

Columbus Income Tax Increase of .5% Effective October 1, 2009

The Unofficial Report of the Franklin County Board of Elections reflects the passage of Issue 1, on the August 4, 2009 ballot increasing the Columbus income tax from 2% to 2.5% with an effective date of October 1, 2009.

The recent tax rate increase impacts all individuals residing in as well as those working in the City of Columbus.

On and after October 1, 2009, tax at the rate of 2.5% shall be levied on:

- All salaries, wages, commissions and other compensation earned by residents of the City of Columbus
- All salaries, wages, commissions and other compensation earned by nonresidents of the City of Columbus for work done or services performed or rendered in the City of Columbus so long as that nonresident individual performed or rendered those services on more than twelve (12) days in a calendar year. (See Ohio Revised Code 718.011(B) for exceptions.)
- The net profits earned of all unincorporated businesses, professions or other activities conducted by residents of the City of Columbus
- The net profits earned of all unincorporated businesses, professions or other activities conducted in the city by nonresidents
- The net profits on all corporations, estates and trusts derived from work done or service performed or rendered and business or other activities conducted in the City of Columbus, whether or not such corporations, estates and trusts have their principal or any place of business located in the City of Columbus

Each employer within or doing business within the City of Columbus, shall deduct at the time of earning or receipt of such wages, commissions or other compensation classified as qualifying wages as per Ohio Revised Codes 718.03, the tax of two (2) percent of that qualifying wage earned by an employee on or before September 30, 2009 and the tax of two and one-half (2.5) percent of the qualifying wage earned by an employee on or after October 1, 2009.

Columbus will continue to give full credit to residents for local tax paid or withheld correctly to another tax jurisdiction. If the tax rate of the jurisdiction where a Columbus resident works is less than 2.5%, then the resident will owe additional tax to the City of Columbus so as to result in a total local tax paid of 2.5%.

In regards to the rate of taxation of net profits of Businesses and Individuals (not having tax withheld by an employer) for calendar year 2009, the calculated blended tax rate to be used shall be 2.125%.

Additional information on the Income Tax may be found at our website:
www.columbustax.net