

**CITY OF XENIA, OHIO
RESOLUTION 2025 – 066**

REQUESTING AND AUTHORIZING THE GREENE COUNTY BOARD OF ELECTIONS TO PLACE UPON THE CITY OF XENIA BALLOT AT THE PRIMARY ELECTION OF MAY 5, 2026, THE QUESTION OF WHETHER ORDINANCE 2025-39, AMENDING §§ 881.01, 881.03(a), 881.04(a)(1), 881.06(a)(3), AND 881.26(b)(2) OF THE CITY’S INCOME TAX CODE TO PROVIDE FOR THE INCREASE THE CITY’S MUNICIPAL INCOME TAX RATE BY TWENTY-FOUR HUNDREDTHS OF ONE PERCENT (0.24%) FOR A PERIOD OF TEN (10) YEARS, COMMENCING JANUARY 1, 2027, FOR THE PURPOSE OF PROVIDING FUNDS FOR STREET REPAIRS AND MAINTENANCE, SHALL BE APPROVED

WHEREAS, the City of Xenia, Ohio, currently levies an annual municipal income tax at the rate of 2.25% on all persons or entities residing in, or earning or receiving income in, the City, in accordance with Ohio Revised Code (“ORC”) Chapter 718.;

WHEREAS, this Council has determined that the City has insufficient funds to provide an adequate amount of funds to meet the necessary requirements of this City in providing for the reconstruction, resurfacing, repair, and maintenance of the City’s streets and public ways;

WHEREAS, considering the condition of the City’s residential streets and public ways and the need to repair and maintain those streets and public ways, this Council desires to place on the ballot at the primary election of May 5, 2026, a proposed increase in the City’s municipal income tax rate from 2.25% to 2.49% for a period of ten (10) years, with such 0.24% increase being used solely for the purpose of reconstructing, resurfacing, repairing, and maintaining the City’s streets and public ways;

WHEREAS, ORC § 718.04(C)(2) provides that no municipal corporation shall levy a tax on income at a rate in excess of one percent (1%) without having obtained the approval of the excess by a majority of the electors of the municipality voting on the question at a general, primary, or special election; and

WHEREAS, this Council has determined it is in the best interests of health, safety, and welfare of the City and its citizens to present to the voters at the May 5, 2026, primary election the question of whether the City’s municipal income tax rate should be increased by twenty-four hundredths of one percent (0.24%) for a period of ten (10) years for the purpose of reconstructing, resurfacing, repairing, and maintaining the City’s streets and public ways,

NOW, THEREFORE, THE CITY OF XENIA HEREBY RESOLVES, a majority of the City Council members present concurring, that:

Section 1. In accordance with ORC § 718.04, this Council hereby authorizes, requests, and directs the Greene County, Ohio Board of Elections to submit to the electors of the City of Xenia, Ohio, and to place upon the ballot for the general election of May 5, 2026, the question of whether Ordinance 2025-39, amending the City of Xenia’s Income Tax Code to increase the municipal income tax rate by twenty-four hundredths of one percent (0.24%) for the a period of ten (10) years, for the purpose of providing funds for reconstruction, resurfacing, repair, and maintenance of the City’s streets and public ways, shall be approved.

Section 2. The proposed Ordinance 2025-39, introduced by this Council on December 22, 2025, which is to be submitted to the electors of the City for their approval under this Resolution, is attached hereto as Exhibit A, which is incorporated in this Resolution by reference and shall be a part of this Resolution.

Section 3. If approved by the voters, the increased income tax revenue received by the City on the 0.24% increase shall be paid into the Street Fund to provide funds for the purpose of reconstructing, resurfacing, repairing, and maintaining the City’s streets and public ways, which may include the costs and payment of the principal of, and interest and any premiums on, any bonds, notes, or other obligations issued for such street improvement projects, and such income tax revenue shall not be used for any other purpose.

Section 4. In accordance with ORC § 718.04(C), this Council directs that the ballot presented to the electorate of the City of Xenia, Ohio, at the primary election of May 5, 2026, shall be entitled “Amendment of Ordinance Relating to Taxable Income,” and the question to be submitted on the ballot shall be in the following form:

Shall City of Xenia Ordinance 2025-39 providing for a 0.24% increase in the levy on income (from 2.25% to 2.49%) for a ten-year period beginning January 1, 2027, for the purpose of using such increase to reconstruct, resurface, repair, and maintain the City’s streets and public ways, and for no other purpose, be adopted?

The 0.24% income tax increase, if approved, will not be levied on incomes of social security benefits, pension benefits, military pay, interest and dividends, insurance proceeds, unemployment benefits, workers’ compensation benefits, or any other exemptions listed in Section 881.03(I) of the Xenia City Income Tax Code.

FOR THE INCOME TAX INCREASE _____

AGAINST THE INCOME TAX INCREASE _____

A majority affirmative vote is necessary for passage.

Section 5. The Finance Director, with the advice of the Law Director, is authorized to further or differently summarize the language of the proposed amendment provided in Section 4. hereof for the purposes of creating an appropriate ballot if requested or required by the Greene County Board of Elections or the Ohio Secretary of State.

Section 6. The City Clerk is directed to certify a copy of this Resolution and Ordinance 2025-39 to the Greene County Board of Elections on or before the close of business on February 4, 2026. The City Clerk is further directed to take all other actions required by law relative to the submission of the Question to the voters on May 5, 2026, primary ballot.

Section 7. If the electors should fail to approve the adoption of Ordinance 2025-39 at the primary election of May 5, 2026, such failure shall not in any way affect any rights or obligations of the City, any taxpayer, or any other person, official, or entity with respect to the existing 2.25% municipal income tax, as authorized by Chapter 881. of the Xenia City Code.

Section 8. It is hereby found that all formal actions of this Council concerning and relating to the passage of this Resolution were conducted in an open meeting of this Council, and that all deliberations of this Council that resulted in this formal action were in meetings open to the public in compliance with all legal requirements, including ORC § 121.22.

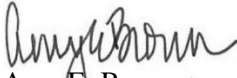
Section 9. This Resolution shall become effective immediately upon its passage.

Passed: December 22, 2025



Wesley E. Smith
Xenia City Council President

Attest:



Amy E. Brown
City Clerk

**CITY OF XENIA, OHIO
ORDINANCE 2025 – 39**

**AMENDING SECTIONS 881.01, 881.03(a), 881.04(a)(1), 881.06(a)(3), AND 881.26(b)(2)
OF THE CITY’S INCOME TAX CODE TO PROVIDE FOR THE INCREASE OF THE CITY’S
MUNICIPAL INCOME TAX RATE BY TWENTY-FOUR HUNDREDTHS OF ONE PERCENT
(0.24%) FOR A PERIOD OF TEN (10) YEARS, COMMENCING JANUARY 1, 2027, FOR THE
PURPOSE OF PROVIDING FUNDS FOR STREET REPAIRS AND MAINTENANCE**

WHEREAS, this Council finds that it is necessary to increase the City’s municipal income tax rate from 2.25% to 2.49% (an increase of 0.24%) for a period of ten (10) years for the purpose of providing funds for the reconstruction, resurfacing, repair, and maintenance of the City’s streets and public ways, as more fully described herein;

WHEREAS, it is necessary to amend §§ 881.01(c), 881.03(a), 881.04(a)(1), 881.06(a)(3), and 882.26(b)(2) of the City’s Income Tax Code, as contained in the Xenia City Code, to provide for the increased income tax for a ten-year period;

WHEREAS, ORC §718.04(C)(2) provides that this Ordinance may only be adopted upon the affirmative vote of the majority of the electors of the City voting on the question at a general, primary, or special election; and

WHEREAS, it is the intent of this Council to present the question of the adoption of this Ordinance to the electors of the City at the May 5, 2026, primary election,

NOW, THEREFORE, THE CITY OF XENIA HEREBY ORDAINS, a majority of the members of City Council present concurring, that:

Section 1. §§ 881.01(c), 881.03(a), 881.04(a)(1), 881.06(a)(3), and 882.26(b)(2) of the City’s Income Tax Code, as contained in the Xenia City Code, are hereby amended as shown on the attached Exhibit A.

Section 2. Existing §§ 881.01(c), 881.03(a), 881.04(a)(1), 881.06(a)(3), and 882.26(b)(2) of the City’s Income Tax Code, as contained in the Xenia City Code, are hereby repealed.

Section 3. It is found that all formal actions of this Council concerning and relating to the adoption of this Ordinance were conducted in an open meeting of this Council, and that all deliberations of this Council that resulted in this formal action were in meetings open to the public in compliance with all legal requirements, including ORC § 121.22.

Section 4. If approved by the voters in the May 5, 2026, primary election, this Ordinance shall take effect on January 1, 2027.

Introduced: December 22, 2025

Adopted:

Attest:

Wesley E. Smith
Xenia City Council President

Amy E. Brown
City Clerk

881.01 AUTHORITY TO LEVY; PURPOSE; RATE; APPLICABILITY.

(a) Authority to Levy. The tax on income and the withholding tax established by this Chapter are authorized by Article XVIII, Section 3 of the Ohio Constitution. The tax on income and the withholding tax established by this Chapter are deemed to be levied in accordance with, and to be consistent with, the provisions and limitations of ORC Chapter 718. This Chapter is adopted with the intent to conform to ORC Chapter 718. and is deemed to incorporate the provisions of ORC Chapter 718.

(b) Purpose. **The funds collected from the levy of the annual municipal income tax under the provisions of this Chapter shall be applied for the following purposes:**

(1) Two and one-quarter percent (2.25%) shall be used to provide funds for the purposes of capital improvements, general municipal operations, maintenance, new equipment, **and** extension and enlargement of municipal services and facilities of the City, ~~there shall be and is hereby levied an annual municipal income tax on income, qualifying wages, commissions and other compensation, and on net profits as provided in this Chapter 881.~~

(2) For the period from January 1, 2027, to December 31, 2036, twenty-four hundredths of one percent (0.24%) shall be used to provide funds for purposes of reconstructing, resurfacing, repairing, and maintaining the City's streets and public ways, which may include the costs and payment of the principal of, and interest and any premiums on, any bonds, notes, or other obligations issued for such street improvement projects. Such funds shall be paid into the Street Fund and shall not be used for any other purpose.

(c) Rate of Tax. The rate of tax on income and the withholding tax established by this Chapter shall be **two and forty-nine hundredths percent (2.49%) per annum for the tax years commencing on January 1, 2027, and ending on December 31, 2036, and at the rate of** two and one-quarter percent (2.25%) **per annum for the tax years ending prior to January 1, 2027, and the tax years commencing after December 31, 2036** and ~~shall continue at that rate until amended or repealed, as established by Ordinance 10-27, which was approved by the voters on November 2, 2010, and became effective on January 1, 2011.~~ The tax is levied at a uniform rate on all persons residing in or earning or receiving income in the City of Xenia. The tax is levied on income, qualifying wages, commissions and other compensation, and on net profits as provided in Section 881.03 of this Chapter and other sections as they may apply.

(d) Applicability.

(1) Chapter 881., and corresponding changes to ORC Chapter 718., apply to municipal taxable years beginning on or after January 1, 2016. All provisions of this Chapter 881. apply to taxable years beginning 2016 and succeeding taxable years.

(2) Enactment of this Chapter 881. does not repeal the existing sections of Chapter 880. for any taxable year prior to 2016. For municipal taxable years beginning before January 1, 2016, the City shall continue to administer, audit and enforce the income tax of the City under Chapter 880., ORC Chapter 718., and ordinances and resolutions of the City as those ORC Chapters, ordinances and resolutions existed before January 1, 2016.

(e) Allocation of Funds. The funds collected under the provisions of this Chapter shall be allocated in such manner as prescribed by ordinances and policies adopted by the City Council.

881.03 IMPOSITION OF TAX.

(a) Imposition. The annual tax for the purposes specified in Section 881.01 shall be imposed at a uniform rate ~~on and after January 1, 2016, for tax year 2016 and beyond, at the rate of two and one-quarter percent (2.25%) per annum~~ on municipal taxable income for every person residing in or earning or receiving income in the City of Xenia **at the rate of two and forty-nine hundredths percent (2.49%) per annum for the tax years commencing January 1, 2027, and ending on December 31, 2036, and at the rate of two and one-quarter percent (2.25%) per annum for the tax years ending prior to January 1, 2027, and the tax years commencing after December 31, 2036.**

881.04 COLLECTION AT THE SOURCE.

(a) Withholding Provisions.

(1) Each employer, agent of an employer, or other payer located or doing business in the City shall withhold an income tax from the qualifying wages earned and/or received by each employee in the City. Except for qualifying wages for which withholding is not required under 881.03 or division (a)(5) or (a)(7) of this section, the tax shall be withheld at the rate **of two and forty-nine hundredths percent (2.49%) per annum for the tax years commencing January 1, 2027, and ending on December 31, 2036, and at the rate** ~~specified in Section 881.01(e) of this Chapter~~ of two and one-quarter percent (2.25%) **per annum for the tax years ending prior to January 1, 2027, and the tax years commencing after December 31, 2036.** An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.

881.06 NONREFUNDABLE CREDIT FOR TAX PAID TO ANOTHER MUNICIPALITY.

(a) Credit for Income Tax Paid to Another Municipality.

(3) The City shall grant a credit against its tax on income to a resident of the City who works in a joint economic development zone created under ORC 715.691 or a joint economic development district (JEDD) created under ORC 715.70, 715.71 or 715.72 to the same extent that it grants a credit against its tax on income to residents who are employed in another municipality, with the exception of the Xenia Township - City of Xenia JEDD-1 tax. Credit for taxes paid to the Xenia Township - City of Xenia JEDD-1 shall not exceed **two and forty-nine hundredths percent (2.49%) of the income taxed by the Xenia Township – City of Xenia JEDD-1 for the tax years commencing January 1, 2027, and ending on December 31, 2036, and** two and one-quarter percent (2.25%) of the income taxed by the Xenia Township - City of Xenia JEDD-1 **for the tax years ending prior to January 1, 2027, and the tax years commencing after December 31, 2036.**

881.26 INCOME TAX REBATE PROGRAM.

(b) Rebate Program.

(2) If the qualifying non-retail business adds the requisite number of employees and payroll, they will be eligible for a rebate of withholding taxes paid based on a credit of up to one percent (1%) of the withholding income tax rate (i.e., credit of up to 1% of **the 2.49% income tax rate for the tax years commencing on January 1, 2027, and ending December 31, 2036, equating to a 40.16% rebate of withholding taxes paid, and credit of up to 1% of the** ~~current~~ 2.25% **income tax rate for the tax years ending prior to January 1, 2027, and the tax years commencing after December 31, 2036,** equating to ~~a~~ **44.44%** rebate of withholding taxes paid).