



REGIONAL INCOME TAX AGENCY

Good Morning Member,

Although the filing and payment deadline extension from April 15th to July 15th was welcome relief for taxpayers and practitioners, the extension will undoubtedly **result in a delay of income tax collections generated from businesses and individual taxpayers.**

Income tax collections traditionally received by your municipality during the months of April through August will likely be received in the months of August through November. **We are also anticipating a downward trend in estimated payments for 2020** as non-essential businesses were ordered to close, and many individuals were laid off or furloughed. National economists are forecasting unemployment rates may reach as high as 30 percent. It is being reported by State of Ohio officials, Ohio recently shattered all previous records of people applying for unemployment. Below you will see the Impact Calculation Explanation and the impact numbers for your community. Please remember that this is just an ESTIMATE.

Impact Calculation Explanation:

The calculation below was used to calculate the COVID-19 municipal income tax impact to your municipality. The calculation incorporated state and federal projected unemployment rates as well as a delay in income tax revenue due to the extension of the filing and payment deadline from April 15th to July 15th.

Withholding Loss: months 3-6 = 20% loss, months 7-9 = 10% loss, months 10-12 = 5% loss.

Individual Loss (2020 estimates only): months 3-6 = 20% loss, months 7-9 = 10% loss, months 10-12 = 5% loss.

Net Profit Delay: months 3-7 delayed to months 8-11.

Individual Delay: months 3-7 delayed to months 8-11.

Village of Kirtland:

Withholding Loss:

Individual Loss:

Net Profit Delay:

Individual Delay: