

**RULES & REGULATIONS
 APPROVED BY THE BOARD OF APPEALS
 AND ADOPTED UNDER THE AUTHORITY OF
 ORDINANCE NO. 93-2000**

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TAX ORDINANCE RULES & REGULATIONS

ARTICLE I

Section 1 of the Ordinance deals only with the purposes for which the tax collected will be used.

ARTICLE II

DEFINITIONS

As used in these Rules and Regulations, 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.

ASSOCIATION means a partnership, cooperative, limited partnership, or any other form of unincorporated enterprise owned by two or more persons.

BOARD OF APPEALS means the Board of Appeals provided by Section 15 of the Ordinance.

BUSINESS means 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, whether real, personal or both. The ordinary administration of a decedents estate by the executor or administrator, and the mere custody, supervision and management of trust property under passive trust, whether intervivos or testamentary, unaccompanied by the actual operation of business as herein defined shall not be construed as the operation of a business.

BUSINESS ALLOCATION means the portion of net profits to be allocated to the City of Norwood as having been made in the City of Norwood, either under separate accounting method, or under the three factor formula of property, payroll, and sales, provided for in Section 3 of the Ordinance.

CAPITAL GAINS means the net profit from the sale of any real or personal property if (a) such property has been owned by the taxpayer for more than one year; and (b) the taxpayer is not regularly engaged in the business of selling such kind or character of property.

CITY OR MUNICIPALITY OR NORWOOD means the City of Norwood

COMMISSIONER OR TAX COMMISSIONER means the individual appointed to administer this Municipality's Income Tax Ordinance and to direct the operation of the City of Norwood Tax Office.

CORPORATION means 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.

DOMICILE means a principal residence that the taxpayer intends to use for an indefinite time and to which whenever he is absent he intends to return. A taxpayer has only one domicile even though he may have more than one residence.

EMPLOYEE means one who works for wages, salary, commission or other types of compensation in the service of any employer. Any person upon whom an employer is required to withhold for either federal income or social security or on whose account payments are made under the Ohio Workman's Compensation law shall prima facie be an employee.

EMPLOYER means an individual, partnership, association, corporation, governmental agency, board, body, bureau, department, sub-division, or unit or any other entity, whether or not organized for profit, who or that employs one or more persons on a salary, wage, commission or other compensation basis whether or not such employer is engaged in business. It does not include a person who employs only domestic help for such person's private residence.

FISCAL YEAR means an accounting period of twelve (12) months or less, ending on any day other than December 31st. Only fiscal years accepted by the Internal Revenue Service for federal income tax purposes may be used for this municipality's tax purposes.

FLOATER means an employee who does not work at a place of business of his employer and who regularly works in two or more taxing municipalities during a year.

FORM 2106 means an Internal Revenue Service Form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

GENERIC FORM means an electronic or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability that is not prescribed by a particular municipal corporation for the reporting of that municipal corporation's tax on income.

GROSS RECEIPTS means total income from any source whatsoever.

INTANGIBLE INCOME means an income of any of the following types: income yield, interest, 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.

NET PROFITS means a net gain from all operations of a business, profession, enterprise or other activity after provision for all ordinary, reasonable and necessary expenses, authorized by this ordinance, 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, exclusive of the amount of Ohio franchise taxes computed on the net worth basis; and in the case of an association, without deduction of salaries paid to partners, and other owners; and otherwise adjusted to the requirements of this ordinance and its rules and regulations.

NON-RESIDENT means any person who is not a resident as herein defined.

The **ORDINANCE** means Ordinance No. 93-2000 enacted by the Council of the City of Norwood and any amendments and supplements thereto. Prior to January 1, 2001 the Ordinance means Ordinance No. 49-1984. Prior to January 1, 1985 the Ordinance means Ordinance No. 57-1980 and all other tax ordinances prior to Ordinance 57-1980.

OTHER PAYER means any person that pays an individual any item included in the taxable income of the individual, other than the individual's employer or that employer's agent.

PERSONS means every natural person, partnership, fiduciary, association, corporation, or other entity. Whenever used in a clause prescribing or imposing a penalty, the term **PERSON** as applied to any association shall mean the partners or members thereof, and as applied to a corporation the officers thereof, in the case of any unincorporated entity or corporation not having any partner, member or officer within the City of Norwood, any employee or agent of such unincorporated entity or corporation who can be found within the corporate limits of the City of Norwood.

PLACE OF BUSINESS means any **BONA FIDE** office (other than a mere statutory office), factory, warehouse, or other space which is occupied and used by the taxpayer in carrying on any business activity individually or through one or more of his regular employees.

PRINCIPAL PLACE OF BUSINESS: In the case of an employer having its headquarters activities at a place of business within a taxing municipality, the term shall mean the place of business at which the headquarters is situated. In the case of an employer not having its headquarters activities at a place of business within a taxing municipality, the term shall mean the largest place of business located in a taxing municipality.

RESIDENT means an individual or person, association, corporation or other entity domiciled or having a place of business in the City of Norwood.

RETURN PREPARER means any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report, or other document for or on behalf of the taxpayer.

TAXABLE INCOME means wages, salaries and other compensation paid by an employer or employers before deductions of any kind, 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 and these regulations.

SCHEDULE C means an Internal Revenue Service Schedule C filed by a taxpayer pursuant to the Internal Revenue Code.

S CORPORATION means an entity designated as a Subchapter S Corporation under the Internal Revenue Code, treated as a corporation for purposes of the Municipal tax.

TAXABLE YEAR means the calendar year, or the fiscal year, used as the basis on which 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 means a municipality levying a tax on income earned by non-residents working within such municipality and on income earned by its residents.

TAXPAYER means a person, whether an individual, partnership, association, corporation or other entity required by the ordinance to file a return and/or to pay a tax.

In all definitions and these regulations the singular shall include the plural and the masculine shall include the feminine and neuter.

ARTICLE III

IMPOSITION OF TAX

A. Basis of Imposition.

1. Residents:

- a. In the case of residents of Norwood an annual tax of two percent (2%) is imposed on all salaries, wages, commissions, and other compensation earned 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 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 Salaries, wages, bonuses and incentive payments earned 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 F herein.

.05 An employee of any other entity or person, and 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, sub-division, section or unit, or any other entity.

.2 Commissions earned by an individual whether directly or through an agent and whether in cash or in property for 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 amounts received as a drawing account.

.02 Amounts received from an employer for expense, and not as compensation, 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 income tax return.

.03 If commissions are included in the net earnings of the trade, business, profession, or enterprise or activity regularly carried on by an unincorporated entity of which the individual receiving 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 the ordinance.

.4 Other compensation, including tips, bonuses or gifts of any type, and including compensation paid to domestic servants, casual employees and other types of employees.

.5 Payments made to employees by an employer as vacation pay or wages, sick leave/pay or disability pay, whether employer paid or through a third party and supplemental unemployment benefits are taxable. Payments made to an employee by an employer under a wage continuation plan during periods of disability, sickness, or other absence from work are taxable.

.6 Contributions by an employee from gross wages, into employer or third party trusts, pension plans, retirement or annuity plan are taxable and not excludable from gross wages subject to the City of Norwood tax, even though such may be treated as a tax free deferral for Federal Income Tax purposes (401K Plans and the like).

.7 Losses from the operation of a business or profession are not deductible from employee earnings but may be carried forward as provided in Article III C.

.8 Other compensation in addition to taxable income noted above shall include, but not be limited to:

.01 Separation and severance pay.

.02 Employer paid premiums for group term life insurance to the extent taxable for Federal Income Tax purposes.

.03 Amounts deferred for Federal Income Tax purposes by an employee or for an employee, such deferrals being taxable at the time of payment, whether payment is made to the employee or to a third party.

.04 Incentive payments, no matter how described, including, but not limited to payments to induce early retirement.

.05 Employee contributions made to retirement plans whether or not picked up by the employer.

.06 Fellowships, scholarships, stipends and grants, to the extent that they are taxable for Federal Income Tax purposes.

.07 The ordinary income portion of a stock option or employee stock purchase plan to the extent it is taxable on the taxpayers Federal Income Tax return.

.08 The value of employer sponsored plans which permit the participant to reduce taxable income for federal tax purposes. Such a reduction does not cause the gross wage or salary to lose its character as a gross wage on salary subject to tax and the provisions of Section 6 of the Ordinance (cafeteria plans and the like).

.09 Income from a guaranteed annual contract.

.10 Lump sum distribution from a qualified pension and profit sharing trusts not made pursuant to employees retirement to the extent that they are taxable for Federal Income Tax purposes, as amended.

.11 IRA contributions.

.12 Simplified employee pension plans (SEPP).

.13 Income from a guaranteed annual wage contract.

.14 Value of the personal use of a company car as reported on Federal W-2 form.

.15 Supplemental Executive Retirement Plans (SERP).

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.

.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 Housing for clergy shall not be considered as wages or compensation paid.

2. Non-Residents:

a. In the case of individuals who are not residents of Norwood, there is imposed under Section 3, paragraph A-2 of the ordinance, a tax of 2% on all salaries, wages, commissions, and other compensation earned during the effective period of the ordinance for work done or services performed or rendered within Norwood whether such compensation or remuneration is received or earned directly or through an agent and whether paid in cash or in property. The location of the place for which payment is made is immaterial.

b. 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-1. For the methods of computing the extent of such work or services performed within Norwood, in cases involving compensation for personal services partly within and partly without this City, see Article VI-A-6.

3. a. Imposition of Tax on Net Profits of 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 Norwood, there is imposed an annual tax of 2% on the net profits attributable to this municipality, under the formula or separate accounting method provided for in Section 3 of the ordinance and Article III-B of these rules and regulations, derived from sales made, work done or services

performed or rendered and business or other activities conducted in this municipality.

.2 The tax imposed on resident associations or other unincorporated entities owned by two or more persons is upon the entities rather than the individual members or owners thereof but the tax imposed on an unincorporated resident entity owned by one person is upon the individual owner. (For tax on that part of a resident owner's distributive share of net profits not taxed against the entity, see Article III-A. 3b).

.3 The tax imposed by Section 3, paragraph A-3a of the ordinance is imposed on all resident unincorporated entities having net profits attributable to Norwood under the method of allocation provided for in the ordinance and these rules and regulations regardless of where the owner or owners of such resident unincorporated business entity reside.

.4 Resident unincorporated entities owned by two or more persons all of whom are residents of Norwood shall disregard the method of allocation provided for in the ordinance and pay the tax on their entire net profits thereof. 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 such net profits; however, an additional return shall be required from any such owner or member having taxable income other than the distributive share of the net profits from the entity. See Article XV for credits.

b. Imposition of Tax on Resident's Distributive Share of Profits of a Resident Unincorporated Business Entity, Not Attributable to Norwood.

.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 2% on such individual's distributive share of net profits not attributable to this municipality, under the method of allocation provided for in Section 3 of the ordinance and Article III-B of these rules and regulations, and not taxed against the entity by this municipality.

4. a. Imposition of Tax on Net Profits of Non-Resident Unincorporated Businesses:

.1 In the case of non-resident unincorporated businesses, associations, professions, enterprises, undertakings, or other activities conducted, operated, engaged in, prosecuted or carried on, there is imposed an annual tax of 2% on the net profits earned, accrued or received during the effective period of the ordinance attributable to Norwood, under the formula or separate accounting

method provided for in the ordinance and these rules and regulations.

.2 The tax imposed on non-resident associations or other 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 resident owner's distributive share of net profits not taxed against the entity by this municipality, see Article III-A-4b).

.3 Non-resident unincorporated entities owned by two or more persons all of whom are residents of Norwood may elect to disregard the method of allocation provided for in the ordinance and these rules and regulations 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, see Article XVII for credits.

b. Imposition of Tax on Resident's Share of Profits of a Non-Resident Unincorporated Business Entity Not Attributable to Norwood. See Article XVII for Credits.

.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 2% on such individual's distributive share of net profits not attributable to Norwood under the method of allocation provided for in Section 3 of the ordinance or Article III-B of these rules and regulations and not taxed against the entity by this municipality.

5. 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 Norwood, there is imposed an annual tax of 2% on the net profits attributable to this municipality under the formula or separate accounting method provided for in the ordinance and these rules and regulations.

b. In determining whether a corporation is conducting a business or other activity in Norwood, 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.

6. 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 expense to arrive at the net profit subject to tax.

c. Expenses.

.1 All ordinary and necessary expenses of doing business, including reasonable compensation paid employees, shall be allowed but no deduction may be claimed for salary or 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 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 Commissioner (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, state, local or other taxes based upon income; (3) gift, 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 the return with the taxpayer's federal income tax return, expenses attributable to this non-taxable income shall not be allowed. In the absence of records showing the actual expenses attributable to such non-taxable income, such amount shall be deemed to equal 5% of such non-taxable income. However, where interest income is equal to or greater than 25% of net income, and interest expenses are claimed, the expenses attributable to non-taxable income shall be 50% of the interest income or 5% of the total non-taxable income reported, whichever is greater.

.08 An Employee who is paid on a commission or other compensation basis and who pays his business expense from his commissions or other compensation, without reimbursement from his Employer, may deduct from his gross commissions or other compensations, business expenses allowed by the Internal Revenue Service for Federal income tax purposes but only to the extent said expenses are incurred in earnings commissions or other compensations subject to the tax imposed by the ordinance.

.09 Funds allocated by an employer to employees retirement fund are not taxable to the employee if the employee has no vested right in the money so allocated.

.10 Expenses incurred while attending educational courses may not be deducted from wages.

.11 In general, all business expense recognized and to the extent allowed as such for the purpose of determining Federal income tax will be recognized and allowed for determining Norwood Income Tax under the provisions of the Income Tax Ordinance. However, contributions are not considered as an ordinary and necessary expense of doing business and disallowed as an expense.

.12 Neither IRA nor the personal contributions to HR-10 plan are deductible.

.13 The ordinary income portion of a stock option or employer purchase plan is subject to tax as a salary, wage, commission or other compensations to the extent that it is includible on the taxpayers Federal tax return.

7. Rentals from Real Property:

- a. Rental or real estate is ordinarily a business activity and the income from such rentals is taxable, provided, however, that where a taxpayer's entire rental activity produces gross rentals of \$250 per month or less, it will be prima facie evidence that such rental activity is not a business activity. In determining the amount of gross monthly rental of any real property, periods during which (by reason of vacancy or any other cause) rentals are not received shall not be taken into consideration. (If gross rentals exceed \$250 per month, the entire net income from rentals is taxable.)
- b. In the case of commercial property, the owner shall be considered engaged in a business activity when the rental is based on a fixed or fluctuating percentage of gross or net sales, receipts or profits of the lessee, whether or not such rental exceeds \$250 per month.

- c. In the case of farm property, the owner shall be considered engaged in a business activity when he shares in the crops or when the rental is based on a percentage of the gross or net receipts derived from the farm, whether or not the gross income exceeds \$250 per month.
 - d. Rentals received by a taxpayer engaged in the business of buying and selling real estate shall be considered as part of business income.
 - e. 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.
 - f. 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.
 - g. Residents of Norwood are subject to taxation upon the net income from rentals (to the extent above specified), regardless of the location of the real property owned.
 - h. Non-residents of Norwood are subject to such taxation only if the real property is situated within the municipality. Non-residents, in determining whether gross monthly rentals exceed two hundred fifty dollars (\$250.00), shall take into consideration only real estate situated within Norwood.
8. Patents, Copyrights and Royalties:
- a. Income from patents and 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. Income in the form of royalties is taxable if taxpayer's activities produced the publication or other product, the sale of which produces the royalties.

B. Allocation of Business Profit.

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

Separate Accounting Method:

- a. The net profits allocable to Norwood from business, professional or other activities conducted in this municipality by corporations or unincorporated entities (whether resident or non-resident) may be determined from the

records of the taxpayer if 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 this municipality.

- 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 Commissioner to determine whether the net profit attributable to Norwood are apportioned with reasonable accuracy.
- c. In determining the income allocable to Norwood from the books and records of a taxpayer an adjustment may be made for the contribution made to the production of such income by headquarters activities of the taxpayer, whether such headquarters is within or without this municipality.
- d. Notwithstanding any other provisions of these articles the Commissioner may require the taxpayer to file on basis of income and expenses of this municipality alone.

2. Business Allocation Percentage Method:

- a. STEP 1: Ascertain the percentage which the average net book value of real and tangible personal property, including leasehold improvements, owned or used in the business and situated within Norwood is of the average net book value 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 Norwood is determined by dividing the average net book value of such property within this municipality (without deduction of any incumbrances) by the average net book value of all such property within and without this municipality. 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 net book value of real and tangible personal property rented by 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 Norwood is of the total gross receipts wherever derived during the period covered by the return.

1 The following sales shall be considered this municipality's sales:

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

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

.03 All sales of tangible personal property delivered to purchasers within this municipality even though transported from a point outside this municipality if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within this municipality 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 other place of storage within this municipality to purchasers outside this municipality if the taxpayer is not, through its own employees regularly engaged in the solicitation or promotion of sales at the places of delivery.

.05 Charges for work done or services performed incidental 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 Norwood by mail or phone from an office, or place of

business within this municipality shall not be considered a solicitation of sales outside Norwood.

c. STEP 3: Ascertain the percentage which the total wages, salaries, commissions and other compensation of employees within Norwood is of the total wages, salaries, commissions and other compensation of all the taxpayer's employees within and without Norwood 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 Wages, salaries, 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 Norwood 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 this municipality.

.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 this municipality 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 this municipality is of his total working time.

.04 Provided, however, all employees regularly connected with or working out of a place of business maintained by the taxpayer in this municipality who perform 75% or more of their services within this municipality be considered employees within this municipality. All employees regularly connected with or working out of a place of business maintained by the taxpayer outside this municipality who perform 25% or less of their services within the municipality shall be considered employees outside this municipality. (The provisions of this sub-paragraph are not applicable in determining the tax liability of a non-resident who works in and outside this municipality.)

- d. STEP 4: Add the percentages 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 in or outside Norwood. 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 where ever derived to determine the net profits allocable to Norwood.

3. Substitute Method:

- a. In the event a just and equitable result cannot be obtained under the formula, the Board of Tax Appeals, upon application of the taxpayer or the Commissioner, 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 of Tax Appeals to substitute other factors in the formula or to use a different method to allocate net profits must be made in writing and shall state the specific grounds on which the substitution of factors or use of 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 Commissioner as the case may be. No specific form need 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 Tax Appeals.

4. Professional and Personal Service

In the case of professional people and others furnishing personal services, if their only place of business is within Norwood all their net profits shall prima facie be attributable to this municipality.

C. Operating Loss Carry Forward.

The portion of a net operating loss, based on income taxable under the ordinance, sustained in any taxable year subsequent to January 1, 1966 allocable to Norwood may be applied against the portion of the profit of succeeding year(s) allocable to this municipality, until exhausted but in no event for more than three (3) taxable years immediately following the year in which the loss was sustained. No portion of a net operating loss shall be carried back against net profits of any prior year.

2. In the event net profits are allocated both within and without Norwood, the portion of a net operating loss sustained shall be allocated to this municipality in the same manner as provided herein for allocating net profits to this municipality. The portion of a net operating loss to be carried forward shall be determined in the year the net operating loss is sustained, on the basis of the allocation factors applicable to that year. The same method of accounting and allocation must be used in the year to which an operating loss is carried as was used in the year in which an operating loss was sustained.
3. A short fiscal year (a fiscal year of less than twelve (12) months) brought about by a change in accounting period, a new taxpayer selecting a short fiscal year, or a new taxpayer operating in Norwood for less than his full accounting period, shall be considered as full taxable fiscal year for purposes of loss carry-forward.
4. In any return in which a net operating loss deduction is claimed, a schedule should be attached showing:
 - a. Year in which net operating loss was sustained.
 - b. Method of accounting and allocation used to determine portion of net operating loss allocable to Norwood.
 - c. Amount of net operating loss used as a deduction in prior years.
 - d. Amount of net operating loss claimed as a deduction in current year.
 - e. A copy of the Federal Income Tax return for the year in which the net operating loss was sustained.
5. The net operating loss of a taxpayer which loses its identity through merger, consolidation, etc., shall not be allowed as a carry-forward loss deduction to the surviving or new taxpayer.
6. In the case of a net operating loss in the filing of consolidated returns, see Article III, paragraph D.

D. Consolidated Returns

1. Consolidated returns may be filed by a group of corporations who are affiliated through stock ownership providing they clearly show the income and expenses attributable to this municipality alone. For a subsidiary corporation to be included in a consolidated return 80% of its stock must be owned by the other members of the affiliated group. A consolidated return must include all companies which are so affiliated.

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 Commissioner to file separate returns.
- b. A new corporation other than a corporation created or organized by a member of a group has become a member of the group during the taxable year.
- 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.

E. Capital Gains.

Gains from disposition of capital assets are not subject to the tax, nor are losses from dispositions of such assets an allowable deduction. In general, such gains and losses are eliminated from taxable net profits on the Norwood return Schedule X (Reconciliation With Federal Income Tax Return) to the same extent used in computing net profits for federal tax purposes and as distinguished from gains and losses from the sale or exchange of trade or business assets.

F. Exceptions.

The following shall not be considered taxable:

Military pay and allowance received as a member of the armed forces of the United States.

2. Poor relief, unemployment insurance benefits, old age pensions or similar payments including disability benefits received from local, state, or federal governments or charitable, religious or educational organizations.
3. Proceeds of insurance paid by reason of death of the insured; workman's compensation, social security benefits, pensions, annuities or gratuities not in the nature of compensation for services rendered.
4. Receipts from seasonal or casual entertainment, amusements, sports events, and health and welfare activities which are conducted by bona fide charitable, religious or educational organizations and associations.
5. Alimony received.
6. Personal earnings of any natural person under 16 years of age.

7. Compensation for personal injuries or for damages to property by way of insurance or otherwise, but not including damages for loss of profits.
8. Income from intangibles by way of dividends, interest and the like, if such income is the kind that was subject to taxation under the intangible personal property laws of the State of Ohio, when in effect, or was specifically exempt from municipal taxation under said law.
9. Salaries, wages, commissions and other compensation and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce.
10. Dues, contributions and similar payments received by charitable, religious, educational organizations or labor unions, trade associations, lodges or similar organizations.
11. 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 imposed by this ordinance, but only to the extent enumerated in said Section or in this ordinance.
12. 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 under this ordinance and in accordance with this ordinance on all business activities of a type ordinarily conducted for profit by taxpayers operating for profit.
13. If exempt for federal income tax purposes, fellowship and scholarship grants are also exempt for the city tax.
14. Compensation paid under section 3501.28 or 3501.36 of the Ohio Revised Code to a person serving as a precinct official, to the extent that such compensation does not exceed one thousand (\$1,000) annually. Such compensation in excess of one thousand dollars may be subjected to taxation. The payer of such compensation is not required to withhold City tax from that compensation.
15. Compensation paid to an employee of a transit authority, regional transit authority, or regional transit commission created under Chapter 306 of the Ohio Revised Code for operating a transit bus or other motor vehicle for the authority or commission in or through the City, unless the bus or vehicle is operated on a regularly scheduled route, the operator is subject to such a tax by reason of residence or domicile in the City, or the headquarters of the authority or commission is located within the City.

16. 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 starting January 1, 2002, the income of an electric company or combined company, as defined in section 5727.01 of the Ohio Revised Code, may be taxed by a municipal corporation subject to Chapter 5745 of the Ohio Revised Code.
17. The City of Norwood shall not tax the compensation of an individual if all of the following apply:
 - a. the individual does not reside in the City of Norwood
 - b. the compensation is paid for personal services performed by the individual in the City of Norwood on twelve or fewer days during the calendar year.
 - c. In the case of an individual who is an employee, the principal place of business of the individual's employer is located outside the City of Norwood and the individual pays tax on compensation described in letter (B) of this section to the City, if any in which the employer's principal place of business is located, and no portion of that tax is refunded to the individual.
 - d. The individual is not a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such a promoter, all as may be reasonably defined by the City of Norwood.

For purposes of the 12-day calculation, "Day" means any part of a 24-hour calendar day where compensation is earned in the City of Norwood.

18. Generally the above noted items in this section are the only forms of income not subject to the tax. Any other income, benefits, or other forms of compensation would be assumed taxable.

ARTICLE IV

EFFECTIVE PERIOD OF TAX

The tax imposed by the ordinance is levied, collected and paid with respect to all income and net profits, subject to the tax earned on and after January 1, 2001.

ARTICLE V

RETURN AND PAYMENT OF THE TAX

A Date and Requirement For Filing

- On or before April 30th of the year following the effective date of the ordinance and each year thereafter, every person subject to the provisions of Section 3, paragraph A-1 to A-5, inclusive, of the ordinance shall, except as hereinafter provided, make and file with the Commissioner a return on a form prescribed by and obtainable upon request from the Commissioner or generic form as provided for in the ordinance, whether or not a tax be due.
2. If the return is made for a fiscal year or any period less than a year, said return shall be made within four (4) months 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 salaries, 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 Commissioner may require.
 4. Where an employee's entire earnings for the tax period are paid by an employer or employers, and the two percent (2%) tax thereon has in each instance been withheld and deducted by the employer or employers from the gross amount of the entire earnings of such employee-taxpayer, and where the employer of such employee has filed a report of return in which such employee's entire and only earnings are reported to the Commissioner, and where such employee has no taxable income other than such earnings and the tax so withheld has been paid to the Commissioner, the Commissioner is hereby authorized to accept such report or returns provided by the employer, unless otherwise specified, as the return required of any such employee.
 5. An employee who is permitted to deduct business expenses from gross wages, salaries, or commissions must file a return in order to claim such deductions even though all or part of such wages, salaries, commissions are subject to withholding.
 6. Any taxpayer who received taxable income not subject to withholding under the ordinance must file a return.
 7. Any taxpayer having income, wages, or other compensation for which a return must be filed, and also having net profits from a business, is required to file only one return.
 8. Trustees of active trusts are required to file returns and pay the tax on the taxable income thereof.
 9. Except as provided for herein, the tax is on the partnership or association as an entity whether resident or non-resident and a return is required disclosing the net

profits allocable to Norwood and the tax paid thereon. However, any resident partner or resident member of the unincorporated entity is required to make a return and pay the tax in accordance with Article III-A-3b-.2 of these regulations.

10. A husband and wife may file a joint return either when engaged in the same or separate businesses, but may not deduct business losses of either from compensation paid by an employer.
11. Executors and administrators are liable for the payment of any taxes due by a deceased from an estate of said deceased.

B. Information Required and Reconciliation With Federal Returns.

1. In returns filed hereunder, there shall be set forth the aggregate amount of salaries, 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 Commissioner 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 Norwood tax and unallowable expenses shall be eliminated in determining net income subject to Norwood tax. The fact that any taxpayer is not required to file a federal tax return does not relieve him from filing a Norwood 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 Norwood, a report of such change shall be filed by the taxpayer within three months after receipt of the final notice from the Federal Internal Revenue Service or final Court decision.
4. If a change in federal income tax liability results in a deduction of taxes owed and paid to Norwood a claim for refund shall be filed with the Commissioner as prescribed in Section 12 of the ordinance and Article XII B of these regulations.
5. No return shall be considered to have been submitted unless it clearly sets forth the income and expenses attributable to this municipality alone.

C. Extensions.

1. The Tax Commissioner shall have the authority to extend the time for filing of the annual return upon request of the taxpayer for a period of not to exceed six (6) months. The Tax Commissioner may require a tentative return, accompanied by payment of the amount of tax shown to be due thereon by the date the return is normally due.

- a. Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a City of Norwood tax return. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal filing extension with the Tax Commissioner.
- b. Any taxpayer not required to file a federal income tax return may request an extension for filing a City of Norwood tax return in writing.
- c. The request for extension shall be filed not later than the last day for filing the City of Norwood tax return as prescribed by ordinance or rule of this municipal corporation.
- d. If granted, a valid extension request extends the due date for filing a return six (6) months from the original due date of such return.
- e. The City of Norwood may deny a taxpayer's request for extension if the taxpayer:
 - .1 fails to timely file the request;
 - .2 fails to file a copy of the federal extension request (if applicable);
 - .3 owes City of Norwood any delinquent income tax or any penalty, interest, assessment or other charge for the late payment or nonpayment of income tax;
 - .4 has failed to file any required income tax return, report, or other related document for a prior tax period.
2. The granting of an extension for filing a City of Norwood income tax return does not extend the last date of payment of the tax; hence, penalty and interest may apply to any unpaid tax during the period of extension at the rate set out by Article XI. No penalty shall be assessed in those cases in which the return is filed and the final tax paid within the extension period provided all other filing and payment requirements have been fulfilled; however, if, upon further examination it then becomes evident that declaration filing and payment requirements have not been fulfilled, penalty and interest may be assessed in full and in the same manner as though no extension had been granted.

D. Payment With Return

The taxpayer making a return shall, at the time of filing thereof, pay to the Commissioner 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, county or Joint Economic Development District, credit for the amount so paid in accordance with Article XVII 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 Norwood 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 one dollar (\$1.00) shall be collected or refunded.

E. Amended Returns.

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 Section 12 and 13 of the Ordinance. Such amended return shall be on a form obtainable on request from the Commissioner or on a generic form provided for in Section 5-C of the ordinance. 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 (Norwood) tax liability, such taxpayer shall make and file an amended (Norwood) return showing income subject to this municipality's 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 It is the duty of each Employer who employs one or more persons whether as an Employee, officer, director or otherwise, on a salary, wage or other personal service compensation basis, to deduct each time any such gross compensation is paid to an Employee the tax of two percent (2%) of such salary, wage, bonus, incentive payment, commission or other compensation due by said employer to said employee. The tax shall be deducted by the employer from:
 - a. The gross amount of all salaries, wages, bonuses, incentive payments, fees, commissions, supplemental benefit payments or other forms of compensation paid to residents of Norwood, regardless of the place where services are rendered; and

- b. All compensation paid non-residents for services rendered, work performed or other activities engaged in within Norwood.
2. All employers within or doing business within Norwood 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 Norwood, were performed outside this municipality.
3. Employers who do not maintain a permanent office or place of business in Norwood, but who are subject to tax on net profits attributable to Norwood, under the method of allocation provided for in the ordinance, are considered to be employers within this municipality and subject to the requirement 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 Commissioner, the employee is not liable for the tax so withheld.
5. Commissions and fees paid to professional men, 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, except as provided herein, file a declaration and return and pay the tax pursuant to the provisions of the ordinance and Article V and VII of the regulations.
6. Where a non-resident received compensation for personal services rendered or performed partly within and partly without Norwood, the withholding employer shall deduct, withhold and remit the tax on that portion of the compensation which is earned within Norwood in accordance with the following rules of apportionment:
 - a. If the non-resident is a salesman, agent or other employee whose compensation depends directly on the volume of business 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 Norwood bears to the total volume of business transacted by him within and outside Norwood.
 - b. The deducting and withholding of personal service compensation of other non-resident employees, including officers of a corporation, shall attach to the proportion of the personal service compensation of such employee which the total number of his working hours within this municipality 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 to allocation of pay for time worked within Norwood on a seven-day per week basis. The percentage of time worked in this municipality will be computed on the basis of a forty-hour week unless the employer notifies the Commissioner that a greater or lesser number of hours per week is worked.
- .1 The determination of tax liability of non-residents working in and out of the corporation limits is to be computed on the formula of the total number of days worked in the municipality divided by the total number of days worked during the year and the resulting percentage applied to the total annual income from wages including sick leave, holiday and vacation pay. Where no record can be or is substantiated of the number of days worked, the figure 260 is to be used as the total number of days worked.
7. An employer shall withhold the tax on the full amount of any advances made to an employee on account of commissions.
8. 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, including commissions, and are not deducted as a business expense by the employee under Article III of these regulations.
9. An employer whose records show that an employee is a non-resident of Norwood 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 this municipality by such employee, provided, however, that such employer must withhold the tax on all personal service compensation paid such employee after the Commissioner notifies said employer in writing that such employee is a resident of Norwood. All employees are required to notify the employer of any change of residence and the date thereof.
10. An employer shall not be required to withhold the Norwood tax from the wages and other compensation earned by a resident of the city for work done or services performed in another municipality which imposes a tax upon such wages and other compensation of such Norwood resident equal to or greater than the rate of tax imposed by this municipality if such employer withholds the tax on such resident's wages or other compensation for such other municipality. But where the rate of tax imposed by such other municipality is lesser than that of Norwood, the employer shall withhold tax from wages and other compensation of Norwood residents at the rate of tax imposed by this municipality and remit same to the City of Norwood after deducting such portion due such other municipality.

11. No person shall be required to withhold the tax on the wages or other compensation paid domestic servants employed exclusively in or about such person's residence, but such employee shall be subject to all of the requirements of the ordinance.
12.
 - a. a non-resident employer, agent of such an employer, or other payer that is not situated in the City of Norwood shall not be required to deduct and withhold taxes from the taxable income of an individual unless the total amount of tax required to be deducted and withheld for the City of Norwood on account of all of the employer's employees or all of the other payer's payees exceeds one hundred fifty dollars (\$150) for a calendar year.
 - b. If the total amount of tax required to be deducted and withheld on account of all of the nonresident employer's employees or all of the other payer's payees exceeds one hundred fifty dollars (\$150.) for a calendar year, the employer, agent of such an employer or other payer must deduct and withhold taxes in each ensuing year even if the amount required to be deducted and withheld in each of those ensuing years is one hundred fifty dollars (\$150.) or less, until such time that the tax so deducted and withheld is one hundred fifty dollars (\$150.) or less for three (3) consecutive years.

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

Every employer required by the Ordinance and these rules and regulations to deduct the tax of two percent (2%) from the gross salaries, wages, commissions or other personal service compensation of his employees shall make a return and pay to the Tax Commissioner the amount of taxes so deducted according to the following schedules:

- a. Monthly payments of taxes withheld shall be made by an employer if the taxes deducted in the prior calendar year were more than THREE THOUSAND SIX HUNDRED DOLLARS (\$3,600.00) or if such deductions otherwise normally exceed THREE HUNDRED DOLLARS (\$300.00) per month. Such payments shall be made to the City within fifteen days after the close of each calendar month.
 - b. All employers not required to make monthly payments of taxes withheld shall make quarterly payments no later than the last day of the month following the close of the calendar quarter.
2. The return and payment of withheld taxes shall be filed on Form W-1, furnished by and obtainable from the Tax Commissioner or generic form provided for in Section 5-C of the ordinance. The full amount of the taxes so deducted and withheld shall be paid to the Commissioner at the time of filing the Withholding

Remittance Return. (Such return shall be in addition to and independent of any return required to be filed in respect to an employer's earnings or net profits.)

3. If more than the amount of tax required to be deducted by the Ordinance is withheld from the employee's pay, the excess shall be refunded by the employer to the employee. An adjustment should then be made to the employers next withholding statement. If less than the amount of tax required to be deducted is deducted and withheld by the employer in any pay period or pay periods, the deficiency shall be deducted in subsequent pay periods. Adjustments should be fully outlined and explained in a statement appended to the withholding return.
4. On or before February 15 of each year such employer shall file with the Tax Commissioner an information return for each employee from whom the City of Norwood tax has been withheld during the preceding calendar year, showing the name, address and social security number of the employee, together with the amount of Norwood tax withheld and total amount of compensation paid such employee. This information return may be made on Form W-2 furnished commercially.
5. The gross compensation 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.
6. In addition to such information return(s) to be filed on or before February 15 of each year, and at the time same is (are) filed, such employer shall file with the Commissioner, Norwood Form N-5 (W-3 type) (Reconciliation of monthly or quarterly returns of Norwood Earnings Tax withheld) or other generic form as provided for in the Ordinance Section 5-C to enable the Commissioner to reconcile the sum total of compensation paid and taxes withheld as disclosed by information return(s) or listing form, and prior returns of remittances made pursuant of the Ordinance.

C. Employer Deemed Trustee of Taxes Withheld.

1. Every employer is deemed to be a trustee of the City of Norwood 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.
2. Every such employer required to deduct and withhold the tax at the source is liable directly to the City of Norwood for payment of such tax whether actually collected from such employee or not.

D. Responsibility of Officers for Collecting Tax.

1. It shall be the responsibility jointly and severally, of the President and Treasurer of each corporation required to withhold taxes on employees wages to see that all

taxes so withheld are paid to Norwood in accordance with the provisions of the Ordinance. In the event taxes withheld by a corporation from the salaries of its employees are not paid to Norwood in accordance with the provisions of the ordinance, the President and Treasurer of said corporation shall be criminally liable under the provisions of Article 13 hereof.

E. Fractional Parts of Cents.

In deducting the withholding tax at the source and in payment of any tax due under the ordinance, a fractional part of a cent shall be disregarded unless it amounts to one-half cent (1/2c) or more in which case it shall be increased to one cent (1c).

ARTICLE VII

DECLARATIONS

A. Requirement of Filing.

1. A declaration of estimated tax shall be filed by every taxpayer who may reasonably expect 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 four (4) months 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 his 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 on or before April 30 of each year during the life of the ordinance or within four (4) months 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 four (4) months after the start of each fiscal year or period.

C. Form for Filing.

1. Such declaration shall be filed upon a form or forms furnished by, or obtainable from the Commissioner or other generic form provided for in the Ordinance Section 5-C. Provided, however, credit shall be taken for Norwood tax to be withheld from any portion of such income. In accordance with the provisions of

Section 17 of the ordinance, credit may be taken for tax to be withheld and remitted to another taxing municipality, county or J.E.D.D.

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. Such amendment may be made on the regular declaration form (N-1) or on any quarterly notice (Q-1).

D. Dates of Payments.

1. Such declaration on estimated tax to be paid to the City of Norwood shall be accompanied by a payment of at least one fourth (1/4) of the estimated annual tax, and at least a similar amount shall be paid on or before the last day of the sixth, ninth and twelfth months after the beginning of the taxable year. Provided, however, that in any case in which an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates. Failure to file such a declaration or pay at least twenty five percent (25%) of the amount declared shall subject the taxpayer to the interest and penalty provisions of Article XI, hereof; such assessments shall begin to run on the day following the due date of such declaration and continue to accumulate until the declaration is paid.
2. On or before the last day of the fourth month of the year following that for which such declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due the City of Norwood shall be paid therewith in accordance with the provisions of Article V hereof.

E. Amended Declarations.

Amended declarations must be filed on or before December 31st of any year, or in the case of a taxpayer on a fiscal year accounting basis, on or before the last day of the last month of his fiscal year, if it appears that the original declaration made for such fiscal year underestimated the taxpayers' income by 30% or more. At such time a payment which, together with prior payments, is sufficient to pay taxpayer's entire estimated liability, shall be made. If upon the filing of the return required by Article V hereof it appears that the taxpayer did not pay 70% of his tax liability, as shown on said return on or before December 31st or the last day of the last month following the close of his fiscal year, whichever is applicable, the difference between 70% of said taxpayer's tax liability and the amount of estimated tax he actually paid on or before said date, shall be subject to the interest and penalty provisions of Article XI hereof.

F. Filing 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 one dollar (\$1.00).

ARTICLE VIII

DUTIES OF THE ADMINISTRATION

A. Collection of Tax and Retention of Records.

1. It shall be the duty of the Tax Commissioner to receive the tax imposed by the ordinance in the manner proscribed 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 Commissioner to enforce payment of all taxes owing the City of Norwood, to keep accurate records for a minimum of six (6) 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 Tax Commissioner is charged with the administration and enforcement of the provisions of the ordinance and is, subject to the approval of the Board of Appeals, empowered to adopt, promulgate, and enforce rules and regulations or any amendment thereof relating to any matter or thing pertaining to the administration and enforcement of the ordinance. The Commissioner 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 Commissioner in writing all the pertinent 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 Commissioner and will be open to public inspection.
4. The Commissioner 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 Commissioner 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, 12 and 13 of the ordinance shall apply.

C. Estimation of Tax by Commissioner.

1. Whenever the Commissioner has been unable to secure information from the taxpayer as to his taxable income for any year, he may determine the amount of tax appearing to be due and assess the taxpayer upon the basis of such determination, together with the interest and penalties as prescribed in Section 11 of the ordinance.
2. Such determination of tax may be adjusted upon submission by the taxpayer of actual records from which his tax may be computed.

D. Compromise Authority.

Subject to the consent of the Board of Appeals or pursuant to regulation approved by said Board, the Commissioner shall have the power to compromise any interest or penalty, or both, imposed by Section 11 of the Ordinance.

ARTICLE IX

INVESTIGATIVE POWERS OF THE TAX COMMISSIONER AND EXAMINATION OF BOOKS AND RECORDS

A. Investigations by Administrator.

1. The Tax Commissioner, 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 Commissioner 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, supposed employer, taxpayer or supposed taxpayer shall furnish, within ten (10) days following a written request by the Commissioner, 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 Tax Commissioner, or any person acting in his capacity, is hereby authorized to order any person presumed to have knowledge of the facts to appear before him and may examine such person, under oath, concerning any income which was or should have been reported for taxation or withheld or any transaction tending to affect such income, and for this purpose may compel the production of

books, papers, records and federal, state, county and municipal income tax returns, and the attendance of all persons before him whether as parties or witnesses whenever he believes such persons have knowledge of such income or information pertinent to such inquiry.

2. The Commissioner'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 Commissioner.
3. The Commissioner 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 or not the individual so ordered has actual custody of the records of the taxpayer being investigated. The Commissioner 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 five (5) days prior to the time of the hearing. The notice shall show the time and place of the hearing and may include what books, papers or records the witness is to make available at such hearing.
5. The notice shall be served by the Commissioner, 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 or certified 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 Commissioner or his duly authorized agent, to submit to such examination and to produce the records, books, papers or tax returns requested constitutes a misdemeanor punishable by fine or imprisonment, or both, as prescribed by Section 13 of the ordinance.

D. 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 six (6) years from the date the final return is filed and paid or the withholding taxes are paid.

ARTICLE X

A. Confidential Nature of Examinations.

Any information gained as a result of any returns, investigations, verifications or hearings required or authorized by this ordinance or the Rules and Regulations relating to the subject matter of this ordinance 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, upon conviction thereof, be deemed guilty of a misdemeanor and shall be subject to a fine of not more than FIVE HUNDRED DOLLARS (\$500.00) or imprisoned for not more than six (6) months or both. Each disclosure shall constitute a separate offense. In addition to the above penalties, any employee or agent of this municipality who violates the provisions of this Section relative to the disclosure of confidential information shall be immediately dismissed from the service of the City, or if such employee be in the classified civil service, proper removal charges shall immediately be brought against such employee and other steps taken in conformity to the Rules and Regulations of the Civil Service Commission and the Civil Service laws applicable thereto.

ARTICLE XI

INTEREST & PENALTIES

A. Interest.

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 the ordinance and remaining unpaid after they have become due shall bear interest at the rate of one percent (1%) per month or fraction thereof.

B. Penalties.

1. In addition to interest as provided in paragraph A hereof, penalties based on the unpaid tax or failure to file are hereby imposed as follows:
 - a. For failure to file a tax return or failure to pay taxes due – other than taxes withheld; a penalty of the greater of:
 - 1 Twenty dollars (\$20.00) or;
 - .2 One percent (1%) per month or fraction thereof.
 - b. For failure to remit taxes withheld from employees, a penalty of the greater of:

1 Twenty five dollars (\$25.00) or;

2 Three percent (3%) per month or fraction thereof.

2. In the case of taxpayers required to file declarations and pay the estimated tax quarterly, if such taxpayers fail to pay at the close of the tax year at least 70% of the tax finally determined to be due for said year, a penalty of one (1%) percent per month, or fraction thereof, of the amount representing the difference between the amount of estimated tax paid prior to the end of the tax year and 70% of the amount of the tax finally determined to be due for said year.

C. Exceptions.

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.

D. Protest and Appeal of Assessment.

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 Commissioner. If no protest or explanation is filed within the prescribed time, the proposed assessment shall become and be the final assessment. Upon filing of a written protest or explanation, the Commissioner shall reaffirm, adjust or withdraw the assessment and it shall then become final.

2. Upon recommendation of the Commissioner, the Board of Appeals may abate penalty or interest, or both, as such interest or penalty relates to an item of income or expense, or upon an appeal from the refusal of the Commissioner to recommend abatement of penalty and/or interest, the Board may nevertheless abate penalty or interest, or both, as such interest or penalty relates to an item of income or expense.

ARTICLE XII

COLLECTON OF UNPAID TAXES AND REFUND OF OVERPAYMENTS

A. Unpaid Sums – Civil Suit.

- 1 All taxes imposed by the ordinance and not paid when due, shall be collectible as are other debts, together with any interest and penalties thereon, 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 Norwood in a civil suit to enforce the payment of the deficiency created by such failure.
2. No additional assessment shall be made by the Tax Commissioner 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 of 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 25% or more of income required to be reported 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 Commissioner is extended to one (1) year from the time of final determination of federal tax liability.

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 the tax was due or the return was filed, or three (3) months after the determination of the federal income tax liability, whichever is later (O.R.C. 718.06).
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 Commissioner.
3. Overpayments 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 order in which such taxes become due.
 - b. To his current estimated liability.
 - c. Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment, except that if any overpayment is refunded within ninety (90) days after the final filing date of the annual return or ninety (90) days after the complete return is filed, whichever is later. For purposes of computing the payment of

interest on overpayments, no amount of tax for any taxable year shall be treated as having been paid before the date on which the tax return for that year was due without regard to any extension of time for filing that return. The interest shall be paid at the rate of interest prescribed by Ohio R.C. 5703.47.

C. Limitation.

Where the total amount due or refund claimed for a tax year is less than one dollar (\$1.00) such amount shall not be collected or refunded.

ARTICLE XIII

VIOLATIONS, PENALTIES

A. No person shall:

1. Fail, neglect or refuse to make any return or declaration required by the 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 the ordinance; or
4. Fail, neglect or refuse to withhold the tax from his employees or to remit such withholding to the Tax Commissioner; or
5. Refuse to permit the Tax Commissioner or any duly authorized agent or employee to examine his books, records, papers and federal, state, county and municipal income tax returns relating to the income or net profits of a taxpayer; or
6. Fail to appear before the Tax Commissioner and to produce his books, records, papers or federal, state, county and municipal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Tax Commissioner; or
7. Refuse to disclose to the Tax Commissioner any information with respect to the income or net profits of such taxpayer or such person's employer; or
8. Fail to comply with the provisions of this ordinance or any order or subpoena of the Tax Commissioner 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 Norwood's income tax withheld or to knowingly give the Tax Commissioner false information.
11. Commit any fraudulent act to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this chapter.
12. Failure, as president and/or treasurer of a corporation, to cause the tax withheld from wages of the employees of such corporation pursuant to this chapter to be paid to the City of Norwood in accordance with the provisions of Article VI hereof.

Those persons who are found to have violated the provisions set forth above shall be guilty of a misdemeanor of the first degree, penalized as provided in the Ohio Revised Code and shall be fined not more than ONE THOUSAND DOLLARS (\$1,000.00) or imprisoned not more than ONE HUNDRED EIGHTY (180) DAYS or both for each offense, except that violation of Section 14 of the ordinance shall be an offense punishable by a fine not to exceed ONE HUNDRED DOLLARS (\$100.00).

B. Prosecutions.

Prosecutions for an offense made punishable under this Section or any other provisions of the ordinance or these Rules & Regulations shall be commenced within three (3) years after the commission of the offense provided that in the case of fraud, failure to file a return, or the omission of twenty five percent (25%) or more of income required to be reported, prosecutions may be commenced within six (6) years after the commission of the offense, unless a time limitation waiver has been signed by the taxpayer.

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, return or declaration from filing such form, or from paying the tax.

ARTICLE XIV

LANDLORD REQUIREMENTS

A. Report Tenants.

1. Beginning with the effective date of this ordinance and thereafter, within thirty (30) days after a new tenant occupies rental property of any kind within the City of Norwood, Ohio, all property owners of rental property who rent to tenants of apartments, rooms, and other rental accommodations shall file with the Tax Commissioner of the City a report showing the names, addresses and telephone numbers, if available, of each such tenant who occupies an apartment, room or other rental property within the corporate limits of the City of Norwood, Ohio.
2. Beginning with the effective date of this ordinance, and thereafter, within thirty (30) days after a tenant vacates an apartment, room or other rental property located within the City of Norwood, Ohio, the property owner of such vacated rental property shall file with the Tax Commissioner, a report showing the date of vacation from the rental property and identifying each such vacating tenant.

B. Penalty.

Willful violation of this Section shall be an offense punishable by a fine not to exceed ONE HUNDRED DOLLARS (\$100.00).

ARTICLE XV

BOARD OF APPEALS

A. Composition.

A Board of Appeals, consisting of five residents of the City of Norwood, to be appointed by the Mayor is hereby established. The Board shall elect a chairman and secretary from among its members, each of whom shall receive per diem compensation to be fixed by Council. For persons initially appointed after passage of this ordinance, two (2) shall serve for one (1) year, two (2) shall serve for two (2) years and one (1) shall serve for three (3) years. A majority of the members of the Board shall constitute a quorum.

Any hearing by the Board may be conducted privately and the provisions of Article IX hereof with reference of confidential character of information required to be disclosed by the ordinance shall apply to such matters as may be heard before the Board of Appeals. The Board of Appeals created pursuant to this section shall adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under Section 149.43 of the Ohio Revised Code. Hearings requested by a taxpayer before the Board of Appeals created pursuant to this section are not meetings of a public body subject to Section 121.22 of the Ohio Revised Code.

B. Duties.

All rules and regulations and amendments or changes thereto, which are adopted by the Tax Commissioner under the authority conferred by the ordinance must be approved by the Board of Appeals before the same become effective. After such approval, said rules, regulations, amendments and changes shall be filed with the Clerk of Council and shall be open to public inspection, and published in a newspaper of general circulation. The Board shall hear and pass on appeals from any ruling or decision of the Tax Commissioner, and at the request of the taxpayer or the Tax Commissioner is empowered to substitute alternate methods of allocation.

C. Appeals.

1. Whenever the Tax Commissioner issues a decision or ruling regarding an income tax obligation that is subject to appeal as provided in this section, or in the ordinance or regulations of the City of Norwood, the Tax Commissioner shall notify the taxpayer at the same time of the taxpayer's right to appeal the decision or ruling and of the manner in which the taxpayer may appeal the decision or ruling.
2. Any person who is aggrieved by a decision or ruling by the Tax Commissioner and who has filed with the City of Norwood the required returns or other documents pertaining to the municipal income tax obligation at issue in the decision may appeal the decision or ruling to the Board of Appeals by filing a request with the Board. The request shall be in writing, shall state with particularity why the decision or ruling should be deemed incorrect or unlawful, and shall be filed within thirty (30) days after the Tax Commissioner has issued the decision or ruling.
3. The Board of Appeals shall schedule a hearing 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.
4. The Board may affirm, reverse, or modify the Tax Commissioner's decision or ruling or any part thereof. 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.
5. The imposition of penalty and interest as prescribed in the codified ordinance of the City of Norwood is not a sole basis for an appeal.

ARTICLE XVI

USE OF FUNDS

ARTICLE XVII

CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY

A. Limitation

Where a resident of Norwood is subject to a municipal income tax in another municipality, county or Joint Economic Development District (J.E.D.D.), he shall not pay a total municipal income tax on the same income greater than the tax imposed at the higher rate.

B. Credits to Residents.

Every individual taxpayer who resides in the City of Norwood who received net profits, salaries, wages, commissions or other personal service compensation for work done or services performed or rendered outside of the City of Norwood if it be made to appear that he has paid a municipal, county or J.E.D.D. income tax on the same income taxable under this ordinance to another municipality, county or J.E.D.D., shall be allowed a credit against the tax imposed by this ordinance for the same taxable period of the amount so paid by him or in his behalf to such other municipality, county or J.E.D.D. The credit shall not exceed the tax assessed by the ordinance on such income earned in such other municipality, municipalities, county or J.E.D.D. where such tax is paid.

C. Method of Applying for Credit.

No credit will be allowed unless made on or before the date of filing the taxpayer's final return, unless such taxpayer's employer files with the Tax Commissioner a list showing the tax withheld from such taxpayer's wages, salaries, or commissions for other municipalities, counties or J.E.D.D.'s or evidence is presented verifying payment of a similar tax to another municipality, county or J.E.D.D.

D. Filing not Required.

A resident who is employed in another municipality, county or J.E.D.D. imposing a tax on earned income shall not be required to file a return under Section 5 of the ordinance or a declaration under Section 7 of the ordinance, if such other municipality, county or J.E.D.D. certifies to the Tax Commissioner that a tax equal to or greater than the tax imposed under the ordinance is being deducted from the wages of such resident and is being paid to such other municipality, county or J.E.D.D. and if the wages or other compensation subject to such withholding are the resident's only income taxable under this ordinance.

ARTICLE XVIII

SAVING CLAUSE

Refer to the provisions of the ordinance for this article.

ARTICLE XIX

COLLECTION OF TAX AFTER TERMINATION OF ORDINANCE

Refer to the provisions of the ordinance for this article.