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# OHIO LEGISLATIVE SERVICE COMMISSION

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## Substitute Bill Comparative Synopsis

### Sub. H.B. 157

### 134<sup>th</sup> General Assembly

House Ways & Means

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Introduced)	Latest Version (I_134_0954-2)
<b>Applicability of withholding rule</b>	
<p>Repeals a special municipal income tax withholding rule allowing employers to withhold to an employee's principal place of work even though the employee may be working from home or another location if that working arrangement is the result of the Governor's COVID-19 emergency declaration (<i>Section 29 of H.B. 197 of the 133<sup>rd</sup> General Assembly</i>).</p> <p>(Under current law, this rule, which began at the commencement of the emergency declaration (March 9, 2020), is scheduled to sunset 30 days after the expiration or termination of that declaration.)</p>	<p>Does not repeal the rule, but sunsets it at the end of 2021, regardless of whether or when the emergency declaration ends, and modifies the rule as follows:</p> <ul style="list-style-type: none"><li>▪ Requires the working arrangement to be the result of the COVID-19 pandemic rather than the emergency declaration.</li><li>▪ Specifies that the special rule does not prohibit an employer from withholding income tax to the actual municipal corporations where the employee works from home or at another location.</li></ul>

Previous Version (As Introduced)	Latest Version (I_134_0954-2)
	<ul style="list-style-type: none"> <li>▪ Specifies that the rule does not prohibit an employer from assigning a different “principal place of work” to the employee, which may change the employer’s withholding obligations towards the employee despite the rule.</li> <li>▪ States that the rule applies solely for determining an employer’s withholding obligations and where an employer’s net profits are situated and not for the purpose of determining the location where a nonresident employee’s wages are subject to municipal income tax.</li> </ul> <p><i>(Section 29 of H.B. 197 of the 133<sup>rd</sup> General Assembly; Section 3.)</i></p>
<b>Taxes, penalties, and interest on improper withholding</b>	
No similar provision.	Prohibits a municipal corporation from assessing taxes, penalties, or interest against an employer for the employer’s failure to properly withhold tax from an employee’s wages, as long as the employer does properly withhold in accordance with the special withholding rule, including the retrospective changes made by the bill and described above <i>(Section 4)</i> .
<b>Applicability of changes</b>	
No similar provision.	Applies the interest and penalty waiver and the changes to the withholding rule to all municipal income taxes withheld from March 9, 2020, to December 31, 2021. States that these modifications are remedial in nature <i>(Section 5)</i> .