



## Joint Economic Development District FAQ

In 2020, Sharon Township partnered with the City of Worthington to create a Joint Economic Development District (JEDD) in order to support the redevelopment of the Olentangy Valley Center (OVC) by Continental Real Estate. In order to create the JEDD, at least 51% of businesses owners within the JEDD area had to agree to support the implementation of the income tax affecting the people and businesses that work and operate there.

The JEDD will allow the Township to diversify its revenue stream by partnering with the City of Worthington to collect income taxes from employees and business owners within the JEDD area. 80% of the new income taxes collected will go to the Township to aid with enhancing development opportunities and 20% will go to the City of Worthington, which provides critical fire protection and EMS service to Township residents and businesses.

### How Will the JEDD Affect Me?

The JEDD allows the for the administration of an income tax on income earned by employees and the net profits of businesses located within the JEDD. The proposed income tax rate for the JEDD will match the 2.5% currently charged by the City of Worthington and collected by the Regional Income Tax Agency (RITA).

In Ohio, municipal income taxes are first paid to the jurisdiction where the individual works and then where they live. Depending on where you live, the JEDD may not affect your tax liability. If you work in Sharon Township, but do not live within the Township, it is likely that you are already paying income taxes to the municipality where you reside, and this will not be an additional tax for you. If you live and work within Sharon Township, you will see a new 2.5% income tax deducted under the JEDD.

The examples below illustrate the changes in income taxes that would be paid based upon where the wage earners work:

#### **Currently, a Sharon Township worker, who lives in Columbus earning \$50,000 per year:**

- Columbus Tax:  $\$50,000 \times 2.5\% = \$1,250$  due to Columbus
- Sharon Township Tax: \$0 due to Sharon Township



100% Paid to Columbus

#### **After the JEDD income tax is implemented, a Sharon Township worker, who lives in Columbus earning \$50,000 per year:**

- Sharon Township Tax:  $(\$50,000 \times 2.5\%) \times .8 = \$1,000$  due to Township
- Worthington Tax:  $(\$50,000 \times 2.5\%) \times .2 = \$250$  due to Worthington



80% Paid to Sharon Township  
20% Paid to Worthington