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Ohio Tax Talk: One Step Closer To Telework Income Tax Clarity - Frost Brown Todd

On Sept. 26, Ohio's Cuyahoga County Court of Common Pleas held in *Morsy v. Dumas* that the city of Cleveland, Ohio, must reimburse all local income tax withholdings or payments collected on Manal Morsy's income while she was working remotely from her home in Blue Bell, Pennsylvania. Cleveland appealed the decision. On Nov. 2, Ohio's Eighth District Court of Appeals granted a stay and abeyance, effectively placing a hold on the appeal until a similar case, *Schaad v. Alder*, is decided at the Ohio Supreme Court level.

Remote work policies are a significant area of contention as states and localities attempt to clarify withholding tax obligations in a post-COVID work environment.[1] The initial ruling in *Morsy* is significant as it demonstrates a victory for employees when it comes to telecommuting during the COVID-19 pandemic.[2]

Background

During the COVID-19 pandemic, many states, including Ohio, enacted legislation that offered employers an alternative to the existing income tax withholding mandate, which required employers to withhold municipal income taxes based on an employee's principal place of work.[3]

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December 6 2022

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