

legal form and I have accordingly approved the same as to form and return the same herewith.

Respectfully,
JOHN W. BRICKER,
Attorney General.

4854.

DISAPPROVAL, PETITION CONTAINING PROPOSAL TO
REPEAL EXISTING SECTION 2 OF ARTICLE XII OF THE
OHIO CONSTITUTION, ETC.

COLUMBUS, OHIO, November 2, 1935.

Ohio Association for Tax Reduction, 1120 Chester Avenue, Cleveland, Ohio.

GENTLEMEN:—You have submitted for my examination a written petition signed by one hundred qualified electors of this state containing a proposal to repeal existing Section 2 of Article XII of the Ohio Constitution and adopt a new Section 2 of said article, which shall read as follows:

“Real estate and tangible personal property shall be exempt from taxation; No sales tax, so-called, or excise tax shall ever be levied upon the sale, purchase, distribution, or exchange of tangible personal property, provided, however, taxes may be imposed by law upon the production, sale, or distribution of gasoline and other liquid motor fuel, said gasoline and motor fuel tax shall not exceed the sum of four cents per gallon and all such gasoline and motor fuel tax revenue shall be paid monthly to the County Treasurer in each of the Several Counties and said return shall be based on the number of miles of County and Township roads and Municipal streets contained within each of the respective Counties; said gasoline and motor vehicle fuel revenue shall be used exclusively for the building and maintenance of County, Municipal, and Township thoroughfares and shall be disbursed under the direction and supervision of the County Commissioners.

The annual license fee or charge for the licensing and operation of motor vehicles or trailers shall not exceed the sum of two dollars per annum for any one such motor vehicle or trailer so licensed for operation upon the public highways; all such revenue received from the licensing of motor vehicles and trailers shall be paid monthly to all hospitals not supported by tax revenue and only

those receiving indigent patients for treatment and such payment shall be determined by the number of indigent patients treated at each eligible hospital during the preceding year.

Laws shall be passed taxing incomes. No gross earned income aggregating less than one hundred dollars per month shall be taxed in excess of one-half of one per cent for all state and local purposes, but laws may be passed authorizing additional taxes in excess of said limitation, either when approved by a majority of the electors of the taxing district voting on such proposition or when provided for by the charter of a municipal corporation. Incomes of charitable and religious organizations shall be exempt from taxation. Laws may be passed taxing gross earned incomes in excess of twelve hundred dollars per annum. All persons, partnerships, or corporations engaged in any business shall deduct the lawful gross earned income tax from the salary, wages, earnings, or commission of employees each month and remit said tax together with their own tax to the County Treasurer. All persons not engaged in business, not employed by others, or persons receiving income other than salary, wages, earnings, or commission shall remit their tax to the County Treasurer. Gross earned income taxes shall be paid to the County Treasurer on the first Monday of each month. The gross earned income of persons employed shall be their salary, wages, commission, or earnings; the gross earned income of all others shall be the difference between gross income received from all sources and the cost of operation.

Every person, partnership, or corporation engaged in the wholesale or retail business shall pay in annual license fee of two dollars for the first place of such business, and for each additional place of such business so carried on by the same person, partnership, or corporation the annual license fee shall be twice the next preceding amount of such fee. Such license fees shall be collected by and paid to the State Tax Commission and the same shall be distributed equally among the Counties in this State. Laws shall be passed to carry this section into effect."

The summary of this amendment reads as follows:

"The Constitutional Amendment proposed by this petition repeals Section 2 of Article XII of the Constitution of Ohio, and substitutes in lieu thereof a new Section 2 of Article XII.

It prohibits any real estate or tangible personal property tax; sales tax, so-called, or excise tax upon the sale, purchase, or exchange of merchandise; It limits the sales tax upon the sale or purchase of

gasoline and other liquid motor fuel to four cents per gallon, requires that the gasoline tax be used exclusively for County, Municipal, and Township road purposes, and provides that the gasoline tax be returned to the several Counties according to road miles, such revenue to be administered by the County Commissioners.

It limits the annual license fee for the operation of motor vehicles or trailers to two dollars per annum, requires that the license fee revenue be returned to hospitals treating indigent patients.

It provides for the taxing of gross earned income in lieu of taxes now levied on real estate and tangible personal property; places the limitation on gross earned income aggregating less than one hundred dollars a month at five mills but permits additional levies outside the limitation when voted for by the majority of the electors of a taxing district; permits the taxing of gross earned income which exceeds twelve hundred dollars per annum; provides that employers shall deduct the gross earned income tax from the wages of their employes each month and remit said tax together with their own tax to the County Treasurer; defines the gross earned income of persons employed as their salary, wages, or commission and of all others as the difference between gross income received from all sources and the cost of operation; requires that the gross earned income tax shall be payable to the County Treasurer on the first Monday of each month.

It requires that each person, partnership, or corporation engaged in the wholesale or retail business pay an annual license fee of two dollars for the first place of such business so carried on and that each additional place of business so carried on would increase the license fee twice the next preceding amount; requires that the annual license fees be collected by and paid to the State Tax Commission; and provides that the license fees be distributed equally among the Counties in this State."

The summary states that the amendment prohibits a sales or excise tax upon the sale, purchase or exchange of merchandise and then states that the amendment limits the sales or excise tax upon liquid fuel to four cents per gallon. As motor vehicle fuel may be classed as merchandise, I suggest that the summary state that the amendment prohibits such tax upon the sale, purchase or exchange of merchandise, except upon liquid motor fuel.

The summary further states that the amendment permits an additional levy outside the limitation of said amendment when voted for by a majority of the electors of a taxing district, while the amendment also provides that

such additional levy may be made when provided for by the charter of a municipal corporation.

The summary states that the amendment provides for the taxing of gross earned income, but does not state that incomes of charitable and religious organizations shall be exempt from taxation.

For these reasons, I am unable to certify to you that the summary which you have submitted to me is a fair and truthful statement of the proposed constitutional amendment.

Respectfully,

JOHN W. BRICKER,
Attorney General.

4855.

APPROVAL, BONDS OF SHADE CONSOLIDATED RURAL
SCHOOL DISTRICT, ATHENS COUNTY, OHIO, \$32,000.00
(UNLIMITED).

COLUMBUS, OHIO, November 2, 1935.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.

4856.

APPROVAL, BONDS OF ATHENS TOWNSHIP RURAL SCHOOL
DISTRICT, ATHENS COUNTY, OHIO, \$35,000.00.

COLUMBUS, OHIO, November 2, 1935.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.