

Proposed Income Tax Restructuring

Generates Significant Additional Revenue from Non-residents
and

Reduces the Range of Aggregate City Income Tax Rates Paid by Powell Residents

CITY OF POWELL
Council Minutes of 01.05.2021
Exhibit 1

<u>Powell Residents</u>	Accts Affected			Aggregate Income Tax Rate Paid Before	Aggregate Income Tax Rate Paid After
Powell Residents who work outside of Powell and who pay less than 2% in workplace city income tax	2229	\$	847,213.00	0.75%	2.00%
Powell Residents who work outside of Powell and who pay 2% or more in workplace city income tax	4804	\$	(2,197,484.00)	2.5% -3.0%	2.00% -2.50%
Powell Residents who work in Powell	dnk	\$	<u>1,476,512.00</u>	0.75%	2.00%
Net increased revenue from Powell Residents			\$ 126,241.00	3.64%	
<u>Powell Businesses</u>					
Net Profits Tax	dnk	\$	580,053.00	16.70%	0.75%
<u>Non-residents</u>					
Working in Powell	dnk	\$	<u>2,766,112.00</u>	79.66%	0.75%
<u>Total Increased Revenue</u>		\$	<u>3,472,406.00</u>		

Growth of Income Tax Collections

2007-2019

<u>Year</u>	<u>Individual</u>	<u>Yr over Yr</u> <u>%</u>	<u>Withholding</u>	<u>Yr over Yr</u> <u>%</u>	<u>W/H as a</u> <u>% of Ind.</u>	<u>Net Profits</u>	<u>Yr over</u> <u>Yr %</u>	<u>Total</u>	<u>W/H +</u> <u>NP as a</u> <u>% of</u> <u>Total</u>
2007	\$ 2,420,306.00		\$ 1,076,455.00		44.48%	\$ 102,336.00		\$ 3,599,097.00	32.75%
2008	\$ 2,595,907.00	7.26%	\$ 1,193,869.00	10.91%	45.99%	\$ 170,553.00	66.66%	\$ 3,960,329.00	34.45%
2009	\$ 2,528,860.00	-2.58%	\$ 1,252,602.00	4.92%	49.53%	\$ 216,233.00	26.78%	\$ 3,997,695.00	36.74%
2010	\$ 2,327,950.00	-7.94%	\$ 1,280,117.00	2.20%	54.99%	\$ 73,575.00	-65.97%	\$ 3,681,642.00	36.77%
2011	\$ 2,929,395.00	25.84%	\$ 1,354,054.00	5.78%	46.22%	\$ 144,600.00	96.53%	\$ 4,428,049.00	33.84%
2012	\$ 2,701,991.00	-7.76%	\$ 1,423,843.00	5.15%	52.70%	\$ 179,793.00	24.34%	\$ 4,305,627.00	37.25%
2013	\$ 2,952,926.00	9.29%	\$ 1,579,230.00	10.91%	53.48%	\$ 263,489.00	46.55%	\$ 4,795,645.00	38.42%
2014	\$ 2,852,847.00	-3.39%	\$ 1,714,074.00	8.54%	60.08%	\$ 295,982.00	12.33%	\$ 4,862,903.00	41.33%
2015	\$ 3,262,425.00	14.36%	\$ 1,896,781.00	10.66%	58.14%	\$ 236,459.00	-20.11%	\$ 5,395,665.00	39.54%
2016	\$ 3,338,580.00	2.33%	\$ 2,120,084.00	11.77%	63.50%	\$ 401,568.00	69.83%	\$ 5,860,232.00	43.03%
2017	\$ 3,399,027.00	1.81%	\$ 2,189,662.00	3.28%	64.42%	\$ 327,613.00	-18.42%	\$ 5,916,302.00	42.55%
2018	\$ 3,259,723.00	-4.10%	\$ 2,288,458.00	4.51%	70.20%	\$ 341,380.00	4.20%	\$ 5,889,561.00	44.65%
2019	\$ 3,343,150.00	2.56%	\$ 2,453,999.00	7.23%	73.40%	\$ 292,846.00	-14.22%	\$ 6,089,995.00	45.10%
		3.18%		10.66%			15.51%		

Tale of Two Neighbors -

Same Job in Different Communities; Different Tax Results

	Salary	Before Income Tax Restructuring					After Income Tax Restructuring					Net Change
		Workplace Tax Rate	Home Tax Rate after Credit	Workplace City Income Tax Paid	Home City Income Tax Paid	Total City Income Tax Paid	Workplace Tax Rate	Home Tax Rate after Credit	Workplace City Income Tax Paid	Home City Income Tax Paid	Total City Income Tax Paid	
Professional Working in Worthington and Living in Powell	\$ 150,000.00	2.50%	0.50%	\$ 3,750.00	\$ 750.00	\$ 4,500.00	2.50%	0.00%	\$ 3,750.00	\$ -	\$ 3,750.00	\$ (750.00)
Professional Working and Living in Powell	\$ 150,000.00	0.75%	0.00%	\$ 1,125.00	\$ -	\$ 1,125.00	2.00%	0.00%	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 1,875.00

Professional Working in
Worthington Pays More in City
Income Taxes \$ 3,375.00

Professional Working in
Worthington Pays More in
City Income Taxes \$ 750.00