

Greenbook

LBO Analysis of Enacted Budget

Board of Tax Appeals

Philip A. Cummins, Senior Economist
July 2023

TABLE OF CONTENTS

Quick look.....	1
Agency overview	1
Analysis of FY 2024-FY 2025 budget	1

LBO Greenbook

Board of Tax Appeals

Quick look...

- The Board of Tax Appeals (BTA), Ohio’s administrative tax court, resolves controversies between taxpayers and taxing authorities.
- Most appeals are of county boards of revision decisions involving real property valuations.
- The Board consists of three members appointed by the Governor with consent of the Senate.
- The day-to-day operations of the Board are the responsibility of an executive director.
- Funding is from the GRF. Appellants are not charged a filing fee.
- Personnel cost is most of BTA’s budget. Including board members, BTA currently employs nine.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 116321, Operating Expenses					
\$1,593,806	\$1,435,543	\$1,624,493	\$1,828,659	\$2,085,000	\$2,146,000
% change	-9.9%	13.2%	12.6%	14.0%	2.9%

Agency overview

The Board of Tax Appeals (BTA) consists of three members who are appointed by the Governor and serve six-year terms. As an independent, quasi-judicial, single-purpose body, BTA provides an expert forum outside the court system to resolve controversies between taxpayers and taxing authorities.

Most of the cases appealed to BTA arise from real estate valuations by county boards of revision. The second largest category of cases historically has been appeals of determinations or rules adopted by the Tax Commissioner. In total, BTA indicates that it has jurisdiction over more than 60 types of taxes. Decisions of BTA may be appealed to an Ohio court of appeals, except that small claims decisions cannot be appealed. BTA decisions regarding final determinations of the Tax Commissioner or a local board of tax review are allowed to be appealed directly to the Ohio Supreme Court as well as a court of appeals.

BTA uses a case management system that is accessible through the internet, and characterizes the process of filing and resolving appeals as largely party-driven. Filers use the system to enter information on their appeals. This system has increased the efficiency of board operations, and thereby facilitated resolution of appeals more quickly than in the past.

Analysis of FY 2024-FY 2025 budget

BTA’s budget for the biennium totals \$4.2 million. The FY 2024 appropriation, \$2.09 million, is about \$256,300 (14.0%) more than actual FY 2023 expenditures. The FY 2025

appropriation is \$61,000 (2.9%) more than the amount appropriated for FY 2024. The Board's single GRF appropriation item is mainly used to pay for its payroll expenses. Board staffing consists of an executive director, hearing officers, and administrative staff members. As of July 2023, the Board had nine employees including board members.

The Board noted an increase in its caseload since the enactment of H.B. 126 of the 134th General Assembly (effective July 21, 2022). The act limits the right of a party other than the property owner to dispute the tax value of real property, and prohibits a property owner from entering into a separate settlement agreement for direct payments to a board of education. The Board stated that parties are now litigating cases that would have been settled with direct payment agreements under prior law, resulting in an increase in numbers of complex cases being appealed.

The following table shows numbers of cases filed with BTA and decisions issued from FY 2018 through FY 2022. In the current biennium, BTA expected more appeals that are complex in nature, requiring more time to decide.

Board of Tax Appeals Cases		
Fiscal Year	Appeals Filed	Decisions Issued
2018	2,330	2,180
2019	3,010	2,610
2020	2,450	2,180
2021	2,534	1,845
2022	2,716	2,893