

CHAPTER 1705
(AS AMENDED BY ORDINANCE 9047-2003, December 16, 2003)

Imposition of Income Tax

1705.01 Rate and income taxable.

1705.02 Effective period.

1705.03 Duty to Register

CROSS REFERENCES

Power to levy income tax see CHTR. §17.05(j)

Definitions see TAX. Ch. 1703

1705.01 RATE AND INCOME TAXABLE.

Subject to the provisions of Section 1727.01, an annual tax for the purposes specified in Section 1701.01 shall be imposed on and after January 1, 1991, at the rate of two percent (2%) per annum upon the following:

(a) On all salaries, wages, commissions, and other compensation earned and received, earned and accrued, or earned and deferred, and on other income not otherwise defined as intangible income or excluded by ORC 718.01, on and after January 1, 1991, by residents of the City. All such earnings wherever earned shall be taxable, except that tax shall not be levied on expenses reported in accordance with federal guidelines for Federal Form 2106, subject to audit and approval by the Department of Taxation.

(b) On all salaries, wages, commissions, compensation, prizes and awards, and other taxable income, earned and received, earned and accrued or earned and deferred on and after January 1, 1991, by nonresidents of the City for work done or services performed or rendered within the City pursuant to Rules established in Sections 1723.03 and 1725.01.

All such earnings shall be taxable, except that tax shall not be levied on expenses reported in accordance with federal guidelines for Federal Form 2106, subject to audit and approval by the Department of Taxation.

(c) (1) On the portion attributable to the City on the net profits earned on and after January 1, 1991, of all resident unincorporated businesses, pass-through entities or professions or other activities, derived from sales made, work done, services performed or rendered and business or other activities conducted in the City.

(2) On the portion of the distributive share of the net profits earned on and after January 1, 1991, of a resident partner or owner of a resident unincorporated business, pass-through entity, profession or other activity not attributable to the City and not levied against such unincorporated business entity by the City.

(d) (1) On the portion attributable to the City of the net profits earned on or after January 1, 1991, of all nonresident unincorporated businesses, pass-through entities, professions or other activities, derived from sales made, work done, services performed or rendered

and business and other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City.

(2) On the portion of the distributive share of the net profits earned on and after January 1, 1991, of a resident partner or owner of a nonresident unincorporated business entity not attributable to the City and not levied against such unincorporated business entity by the City.

(e) On the portion attributable to the City of the net profits earned on and after January 1, 1991, of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City, whether or not such corporations have an office or place of business in the City.

(f) An S corporations shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self employment as defined in section 1402(a) of the Internal Revenue code shall not be taxed to a greater extent than such distributive share would be allocated or apportioned to the State of Ohio under division (B)(1) and (2) of the Ohio Revised Code if the corporation were a corporation subject to the taxes imposed under Chapter 5733 of the Ohio Revised Code.

(g) Rental income equal to or in excess of \$125.00 per month shall be considered prima facie evidence of a business or profession.

1. In the case of non residents, net profits from rental activity not consisting of a business or profession shall be subject to tax only on such property located within the city of Brook Park. Except as otherwise provided in ORC 718.01, residents of Brook Park may be taxed to the extent allowed by the United States Constitution.

(h) In the case of a disqualifying disposition of an incentive stock option occurring as a result of employment in the city of Brook Park, the employee is responsible for paying the municipal income tax to the city of Brook Park even though no longer employed with the company issuing the option.

1705.02 EFFECTIVE PERIOD.

Such tax shall be levied, collected and paid with respect to the salaries, wages, commissions, compensation, and other taxable income; earned and received, earned and accrued or earned and deferred and with respect to the net profits of businesses, pass through entities, professions or other activities on and after January 1, 1991.

1705.03 DUTY TO REGISTER

Within 30 days of occupancy or commencing business, whichever is later, each resident and each association, business, corporation, etc., whether resident in the City of Brook Park or nonresident business entities shall register with the Director of the Department of Taxation on such form as prescribed by the Director. The Director will then issue a tax identification number for the City of Brook Park. It shall be the taxpayer's responsibility to update such registration in the event of any fundamental change.

Failure to comply with this subsection shall subject the offender to penalties as prescribed in Section 1715.04.