

Income/Franchise:

Ohio: Judge Dismisses Lawsuit Involving Pandemic-Related Telecommuting and Local Income Taxes

Case No. 20CV004301 (Civil Division), Court of Common Pleas, Franklin County, Ohio (4/27/21). A county court judge recently dismissed a lawsuit challenging the validity of Ohio legislation enacted in 2020 [see H.B. 197 (2020) for details on this new law] that generally treats employees who report to a temporary worksite (including those working from home) during the COVID-19 pandemic emergency period as working at their principal place of work for Ohio municipal income tax withholding purposes – holding that the Ohio General Assembly possesses the authority to enact such legislation. Specifically, the underlying suit challenged the authority of Ohio’s General Assembly to “legislatively limit, coordinate and regulate municipal taxing authorities in their respective treatment of employees working remotely under the exigent circumstance of the COVID-19 pandemic.” According to the judge, the Ohio General Assembly “has long regulated municipal taxing authority, both temporally and geographically, even before the exigent circumstances of the COVID-19 pandemic” and as a general principle, “Ohio courts have interpreted the Ohio Constitution to allow the General Assembly to regulate municipal taxation where necessary to police taxation among municipalities.”

[URL: https://www.gongwer-oh.com/public/134/BuckeyeDismissal.pdf](https://www.gongwer-oh.com/public/134/BuckeyeDismissal.pdf)

[URL: https://www.legislature.ohio.gov/legislation/legislation-documents?id=GA133-HB-197](https://www.legislature.ohio.gov/legislation/legislation-documents?id=GA133-HB-197)

The petitioners in this case have since filed an appeal. Additionally, note that similar lawsuits challenging the 2020 legislation have been filed in other Ohio localities. Moreover, pending state legislation [see pending Ohio H.B. 157], if enacted, would revise some of the provisions at issue. Please contact us with any questions.

[URL: https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-157](https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA134-HB-157)

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