

Bond Case Briefs

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Gesler v. Worthington Income Tax Bd. of Appeals

Supreme Court of Ohio - November 19, 2013 - N.E.2d - 2013 WL 6067978

Taxpayers appealed decision of city, denying request for refund of municipal income tax. The Board of Tax Appeals (BTA) affirmed the city decision, and taxpayers appealed.

The Supreme Court of Ohio held that state statute containing definition of net profit for purposes of municipal income tax did not invalidate city ordinance excluding federal Schedule C income from net profit subject to municipal tax.

Under home rule amendment and provision of state constitution allowing General Assembly to limit the power of municipalities to levy taxes, General Assembly could limit city's power to tax but could not command city to impose a tax. Thus, statute containing definition of net profit for purposes of municipal income tax did not invalidate city ordinance defining net profit, for purposes of municipal income tax, as excluding amounts required to be reported on Schedule C of federal income tax return, even though statute defined net profit as including Schedule C income.