

VILLAGE OF McDONALD, OHIO

ORDINANCE NO. 3327-25

AN ORDINANCE TO AMEND SECTION 183.06 OF THE CODIFIED ORDINANCES OF THE VILLAGE OF McDONALD, OHIO REGARDING MUNICIPAL INCOME TAX, WHICH SECTION IS TITLED “CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES,” and declaring an emergency.

WHEREAS, the Village of McDonald, Ohio imposes a municipal income tax;

WHEREAS, the number of persons earning taxable income from jobs located in the Village has been declining over the years with the steadily decreasing number of jobs located in the McDonald Industrial Park and located at businesses along Ohio Avenue and Marshall Road. Recently, McDonald Steel, the Village’s largest, nonpublic employer closed its business;

WHEREAS, the decreasing number of jobs located in the Village has negatively impacted the municipal income taxes collected by the Village and, in turn, the Village’s finances;

WHEREAS, pursuant to Section 183.06 of the Village Income Tax Code, the Village presently provides a full credit for Village residents toward the Village municipal income taxes for municipal income taxes paid by a resident to the municipality where the resident’s job is located;

WHEREAS, after a review of projections obtained from the Regional Income Tax Agency (RITA), the Finance Committee has recommended to Village Council to reduce the credit for income taxes paid to other municipalities for Village residents toward Village municipal income taxes to one percent (1%) to counteract the negative impact on the Village’s finances caused by the attrition of jobs in the Village; and

WHEREAS, Council for the Village of McDonald deems it prudent to amend Section 183.06 of the Village Income Tax Code to reduce said credit to one percent (1%).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF McDONALD, TRUMBULL COUNTY, STATE OF OHIO, WITH AT LEAST TWO-THIRDS (2/3) OF ITS MEMBERS CONCURRING:

Clause I. That Section 183.06 of the Codified Ordinances of the Village of McDonald, Ohio, which section is titled “CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES” and which presently reads as follows:

183.06 CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.

(a) Every individual taxpayer domiciled in this Municipality who is required to and does pay, or has acknowledged liability for, a municipal tax to another municipality on or measured by the same income, qualifying wages, commissions, net profits or other compensation taxable under this Chapter may claim a nonrefundable credit upon satisfactory evidence of the tax paid to the other municipality. Subject to division (c) of this section, the credit shall not exceed the tax due this Municipality under this Chapter.

(b) This Municipality shall grant a credit against its tax on income to a resident of this Municipality who works in a joint economic development zone created under Section 715.691 or a joint economic development district created under Section 715.70, 715.71, or 715.72 of the ORC to the same extent that it grants a credit against its tax on income to its residents who are employed in another municipal corporation.

(c) If the amount of tax withheld or paid to the other municipality is less than the amount of tax required to be withheld or paid to the other municipality, then for purposes of division (a) of this section, "the income, qualifying wages, commissions, net profits or other compensation" subject to tax in the other municipality shall be limited to the amount computed by dividing the tax withheld or paid to the other municipality by the tax rate for that municipality.

(d) Intentionally left blank.

be and the same is hereby amended to read as follows:

183.06 CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.

(a) Every individual taxpayer domiciled in this Municipality who is required to and does pay, or has acknowledged liability for, a municipal tax to another municipality on or measured by the same income, qualifying wages, commissions, net profits or other compensation taxable under this Chapter may claim a nonrefundable credit upon satisfactory evidence of the tax paid to the other municipality. Subject to division (c) of this section, the credit shall not exceed one hundred percent (100%) of the amount obtained by multiplying the income, qualifying wages, commissions, net profits or other compensation subject to tax in the other municipality by the LOWER of the tax rate in such other municipality or the rate of one percent (1%).

(b) This Municipality shall grant a credit against its tax on income to a resident of this Municipality who works in a joint economic development zone created under Section 715.691 or a joint economic development district created under Section 715.70, 715.71, or 715.72 of the ORC to the same extent that it grants a credit against its tax on income to its residents who are employed in another municipal corporation.

(c) If the amount of tax withheld or paid to the other municipality is less than the amount of tax required to be withheld or paid to the other municipality, then for purposes of division (a) of this section, "the income, qualifying wages, commissions, net profits or other compensation" subject to tax in the other municipality shall be limited to the amount computed by dividing the tax withheld or paid to the other municipality by the tax rate for that municipality.

(d) Intentionally left blank.

Clause II. That any Ordinance or Resolution, or parts thereof, inconsistent or in conflict with the provisions of this amending Ordinance are hereby repealed.

Clause III. The passage of this Ordinance and all deliberations relating to the passage of this Ordinance were held in open meetings in accordance with the provisions of Ohio Revised Code Section 121.22.

Clause IV. To preserve the public peace, health, welfare and safety, and for the specific reason that the prompt effectiveness of this Ordinance is necessary for the amendment to Section 183.06 of the Codified Ordinances to be effective from and after January 1, 2026, this Ordinance is declared to be an emergency measure and it shall take effect and be in full legal force and effect from and after January 1, 2026.

Passed in Council this 3rd day of December, 2025.

Mayor

Attest to:

Fiscal Officer