

**THE HEART OF CUYAHOGA COUNTY**

**6800 Brecksville Road  
Independence, Ohio 44131  
216.524.4131**



**MEMORANDUM**

To: Mayor Gregory P. Kurtz, Members of Council  
From: Finance Director Vernon Blaze  
Date: Friday, February 24, 2023  
Re: Finance Office and Related Topic Updates

**Income Tax Receipt Trends**

The Regional Income Tax Agency (RITA) provides tax receipt data in two formats – Accrual and Cash. In Independence’s case, there isn’t a material difference between the figures reported in either format.

The following page has summary income tax receipt data for 2020, 2021 and 2022 in both formats for the three categories of income taxes received:

- Withholding (From Employees of businesses)
- Individuals (Substantially residents)
- Net Profits (From businesses)

Those figures do not include some income tax receipts received through the State of Ohio from companies that pay taxes state-wide and choose to file with the State vs. filing with many local communities across the state. But since RITA collects the vast majority of Independence’s income taxes and the amounts received from the State are small by comparison, accurate conclusions can be drawn from the RITA data, namely:

- Local Income Taxes paid via Withholding (employees working in Independence) has been stable to declining.
- Local Income Taxes paid by Individuals (substantially residents) has been fairly stable.
- Local Income Taxes paid by Businesses via Net Profits is a growing part of the Annual Total.
- The economic development focus has to continue to be attracting *profitable* companies that employ people who need to physically work in Independence.

Month/Year	Withholding				Individuals				Net Profit - RITA				Annual
	Taxes From Withholding	Plus Penalties/ Interest	Less Refunds/ Adjustments	Total From Withholding	Taxes From Individuals	Plus Penalties/ Interest	Less Refunds/ Adjustments	Total From Individuals	Net Profit Thru RITA	Plus Penalties/ Interest	Less Refunds/ Adjustments	Total From Net Profit	Total From RITA
2022	27,424,967	87,221	(635,962)	<b>26,876,226</b>	1,524,411	84,545	(100,745)	<b>1,508,211</b>	4,427,923	108,223	(182,508)	<b>4,353,639</b>	<b>32,738,076</b>
2021	28,528,216	103,088	(127,655)	<b>28,503,649</b>	1,558,607	91,955	(114,503)	<b>1,536,059</b>	3,505,612	73,517	(171,980)	<b>3,407,148</b>	<b>33,446,856</b>
2020	27,460,301	45,452	(200,303)	<b>27,305,450</b>	1,407,394	61,915	(68,744)	<b>1,400,566</b>	3,557,968	60,903	(747,727)	<b>2,871,143</b>	<b>31,577,159</b>

Month/Year	Withholding				Individuals				Net Profit - RITA				Annual
	Taxes From Withholding	Plus Penalties/ Interest	Less Refunds/ Adjustments	Total From Withholding	Taxes From Individuals	Plus Penalties/ Interest	Less Refunds/ Adjustments	Total From Individuals	Net Profit Thru RITA	Plus Penalties/ Interest	Less Refunds/ Adjustments	Total From Net Profit	Total From RITA
2022	27,479,569	96,981	(619,288)	<b>26,957,262</b>	1,503,233	82,416	(90,297)	<b>1,495,352</b>	4,383,819	102,728	(181,395)	<b>4,305,152</b>	<b>32,757,766</b>
2021	28,417,456	85,501	(126,499)	<b>28,376,458</b>	1,525,342	83,744	(114,257)	<b>1,494,829</b>	3,468,234	82,338	(224,489)	<b>3,326,083</b>	<b>33,197,370</b>
2020	27,953,450	50,421	(197,888)	<b>27,805,983</b>	1,448,067	67,902	(68,751)	<b>1,447,217</b>	3,631,154	50,975	(697,461)	<b>2,984,668</b>	<b>32,237,868</b>