

Bond Case Briefs

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Municipalities Taxing Stay-at-Home Workers During Pandemic was OK, Court Says.

The Ohio Supreme Court upheld a temporary state law that allowed employers to withhold municipal income tax irrespective of where their employees performed their work. The ruling sets a precedent in the state.

Welcome back to Route Fifty's Public Finance Update! Last week, the Ohio Supreme Court [issued a long-awaited ruling](#) upholding a state law that allowed cities during the COVID-19 pandemic to temporarily collect income tax from individuals working from home. The decision comes as a relief to municipalities in the state, as an opposite ruling could have cost city governments millions of dollars.

The case is notable because it sets an important precedent in Ohio and is likely the first post-pandemic remote work ruling by a state supreme court.

The Ohio case revolves around a law passed by the General Assembly shortly after the start of the pandemic and Ohio's stay-at-home order in March 2020. The measure temporarily allowed employers to withhold municipal income tax irrespective of where their employees performed their work. It stated that each day an employee spent working from home or an offsite location "shall be deemed to be a day performing personal services at the employee's principal place of work." The idea was to allow local governments to maintain their municipal budgets during the public health emergency.

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