

# **Bond Case Briefs**

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## **TAX - OHIO**

### **City of Athens v. Testa**

**Court of Appeals of Ohio, Tenth District, Franklin County - January 29, 2019 - N.E.3d - 2019 WL 367034 - 2019 -Ohio- 277**

Municipalities brought action against state and Tax Commissioner to challenge constitutionality of statutes on state collection and administration of municipalities' net profit taxes.

The Court of Common Pleas entered judgment in favor of defendants. Municipalities appealed.

The Court of Appeals held that:

- Inserting into appropriations bill statutes limiting municipalities' ability to collect and administer net profit taxes on income earned within their boundaries did not violate One-Subject Rule;
- Statutes did not violate Home Rule Amendment, but were permitted by constitutional provision allowing state to pass laws to limit power of municipalities to levy taxes;
- Uncodified statute requiring municipal corporations to adopt, by ordinance or resolution, limits on ability to collect and administer net profit taxes was constitutional; and
- Statutes authorizing Tax Commissioner to withhold 50 percent of net-profit-tax revenues and directing treasurer to retain one-half percent of net profit taxes were constitutional.