

Municipal Income Tax

History of Major Changes

1946 Toledo enacts first municipal income tax.

1957 General Assembly enacts Uniform Municipal Income Tax Law establishing broad regulations

1987 General Assembly prohibits municipalities from taxing income from intangibles, unless voters in municipalities that already tax such income approve continuing to do beyond the 1988 tax year. Residents in two municipalities – Wyoming and Indian Hill – vote to continue to tax intangible income.

1992 Municipalities are given the authority to grant job creation credits.

1993 Legislature allows municipal income tax revenue to be shared with a school district.

1997 Municipalities are permitted to exempt stock options from taxation.

1999 Beginning in 2001, a nonresident working 12 or fewer days in a municipality is not subject to its municipal income tax, except for professional athletes, entertainers, or their promoters. Also, beginning in 2003, a municipality that taxes pass-through entities is required to grant resident taxpayers a credit for taxes paid by a pass-through entity to another municipality if the pass-through entity does not conduct business in the municipality where the taxpayer resides.

2000 General Assembly prohibits new joint municipal/ school district taxes.