

CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY

Excerpt from the City of Brookville Codified Ordinances, Chapter 194, regarding Municipal Income Tax Effective January 1, 2016

194.081 CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY. (REPEALED)

(a) Where a resident of the City of Brookville is subject to a municipal income tax in another municipality, as well as in the City of Brookville, he or she shall receive a credit for municipal income tax paid to the other municipality. The credit shall not exceed one (1%) of the income subject to taxation as herein provided.

(b) Every individual who resides in the City of Brookville who received net profits, salaries, wages, commissions or other personal service compensation for work done or services performed or rendered outside the City of Brookville, and who is liable and has paid to another municipality an income tax on the same income taxable and taxed under this chapter shall be allowed a credit against the tax imposed by this chapter (on the same income to the extent such income is taxed under this chapter) of the amount so paid by him or on his behalf to such other municipality. The credit shall not exceed one percent (1%) of the income subject to taxation as herein provided. No credit shall be given for county or school district taxes paid, but only for other municipal taxes paid.

(c) The amount of income reported on Federal Schedules C, E and F, earned in and taxed by a given municipality (as a percentage of total income reported on Federal Schedules C, E, and F, attributable to taxing and non-taxing jurisdictions) shall be used to determine each municipality's contribution to Brookville net profits taxable income, prior to calculation of the resident City credit for taxes paid to other cities on net profit income. The credit shall not exceed one (1%) of the income subject to taxation as herein provided.

(d) If the total amount of credit granted under this Chapter exceeds the total amount of tax due to the City before application of all such credits, then no refund shall be due or payable to the taxpayer. (Ord. 2016-08. Passed 6-7-16.)

(EDITOR'S NOTE: Former Section 194.081 was repealed by an initiative ordinance approved by the voters of the City of Brookville in the election of May 2, 2017. The results of this election were certified on May 23, 2017. Effective May 23, 2017, Section 194.081, as set forth herein below, is in effect.)

194.081 CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY.

(a) Where a resident of the City of Brookville is subject to a municipal income tax in another municipality, as well as in the City of Brookville, he or she shall not pay a total municipal income tax on the same income greater than the tax imposed at the highest rate to which he or she is subject.

(b) Every individual taxpayer who resides in the City of Brookville who receives net profits, salaries, wages, commissions or other personal service compensation for

work done or services performed or rendered outside the City of Brookville, and who is liable and has paid to another municipality an income tax on the same income taxable and taxed under this chapter, shall be allowed a credit against the tax imposed by this chapter (on the same income to the extent such income is taxed under this chapter) of the amount so paid by him or on his behalf to such other municipality. The credit shall not exceed the Brookville tax assessed by this chapter on such income earned in such other municipality or municipalities, where such tax is paid. No credit shall be given for county or school district taxes paid, but only for other municipal taxes paid.

(c) The amount of income reported on federal Schedules C, E, and F, earned in and taxed by a given municipality (as a percentage of total income reported on federal Schedules C, E, and F, attributable to taxing and non-taxing jurisdictions) shall be used to determine each municipality's contribution to Brookville net profits taxable income, prior to calculation of the resident city credit for taxes paid to other cities on net profit income. The rate to be used for calculation of this credit shall be the lesser of the resident city tax rate or the appropriate rate at which such income was taxed by such other municipality.

(d) If the total amount of credit granted under this Chapter exceeds the total amount of tax due to the City before application of all such credits, then no refund shall be due or payable to the taxpayer.