

Revised 2-23-72

RECIPROCAL INCOME TAX AGREEMENT  
BETWEEN  
COMMONWEALTH OF KENTUCKY  
AND  
STATE OF OHIO

I. Statement of purpose.

It is the intention of this agreement and the parties hereto:

- A. To relieve employers and employees in the Commonwealth of Kentucky and the State of Ohio from the withholding of Ohio income tax on compensation paid in Ohio to residents of Kentucky, and from the withholding of Kentucky income tax on compensation paid in Kentucky to residents of Ohio;
- B. To relieve Kentucky residents from liability for Ohio income tax and the requirement for filing a tax return with regard to compensation paid in Ohio;
- C. To relieve Ohio residents from liability for Kentucky income tax and the requirement for filing a tax return with regard to compensation paid in Kentucky;
- D. To establish procedures to assist each party in the enforcement of the withholding provisions of the income tax laws of his commonwealth or state against employers in the other party's commonwealth or state.
- E. To establish procedures for the interchange of commonwealth or state tax information between the parties to assist each party in the administration and enforcement of their respective income tax laws.

II. Agreements.

In furtherance of their above stated intention, the parties agree as follows:

A. Agreements respecting withholding.

- 1. No Ohio or Kentucky employer shall be required to withhold Ohio income tax from compensation paid in Ohio to a resident of Kentucky who files with his employer a certificate of nonresidence unless and until such employer is advised that any such certificate was improperly filed.
- 2. No Ohio or Kentucky employer shall be required to withhold Kentucky income tax from compensation paid in Kentucky to a resident of Ohio who files with his employer a certificate of nonresidence unless and until such employer is advised that any such certificate was improperly filed.
- 3. Every Kentucky employer shall, to the extent provided by the Ohio Income Tax Act, be liable to the State of Ohio for the withholding of Ohio income tax from compensation paid to residents of Ohio.

4. Every Ohio employer shall, to the extent provided by the Kentucky Income Tax Act, be liable to the Commonwealth of Kentucky for the withholding of Kentucky individual income tax from compensation paid to residents of Kentucky.

5. Ohio will encourage Ohio employers to withhold and remit Kentucky income tax for residents of Kentucky employed in Ohio.

6. Kentucky will encourage Kentucky employers to withhold and remit Ohio income tax for residents of Ohio employed in Kentucky.

7. For purposes of this agreement "compensation paid in Ohio" is defined in the Ohio Income Tax Act in Section 5747.21 (B), Ohio Revised Code.

8. For purposes of this agreement, "compensation paid in Kentucky" is defined in Income Tax Regulation IW-1.

9. For purposes of this agreement, the term "Kentucky employer" means an employer who is subject to the jurisdiction of the Commonwealth of Kentucky, and the term "Ohio employer" means an employer who is subject to the jurisdiction of the State of Ohio.

#### B. Agreements respecting liability for individual income tax and tax return filing.

1. No Kentucky resident who signs a nonresident certificate shall be required to pay Ohio income tax or to file an Ohio income tax return on compensation paid in Ohio.

2. No Ohio resident who signs a nonresident certificate shall be required to pay Kentucky income tax or to file a Kentucky income tax return on compensation paid in Kentucky.

3. For purposes of this agreement, the term "Kentucky resident" means an individual who is a resident as defined in the Kentucky Income Tax Act, and the term "Ohio resident" means an individual who is a resident as defined in the Ohio Income Tax Act.

4. Nothing in this agreement shall be interpreted to exempt a resident of Kentucky or Ohio who was a part-year resident of the other state from liability for payment of income tax or filing an income tax return with regard to compensation received while a resident of the other commonwealth or state.

5. Nothing in this agreement shall be interpreted to exempt a resident of Kentucky or Ohio who has taxable income in the commonwealth or state of nonresidence other than in the form of compensation from liability for payment of income tax or filing an income tax return with regard to such other taxable income.

#### III. Agreements respecting exchanges of information.

Each of the parties hereto agrees to furnish the other with the following information at such time or times and in such manner as may be agreed upon between them:

1. The name, address and federal taxpayer identification number of each individual filing an income tax or information return in such party's commonwealth or state, which shows an address for such individual in the other party's commonwealth or state.

2. The amount of income tax shown as due on each return referred to in subparagraph 1 of this paragraph.

3. The amount and nature of any adjustments made in any item affecting the tax liability of the individual in such party's commonwealth or state.

4. Such other information as the parties hereto may from time to time agree upon and as shall be set forth in writing and appended hereto.

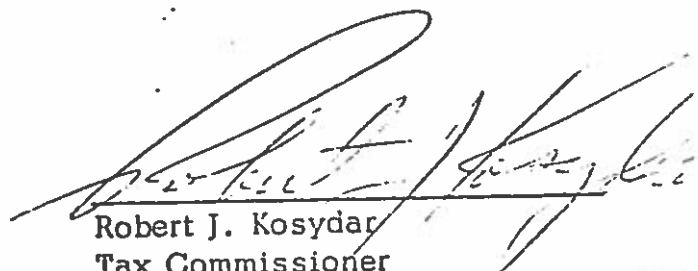
#### IV. Other matters.

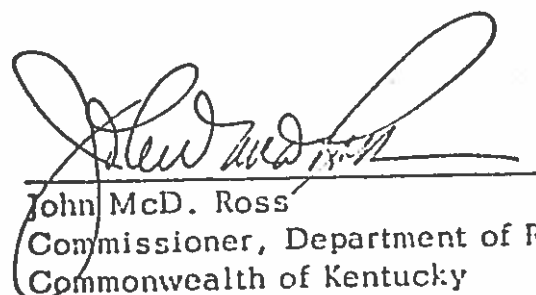
A. If for any reason either party is unable to comply with any one or more of the terms of this agreement, the parties shall mutually agree on the extent to which this agreement shall continue in effect or, in the absence of such mutual agreement, this agreement shall become null and void in its entirety without prejudice, however, to any action previously taken hereunder.

B. Each of the parties signatory hereto hereby states and represents that he is authorized to enter into this agreement and to furnish the information and assistance contemplated hereby, and that the fulfillment of his obligations hereunder will not violate any provision of his commonwealth's or state's constitution or laws, including, without limitation, provisions respecting confidentiality of commonwealth or state information.

#### V. Effective date.

This agreement is made this 7<sup>th</sup> day of January, 1972, and shall become effective and operative upon the parties with respect to taxable years beginning after December 31, 1971.

  
Robert J. Kosydar  
Tax Commissioner  
State of Ohio

  
John McD. Ross  
Commissioner, Department of Revenue  
Commonwealth of Kentucky