

CHAPTER 798

General Contractor and Subcontractor - Tax Registration

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CROSS REFERENCES

Imposition of tax - see TAX [1905.03](#)

798.01. Definitions.

As used in this chapter:

“Certificate of Income Tax Compliance” means the certificate issued verifying that all City of Toledo income tax filings are current and all tax liabilities are paid in full. The Division of Taxation and Treasury shall issue a “Certificate of Income Tax Compliance” when both conditions are met.

“City,” means the City of Toledo, who, in the act of registering contractors and subcontractors, does not certify, endorse, or imply the fitness of the qualifications of any contractor.

“Construction” and/or “Work” means any construction, reconstruction, rehabilitation, remodeling, improvement, enlargement, alteration, repair, painting, decorating and/or landscaping or any similar activity.

“General contractor,” as used within this chapter, means any individual, company, partnership, association, corporation or any other entity performing any work in the City of Toledo engaged in the business of contracting for any work in connection with construction, restoration, remodeling, or any other work, including but not limited to electrical, plumbing, heating and air conditioning, painting, construction and repair of sidewalks and driveways, and the construction and repair of water lines, and sanitary and storm sewers.

“Subcontractor,” as used within this chapter, means any individual, company, partnership, association, corporation or any other entity performing any work in the City of Toledo that enters into a contract and assumes part or all of the obligations of another entity’s contract for any work in connection with construction, restoration, remodeling, or any other work, including but not limited to electrical,

plumbing, heating and air conditioning, painting, construction and repair of sidewalks and driveways, and the construction and repair of water lines, and sanitary and storm sewers.

(Ord. 21-06. Passed 3-28-06.)

798.02. Application.

A person, firm, partnership, corporation or any other entity that will perform construction work in the City shall file with the City Taxation Division an application in the form prescribed by the Commissioner of Taxation, verified by the oath of the principal officer (e.g. notarized), setting forth information which includes but is not limited to:

- (a) The actual and exact name, as well as the taxpayer identification number (TIN) under which the person, firm, partnership, corporation or entity will perform construction work;
- (b) The address and telephone number for the principal place of business for the person, firm, partnership, corporation or entity that will perform the construction work;
- (c) Proof that the person, firm, partnership, corporation or entity that will perform construction work is current in its obligation to file tax returns and pay taxes to the City;
- (d) Proof of current coverage under Ohio Worker's Compensation and Unemployment Compensation at the time of registration and/or reregistration;
- (e) Proof of the appointment, as well as the complete name and address, of the statutory or designated agent for the entity that will perform construction work;
- (f) The irrevocable consent of such person, firm, partnership, corporation or entity that will perform construction work in the City to service of process on such agent and/or upon the Secretary of State.

(Ord. 21-06. Passed 3-28-06.)

798.03. Income tax registration of general contractors and subcontractors.

The registration requirements of this section are not intended to, and shall not replace nor supersede any applicable federal and/or state licensing requirements.

(a) Income tax registration requirements.

(1) No general contractor or subcontractor shall perform any work in the City of Toledo in part or in full without having first registered with the City of Toledo, Division of Taxation and Treasury and possessing a current Certificate of Income Tax Compliance.

(2) In order to successfully register with the City, general contractors and subcontractors must:

- (i) Obtain a City of Toledo Income tax account number;
- (ii) Obtain a Certificate of Income Tax Compliance with the Division of Taxation and Treasury. A Certificate of Income Tax Compliance will be issued only when all tax filings are current and all tax liabilities are paid in full.

(iii) Deposit \$250 with the Division of Taxation and Treasury at the time of such registration. Such payment will be applied towards the general contractor or subcontractor's estimated net profits income tax.

(3) The Division of Taxation and Treasury shall regularly maintain and review a list of Certificate of Income Tax Compliance holders and provide updates to the Division of Building Inspection/Code Enforcement and the Offices of Affirmative Action and Contract Compliance of all certificate holders who subsequently become non-compliant.

(Ord. 21-06. Passed 3-28-06.)

798.03. Registration denial; renewal.

(a) A certificate of tax registration shall be denied to any person, firm, partnership or corporation that will perform construction work in the City for:

- (1) Failure to file tax returns;
- (2) Failure to be current in the obligation to file tax returns;
- (3) Failure to pay taxes;
- (4) Failure to be current in the obligation to pay taxes; or
- (5) For good cause articulated by the Commissioner of Taxation for the City.

(b) A certificate of tax registration shall remain valid and is renewable annually unless cancelled by the City Division of Taxation for any of the grounds for denial stated in subsection (a) hereof that extends or continues beyond a twelve-month period.

(c) Any person, firm, partnership or corporation shall reregister with the City Tax Division if their certificate of tax registration is cancelled pursuant to this chapter.

(Ord. 235-91. Passed 3-26-91.)

798.04. Income tax reporting requirements of general contractors and subcontractors.

(a) A general contractor, subcontractor or property owner if self- contracted is responsible for notifying any contractors brought into the project at the onset that the activity performed by said subcontractor(s) necessitates income tax registration and compliance by said subcontractor(s) and will be required to furnish a copy of their Certificate of Income Tax Compliance prior to working on the project. A copy of said certificate must remain on file for at least one year.

(b) The Certificate of Income Tax Compliance may be revoked by the Division of Taxation and Treasury for failure by a general contractor or subcontractor to remain current in the filing or timely payment of income taxes.

(c) The Division of Taxation and Treasury through the Division of Building Inspection shall also have the authority to immediately Stop Work performed by any individual at any time when:

- (1) That individual is delinquent in filing or paying city income tax liabilities.
- (2) That individual fails to comply with any reporting or registration requirements of the City.

The City shall not be liable in whole or in part for any delay or penalty incurred by a contractor or subcontractor as a result of failure to comply with the requirements of this Chapter by any contractor or subcontractor.

(d) Proof of possession of a valid Certificate of Income Tax Compliance shall be necessary to commence or resume suspended work.

(e) Any general contractor or subcontractor intending to work or working on a City contract, and who does not possess a valid Certificate of Income Tax Compliance shall have such contract suspended in accordance with paragraph (d) above.

(f) In addition to the wage reporting requirements of Toledo Municipal Code section [1905.06](#), any entity or individual required by the Internal Revenue Service to report on Form 1099-MISC payments to individuals not treated as employees for services performed shall also report such payments to the Commissioner of Taxation and Treasury when the services were performed in Toledo. The information may be submitted on a list that includes the individual's name, address, federal identification number or social security number, and the amount of the compensation. Federal form(s) 1099 may be submitted in lieu of such listing. The information shall be filed annually on or before January 31 following the end of the calendar year in which such payments were made.

(Ord. 21-06. Passed 3-28-06.)

798.05. Registration denial; renewal.

(a) A "Certificate of Income Tax Compliance" shall be denied to any individual, company, partnership, association, corporation or any other entity which intends to perform work in the City of Toledo for:

- (1) Failure to file tax returns;
- (2) Failure to be current in the obligation to file tax returns;
- (3) Failure to pay taxes when due;
- (4) Failure to be current in the obligation to pay taxes;
- (5) Failure to show proof of valid Worker's Compensation/ Unemployment Certification; or
- (6) For good cause as articulated by the Commissioner of Taxation for the City of Toledo.

(b) A "Certificate of Income Tax Compliance" shall remain valid and is renewable annually unless cancelled by the City of Toledo Division of Taxation and Treasury for any grounds for denial stated in subsection (a) hereof.

(Ord. 21-06. Passed 3-28-06.)

798.06. Exemptions.

This chapter does not apply to property owners obtaining permits for such work performed by said owners on single or multi-family dwellings, which they own or in which they reside, or to those entities and individuals not receiving compensation for services rendered.

(Ord. 21-06. Passed 3-28-06.)

798.07. Registration prerequisite for other matters.

(a) Any individual, company, partnership, association, corporation or any other entity shall possess and provide to the Division of Building Inspection/Code Enforcement a current Certificate of Income Tax Compliance in order to:

- (1) Obtain a permit required by [Chapter 1305](#) of the City of Toledo Building Code; or
- (2) Register, or renew registration, as a contractor pursuant to Chapters [911](#), [927](#), [1311](#), [1313](#), and [1383](#) of the City of Toledo Building Code; or
- (3) Register, or renew registration as a contractor pursuant to [Chapter 1512](#) of the Fire Prevention Code.

(b) Any individual, company, partnership, association, corporation or any other entity intending to work on a City contract must first register with the City of Toledo Income Tax Division and be “Tax Compliant” in order to be considered for award for a City contract.

(Ord. 21-06. Passed 3-28-06.)

798.99. Penalty.

Any individual, company, partnership, association, corporation or any other entity who violates any section of this chapter as determined by the Division of Taxation and Treasury shall be subject to a civil fine of \$1,000.00. A second violation in a one year period, in addition to civil penalties, shall be guilty of a misdemeanor of the first degree, a fine up to \$1,000.00, and imprisonment not more than 180 days. Further violations after the second violation increase the civil fine by \$5,000 per occurrence. Each day the violation is committed or permitted to continue shall constitute a separate offense.

An employer may appeal any decision made by the Division of Taxation or its designee under this subsection 798.99 to the Board of Appeals created by Section [701.10](#). The Board shall have the power to sustain, modify or reverse the decision of the Division of Taxation or its designee. The Board's decision shall be in writing and sent to the appellant or his/her legal representative, within fifteen days after the hearing is concluded. The action of the Board of Appeals is final. A quorum of the Board shall consist of a majority of the members of the Board.