



2023 ANNUAL REPORT

INCOME TAX  
DEPARTMENT

## Introduction

The City Income Tax Department administers and enforces the municipal income tax ordinances for the City of Findlay, as well as the Villages of Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera. The Department’s mission is to respectfully encourage the highest level of voluntary compliance by assisting, educating, and informing customers and stakeholders efficiently, effectively, and accurately.

The Tax Administrator is appointed by and reports to the Mayor, who serves as Chair of the Income Tax Board. The Tax Administrator reports also to this board, which was designed to depoliticize the Income Tax Department and to protect it from improper influence. The other Board members include the Law Director, Treasurer, Auditor, and Council’s Appropriations Committee Chair, who are responsible for offering oversight and counsel to the Tax Administrator. The Board is also responsible for initiating most legislation during a minimum of four quarterly public meetings each year to ensure the department’s funding, accountability, independence, and objectivity. The Tax Administrator is not a member of the Income Tax Board.

Pursuant to Section 718.11 of the Ohio Revised Code (Substitute House Bill 5 of the 130th Ohio General Assembly), the Mayor and Council appoint three members to the Local Board of Tax Review, whose purpose is to rule on taxpayers’ initial formal appeals. The Local Board of Tax Review members are Mayoral appointment John W. Pinski Jr., CPA and Council-appointed attorneys Douglas W. Huffman and Patrick Sadowski. All three members are eligible for unlimited renewable terms. By State law, the Mayor and Council must renew all of their appointees every two years.

Municipal income tax exists to assure the financial independence of Ohio communities. Municipalities use income tax revenues to provide personal and property protection, build and maintain thoroughfares and infrastructure, foster skilled workforces, and promote high qualities of life. These resources develop and strategically locate mutually-beneficial places that attract businesses and consumers ensuring vocational, professional, entrepreneurial, educational, recreational, cultural, and medical opportunities for all Ohio residents.

## Staffing

The Income Tax Department is comprised of an Administrator, five full-time City employees, and one seasonal staff member responsible for administering and enforcing the Income Tax Ordinance and the applicable Rules and Regulations pursuant with the Ohio Revised Code.

2023 Tax Department Staff	Local Board of Tax Review	Income Tax Board
Mary Price, Administrator Nichole Alge Seth Boice Holly Checki Melanie Donaldson Tonya Stillberger	John W. Pinski, Jr. CPA Douglas W. Huffman Patrick Sadowski	Mayor Christina Muryn, Chair Don Rasmussen, Law Director Jeff Wobser, City Council Jim Staschiak II, City Auditor Susan Jo Hite, City Treasurer

## Key Activities & Accomplishments

The Income Tax Department administers and enforces taxes from individuals and businesses in Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera in accordance with Chapter 718 of the Ohio Revised Code and Chapter 194 of the City’s ordinance, consisting of three general categories:



- Employer Withholding
  - Remittances from Findlay employers that withhold tax from their employees who work in the City and from non-Findlay employers that voluntarily withhold tax from their employees who live in the City.
- Individual
  - Payments received directly from individuals, primarily generated from residents who earn wages from employers that do not withhold the tax or those who earn profits from rental properties or business operations located anywhere, as well as from non-residents who earn profits from rental properties or businesses located in Findlay.
- Business
  - Collections in this category are from tax on net profits apportioned to Findlay from C corporations, S corporations, partnerships, limited liability companies, and trusts that own rental properties, conduct business, perform services, solicit sales, operate, or maintain offices in Findlay.

In December of 2023, the City Income Tax Department made the software conversion to CityTax, a product of Innovative Software Services, Inc. The department converted from EMIT, a homegrown computer software that was originally developed in 2002. EMIT was unable to figure all of the reports to meet the department’s needs, and with new tax law changes it is becoming more obsolete. Long-term, the best solution was to transition into a new software program. Although the department staff is still getting acclimated to the new software, we are already seeing many advantages and benefits from the CityTax program. Looking at 2024, we’re looking forward to implementing all of the capabilities that CityTax has to offer into our daily and monthly processes.

This year the department also transitioned from six full-time employees to five full-time employees. This has been an adjustment from a workload aspect, however the staff has adapted well. There are no current plans to change the staff levels in 2024.

**2023 Collections**

Total collections for the City of Findlay in 2023 were \$36,637,086.51. This was a decrease of 4.34% from 2022. For a complete breakdown of results from 1983-2022, see Appendix 1.

Actual Collections	Withholding	Individual	Business	Total
Actual Collection Amount	\$21,751,066.58	\$3,144,188.36	\$11,741,831.57	\$36,637,086.51
Increase or Decrease from Previous Year	-\$204,305.25	\$147,489.49	-\$1,603,714.02	-\$1,660,529.78
Percent Increase or Decrease	-0.93%	4.92%	-12.02%	-4.34%
Percent of Total Collections	59.37%	8.58%	32.05%	100.00%
Compound Annual Growth Rate Since 1983	4.49%	6.47%	-12.02%	8.25%

**Villages of Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera**

In addition to the City of Findlay, the Department administers income tax on behalf of several neighboring municipalities. This idea first began with the Village of Arlington in 2003, then expanded to include the Villages of Mount Cory and Vanlue in 2016. The Department expanded to Carey in 2018 and Mount Blanchard in 2019, and most recently have taken on the Village of Jenera in 2022. All six villages incur their own costs for refunds, tax forms, postage, specific print materials and court fees.



We continue to find the practice beneficial to all seven municipalities. As anticipated, we have a greater opportunity to serve a wider range of Findlay taxpayers—non-resident individuals who are employed within our City limits. Considering the recent changes to municipal income tax withholding tax laws, administering and enforcing income tax for several of the surrounding communities allows us to be more certain that the employer withholding is being done correctly.

**Number of Accounts**

Municipality	2022 Individual & Business Net Profit	2023 Employer Withholding
City of Findlay	25,279	3,627
Village of Arlington	815	263
Village of Mount Cory	136	74
Village of Vanlue	217	112
Village of Carey	2,388	601
Village of Mount Blanchard	289	102
Village of Jenera	43	57
Total	29,167	4,836

**House Bill 33**

In July of 2023, Ohio enacted legislation for a new biennial State operating budget bill. With this bill included a few items that have been changed for Ohio municipal income tax in the Ohio Revised Code section 718. These changes included the following:

- Exempting income of individuals under 18 years of age
- Allows for net operating loss beginning in 2023 or thereafter to be utilized at the full amount allowable without limitation as was previously enforced in tax years 2017-2022
- New net profit language relating to remote workers for purpose of determining nexus for net profit reporting
- Provides an extended due date for taxpayers who are not individuals to the 15<sup>th</sup> day of the eleventh month after the last day of the taxable year to which the return relates
- Tax administrator cannot make any inquiry with regard to the current year tax return before the return is file or due under extension
- Late filing fee not to exceed \$25.00, to be abated on taxpayers first failure to timely file a return

With the exception of the minor age income exemption, all other changes listed are in effect for the 2023 tax year. The age exemption will start with the 2024 tax year.

**OML and NWOTCA**

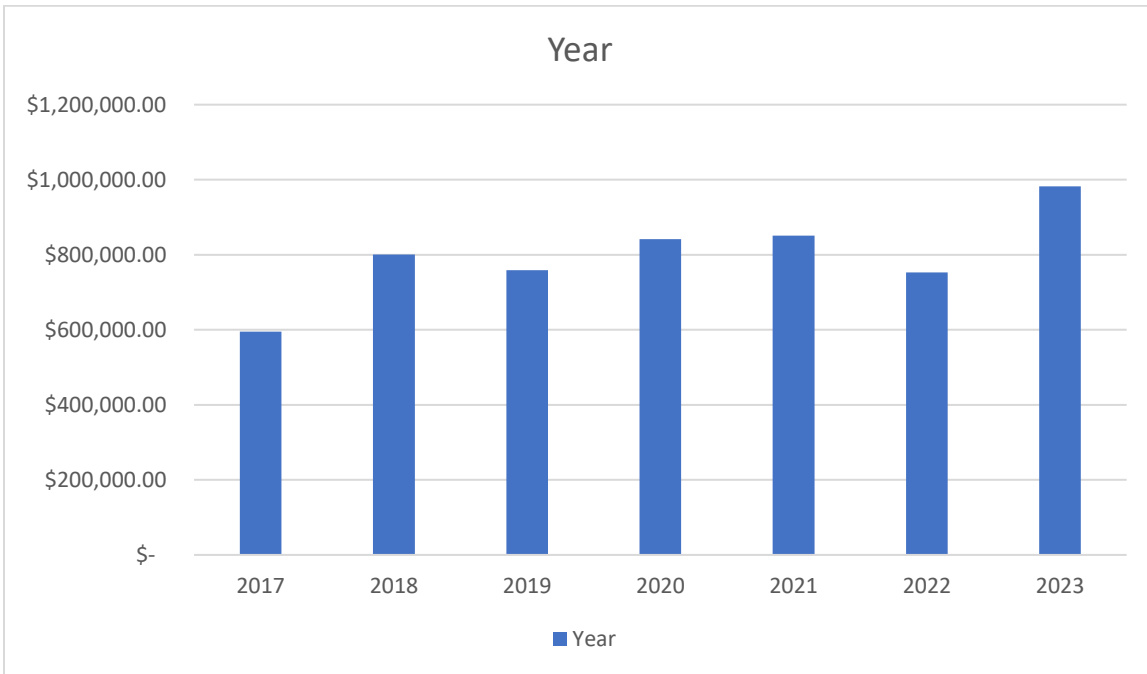
The Department continues its active participation in the Ohio Municipal League and one of its regional arms, the Northwest Ohio Tax Commissioners Association. Members of the NWOTCA generally meet bimonthly in the northwest Ohio area to offer training, to discuss tax policies and procedures as well as current and emerging legislative issues. In July 2023, Mary Price and Tonya Stillberger attended the annual OML municipal income tax seminar in Dublin, Ohio. This event offered training on the administration of new tax laws, as well as continued education on relevant topics relating to Ohio municipal income tax. This seminar also provided networking opportunities with income tax department employees from other Ohio municipalities.



## Key Performance Indicators (KPIs)

In pursuit of our mission to serve customers and stakeholders efficiently, effectively, and accurately, goals for the Department have been established related to the completion of certain key functions in an expeditious manner. All KPIs for 2023 were completed prior to the initial due dates.

To ensure that all taxpayers are being treated equally and fairly, the Department also strives to bring any potential past-due obligations to legitimate conclusions. Past-due collections in 2023 totaled \$982,591.58.



## Objectives for the Next Year

In 2024, the Income Tax Department will be hoping for a continued successful transition to the CityTax software program. The E-filing online portal will be made available to the public in early 2024. Continuing to seek more efficiency and effectiveness of daily processes and continuing cross-training within the department to develop a more well-rounded department are goals as well. Additionally, now that we have more software capabilities than ever before, we hope to make major progress in filing compliance research.



# Budget Summary Sheet



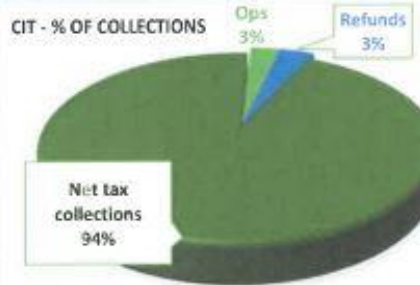
## 2024 BUDGET SUMMARY

### City Income Tax, Mary Price

	BUDGET	2021 ACTUAL	2022 ACTUAL	2023 ORIG BUD	2023 PROJECTION	2024 REQUEST	\$ change 2024/2023 BUDGET	% change 2024/2023 BUDGET
Personal Services	\$	441,961	\$ 365,008	\$ 474,264	\$ 430,548	\$ 454,843	\$ (19,960)	-4.21%
Other	\$	661,441	\$ 269,687	\$ 355,183	\$ 315,136	\$ 394,183	\$ 39,000	10.98%
<b>TOTAL</b>	<b>\$</b>	<b>1,103,402</b>	<b>\$ 634,695</b>	<b>\$ 829,447</b>	<b>\$ 745,684</b>	<b>\$ 849,026</b>	<b>\$ 19,040</b>	<b>2.30%</b>

#### BUDGET HIGHLIGHTS

- Decrease in salaries due to reducing full-time staff to six
- Increase in legal costs for 2024 due to court cost increase adopted by Findlay Municipal Court in June 2023
- 2024 increase in software expenses for our new annual contract with Innovative Software Services, Inc.
- Increase in 2024 for postage due to rising postage costs



STAFFING LEVEL	2020	2021	2022	2023	2024
City Full-Time	6	6	7	6	6
PT and Agencies	2-5	2	1	1	1

#### 2023 CAPITAL IMPROVEMENT HIGHLIGHTS

- New postage machine/software, utilized by 20+ City departments

#### 2023 ACHIEVEMENTS

- Through October, past-due collections are up 33.6% YTD over 2022
- Post judgment payments are \$312,421.98 in 2023 as of November 21, over \$275,374.88 in 2022
- Converted income tax software system to CityTax, live on December 11th, 2023
- Cross training on specializations has created a more well-rounded department
- All return and remittance forms have been made digital and are posted to the City website, reducing department printing costs majorly

#### 2024 OBJECTIVES

- Successful transition to CityTax software program
- Successful launch of online filing portal to the public
- Continue to seek more efficiency and effectiveness of current daily processes
- Continue cross-training within the office as the software will cause adjustments in specializations
- Continue to pursue past-due collections
- Progress in filing compliance research



## Appendix 1: Historical Collections

Year	Withholding	Individuals	Business	Penalty	Interest	Court	Annual Total	Change
1983	3,759,023.38	256,561.98	492,979.21	10,343.79	7,712.11		4,526,620.47	
1984	4,099,910.71	261,778.12	500,817.35	18,472.18	8,775.69		4,889,754.05	8.02%
1985	4,319,335.66	266,777.96	597,036.91	19,363.93	9,217.38		5,211,731.84	6.58%
1986	4,535,912.71	280,826.24	735,800.80	23,635.45	10,229.30		5,586,404.50	7.19%
1987	4,742,921.72	277,580.70	669,662.73	22,763.67	8,740.45		5,721,669.27	2.42%
1988	5,163,757.03	226,986.09	848,066.77	25,897.25	9,846.35		6,274,553.49	9.66%
1989	5,476,502.70	170,799.84	979,710.34	26,058.96	10,949.12		6,664,020.96	6.21%
1990	5,675,101.72	188,207.58	1,025,850.19	24,888.77	9,346.84		6,923,395.10	3.89%
1991	5,931,941.86	166,208.66	1,010,756.14	27,302.08	10,643.97		7,146,852.71	3.23%
1992	6,289,451.95	186,443.83	988,063.95	33,152.40	9,890.77		7,507,002.90	5.04%
1993	6,684,164.38	205,929.18	1,155,081.49	9,493.19	6,478.25		8,061,146.49	7.38%
1994	7,758,133.70	799,090.40	795,075.82	5,872.52	9,425.80		9,367,598.24	16.21%
1995	7,575,764.07	840,226.83	1,009,398.45	8,527.82	12,019.63	2,007.15	9,447,943.95	0.86%
1996	7,980,004.16	953,301.40	998,036.93	8,179.61	16,439.74	2,192.61	9,958,154.45	5.40%
1997	8,428,257.21	940,620.66	1,114,185.32	28,090.57	17,095.17	2,443.46	10,530,692.39	5.75%
1998	9,072,423.87	1,052,110.75	1,570,677.71	9,235.34	13,624.36	2,288.12	11,720,360.15	11.30%
1999	9,898,733.34	1,200,636.61	1,984,944.09	13,131.96	22,186.85	3,293.53	13,122,926.38	11.97%
2000	10,349,064.23	1,124,236.26	1,579,555.77	15,574.38	24,984.17	3,861.17	13,097,275.98	-0.20%
2001	10,824,788.06	1,083,722.97	2,409,620.03	15,791.53	22,365.10	4,404.67	14,360,692.36	9.65%
2002	11,081,952.87	1,158,561.01	2,640,371.74	16,413.76	25,945.33	7,461.63	14,930,706.34	3.97%
2003	11,168,674.96	1,265,421.63	1,844,708.55				14,278,805.14	-4.37%
2004	11,487,765.80	1,353,537.81	2,424,514.11				15,265,817.72	6.91%
2005	12,000,950.29	1,461,004.10	3,869,817.42				17,331,771.81	13.53%
2006	12,266,197.92	1,561,949.10	4,714,847.44				18,542,994.46	6.99%
2007	12,926,239.03	1,511,186.46	6,748,538.47				21,185,963.96	14.25%
2008	12,988,959.04	1,582,588.29	1,114,157.16				15,685,704.49	25.96%
2009	11,990,526.45	1,640,212.82	949,911.69				14,580,650.96	-7.04%
2010	15,385,538.83	1,973,146.33	1,218,868.23				18,577,553.39	27.41%
2011	17,136,493.06	2,465,978.05	1,429,072.43				21,031,543.54	13.21%
2012	17,850,224.19	2,505,396.68	1,688,434.43				22,044,055.30	4.81%
2013	15,811,122.25	2,486,360.48	6,684,682.49				24,982,165.22	13.33%
2014	15,711,917.16	2,067,176.01	3,679,406.21				21,458,499.38	14.10%
2015	16,830,156.15	2,098,015.79	4,341,478.57				23,269,650.51	8.44%
2016	17,321,266.44	2,399,615.12	5,356,863.66				25,077,745.22	7.77%
2017	17,787,528.79	2,430,940.97	3,097,744.91				23,316,214.67	-7.02%
2018	18,641,564.72	2,647,097.01	3,402,933.38				24,691,595.11	5.90%
2019	19,095,066.01	2,745,075.44	4,389,066.63				26,229,208.08	6.23%
2020	19,116,219.00	2,735,132.22	2,413,390.49				24,264,741.71	-7.49%
2021	20,308,913.37	2,785,723.91	8,084,692.55				31,179,329.83	28.50%
2022	21,955,371.83	2,996,698.87	13,345,545.59				38,297,616.29	22.83%
2023	21,751,066.58	3,144,188.36	11,741,831.57				36,637,086.51	-4.34%

