

Resolution No. 682-2020

Council Members Slife, Brancatelli, McCormack, Bishop, Cleveland, Conwell, Griffin, Hairston, Johnson, B. Jones, J. Jones, Kazy, Kelley, Mooney, Polensek, Santana and Zone

AN EMERGENCY RESOLUTION

Opposing Senate Bill 352 to modify municipal income tax employer withholding rules for COVID-19 related work-from-home employees.

FOR ADOPTION
August 26, 2020

WHEREAS, the City of Cleveland is the economic anchor of the Northeast Ohio region – an 18-county area with a \$238 billion economy, four million residents, and two million workers; and

WHEREAS, 2017 Census data estimated there are 276,675 jobs in the City of Cleveland itself; and

WHEREAS, this Council understands that downtown Cleveland and University Circle are the State of Ohio's first and fourth largest jobs centers, respectively; and

WHEREAS, suburban economic development programs are inextricably linked to the fiscal stability and reputation of their largest neighbor, the City of Cleveland; and

WHEREAS, workers in the City of Cleveland who reside in neighboring cities benefit from the public services provided by the City; and

WHEREAS, the City of Cleveland, through its general fund budget, assumes security and safety expenses for regional events where the majority of attendees are non-residents; and

WHEREAS, on March 9, 2020, Governor Mike DeWine signed an Executive Order declaring a state of emergency due to the COVID-19 pandemic which caused most businesses in Ohio to shift to work-from-home arrangements where possible to preserve public health and to protect the well-being of Ohioans from the dangerous effects of COVID-19; and

WHEREAS, current Ohio tax law requires that employee income taxes are withheld by companies based on the physical location of the company; and

WHEREAS, under H.B. 197, the Covid-19 relief bill, Ohio companies could keep withholding income taxes as if their physical offices were open, even for those employees working from their homes in cities other than where the companies physical office is located; and

WHEREAS, Senate Bill 352 will shift income tax receipts from the City of Cleveland to suburban municipalities where employees are working from home; and

WHEREAS, the City of Cleveland has a poverty rate of 34.6 percent, which is 20.3 percent higher than the Cleveland-Akron-Canton Statistical Area combined; and

WHEREAS, this resolution constitutes an emergency measure for the immediate preservation of public peace, property, health or safety, in that the loss of income tax revenue would significantly disrupt the City of Cleveland general fund, result in a severe reduction of city services and public safety, affect quality of life for residents, workers, and visitors, and weaken communities throughout Northeast Ohio now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That this Council opposes Senate Bill 352 to modify municipal income tax employer withholding rules for COVID-19 related work-from-home employees.

Section 2. That the Clerk of Council is directed to transmit copies of this resolution to Governor Mike De Wine and all members of the Ohio General Assembly.

Section 3. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

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**REPORT
after second Reading**

**Council Members Slife, Brancatelli, McCormack, Bishop, Cleveland,
Conwell, Griffin, Hairston, Johnson, B. Jones, J. Jones, Kazy,
Kelley, Mooney, Polensek, Santana and Zone**

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READ FIRST TIME

REPORTS

referred to

READ FIRST, SECOND AND THIRD TIME

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME on AUGUST 26, 2020

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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