

# Whitehouse

## Referendum on the Ballot

November 8, 2022

## Frequently Asked Questions

**Q: What is the income tax rate in Whitehouse?**

A: 1.5%

**Q: Is this rate the same for everyone?**

A: Yes. Voters approved this tax rate in 1975.

**Q: How much do I owe then?**

A: For every \$25,000 in annual income you earn, you owe \$375 in tax for that year.

- \$50,000 income = \$750 Whitehouse taxes
- \$100,000 = \$1,500
- \$200,000 = \$3,000

**Q: Does everyone pay the full 1.5%?**

A: No. Some taxpayers are eligible for a 0.75% credit against their Whitehouse taxes.

- \$50,000 income = \$375 Whitehouse taxes
- \$100,000 = \$750
- \$200,000 = \$1,500

**Q: Who is eligible for the credit?**

A: Whitehouse residents who earn income in other taxing jurisdictions and pay the local workplace tax rate there as well (e.g., Work in Toledo, live in Whitehouse).

**Q: Who pays the full 1.5% tax rate to Whitehouse?**

A: a) Whitehouse residents who earn or record their income in Whitehouse and  
b) Nonresidents who work in Whitehouse

**Q: How many residents does Whitehouse have?**

A: The 2020 Census recorded 4,990 residents here. View demographics at [www.census.gov](http://www.census.gov).

**Q: How many taxpayers does Whitehouse have?**

A: In 2020, a total of 4,727 people filed taxes here. View data at [www.ritaohio.com](http://www.ritaohio.com).

- 1,151 Whitehouse residents paid full 1.5%
- 1,695 Whitehouse residents received the 0.75% tax credit
- 1,881 nonresidents paid full 1.5%

**Q: How much does the 0.75% credit cost the village?**

A: An estimated \$588,000 a year.

**Q: Why give anyone a credit?**

A: Municipalities may offer credits to offset the overall tax burden to residents who are paying workplace tax in other communities. Learn more at [www.ritaohio.com/About/Home/TaxFacts](http://www.ritaohio.com/About/Home/TaxFacts).

**Q: Can Whitehouse afford to give this credit anymore?**

A: The majority opinion among council members and the unanimous opinion among the mayor, administration, and department heads is no. Not at the current 1.5% tax rate and not at any possible future increased income tax rate.

**Q: Doesn't this mean you're doubling some people's taxes?**

A: No. The tax rate is not changing for anyone. It remains at 1.5%. It is understandable that without the credit some people will effectively pay more than they previously have remitted to the Village of Whitehouse, beginning with withholdings in January 2023 and the remainder due in April 2024. Council wanted to give the public as much time as possible to make adjustments.

**Q: What are income tax rates in other area municipalities?**

A: Whitehouse remains one of the lowest in the region. Regional tax rates range from 1.0 to 2.75% with the majority of rates being above 1.5% (<https://tax.ohio.gov/business/municipalities/municipalities>)

**Q: What other communities offer a credit?**

A: It varies throughout Ohio. You can view a list of examples at <https://ritaohio.com/TaxRatesTable/>

**Q: What is the median household income level in Whitehouse?**

A: The 2020 Census recorded 1,909 households with a median annual income of \$71,000 at a 67.8% employment rate. The state median is \$58,116. Further household income analysis for Whitehouse:

- Families, \$111,278
- Married couples with families, \$127,250
- Non-family households, \$43,518

**Q: What takes up the lion's share of the budget?**

A: Safety services. The police and fire/EMS department budgets account for almost 60% of general fund expenses.

**Q: Do all of my tax dollars go to the general fund?**

A: No. There is a 70/30 split to general fund and capital improvement fund (large-scale projects like streetscaping, sewer, infrastructure, etc.).

**Q: If the referendum passes and reverses Council's action, what are the options?**

A: Council could consider future action on reducing or eliminating the tax credit again or any of the other revenue options. It likely will be presented with reduced budgets from Village departments for 2023 appropriations and need to make cuts to make up for revenue deficits.

**Q: Can't the Village just "tighten its belt"?**

**A:** The budgets for the last several years have been tight already. While some community members have complained about one-time expenditures or discretionary funding they consider non-essential, there would still be a deficit if those were eliminated. That also could have a further negative effect on the budget with regard to economic development. Deferring maintenance and infrastructure projects also end up costing more money in the long run.

**Q: Didn't you receive ARPA funds?**

**A:** Yes. The Village of Whitehouse received funds in American Rescue Plan Act emergency funding to mitigate the ongoing COVID-19 pandemic. Different rounds of funding had different stipulations for expenditures, including items not already budgeted and those directly related to combating the health crisis. More on Whitehouse ARPA expenditures can be found at [www.whitehouseoh.gov](http://www.whitehouseoh.gov). Without these funds the budget would be in even worse shape.

**Q: What have you cut already?**

**A:** One position in the fire department and one position in the police department. When employees left those clerical/support positions they were not replaced and their duties were distributed to other personnel. We paused enhancements to Village Park, including playground updates, pickleball court improvements, and addition of a splash pad requested by residents. We have contracted out services like garbage pickup and tax collection at an overall cost savings and reallocation of staff resources.

**Q: What about staff?**

**A:** Our departments are already operating at less-than-optimal staffing levels. The fire department did receive four additional personnel as a result of the fire co-op levy but it remains largely dependent on the general fund. The police department is in constant flux with its part-time staff, spending dollars repeatedly to train and equip officers only to have them move on to full-time positions or better paying positions in other municipalities. The public works department usually hires up to four seasonal employees but currently has zero. Administrative staff is being stretched across multiple departments. Police and public works both have expressed a need for additional full-time personnel.

**Q: What about employee benefits like paying for education?**

**A:** Many municipalities help their employees pay for training and secondary education that has a direct effect on their profession. We want the best workers! And benefits like this help retain staff who could easily seek employment elsewhere. Fewer and fewer candidates are coming out of safety service academies every year, and the candidate pools for labor are shrinking. We have given tuition assistance to four employees in the past four years, all of which have directly improved the level of service to Village residents.

**Q: So who would be affected if the referendum fails and the Council ordinance is enacted?**

**A:** Only those residents who are eligible for an income tax credit. For every \$50,000 of annual income there would be an additional \$375 owed in taxes for the year, about an extra \$30 a month. Again, about 40% of Whitehouse taxpayers are already paying the full amount. This measure would make all residents pay the same rate. Those who choose to live in Whitehouse while they work in other taxing municipalities would pay both their workplace taxes and their residential taxes.

If you would like to personally meet with an administrator or department head to review these materials, please call Village Hall at 419-877-5383 and set up an appointment. If you have other suggestions on how the budget could be cut, ones that would make a significant impact without detrimentally affecting the quality of life here in Whitehouse, please offer them. All of our Council meetings have a time on the agenda when citizens can continue to offer public comment.

Thank you for thoroughly digesting these materials. We know it's a lot! We've wrestled with it extensively on your behalf and hope that you trust we are doing everything we can.