

**As Passed by the House**

**134th General Assembly**

**Regular Session**

**2021-2022**

**Sub. H. B. No. 157**

**Representatives Jordan, Edwards**

**Cosponsors: Representatives Seitz, Jones, Merrin, Riedel, McClain, Brinkman, Carruthers, Creech, Cutrona, Ferguson, Gross, Hall, Householder, Kick, Lanese, Loychik, Stein, Stephens, Stoltzfus, Swearingen**

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**A BILL**

To amend Section 29 of H.B. 197 of the 133rd 1  
General Assembly to modify municipal income tax 2  
employer withholding rules for COVID-19-related 3  
work-from-home employees. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That Section 29 of H.B. 197 of the 133rd 5  
General Assembly be amended to read as follows: 6

**Sec. 29.** (A) Notwithstanding section 718.011 of the 7  
Revised Code, and for the purposes of Chapter 718. of the 8  
Revised Code, ~~during the period of the emergency declared by~~ 9  
~~Executive Order 2020-01D, issued on and after March 9, 2020, and~~ 10  
~~for thirty days after the conclusion of that period~~but before 11  
January 1, 2022, any day on which an employee ~~performs, in~~ 12  
response to the COVID-19 pandemic, performs personal services at 13  
a location, ~~including the employee's home, to which the employee~~ 14  
~~is required to report for employment duties because of the~~ 15  
~~declaration~~ or other location that is not the employee's 16  
principal place of work shall be deemed to be a day performing 17

personal services at the employee's principal place of work. 18

(B) Nothing in this section prohibits an employer from 19  
assigning an employee to a new or different work location that 20  
may result in a change to the employee's principal place of work 21  
during the time period described in division (A) of this 22  
section. 23

(C) Nothing in this section prohibits an employer from 24  
withholding tax on an employee's qualifying wages in accordance 25  
with section 718.03 of the Revised Code. 26

(D) On and after January 1, 2021, this section applies 27  
only for the purposes of municipal income tax withholding under 28  
section 718.011 of the Revised Code and for apportioning or 29  
situsing the employer's net profit under section 718.02 or 30  
718.82 of the Revised Code, and not for purposes of determining 31  
the location at which a nonresident employee's work was 32  
completed, services were performed or rendered, or activities 33  
were conducted for the purpose of determining the employee's 34  
municipal income tax liability. 35

**Section 2.** That existing Section 29 of H.B. 197 of the 133rd General Assembly is hereby repealed. 36  
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**Section 3.** If an employer withheld and remitted municipal 38  
income tax from an employee's qualifying wages earned between 39  
March 9, 2020, and December 31, 2021, to the municipal 40  
corporation in which the employee's principal place of work is 41  
located, the employer shall not be assessed any tax, penalty, or 42  
interest by any other municipal corporation for failure to situs 43  
or apportion those wages to the other municipal corporation for 44  
municipal net profit tax purposes or for failure to withhold 45  
municipal income tax from such wages to the other municipal 46

corporation. 47

**Section 4.** The amendment by this act of Section 29 of H.B. 48  
197 of the 133rd General Assembly is remedial in nature and 49  
applies to any municipal income tax withholding obligation 50  
incurred, and any qualifying wages earned, between January 1, 51  
2021, and December 31, 2021. 52

Because taxable years ending in 2020 have ended before the 53  
effective date of this section, the amendment by this act of 54  
Section 29 of H.B. 197 of the 133rd General Assembly shall not 55  
be construed to affect the interpretation and applicability of 56  
that section to qualifying wages withheld in 2020. Such 57  
withholdings shall be governed by that section as enacted by 58  
that act and not by the amendment to that section by this act. 59

**Section 5.** Notwithstanding section 718.19 of the Revised 60  
Code, with respect to any request for a refund of taxes withheld 61  
by an employer from qualifying wages pursuant to Section 29 of 62  
H.B. 197 of the 133rd General Assembly, a tax administrator may 63  
not require, as a condition for processing the request, any 64  
statement or other documentation from the employer other than a 65  
statement verifying the number of days the employee worked at 66  
the employee's principal place of work during the taxable year 67  
and that the employer did not refund any withheld taxes to the 68  
employee. 69