**City of Bedford, Ohio**

**Working at Home -COVID 19**

**REFUND REQUESTS**

**INFORMATION January 15, 2021**

**On March 9, 2020 Governor DeWine issued an Executive Order No. 2020-01-D**

**Declaring a State of Emergency in Ohio Due to the Coronavirus threat.**

***Why was this executive order and HB197 important?* This HB 197 section 29 acted to stabilize income taxes for municipalities and filings for employers.**

**See link: Copy and Paste.**

[**HTTPS://www.Legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-197**](HTTPS://www.Legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-197)

**There are various other articles online from law firms on this subject with further details.**

***What it accomplished to date:* This allowed employers to continue to withhold for the principal place of work (PPof W) municipality if employees were working at home because of the State of Emergency and kept municipal revenues stable especially for municipalities with a large business vs residential community.**

***Subsequently:***

**Ohio House Bill 197 passed in Late March effective March 27, 2020 Containing various COVID-19 Relief items.**

**See link above for further information.**

**HB 197 Section 29 states “Notwithstanding section 178.011 of the Ohio Revised Code, and for the purpose of Chapter 718. Of the Revised Code, during the period of emergency declared by Executive Order 2020.01-D, issued March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employees home, to which an employee is required to report for employment duties because of the declaration, shall be deemed to be a day performing personal services at the employees principal place of work”. The Non-resident has been deemed to have worked in the City of Bedford’s municipality and therefore is subject to our city’s municipal income tax. This section allows the city to deny refunds due to employees working from home. The emergency order is still in effect.**

***Absent of and prior to the passing of Section 29 of HB197:***

An employee’s home is the employee’s principal place of Business (PPof W) if:

1. There is no employer owned or controlled location to which the employee regularly and ordinarily reports to work, and
2. The employee does not report to work for more than 20 days per location at one or more temporary work sites (other than the employee’s home) on a regular and ordinary basis, and
3. The employee works from home on more days during the calendar year than at any other location.

***However: subsequent to HB 197 Section 29 the following occurred Read on:***

**House Bill 197 Section 29 Litigation filed July 2, 2020:**

**The Buckeye Institute, et al v. Megan Kilgore, et al, Franklin County Common Pleas Court Case NO 20-CV-004301**

The Buckeye Institute and three of its employees filed suit on July 2, 2020 against the City of Columbus City Auditor and the State of Ohio.

The Buckeye institute is an employer with an office in the City of Columbus.

The Defendants have asked the court to dismiss the case and argue section 29 is not unconstitutional and the General assembly has the authority to provide for the allocation of municipal tax amongst Ohio municipalities and other items of interest.

**If this case is not dismissed, the case is not expected to be heard until July 7, 2021 if not disposed of earlier by other motions.**

**Also, *Both Parties* are expected to *appeal the decision* of this court.**

This litigation may or may not answer questions of refunds allowed for those working at home from Emergency declaration Currently due to HB 197 section 29 no refunds have authorization to be issue for stay at home orders.

**Another effect of this issue is the effect on net profit filings from businesses within the City of Bedford.**

**Those employers who have employees with payroll deducted from income allocated to the City of Bedford, and if, the employees receive a refund from the city with a PPofW not in Bedford, the employer is required to amend the net profits/loss tax return by changing the allocation formula to reduce the amount of payroll expense assigned to the City of Bedford.**

**Also, this will require the employer with employees now working in other communities to file net profit returns in those communities, these adjustments would be necessary to avoid double deductions of payroll expenses, one for the business and second for refunds to employees on taxes paid to the City of Bedford.**

Based upon the previous discussion and pending litigation on this issue The City of Bedford will allow a non-resident Taxpayer to complete a request for refund form (this does not authorize any refund to be issued) based upon the above HB 197 section 29 and conclusion of all litigation settlements of the court case stated above and all subsequent appeals. Also, any requests must meet the requirements of principal Place of Work (PPof W) stated above.

**The following is a list of items to be forwarded to the City of Bedford’s tax department, Further, after all court cases and litigation are finalized from the above cases, the city will require a copy of the filed tax return and proof of paid taxes to the non-resident’s city due to the new PPof W.**

1. **Completed application requests for refund:**
2. **Including checked box for Work at home refund request**
3. **A signed letter and application from employer with details on dates of work performed at Home >20 days and 2020 PPof W, Due to Declared emergency and Coronavirus 19 threat. (Log of days out of City)**

**a Employer addresses and authorized employer contact person and information in preparation of net profits tax returns.**

**After all court and appeals and final determination, and if legal authorization is afforded to allow refunds:**

1. **A final return filed with resident city, showing payment in full of taxes based upon the tax rate of the City of residence.**