

Income Tax Reform

Frequently Asked Questions



CITY OF GAHANNA

200 South Hamilton Rd. Gahanna, Ohio 43230
614-342-4000 www.Gahanna.gov

Question: What is the current City of Gahanna Income Tax rate?

Answer: 1.5%

Question: What is the income tax change that is being requested by the Mayor and City Council?

Answer: To change the City of Gahanna income tax rate from 1.5% to 2.5%.

Question: When will the vote on the income tax take place?

Answer: The income tax issue will be on the May 7, 2013 ballot.

Question: When will the income tax take affect?

Answer: January 1, 2014.

Question: Who pays City income tax?

Answer: The primary source of the City of Gahanna's income tax is employee withholdings for individuals who work in the City. Currently, Gahanna residents also pay income tax to the City, but the amount depends on where they work due to the 83.3% reduced credit. A small portion of Gahanna's income tax revenue comes from taxes on the net profit of businesses located within the City.

Question: I don't work in Gahanna. How does the income tax increase impact me?

Answer: Your income tax rate paid to the City of Gahanna depends on the income tax rate in the City where you work. The City of Gahanna has created an online calculator that will help you calculate if your taxes will increase or decrease. www.gahanna.gov

This chart provides a general overview of the income tax implications based on income tax rate where you work.

Income Tax in the City you work other than Gahanna	What Income Tax you currently pay Gahanna	Total Income Tax you pay both Cities	Potential Impact (+ increase) (- decrease)
1.5%	0.25%	1.75%	+0.75%
2.0%	0.25%	2.25%	+0.25%
2.5%	0.25%	2.75%	-0.25%

Question: What change is being considered to the Credit?

Answer: The current income tax credit is 83.3% up to 1.5% for residents living in Gahanna that work in another community. If the income tax change passes, it will result in a 100% credit.

Question: I am retired and not employed. Will the income tax increase impact me?

Answer: No.

Question: Will this proposed change impact the property taxes I pay?

Answer: No.

Question: Why is the City requesting an increase in the City income tax?

Answer: Cuts in state and federal funding, declining interest rates, and the slower economy have contributed to a \$3 million annual reduction in general fund revenue. The City is facing an average of \$8 million per year annual deficit including the cost of repairing and replacing aging infrastructure.

Question: What will the income tax increase fund?

Answer: The funds will help maintain existing police, parks and recreation, and public works level of services. It will also provide investment in the City's infrastructure and economic development.

Question: What example capital improvements will happen if this issue passes?

Answer: The City will implement its Five-Year Capital Improvement plan which includes:

- Trails
- New Pool
- Increases street maintenance program

Question: What will happen if this issue does not pass?

Answer: The City will be required to cut City services and suspend capital improvement projects. Residents may see the following cuts in city services:

- Level of the City Police Department
- Parks & Recreation programming inclusive of closure of City facilities such as the Gahanna Swim Club
- Snow removal policies
- Street maintenance and safety programs
- Matching funds for potential state and federal grant programs

Question: Why did City Council decide to place the measure on the May 7, 2013 ballot?

In 2012, the City completed a Strategic Plan, Five-Year Capital Improvement Plan, and a Five-Year Financial Forecast. The plan shows the City will have an \$8 million budget deficit annually based on the current levels of City services provided and the capital investments needed in the community.

The City budget process begins in April of each year and includes many opportunities for input and analysis before the appropriations are finalized in late November. The May 2013 ballot will allow the City to follow its standard budget development processes. This will enable City officials to plan the 2014 budget based upon the election outcome.

A November 2013 ballot would not be sufficient time to complete the City's budget and would place strains on all City services regardless of the outcome.

Question: Who is eligible to vote?

Answer: Legal US Citizens who are Gahanna residents over the age of 18 are eligible to vote. Residents over 18 who are not registered to vote can contact the Franklin County Board of Elections at 614.525.3100 or by visiting <http://vote.franklincountyohio.gov>

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