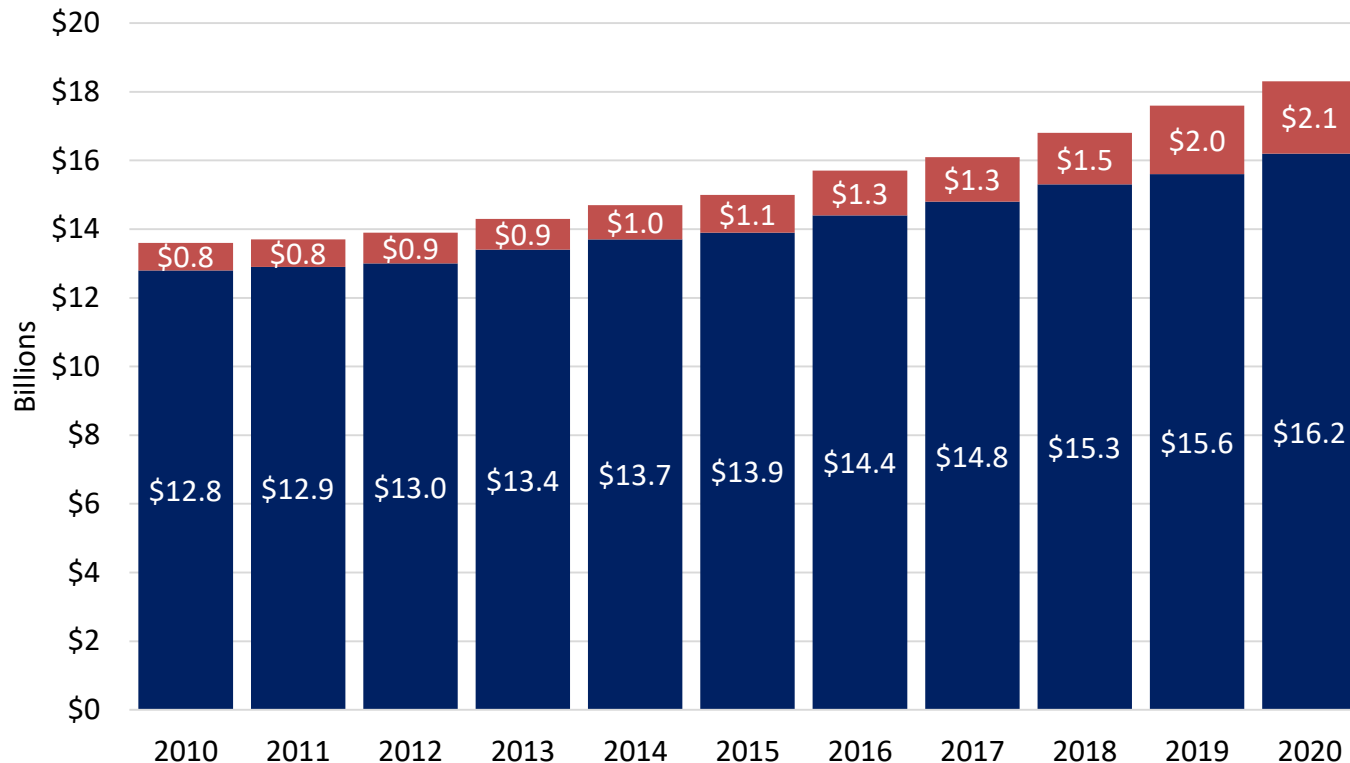


Local Government Tax Revenues



Property tax revenues reach new high in 2020

Net Property Taxes Collectible by Property Type

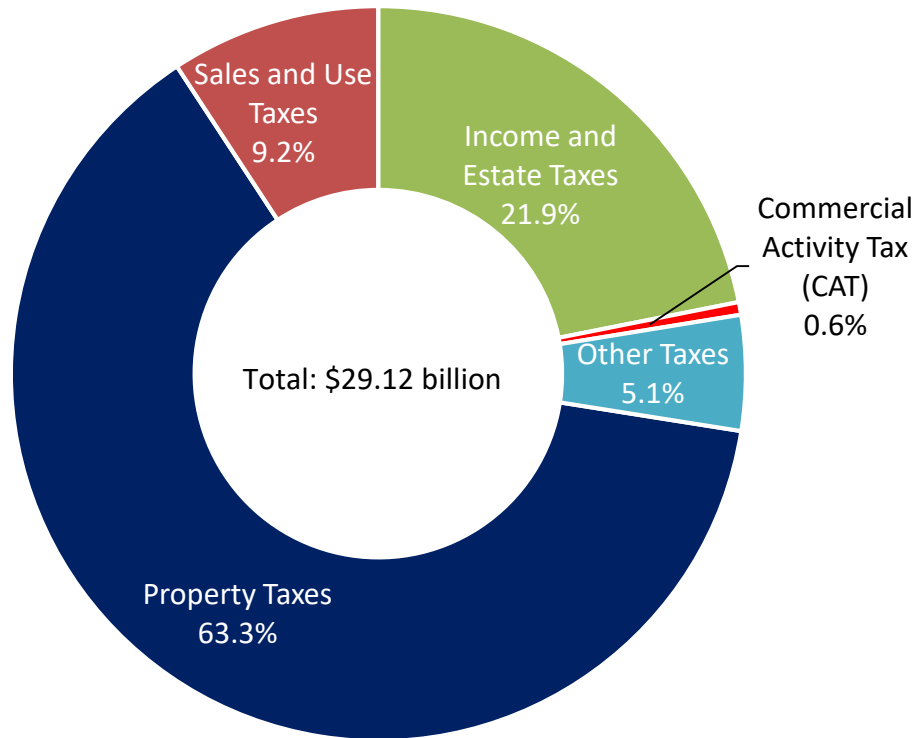


Sources: Ohio Department of Taxation; Legislative Service Commission

- Net property taxes collectible for tax year (TY) 2020 reached an all-time high of \$18.3 billion, an increase of 4.6% (\$806 million) from 2019, which was the previous peak year.
- From 2010 to 2020, net taxes collectible on real property rose 27%, while taxes on tangible personal property (TPP) increased 170%. The TPP growth was related to new gas pipelines placed into service in Ohio, largely due to shale drilling.
- The TPP tax was phased out in 2009 for general business and in 2011 for telephone and interexchange telecommunications companies. Public utilities (including certain pipeline operators) remain subject to the tax.
- Property taxes in Ohio fund local governments, except for a small deduction retained by the state for costs of tax administration. About \$2 of every \$3 in property taxes collected go to school districts.

Ohio's local governments rely heavily on property taxes

Ohio's Local Tax Revenue by Source, 2019

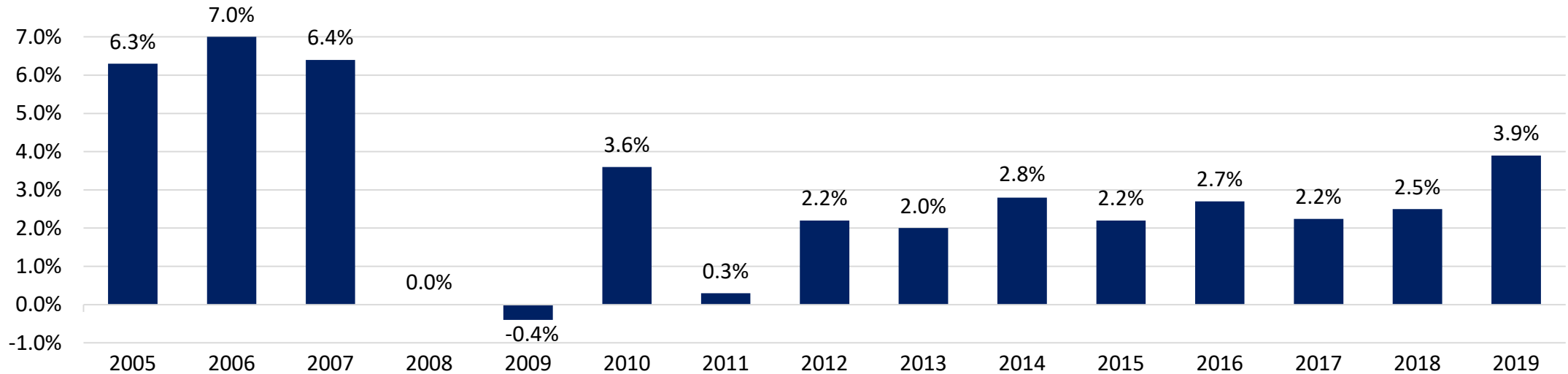


Sources: Ohio Department of Taxation; Ohio Department of Public Safety

- In 2019, local tax revenue in Ohio totaled \$29.12 billion, an increase of \$1.10 billion (3.9%) from 2018.
- Property taxes charged and payable in 2019 amounted to \$18.42 billion. Receipts from municipal and school district income taxes and the local share of the estate tax were \$6.37 billion. Sales and use taxes provided \$2.69 billion. Other taxes (casino, admission, alcohol, cigarette, lodging, motor vehicle fuel, and motor vehicle license) generated \$1.48 billion.
 - The state distributes a portion of CAT receipts to local governments to replace tangible personal property (TPP) tax revenue that was reduced primarily due to elimination of the tax on general business TPP. In 2019, the replacement payments amounted to \$0.16 billion, or 0.6% of total local tax revenue, down from 0.7% in 2018. The payments have decreased steadily over time due to scheduled phasing out of reimbursements.

Local tax revenue growth averaged 2.4% per year over recent decade

Ohio's Local Tax Revenue Growth, 2005-2019



Sources: Ohio Department of Taxation; Ohio Department of Public Safety

- Over the decade ending in 2019, total local tax revenue grew at an average of 2.4% per year. Annual growth rates were higher in the mid-2000s, slowed in 2008, 2009, and 2011, then grew modestly during the last eight years. Tax revenue increased by 2.5% and 3.9% in 2018 and 2019, respectively.
- From 2009 to 2019, revenue growth was fastest in the “other taxes” category with average growth of 5.2% per year, followed by the sales and use tax category, averaging 5.0% annually. Income and estate taxes grew at an average of 3.6% annually, slowed by falling estate tax revenue due to elimination of that tax. Property tax growth averaged 2.4% per year. TPP reimbursement payments from the CAT fell by 18.0% per year.
- The main drivers behind growth in “other taxes” over the decade were the establishment of the casino tax, from which revenue began in 2012, and an increase in motor fuel tax rates from 28¢ per gallon for both gasoline and diesel fuel to 38.5¢ and 47¢ per gallon, respectively, in 2019.