, on or before the 15th day of the month or quarter, make a return and pay the tax withheld during the preceding calendar month or quarter. Employers shall deposit withholding to the City of Piqua on a monthly basis if the tax liability for the previous year was equal to or exceeded three thousand dollars (\$3,000.00).
2. 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 the Administrator, depending upon the circumstances and the time when the over-withholding is determined as follows:
 - a. Current Employees:
 - .1 If the over-withholding is discovered in the same quarterly period the employer shall make the necessary adjustment directly with the employee and the amount to be reported on the quarterly form PW-1, as withheld, shall be the corrected amount;
 - .2 If the over-withholding is discovered in a subsequent quarter of the same calendar year, the employer may make proper adjustment with the employee. In such case the PW-1 for the quarter in which the adjustment is made shall indicate the total amount actually withheld, the amount of adjustment deducted therefrom, and the corrected amount reported on the PW-1;
 - .3 If the over-withholding is discovered in the following year, the employer should notify the Administrator of such over-withholding and the circumstances thereof. Upon proper verification the Administrator shall refund to the employee the amount of such excess withholding;

b. Former Employees:

- .1 In the case too much has been withheld from an employee who is no longer employed by the employer, the employer shall notify the Administrator of the amount and circumstances of such over-withholding and the Administrator shall then refund to the employee the amount of such excess withholding; or
- .2 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 to the employee the amount of such excess withholding;

c. Non-Residents Employed Outside the City:

- .1 Where an employer has withheld the tax from all wages of a non-resident of the City of Piqua and such non-resident has been employed outside the City of Piqua for all or a part of the time, such employee shall file a claim with the Administrator covering such erroneous withholding and the Administrator shall, upon verification thereof by the employer, refund to the employee the amount of such excess withholding;

d. Insufficient Withholding:

- .1 If less than the amount of tax required to be deducted is withheld from an employee, such deficiency shall be withheld from subsequent wages. However, if the employee-employer relationship has terminated, the employer shall pay the deficiency and penalties imposed by the ordinance.
3. Every employer is deemed to be a trustee for the City of Piqua 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 trust funds.
4. Every such employer required to deduct and withhold the tax at the source is liable directly to the City of Piqua for payment of such tax whether actually collected from such employee or not.
5. On or before the 28th day of February, following any calendar year in which such deductions have been made by an employer, such employer shall file with the Administrator, in the form prescribed by the Administrator, an information return for each employee from whom the City of Piqua income tax has been withheld, showing the name, address and social security number of the employee, the total amount of compensation paid during the year and the amount of the City of Piqua income tax withheld from such employee.

6. For the convenience of employers, the information return may be made in one of the three ways at the election of each employer, as follows:
 - a. Those employers using Form W-2, furnished commercially, may submit a copy of such commercial Form W-2 providing the copy furnished the City of Piqua clearly shows the information required in paragraph 5 immediately preceding.
 - b. Where the furnishing of this information, as above indicated, will create a distinct hardship, the employer, upon written request to the Administrator, may be permitted to furnish a list of all employees subject to the tax, which list shall show the employee's full name, last known address, social security number, qualifying wages paid during the year and the amount of City of Piqua income tax withheld. Such list may be compiled on any mechanical equipment presently used by the employer, but provision must be made for spacing equal to at least three lines between each name. The employer's name must be indicated on each sheet, each sheet must be numbered and the total number of sheets comprising the complete report must be indicated on the first page.
 - c. The qualifying wages to be reported for each employee shall be for the full twelve (12) calendar months of the year or such portion thereof as the employee reported on was employed.
7. In addition to such information returns, and at the time the same are filed, such employer shall file with the Administrator Form W-3 to enable the Administrator to reconcile the sum total of compensation paid and taxes withheld as disclosed by information return W-2, or list of employees, and prior returns and remittances made pursuant to the ordinance.
8. In addition to the wage reporting requirements of this section, any person required by the Internal Revenue Service to report on Form 1099-Misc. payments to individuals not treated as employees for services performed shall also report such payments to the City of Piqua when the services were performed in the City of Piqua. The information may be submitted on a listing, and shall include the name, address and social security number (or federal identification number), and the amount of the payments made. Federal form(s) 1099 may be submitted in lieu of such listing. The information shall be filed annually on or before February 28 following the end of such calendar year.
9. DOMESTIC SERVANTS. No person shall be required to withhold the tax on the qualifying wages, commissions, other compensation, and other taxable income paid domestic servants employed exclusively in or about such person's residence. However, such domestic servants shall be responsible for filing and paying their own returns and taxes.

10. An employer is not required to make any withholding with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of the corporation with respect to whose stock the option has been issued.
11. a. An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer's exemption from the requirements to withhold the tax.
 - b. The failure of an employer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.

ARTICLE VII Declarations

A. Requirement of Filing

1. A declaration of estimated tax shall be filed by every taxpayer who may reasonably be expected to have taxable income, the tax on which is not or will not be withheld by an employer or employers. Where required, such declaration shall be filed within 15 days of the fourth month after the beginning of the taxable year.
2. A taxpayer's final return for the preceding year may be used as the basis for computing this declaration of estimated tax for the current year. In the event a taxpayer has not previously been required to file a return, a declaration of estimated tax on anticipated income shall be filed in good faith.

B. Date of Filing

1. A person or other entity conducting a business not previously subject to the tax, or whose employer does not withhold the tax, shall file a declaration within 15 days of the fourth month after the date he becomes subject to the tax.
2. Those taxpayers having a fiscal year or period differing from the calendar year shall file a declaration within 15 days of the fourth month after the start of each fiscal year or period.

C. Income Estimates

1. If the preceding year's tax liability is used for estimating the current year, there shall be no additional assessments if payments are equal to the prior year tax liability and made prior to the prescribed due dates. If the preceding year's tax

liability, or anticipated current year's liability is less than twenty dollars (\$20), there is no requirement to file an income estimate.

2. If the current year's tax liability is estimated on a basis other than one (1) above, eighty percent (80%) must be paid by January 31, or penalty and interest will be assessed on the portion between eighty percent (80%) of actual tax liability minus the amount paid to date.

D. Form For Filing

1. Such declaration shall be filed upon a form or forms furnished by, or obtainable from, the Administrator. Provided, however, credit shall be taken for the City of Piqua tax to be withheld from any portion of such income. In accordance with the provisions of Section 15 of the ordinance, credit may be taken for tax to be withheld and remitted to another taxing municipality.
2. The original estimate of tax liability or any subsequent amendment thereof may be increased or decreased by filing an amended declaration on or before any quarterly payment date as set forth in Article VII-D.1. Such amendment may be made on the regular declaration form or on the back of any quarterly notice form.

- E. No amended declaration is required for taxpayers using prior year income estimates for current quarterly payments.

For taxpayers estimating income on a basis other than prior year earnings, an amended declaration must be filed on or before January 31 of the following year, or in the case of a taxpayer on a fiscal year, on or before the last day of the 13th month following the beginning of such fiscal year, if it appears that the original declaration made for such taxable year underestimated the taxpayer's income by twenty percent (20%) or more. At such time, a payment, which together with prior payments, is sufficient to pay the taxpayer's entire estimated liability, shall be made. If, upon the filing of the return required by Section 5 of the ordinance, it appears that the taxpayer did not pay eighty percent (80%) of his tax liability as shown on said return, the difference between eighty percent (80%) of said taxpayers tax liability and the amount of estimated tax actually paid on or before the above mentioned date, shall be subject to the interest and penalty provisions of Section 10 of the ordinance.

F. Dates of Payments

1. The estimated tax may be paid in full with the declaration or in equal installments on or before the 15th day of the fourth, sixth, ninth and thirteenth month after the beginning of the taxable year.
2. The declaration must be accompanied by at least one-fourth (1/4) of the estimated tax shown due thereon.

3. In the event an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments over the remaining payment dates.

G. Final Returns Required

1. The filing of a declaration does not relieve the taxpayer of the necessity of filing a final return even though there is no change in the declared tax liability. A final return must be filed to obtain a refund of any overpayment of over five dollars (\$5.00).

ARTICLE VIII Duties of the Administrator

A. Collection of Tax and Retention of Records

1. It shall be the duty of the Administrator to receive the tax imposed by the ordinance in the manner prescribed herein from the taxpayers; to keep an accurate record thereof, and to report all monies so received.
2. It shall be the duty of the Administrator to enforce payment of all taxes owed the City of Piqua, to keep accurate records for a minimum of five (5) 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.

B. Enforcement Provisions

1. The Administrator is charged with the administration and enforcement of the provisions of the ordinance and is, subject to the approval of the Board of Review, empowered to adopt, promulgate and enforce rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the ordinance. The Administrator has the authority to correct or adjust any return submitted, when a correction or adjustment is necessary to accomplish the intent of the ordinance.
2. Any taxpayer or employer desiring a special ruling on any matter pertaining to the ordinance or these rules and regulations, should submit to the Administrator in writing all the facts involved and the ruling sought.
3. These regulations, together with all amendments and supplements hereto and all changes herein, will be on file at the office of the Administrator and will be open to public inspection.
4. 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 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 under the ordinance.

5. Failure to make any deferred payment when due, shall cause the total unpaid amount, including penalty and interest, to become payable on demand and the provisions of Section 11 and 12 of the ordinance shall apply.

C. Estimation of Tax by Administrator

In any case where a taxpayer or employer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Administrator may assess the amount of tax appearing to be due, together with interest and penalties thereon, if any, in the following manner:

1. General Provisions:

- a. If the Administrator determines that any taxpayer subject to the provisions of the ordinance has a tax liability for which he has filed no return or has filed an incorrect return and has failed to pay the full amount of tax due, the Administrator shall issue a proposed assessment showing the amount of tax due, together with any penalty and interest that may have accrued thereon.
 - .1 Such proposed assessment shall be served upon the taxpayer in person or by mailing to his last known address. Proof of mailing furnished by the U.S. Post Office shall be presumptive proof of receipt thereof by the addressee.
 - .2 A taxpayer may, within fifteen (15) days after the date the proposed assessment was served or mailed, file a written protest with the Administrator. Within fifteen (15) days after receipt of the protest, the Administrator shall give the protestant an opportunity to be heard; provided further that the Administrator may extend the date of hearing for good cause shown. After the hearing, the Administrator shall withdraw the assessment or he shall adjust or reaffirm the assessment and it shall then become final. If no protest is filed as herein provided, such proposed assessment shall become final fifteen (15) days after being served.
- b. After a proposed assessment becomes final, notice of such final assessment shall be issued and shall be served in the same manner as a proposed assessment.
 - .1 A taxpayer shall have thirty (30) days after the date the final assessment was served or mailed within which to file written notice of appeal with the Board of Review. Such written notice of appeal shall be filed in a

sealed envelope plainly marked "Appeal to Board of Review" and mailed or delivered to the Administrator, who shall, within five (5) days after receipt thereof, deliver such appeal to the Chairman of the Board of Review or if the Chairman is not available, to the Vice Chairman.

.2 The Board of Review, upon receipt of a notice of appeal, shall, within fifteen (15) days, notify the Administrator thereof, who shall forward within fifteen (15) days to the Board, a certified transcript of all actions taken by him with respect to said final assessment. Such transcript shall be open to inspection by the appellant and his counsel.

.3 Any taxpayer against whom a final assessment has been issued and who has filed a notice of appeal shall be granted a hearing by the Board of Review. At such hearing, the appellant and the Administrator shall be given opportunity to present evidence relating to the said final assessment. After the conclusion of such hearing, the Board of Review shall affirm, reverse or modify the said final assessment and shall furnish a copy of its decision in respect thereof to the appellant and the Administrator. The appellant's copy of said decision shall be served upon him in the same manner as herein provided for the serving of assessments.

c. When any taxpayer subject to the provisions of the ordinance has filed a return indicating the amount of tax due and has failed to pay said tax to the Administrator as required by the ordinance, the Administrator need not issue an assessment but may proceed under the provisions of Sections 11 and 12 of the ordinance.

D. Subject to the consent of the Board of Review or pursuant to regulation approved by said Board, the Administrator shall have the power to compromise any interest or penalty, or both, imposed by Section 10 of the ordinance.

ARTICLE IX

Examination of Books and Records.

Information So Obtained Confidential: Penalty

A. Investigations by Administrator

1. The Administrator, or his duly authorized agent, is authorized to examine the books, papers, records and federal income tax returns of any employer, taxpayer or person subject to the ordinance, or whom the Administrator believes is subject to the provisions of the ordinance, for the purpose of verifying the accuracy of any return made; or, if no return was made, to ascertain the tax due under the ordinance.

2. An employer or taxpayer shall furnish, within ten (10) days following a written request by the Administrator or his duly authorized agent, the means, facilities and opportunity for making examinations and investigations authorized by the ordinance.

B. Subpoena of Records and Persons

1. The Administrator, or any person acting in his capacity, is authorized to examine any person, under oath, concerning any income which was, or should have been, returned for taxation, or any transaction tending to affect such income. The Administrator may compel the production of books, papers and records and the attendance of all persons before him whether as parties or witnesses, whenever he believes such persons have knowledge of the facts concerning any supposed income or supposed transaction of the taxpayer.
2. The Administrator's order to examine any document mentioned in the preceding paragraph shall state whether the examination is to be at the office of the taxpayer or at the office of the Administrator.
3. The Administrator may order the appearance before him, or his duly authorized agent, of any party whom he believes to have any knowledge of a taxpayer's income or withholdings, or any information pertaining to the taxpayer under investigation, whether not the individual so ordered has actual custody of the records of the taxpayer being investigated. The Administrator is specifically authorized to order the appearance of the local manager or representative of any taxpayer.
4. Persons required to attend any hearings shall be notified not less than ten (10) days prior to the time of the hearing. The notice shall show the time and place of the hearing and what books, papers or records the witness is to make available at such hearing.
5. The notice shall be served by the Administrator, or his duly authorized agent, by delivering it to the person named personally, or by leaving the notice at his usual place of business or residence, or by mailing it to the person by registered mail, return receipt requested, addressed to his usual place of business or residence.

C. Penalty for Non-Compliance

Refusal by an employer, supposed employer, taxpayer or supposed taxpayer, or the refusal of any such person to appear before the Administrator or his duly authorized agent, to submit to such examination and to produce the records requested, constitutes a misdemeanor punishable by fine or imprisonment, or both, as prescribed by Section 12 of the ordinance.

D. Confidential Nature of Examinations

Any information gained as a result of any returns, investigations, verifications or hearings before the Administrator or the Board, required by the ordinance or authorized by these rules and regulations, shall be confidential and no disclosure thereof shall be made except for official purposes or as ordered by a court of competent jurisdiction. Any person divulging such information shall be guilty of a misdemeanor punishable by a maximum fine of five hundred dollars (\$500.00) or imprisonment for not more than six (6) months, or both. In addition to the above penalty, any employee of the City of Piqua who violates the provisions of this section relative to the disclosure of confidential information shall be guilty of an offense punishable by immediate dismissal.

E. Retention of Records

All employers and taxpayers are required to keep such records as will enable the filing of true and accurate returns whether of taxes withheld at the source or of taxes payable upon earnings or net profits, or both. Such records shall be preserved for a period of not less than five (5) years from the date the final return is filed and paid or the withholding taxes are paid.

ARTICLE X Interest and Penalties

A. Interest

1. Except as provided in paragraph C of this article, all taxes imposed and all monies withheld, or required to be withheld, by employers under the provisions of this ordinance and remaining unpaid after they have become due shall bear interest, in addition to the amount of the unpaid tax or withholdings, at the rate of one percent (1%) per month or fraction thereof.

B. Penalties

In addition to interest as provided in paragraph A hereof, penalties based on the unpaid tax are hereby imposed as follows:

1. For failure to pay taxes due, a penalty of one percent (1%) per month or fraction thereof, with a maximum of twenty-five percent (25%) of the net tax liability, with an annual minimum of \$20. The \$20 minimum is waived for first-time filers and if taxes are paid within two weeks of filing.
2. For failure to remit taxes withheld or required to be withheld from employees: three percent (3%) per month or fraction thereof.

3. Where the taxpayer has failed to file a return by the due date or by the date resulting from extension, a failure to file fee of twenty-five dollars (\$25.00) may be assessed.
4. Where the employer has failed to file monthly or quarterly returns by the due dates, a failure to file fee of twenty-five dollars (\$25.00) may be assessed per each return.

C. Exceptions

1. No penalty shall be assessed on additional taxes found on audit to be due when a return was timely filed in good faith and the tax paid thereon within the prescribed time.
2. In the absence of fraud, neither penalty nor interest shall be assessed on any additional taxes resulting from a federal audit for federal income tax purposes provided an amended return is filed and the additional tax paid within three (3) months after final determination of the federal tax liability.
3. A taxpayer or employer shall have thirty (30) days after receipt of notice of any proposed imposition of interest and penalties within which to file a written protest or explanation with the Administrator. If no protest or explanation is filed within the prescribed time, the proposed imposition of interest and penalties shall become and be the final assessment. Upon filing a written protest or explanation, the Administrator shall determine the assessment, which may or may not be the same as the proposed assessment.
4. The city shall not impose any penalty, interest, or other similar assessment or charge against a taxpayer for the late payment or nonpayment of estimated tax liability in either of the following circumstances:
 - (a) The taxpayer is an individual who resides in the city but was not domiciled there on the first day of January of the current calendar year;
 - (b) The taxpayer has timely remitted an amount at least equal to one hundred percent (100%) of the taxpayer's tax liability for the preceding year as shown on the return filed by the taxpayer for the preceding year, provided that the return for the preceding year reflected a twelve-month period and taxpayer filed a return for the preceding year.

- D. A return check fee will be assessed in the amount of twenty-five dollars (\$25.00) or as deemed appropriate by the Tax Administrator.

E. Appeal From Assessment

Upon recommendation of the Administrator, the Board of Review may abate penalty or interest, or both, or upon an appeal from the refusal of the Administrator to recommend abatement of penalty and interest, the Board may nevertheless abate penalty or interest, or both.

ARTICLE XI

Collection of Unpaid Taxes and Refund of Overpayments

A. Unpaid Sums - a Civil Debt

1. All taxes imposed by the ordinance and not paid when due, become, together with interest and penalties thereon, a debt due the City from the taxpayer and are recoverable as are other debts by civil suit. Employers who are required, under Section 6 of the ordinance, to withhold and remit the taxes required to be withheld at the source, and who fail to withhold and/or remit, become liable to the City in a civil action to enforce the payment of the debt created by such failure.
2. No additional assessment shall be made by the Administrator after three (3) years from the time the return was due or filed, whichever is later. Provided, however, there shall be no period of limitation on such additional assessments in the case of a return that omits a substantial portion of income, or filing a false or fraudulent return to evade payment of the tax, or failure to file a return. Failure to report twenty-five percent (25%) or more of gross income shall be considered a substantial omission.
3. 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 assessment may be made by the Administrator is extended to one (1) year from the time of final determination of federal taxability.

B. Refunds and Overpayments

1. Taxes erroneously paid shall not be refunded unless a claim for refund is made within three (3) years from the date on which such payment was made, or the return was due, or three (3) months after the determination of the federal income tax liability, whichever is later.
2. No refund shall be made to any taxpayer until he has complied with all provisions of the ordinance and has furnished all information required by the Administrator.
3. Overpayment will be either refunded or credited to the taxpayer's current year's liability at his option. Where no election has been made by the taxpayer, overpayments of any year's taxes shall be applied as follows:

- a. To taxes owed for any previous years in the order in which such taxes become due.
 - b. To his current estimated tax liability.
 - c. To refund to the extent that overpayment exceeds both “a” and “b” above.
4. Refunds for days worked out of the City of Piqua are available only to non-residents, and refunds shall be computed by dividing total wages by total days worked in order to determine an average daily wage. The work year shall be considered two hundred sixty (260) days. Saturdays and Sundays shall not normally be considered workdays. Wage continuation plans of any type (including, but not limited to, vacation days, holidays, personal days, and sick days) are deemed to be days spent in the City of Piqua for purposes of a refund calculation. Additions, deletions, or other changes to the method for calculating refunds shall be at the discretion of the Administrator.

C. Limitation

Where the total amount due or refund claimed for a tax year is less than five dollars (\$5.00), such amount shall not be collected, credited, or refunded.

ARTICLE XII Violations, Penalties

A. Any person who shall:

1. Fail, neglect or refuse to make any return or declaration required by this ordinance; or
2. Make any incomplete, false or fraudulent return; or
3. Fail, neglect or refuse to pay the tax, penalties or interest imposed by this ordinance; or
4. Fail, neglect or refuse to withhold the tax from the employees or remit such withholding to the Administrator; or
5. Refuse to permit the Administrator or any duly authorized agent or employee to examine his books, records, papers and federal income tax return relating to the income or net profits of a taxpayer; or
6. Fail to appear before the Administrator and to produce his books, records, papers or federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Administrator; or

7. Refuse to disclose to the Administrator any information with respect to the income or net profits of a taxpayer; or
8. Fail to comply with the provisions of this ordinance or any order or subpoena of the Administrator authorized hereby; or
9. Give to an employer false information as to his true name, correct Social Security number and residence address, or fail to promptly notify an employer of any change in residence address and date thereof; or
10. Fail to use ordinary diligence in maintaining proper records of employees' residence addresses, total wages paid and the City of Piqua tax withheld, or to knowingly give the Administrator false information; or
11. Attempt to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this ordinance, shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars (\$500.00) or imprisoned not more than six (6) months or both, for each offense.

B. Prosecutions

Prosecutions under the ordinance must be commenced within three (3) years from the time of the offense except in the case of failure to file a return or in the case of filing a false or fraudulent return, in which event the limitation of time within which prosecution must be commenced shall be six (6) years from the date the return was due or the date the false or fraudulent return was filed.

C. Failure to Receive Forms - Not a Defense

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

ARTICLE XIII
Board of Review

A. Composition

A Board of Review, consisting of the City Manager, who shall act as Chairman, and two other individuals, each to be appointed by the Mayor of the City of Piqua, is hereby created. A majority of members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions. Any hearing by the Board may be conducted privately and the provisions of Section 9 hereof, with reference to the confidential character of information required to be

disclosed by the ordinance, shall apply to such matters as may be heard before the Board on appeal.

B. Duties

All rules and regulations and amendments or changes thereto, which are adopted by the Administrator under the authority conferred by the ordinance, must be approved by the Board of Review before the same become effective. The Board shall hear and pass on appeals from any ruling or decision of the Administrator, and, at the request of the taxpayer or Administrator, is empowered to substitute alternate methods of allocation.

C. Appeals

1. An appeal from a ruling of the Administrator by a taxpayer or employer is effected by filing a notice of appeal with the Board within thirty (30) days after the announcement of the Administrator's ruling or decision from which the appeal is taken. A copy of such notice of appeal must be filed with the Administrator.
2. A hearing shall be scheduled within forty-five (45) 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.
3. The board, by a majority vote, 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 (90) days after the Board's final hearing on the appeal, and send notice of its decision by ordinary mail to the petitioner within fifteen (15) days after issuing the decision.

ARTICLE XIV Use of Funds

The total income tax funds collected under the provisions of this ordinance shall be held by the Director of Finance in a separate fund known as the "INCOME TAX FUND" and shall be deposited in a separate account, or accounts, in such bank or banks, as he or she in his discretion may decide.

Relating to the first one percent (1%), not less than twenty-eight percent (28%) shall be used for the construction, operation and maintenance of streets, including the draining thereof. Not less than twenty-one percent (21%) shall be used for permanent improvements and operation of the Safety Department. Not less than seven percent (7%) shall be used for permanent improvements and operation of City parks. Not more than forty-four percent (44%) shall be used for General Fund purposes, other than those listed above, and for the purpose of paying the cost of collecting the tax

levied by this ordinance and the cost of administering and enforcing the provisions thereof.

The funds collected under the provisions of this ordinance relating to the additional one-half percent (.5%) levy in excess of one percent (1%) shall be used entirely for capital and operating needs of police, fire and public safety-related services.

Funds collected under the provisions of this ordinance relating to the remaining one-fourth percent (.25%) levy shall be used entirely for construction, reconstruction and resurfacing of streets and alleys, including the installation, maintenance and reconstruction of storm drainage lines, manholes and catch basins.

ARTICLE XV

Credit Allowed for Tax Paid in Another Municipality

A. Limitation

1. Where a resident of the City of Piqua is subject to a municipal tax, on or measured by income, in another municipality either located within or without the State of Ohio, he shall not pay a total municipal tax on the same income greater than the tax imposed at the higher rate.

B. Credits to Residents

Resident individuals of the City of Piqua who are required to pay and do pay, a tax to another municipality on qualifying wages, commissions or other compensation for work done or services performed in such other municipality, or on net profits from businesses, professions or other activities conducted in such other municipality, may claim a credit of the amount of tax paid by them or on their behalf to such other municipality but only to the extent of the tax imposed by the ordinance on such compensation or net profits.

- C. The City of Piqua shall grant a credit against the tax imposed by this ordinance to every taxpayer who works in a joint economic development zone created under section 715.691 or a joint economic development district created under section 715.70, 715.71, or 715.72 of the Ohio Revised Code. The credit shall not exceed the tax assessed by this ordinance on such income earned in such joint economic development zone or joint economic development district where such tax is paid.

D. Method of Applying for Credit

1. No credit will be given unless the taxpayer claims such on his final return or other form prescribed by the Administrator, and presents such evidence of the payment of a similar tax to another municipality, as the Administrator may require.

2. A statement satisfactory to the Administrator from the taxing authority of the municipality to which the taxes are paid that a City of Piqua resident or his employer is paying the tax shall be considered as fulfilling the requirement of this article.

ARTICLE XVI
Saving Clause
(Refer to Section 16 of the Ordinance)

ARTICLE XVII
Exclusions From Taxation
(Refer to Section 17 of the Ordinance)

ARTICLE XVIII
Collection of Tax After Termination of Ordinance

A. Authority to Collect After Termination of Ordinance

Although the tax imposition provisions of the ordinance remain until repealed by the electorate, the ordinance remains in full force and effect for purposes of collection and payment of taxes due and payable beyond that date, subject however, to the provisions of Sections 11 and 12 of the ordinance, with respect to the limitation of the time within which an additional assessment may be made.

B. Payment of Taxes:

Taxes due and unpaid on account of compensation paid or received and on account of profits earned in the last effective year of the ordinance or any part thereof are payable in full on or before the dates specified in Sections 5 and 6 of the ordinance and Articles 5 and 6 of these regulations, and all final returns and withholding reports must be filed on or before that date, unless extended by the Administrator.

ARTICLE XIX

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

INCOME TAX REGULATIONS
Issued under authority of Section 13-A of the ordinance No. 33-66.
Approved by Board of Review
November 3, 2008

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CALENDAR

Final Dates for Filing Returns and Paying Tax

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| January 15 | TAXPAYERS: Fourth quarterly installment of Estimated Income Tax for the preceding year (Form PQ-1). |
| January 15 | EMPLOYERS WITHHOLDING (Monthly or Quarterly): Return of Income Tax Withheld in December or the fourth quarter of the preceding year (Form PW-1). |
| January 31 | TAXPAYERS: 80 % of current year tax liability is due to avoid additional penalties and interest. |
| February 15 | EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in January (Form PW-1). |
| February 28 | EMPLOYERS: Copies of all issued 1099-Misc forms and/or Withholding Statements (Form W-2) showing total wages paid and tax withheld for each employee during the preceding year, accompanied by Reconciliation of Returns (Form PW-3). |
| March 15 | EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in February (Form PW-1). |
| April 15 | TAXPAYERS: Final Income Tax Return for the preceding year. |
| April 15 | TAXPAYERS: Declaration of Estimated Tax for the current year, accompanied by first quarterly installment payment (Form PQ-1). |
| April 15 | EMPLOYERS WITHHOLDING (Monthly or Quarterly): Return of Income Tax Withheld in March or the first quarter. |
| May 15 | EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in April (Form PW-1). |
| June 15 | TAXPAYERS: Second quarterly installment payment of Estimated Income Tax (Form PQ-1). |
| June 15 | EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in May (Form PW-1). |
| July 15 | EMPLOYERS WITHHOLDING (Monthly or Quarterly): Return of Income Tax Withheld in June or the second quarter (Form PW-1). |

- August 15 EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in July (Form PW-1).
- September 15 TAXPAYERS: Third quarterly installment payment of Estimated Income Tax (Form PQ-1).
- September 15 EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in August (Form PW-1).
- October 15 EMPLOYERS WITHHOLDING (Monthly or Quarterly): Return of Income Tax Withheld in September or the third quarter (Form PW-1).
- November 15 EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in October (Form PW-1).
- December 15 EMPLOYERS WITHHOLDING (Monthly): Return of Income Tax Withheld in November (Form PW-1).

NOTE: Fiscal year taxpayers shall file Final Tax Returns and Declaration of Estimated Tax by the 15th day of the fourth month after the close of their fiscal year. Subsequent quarterly installment payments of estimated tax are due every three months thereafter.