THE UNIFORM MUNICIPAL INCOME TAX ACT

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Ever since the decision by the Ohio Supreme Court in *Zielonka v. Carrell*,[1] it has been judicially recognized that municipal taxing power in this state stems not from the General Assembly but from the Ohio Constitution which provides, *inter alia*, that municipalities shall have authority to exercise all powers of local self-government.[2] The Court in that case observed that such grant of authority includes the power of taxation, "for without this power local government in cities could not exist for a day."

This constitutional grant of municipal taxing power, however, is not *carte blanche*, for the Constitution contains two specific provisions of a restrictive character. One of them empowers the General Assembly to restrict municipal "power of taxation, assessment, borrowing money, contracting debts and loaning their credit."[3] The other provides that "laws may be passed to limit the power of municipalities to levy taxes and incur debts for local purposes."[4] The power of the General Assembly to restrict the exercise of municipal taxing power may be exercised either expressly or by implication. As stated by the Supreme Court in *Haefner v. City of Youngstown*,[5] which involved a consumers' utility excise tax levied by the city, "municipalities have power to levy excise taxes to raise revenue for purely local purposes; but, . . . such power may be limited by express statutory provision or by implication flowing from state legislation which pre-empts the field by levying the same or a similar excise tax."

The legislative power of restriction by implication, oftentimes referred to as the "pre-emption doctrine,"[6] presently has no general application in the field of municipal income taxation for the reason that the State of Ohio has not levied an income tax. Although the Constitution

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[1] 99 Ohio St. 220, 124 N.E. 134 (1919).

[2] Ohio Const., Art. XVIII, §3, generally referred to as the "home-rule" amendment. See also Art. XVIII, §7, which provides that any municipality may frame and adopt a charter for its government and may, subject to the provisions of Section 3, *supra*, exercise thereunder all powers of local self-government. Both of these constitutional provisions were adopted September 3, 1912.

[3] OHIO CONST., Art. XIII, §6.

[4] OHIO CONST., Art. XVIII, §13.

[5] 147 Ohio St. 58, 68 N.E. 2d 64 (1946).

[6] The origin and evolution of the pre-emption doctrine may be traced in the following cases: Zielonka v. Carrell, note 2, *supra;* Loan Company v. Carrell, 106 Ohio St. 43, 138 N.E. 364 (1922); Marion Foundry v. Landes, 112 Ohio St. 166, 147 N.E. 302 (1925); City of Cincinnati v. American Telephone and Tele-

specifically empowers the General Assembly to levy a state income tax[7] and contains a mandatory provision concerning division of the revenue between the state government and the local governments in which it originates,[8] and notwithstanding the obiter dictum in the *Zielonka* case, *supra*, that it is clearly to be implied from these constitutional provisions that municipalities are without power to levy income taxes, the Supreme Court has held otherwise in *Angell v. City of Toledo*,[9] stating in paragraphs 1 and 2 of the Syllabus as follows:

1. Ohio municipalities have the power to levy and collect income taxes in the absence of the pre-emption by the General Assembly of the field of income taxation and subject to the power of the General Assembly to limit the power of municipalities to levy taxes under Section 13 of Article XVIII or Section 6 of Article XIII of the Ohio Constitution.
2. The state has not pre-empted the field of income taxation authorized by Sections 8 and 9 of Article XII of the Constitution, and the General Assembly has not, under authority of Section 13 of Article XVIII or Section 6 of Article XIII of the Constitution, passed any law limiting the power of municipal corporations to levy and collect income taxes.

The cloud on municipal income taxation having thus been removed, some twenty-seven municipalities[10] had entered the field by the middle of 1957 and several others were considering doing so. The provisions of the various ordinances were and are by no means uniform.[11] Summarizing these diversities, the Division of Research of the Ohio Department of Taxation has recently reported as follows:[12]

> As of June 5, 1957, there were 27 Ohio municipalities employing income taxation as a revenue source. Rates of taxation among the various jurisdictions vary from five-tenths of 1 per cent to 1 per cent. All of the jurisdictions involved include as taxable items wages, salaries, and business or profes-

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graph Company, 112 Ohio St. 493, 147 N.E. 806 (1925); Firestone v. City of Cambridge, 113 Ohio St. 57, 148 N.E. 470 (1925); Cincinnati v. Oil Works Company, 123 Ohio St. 448, 175 N.E. 699 (1931); and Haefner v. City of Youngstown, note 5, *supra*. See also Glander and Dewey, *Municipal Taxation; A Study of the Pre-emption Doctrine*, 9 OHIO ST. L.J. 72 (1948), and Fordham and Mallison, *Local Income Taxation*, 11 OHIO ST. L.J. 217, 224 (1950).

[7] OHIO CONST., Art. XII, §8.

[8] OHIO CONST., Art. XII, §9.

[9] 153 Ohio St. 179, 91 N.E. 2d 250 (1950).

[10] Barberton, Bellefontaine, Bowling Green, Brewster, Campbell, Canton, Chillicothe, Cincinnati, Columbus, Dayton, Defiance, Elmwood Place, Fostoria, Fremont, Galion, Golf Manor, Ironton, Maumee, Niles, Norwood, St. Bernard, Sidney, Springfield, Struthers, Toledo, Warren and Youngstown.

[11] The several municipal income tax ordinances are set forth or digested in 2 CCH STATE TAX REP., OHIO, pages 7039 to 7591.

[12] RESEARCH REPORT 18-57, July 1, 1957.

> sional income of residents and also of nonresidents to the extent of their earnings within the municipal boundaries. Corporate income attributable to activity carried on within the municipality is taxable in 22 jurisdictions whether or not the corporation maintains an office or place of business therein. In the remaining five municipalities the income of a corporation attributable to activities carried on within the municipality is taxable only if the corporation maintains an office or place of business therein.
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> Some municipalities provide for full crediting of the [income] tax paid by resident persons to another city, others limit the extent of the credit, and some have no such crediting provisions. In general there are no exemptions of regular income, but two jurisdictions exempt the entire income of persons when it is below a specified amount for the year, while taxing the whole of it if it exceeds the specified level. Income from certain sources is commonly excluded, such as welfare payments, pensions, accident benefits, payments related to service in the armed forces, etc.; and some jurisdictions exempt the income of persons under the age of 16 or 18 years.

In view of such diversities, the Committee on Taxation of the Ohio State Bar Association took cognizance of the need for limited regulation by the state on the levy of municipal income taxes. In a report to the Council of Delegates,[13] the Committee pointed out that no particular problem had arisen with respect to the income taxes levied by the cities which first entered the field, namely Toledo, Columbus and Dayton, because the Toledo plan was followed in the other cities, particularly regarding a formula providing for the allocation of the net profits of a business, and also because these three cities had enacted uniform rates with no exemptions other than those required by the law of Ohio. However, as other municipalities entered the field, the Committee said that questions began to arise as to uniformity of the levy, as to allocation of the net profits of business to the several income tax cities in which business was being done, and as to the power of municipalities to tax certain types of business income. The Committee also averred that the need for state regulation had been recognized, not only by business, but also by the municipal corporations themselves.

Exercising its constitutional prerogative to expressly limit municipal taxing power,[14] the 102nd General Assembly passed a bill[15] enacting Sections 718.01, 718.02 and 718.03 of the Revised Code to provide for uniformity in the levy by municipal corporations of taxes on income, and the same was approved by the Governor.[16]

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[13] 29 OHIO BAR No. 18, April 30, 1956.

[14] Notes 3 and 4, *supra*.

[15] Am. Sub. S. Bill 133, passed May 29, 1957.

[16] Approved June 18, 1957, effective September 17, 1957. Similar but somewhat more extensive legislation, embodied in Am. Sub. S. Bill 192, had been passed by the 101st General Assembly but was vetoed by the Governor.

Section 718.01 of the Revised Code,[17] as thus enacted, contains a number of restrictive provisions relative to the exercise of municipal power to tax income. It provides that municipal income taxes shall be levied at a uniform rate; that such taxes shall not be levied at a rate in excess of one per cent without approval of such excess by the electors of the municipality (fifty-five per cent at a general election and sixty per cent at a special or primary election); that municipalities shall not exempt from the tax compensation for personal services of individuals over eighteen years of age or the net profit from a business or profession; that municipalities may permit lawful deductions as prescribed by ordinance; that municipalities shall not tax the military pay or allowances of members of the armed forces, and shall not tax the income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities; and that nothing in the act shall be construed to authorize the levy of any tax on income which a municipal corporation is not authorized to levy under existing laws.

The prohibition against taxation of the income of religious, fraternal, charitable, scientific, literary or educational institutions, to the extent that such income is derived from tax-exempt real estate, tax-

[17] OHIO REV. CODE §718.01: No municipal corporation with respect to that income which it may tax shall tax such income at other than a uniform rate.

No municipal corporation shall levy a tax on income at a rate in excess of one per cent without having obtained the approval of such excess by at least fifty-five per cent of the electors of such municipality voting on the question at a general election or sixty per cent at a special or primary election. The legislative authority of such municipal corporation shall file with the board of elections at least ninety days before the day of the election a copy of the ordinance together with a resolution specifying the date such election is to be held and directing the board of elections to conduct the election. The ballot shall be in the following form: "Shall the Ordinance providing for a . . . per cent levy on income for (Brief description of the purpose of the proposed levy).

FOR THE INCOME TAX

AGAINST THE INCOME TAX"

In the event of an affirmative vote, the proceeds of such levy may be used only for the specified purpose.

No municipal corporation shall exempt from such tax compensation for personal services of individuals over eighteen years of age or the net profit from a business or profession.

Nothing herein contained shall be construed to prevent a municipal corporation from permitting lawful deductions as prescribed by ordinance.

No municipal corporation shall tax the military pay or allowances of members of the armed forces of the United States, or the income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax exempt real estate, tax exempt tangible or intangible property or tax exempt activities.

Nothing in this act shall be construed to authorize the levy of any tax on income which a municipal corporation is not authorized to levy under existing laws.

exempt tangible or intangible property or tax-exempt activities, introduces into municipal income tax law, and makes an integral part thereof, a rather difficult and confusing aspect of state property tax law. For example, a state statute provides that "real and tangible personal property belonging to institutions that is used exclusively for charitable purposes shall be exempt from taxation."[18] This statute, in turn, rests upon a provision of the Ohio Constitution that "general laws may be passed to exempt . . . institutions used exclusively for charitable purposes."[19] But what is meant by the phrase "used *exclusively* for charitable purposes"? This has been a frequently litigated area of property tax law and it is sometimes difficult to reconcile seemingly conflicting decisions.[20] Similarly, another state statute provides that "public school houses and houses used exclusively for public worship, . . . public colleges and academies and all buildings connected therewith, and all lands connected with public institutions of learning, not used with a view to profit, shall be exempt from taxation."[21] This provision likewise rests upon a constitutional limitation,[22] and has been the subject of extensive litigation.[23] In respect of intangible property, still another state statute provides that "money, credits, investments, deposits, and other intangible property belonging, either legally or beneficially, to corporations, trusts, associations, funds, foundations, or community chests, organized and operated exclusively for religious, charitable, scientific, literary, health, hospital, educational, or public purposes, exclusively for the prevention of cruelty to children or animals, or exclusively for contributing financial support

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[18] OHIO REV. CODE §5709.12.

[19] OHIO CONST., Art. XII §2.

[20] Among the illustrative cases in this area are the following: Jones v. Conn., 116 Ohio St. 1, 155 N.E. 791 (1927); Wehrle Foundation v. Evatt, 141 Ohio St. 467, 49 N.E. 2d 52 (1943); Ursuline Academy v. Board of Tax Appeals, 141 Ohio St. 563, 49 N.E. 2d 674 (1943); The Good Samaritan Hospital Assn. v. Glander, 155 Ohio St. 507, 99 N.E. 2d 473 (1951); In re The American Legion, 151 Ohio St. 404, 86 N.E. 2d 467 (1949); Beerman Foundation, Inc. v. Board of Tax Appeals, 152 Ohio St. 179, 87 N.E. 2d 474 (1949); The Western Reserve Academy v. Board of Tax Appeals, 153 Ohio St. 133, 91 N.E. 2d 497 (1950); O'Brien v. The Physicians Hospital Assn., 96 Ohio St. 1, 116 N.E. 975 (1917); Cleveland Osteopathic Hospital v. Zangerle, 153 Ohio St. 222, 91 N.E. 2d 261 (1950); The College Preparatory School for Girls v. Evatt, 144 Ohio St. 408, 59 N.E. 2d 142 (1945); The Incorporated Trustees of the Gospel Worker Society v. Evatt, 140 Ohio St. 185, 42 N.E. 2d 900 (1942); In re Complaint of Taxpayers: Zindorf v. The Otterbein Press, 138 Ohio St. 287, 34 N.E. 2d 748 (1941); The Hubbard Press v. Glander, 156 Ohio St. 170, 101 N.E. 2d 382 (1951); Goldman v. The Friars Club, 158 Ohio St. 185, 107 N.E. 2d 518 (1952); Battelle Memorial Institute v. Dunn, 148 Ohio St. 53, 73 N.E. 2d 88 (1947); Lutheran Book Shop v. Bowers, 164 Ohio St. 359, 131 N.E. 2d 219 (1955).

[21] OHIO REV. CODE §5709.07.

[22] OHIO CONST., Art. XII §2: ". . . general laws may be passed to exempt . . . public school houses, houses used exclusively for public worship . . ."

[23] See annotations under OHIO REV. CODE §5709.07.

to any such purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation, shall not be subject to taxation."[24] It will be observed that this statute also imposes the exclusive use test as a condition to property tax exemption,[25] and hence the prohibition against municipal taxation of income from such sources will be affected accordingly.

The provision that the act shall not be construed to authorize the levy of any tax on income which a municipal corporation is not authorized to levy under existing laws presumably was designed to preserve within the municipal income tax field the legislative power of restriction by implication, hereinbefore referred to as the pre-emption doctrine.[26] More specifically, it undoubtedly was introduced to assure the continued vitality of *Ohio Finance Company v. City of Toledo*[27] and any subsequent decisions of similar character. The decision of the Supreme Court in the cited case is succinctly stated in the Syllabus, which reads as follows:

> In view of the provisions of the state tax laws, providing generally for a tax against the owner of 5 per cent on the income yield from his intangibles but then providing for taxation of the shares of a dealer in intangibles at 5 mills of their fair value and further providing that such latter tax should be in lieu of all other taxes on property such as intangibles owned by such a dealer, a municipality may not impose an income tax on such portion of the net profits of such a dealer as are derived from the income yield of intangibles owned by such dealer.

Upon analysis of the state taxing statutes, the Court concluded that the General Assembly had clearly expressed an intent that no municipal tax shall be imposed on the income which a dealer in intangibles receives from intangibles that he owns, even though the state intangibles tax is a property tax measured by income yield and not an income tax as such. "Such an expressed legislative intention," the Court reasoned, "should be just as effective a limitation on the power of a municipality to tax that subject (i.e., income received from intangibles owned) as the limitation which would be implied from the exaction by the state of a tax on that subject."

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[24] OHIO REV. CODE §5709.04.

[25] See American Jersey Cattle Club v. Glander, 152 Ohio St. 506, 90 N.E. 2d 433 (1950); Battelle Memorial Institute v. Peck, Ohio B.T.A. 21539, 1 Ohio Tax Cases #200-148 (1952).

[26] *Supra* note 6.

[27] 163 Ohio St. 81, 125 N.E. 2d 731 (1955). This was a 4-3 decision, the minority taking the view that "the majority opinion places too strict a limitation upon the taxing powers of a municipality and reaches a result which the statutes of Ohio do not require."

Section 718.02 of the Revised Code,[28] as embodied in the new uniform act, provides for the apportionment or allocation of income in those cases where a taxpayer conducts a business or profession both within and without the boundaries of a municipal corporation, and in respect thereof three techniques are authorized.

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[28] OHIO REV. CODE §718.02.—(A) In the taxation of income which is subject to municipal income taxes, if the books and records of a taxpayer conducting a business or profession both within and without the boundaries of a municipal corporation shall disclose with reasonable accuracy what portion of its net profit is attributable to that part of the business or profession conducted within the boundaries of the municipal corporation, then only such portion shall be considered as having a taxable situs in such municipal corporation for purposes of municipal income taxation. In the absence of such records, net profit from a business or profession conducted both within and without the boundaries of a municipal corporation shall be considered as having a taxable situs in such municipal corporation for purposes of municipal income taxation in the same proportion as the average ratio of:

(1) The average net book value of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation during the taxable period to the average net book value of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

(2) Wages, salaries, and other compensation paid during the taxable period to persons employed in the business or profession for services performed in such municipal corporation to wages, salaries, and other compensation paid during the same period to persons employed in the business or profession, wherever their services are performed;

(3) Gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.

In the event that the foregoing allocation formula does not produce an equitable result, another basis may, under uniform regulations be substituted so as to produce such result.

(B) As used in division (A) of this section, "sales made in a municipal corporation" mean:

(1) All sales of tangible personal property which is delivered within such municipal corporation regardless of where title passes if shipped or delivered from a stock of goods within such municipal corporation;

(2) All sales of tangible personal property which is delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion;

(3) All sales of tangible personal property which is shipped from a place within such municipal corporation to purchasers outside such municipal corporation regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

The first is what is sometimes referred to as "separate accounting,"[29] although this term is not employed in the act. The statute simply provides that if the books and records of a business or professional taxpayer shall disclose with reasonable accuracy what portion of its net profit is attributable to that part of the business or profession conducted within the boundaries of the municipal corporation, then only such portion shall be considered as having a taxable situs in such municipal corporation. This provision is mandatory and it is only in the absence of such books and records that any of the other allocation techniques authorized by the act may be employed. Of course, the statutory requirement that the taxpayer's books and records disclose "with reasonable accuracy" what portion of its net profit is attributable to the municipality may frequently be a matter of controversy between the taxpayer and the administrative officials of the municipality.

Formula apportionment of income constitutes the second technique authorized by the act. In the absence of books and records which provide the above-mentioned disclosure with reasonable accuracy, the act provides that net profit from a business or profession conducted both within and without the boundaries of a municipal corporation shall be considered has having a taxable situs in the municipality "in the same proportion as the average ratio of" (1) property in the municipality to property everywhere; (2) wages, salaries and other compensation paid in the municipality to wages, salaries, and other compensation paid everywhere; and (3) gross receipts from sales and services in the municipality to gross receipts from sales and services everywhere.

The ratio embodied in the first factor may be expressed in terms of a fraction, the numerator of which is "the average net book value of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation during the taxable period," and the denominator of which fraction is "the average net book value of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated." It should be noted that real property includes property rented or leased by the taxpayer, and that the value of such property must be determined by multiplying the annual rental thereon by eight.

Similarly, the ratio embodied in the second factor may be expressed in terms of a fraction, the numerator of which consists of "wages, salaries, and other compensation paid during the taxable period to persons employed in the business or profession for services performed in such municipal corporation," and the denominator of which fraction consists of "wages, salaries, and other compensation paid during the

[29] See, e.g., Lynn, *Formula Apportionment of Corporate Income for State Tax Purposes:* Natura Non Facit Saltum, 18 OHIO ST. L.J. 84, 85 (1957).

same period to persons employed in the business or profession wherever their services are performed."

Finally, the ratio embodied in the third factor may be expressed in terms of a fraction, the numerator of which consists of "gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation," and the denominator of which fraction consists of "gross receipts of the business or profession during the same period from sales and services, wherever made or performed." Sales made in a municipal corporation within the scope of this factor are broadly defined in the act to include:

> (1) All sales of tangible personal property which is delivered within such municipal corporation regardless of where title passes if shipped or delivered from a stock of goods within such municipal corporation;
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> (2) All sales of tangible personal property which is delivered within such municipal corporation regardless of where title passes even though transported from a point outside such municipal corporation if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion;
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> (3) All sales of tangible personal property which is shipped from a place within such municipal corporation to purchasers outside such municipal corporation regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

It will be observed that net profit from a business or profession is to be considered as having a taxable situs in a particular municipality in the same proportion as the "average" of the foregoing three-factor ratios. This may be simply computed in three steps. First, each of the above-described allocation factor fractions may be converted into and expressed in the form of a percentage. Second, by adding together these three percentages and dividing the total so obtained by three, the average percentage or ratio will be obtained. Third, by multiplying the entire net profit of the business by the average percentage or ratio so obtained, the portion of the entire net profit of the business allocable to the particular municipality will be determined.[30]

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[30] The Columbus municipal income tax ordinance, for comparison, contains a similar income allocation formula, but provides for a determination of an average percentage by adding together the percentages determined in respect of each allocation factor, "or such of the aforesaid percentages as shall be applicable to the particular taxpayer's business, and dividing the total so obtained by the number of percentages used in deriving said total." Ordinance No. 1073-56, enacted July 30, 1956, Section 2. Regulations promulgated by the City of Columbus under the 1947 Ordinance, which contained a provision similar to the foregoing, also provide: "If one of the factors (property, receipts or payrolls) is missing, the other two percentages are added and the sum is divided by two, and if two

of the factors are missing the remaining percentage is the business allocation percentage. A factor is not to be deemed missing merely because all property, or the expenditure of the taxpayer for payrolls, or the gross receipts of the taxpayer, are found to be situated, incurred or received either entirely within or entirely without, the City of Columbus."

As the third technique for apportionment of net profits from a business or profession, the act provides that in the event the foregoing allocation formula does not produce an equitable result, another basis may, under uniform regulations, be substituted so as to produce such result.

Section 718.03 of the Revised Code,[31] which constitutes the last section of the new uniform act, provides that Sections 718.01 and 718.02 shall take effect at the earliest time permitted by law, which was September 17, 1957.[32] An exception is made as to ordinances then in effect and under which municipal income taxes were then being levied and collected. It is provided that such ordinances shall not be affected prior to their expiration dates, except that any ordinance then in effect, the expiration date of which extends beyond December 31, 1961, shall be subject to the provisions of the new law on and after that date.

Omitted from the uniform act was any provision for tax credits as between municipalities to prevent taxation of personal income both by the city of the taxpayer's residence and by some other city in which it may have been earned. The bill as originally introduced in the 102nd General Assembly contained such a provision,[33] but the same was deleted prior to passage of the law. It has been recognized that the very nature of municipal income taxation "poses a potential threat of double taxation for those taxpayers who live in one municipality and receive all or a portion of their earned income in another," and various approaches have been made toward a solution of this problem.[34] It is to be hoped that the General Assembly will find an acceptable solution for this state and make it a part of the uniform act in the not too distant future.

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[31] OHIO REV. CODE §718.03. Sections 718.01 and 718.02 of the Revised Code shall take effect at the earliest time permitted by law except as to ordinances then in effect and under which municipal income taxes are then being levied and collected, which ordinances shall not be affected by such sections prior to their expiration dates, provided that any ordinance, then in effect, the expiration date of which extends beyond the date of December 31, 1961, shall nevertheless be subject to the provisions of such sections on and after December 31, 1961.

[32] *Supra* note 16.

[33] OHIO REV. CODE §718.04. A municipality levying an income tax upon net profits, salaries, wages, commissions, or other personal service compensation, of a resident, for work done or services performed or rendered by such resident outside such municipality shall allow such resident a credit for all or a part of the amount of income tax paid on such net profits, salaries, wages, commissions, or other personal service compensation to the municipality in which such personal service compensation was earned. S. Bill 133.

[34] See SIGAFOOS, THE MUNICIPAL INCOME TAX: ITS HISTORY AND PROBLEMS pp. 27-31, 80 (1955).