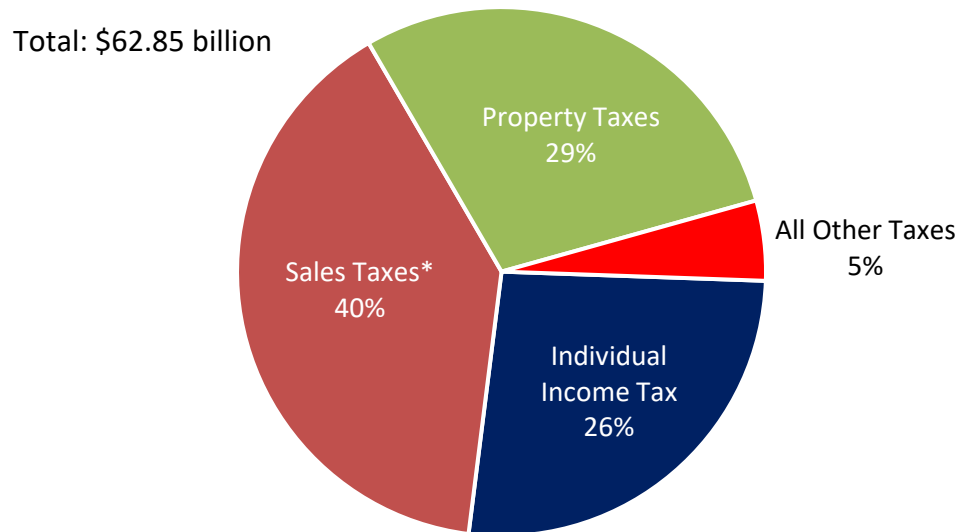


# Composition of Ohio's State and Local Taxes

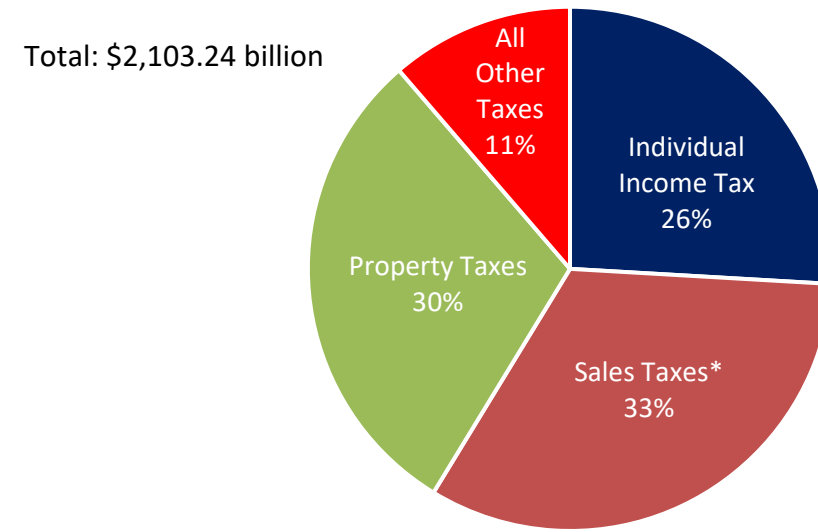


# Ohio relies heavily on sales taxes for state and local government tax revenue

Ohio – Combined State and Local Tax Revenue by Source, FY 2021



U.S. – Combined State and Local Tax Revenue by Source, FY 2021

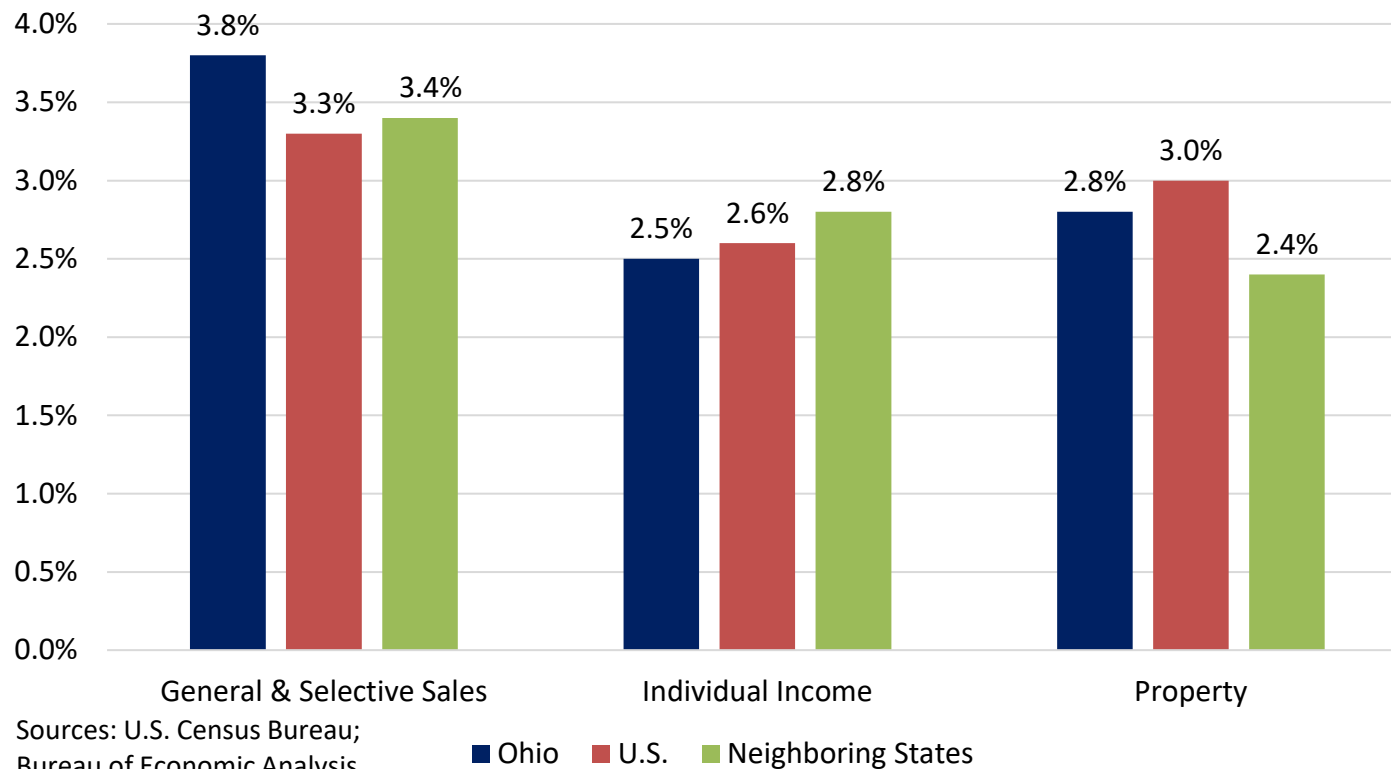


\*Sales taxes include general state and local sales tax and gross receipts taxes on sales of specific products, including tobacco products, alcoholic beverages, motor fuels, and utility services.  
Source: U.S. Census Bureau

- In FY 2021, state and local taxes on sales, property, and individual income in Ohio raised about 95% of total tax revenues. For all U.S. states in total, state and local taxes on sales, property, and individual income raised about 89% of total tax revenues.
- State taxes and local taxes accounted for 56% and 44%, respectively, of Ohio's combined state and local tax revenue in FY 2021. For the U.S. as a whole, state taxes were 60% of combined state and local tax revenue while local taxes were 40% of the combined total.

# Ohio's sales tax receipts as a percentage of personal income exceed the average of neighboring states and the national average

State and Local Tax Revenue as a Percent of Personal Income, FY 2021



- In FY 2021, Ohio's general and selective sales tax receipts were 3.8% of total personal income, which was higher than the national average (3.3%) and was also higher than the average of its five neighboring states (3.4%).
  - Selective sales taxes apply to specific products, including motor fuel, alcoholic beverages, tobacco products, and public utilities.
- Ohio's state and local individual income tax receipts as a percentage of total personal income were 2.5%, lower than the U.S. average (2.6%), and also lower than the average of its five neighboring states (2.8%). Ohio's percentage was 3.4% in FY 2008, but has been decreasing in subsequent years due primarily to income tax policy changes.
- Ohio's property taxes were 2.8% of total personal income, which was lower than the national average (3.0%), but higher than the average of its five neighboring states (2.4%).

# Ohio's state and local governments rely less on income taxes as a percent of personal income than most neighbors

State and Local Tax Revenue as a Percent of Personal Income for Ohio and Neighboring States, FY 2021			
State	General & Selective Sales	Individual Income	Property
Ohio	3.8%	2.5%	2.8%
Indiana	3.8%	3.2%	2.2%
Kentucky	3.5%	3.1%	2.0%
Michigan	2.9%	2.3%	3.0%
Pennsylvania	3.2%	2.7%	2.7%
West Virginia	3.7%	2.7%	2.3%

Sources: U.S. Census Bureau; Bureau of Economic Analysis

- In FY 2021, Ohio's individual income tax receipts were 2.5% of total personal income, which was higher than Michigan, but lower than Indiana, Kentucky, Pennsylvania, and West Virginia.
- Ohio's general and selective sales tax receipts were 3.8% of total personal income, which was the same as Indiana, but higher than West Virginia, Kentucky, Pennsylvania, and Michigan.
- Ohio's property tax receipts were 2.8% of total personal income, which was higher than Kentucky, Indiana, West Virginia, and Pennsylvania, but lower than Michigan.