

RESOLUTION 2013-005

A RESOLUTION ADOPTING A VILLAGE OF JACKSON CENTER MUNICIPAL JOB CREATION TAX CREDIT POLICY AND DECLARING AN EMERGENCY.

WHEREAS, in order to better and further promote economic development and employment within the Village of Jackson Center, Ohio , the Village Administrator has developed a Village of Jackson Center Municipal Job Creation Tax Credit Policy, ("JCMJCTC"), a copy of which is on file with the Village of Jackson Center Fiscal Officer, the same being incorporated hereby by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE VILLAGE OF JACKSON CENTER, OHIO:

SECTION 1.

That the Village of Jackson Center Municipal Job Creation Tax Credit Policy JCMJCTC granting tax credits to qualifying business taxpayers is hereby approved.

SECTION 2.

That the Village Administrator and/or their designee is hereby authorized to grant municipal income tax credits to qualifying taxpayers pursuant to and in accordance with such Municipal Job Creation Tax Credit Policy JCMJCTC.

SECTION 3.

It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Revised Code Section 121.22.


SECTION 4.

That Council hereby declares this to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare; such an emergency arising out of the need to provide income tax credits to qualifying taxpayers. Wherefore, this Resolution shall take effect and be in full force from and after its adoption by Council and approval by the Mayor.

Passed this 22nd day of April, 2013.


~~Scott Klopfenstein, Mayor~~
Dr. Ken Gloyeske, President Pro-tem

Attest:


Beverly A. Wren, Fiscal Officer

CERTIFICATE OF FISCAL OFFICER AS TO POSTING

I certify that the above Resolution 2013-005 has been posted as required by law. Posted in the Village Office, U.S. Bank NA, Allenbaugh Insurance, Peoples' Federal Savings and Loan Association and the Jackson Center Library.

Date of Posting: April 23, 2013

Signed: 
Beverly A. Wren, Fiscal Officer

First Reading: March 25, 2013

Second Reading: April 8, 2013

Third Reading: April 22, 2013

**Village of Jackson Center
Municipal Job Creation Tax Credit (JCMJCTC) Policy Policy**

Purpose: The purpose of the Village of Jackson Center’s Municipal Job Creation Tax Credit Policy, (JCMJCTC), Program is to promote economic development and employment within the Village of Jackson Center.

The JCMJCTC Program is limited to projects that meet or exceed certain thresholds for job creation and wages paid in Jackson Center and for which the developer (Taxpayer) also receives Job Creation Tax Credits from the State of Ohio pursuant to Section 122.17 of the Ohio Revised Code.

This policy sets forth the guidelines by which the Village of Jackson Center may offer Municipal Job Creation Tax Credits. Such credits shall take the form of non-refundable credits allowed against the municipal income tax imposed by Village Ordinance 2008-028. The Village Administrator is authorized to negotiate tax credit agreements with eligible companies as permitted within the policy. Agreements so negotiated must be approved by ordinance of Jackson Center Council.

Authority: A municipality, per Section 718.15 of the Ohio Revised Code, may grant a municipal income tax credit to a taxpayer that also receives a state tax credit per Section 122.17 of the Ohio Revised Code. Furthermore, Article VIII, Section 13 of the Ohio Constitution declares it to be a public purpose for the State and its political subdivisions to lend “aid and credit” to companies in order to create and preserve jobs and promote economic development.

Definitions: As used in this policy:

- “Taxpayer” means an individual or business entity subject to the income tax levied by the Village of Jackson Center under Village Ordinance 2008-028 on the net profits earned by that individual or business entity.
- “Full-Time Employee” means an individual who is employed for consideration at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment.
- “New Employee” means a “New employee” as defined in Section 122.17 of the Ohio Revised Code.
- “New Income Taxes Withheld” means the total amount withheld under Village Ordinance 2008-028 by the Taxpayer during the taxable year from the compensation of New Employees.
- “Municipal Job Creation Tax Credit” means a non-refundable credit allowed against the Taxpayer’s tax liability as determined under Village Ordinance 2008-028. The annual amount of such credit shall be calculated by multiplying the credit percentage by the New Income Taxes Withheld. The credit shall be claimed only after the allowance of all other credits provided in Ordinance 2008-028.
- “State Authority” means the Ohio Tax Credit Authority or other entity responsible for the administration of the State of Ohio’s Job Creation Tax Credit Program.

Eligible Applicants: A business entity (Taxpayer or potential Taxpayer) who proposes a business development/expansion project which creates new jobs in this Village may apply to the Village to enter into an agreement for a tax credit pursuant to this policy. An eligible business entity (Taxpayer) includes a C-corporation, sole proprietorship, limited liability Company, partnership, or an S-corporation. A Village tax credit received by a partnership, S-Corporation, or similar business entity through which income flows as a distributive share to

its owners shall be apportioned among such owners in the same proportion in which the income or profit is distributed.

Tax Credit Agreement: The Village Administrator is authorized to negotiate a tax credit agreement if he determines all of the following:

1. The Taxpayer's project will, within three (3) years of initial operations, either 1) create at least 10 new jobs in the Village of Jackson Center paying wages, excluding benefits, of at least 150% of the federal minimum wage, or 2) achieve a minimum annual payroll for those new jobs of \$660,000.00 by the third year;
2. The Taxpayer's project is economically sound and will benefit the citizens of the Village by increasing opportunities for employment and strengthening the economy of the Village;
3. The Taxpayer's project involves a substantial fixed asset investment in land, building, machinery/equipment, and/or infrastructure;
4. Receiving the tax credit is a major factor in the Taxpayer's decision to go forward with the project;
5. The Taxpayer has been granted a tax credit by the State of Ohio under Section 122.17 of the Ohio Revised Code;

An agreement negotiated under this policy shall include all of the following:

1. A detailed description of the project.
2. The term of the tax credit, not to exceed fifteen (15) years.
3. Identification of the first year for which the credit may be claimed.
4. The stated percentage, negotiable up to one hundred percent (100%), of New Income Taxes Withheld which will be allowed as the amount of the credit for each taxable year.
5. A requirement that the Taxpayer shall maintain operations at the project location for at least twice the number of years as the term of the tax credit.
6. A requirement that the average hourly base wage (excluding benefits) of the project's new Full-Time Employees for the first three continuous years must be at least 150% of the federal minimum wage.
7. If the project is an expansion or consolidation of an existing facility, the Taxpayer must commit to retaining the current number of employees. The tax credit will apply to only the net, new Full-Time Employees in the project at the project location.
8. A requirement that the Taxpayer submit to the Village copies of periodic progress reports submitted to the State Authority, and promptly upon receipt by the Taxpayer, the Certification of Verification issued to the Taxpayer by the State Authority.
9. A specific method to determine how many New Employees are employed during a taxable year.
10. A provision for determining the amount of damages the Taxpayer should pay to the Village in the event the Taxpayer does not comply with the terms of the agreement.

Each tax credit agreement negotiated pursuant to the terms of this policy will not be effective unless and until approved, by ordinance, by Jackson Center Council.