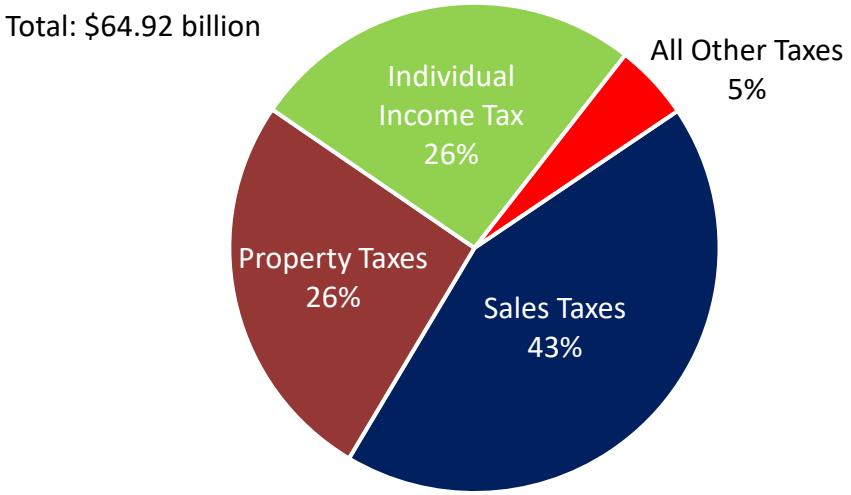
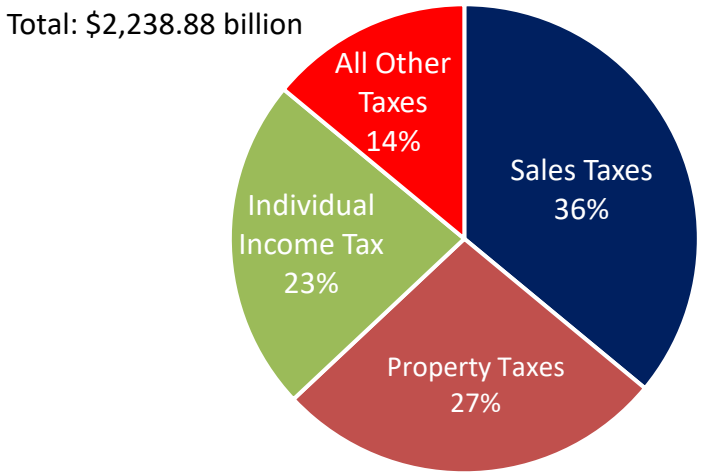
Composition of Ohio's State and Local Taxes

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

Ohio – Combined State and Local Tax Revenue by Source, FY 2023



U.S. – Combined State and Local Tax Revenue by Source, FY 2023

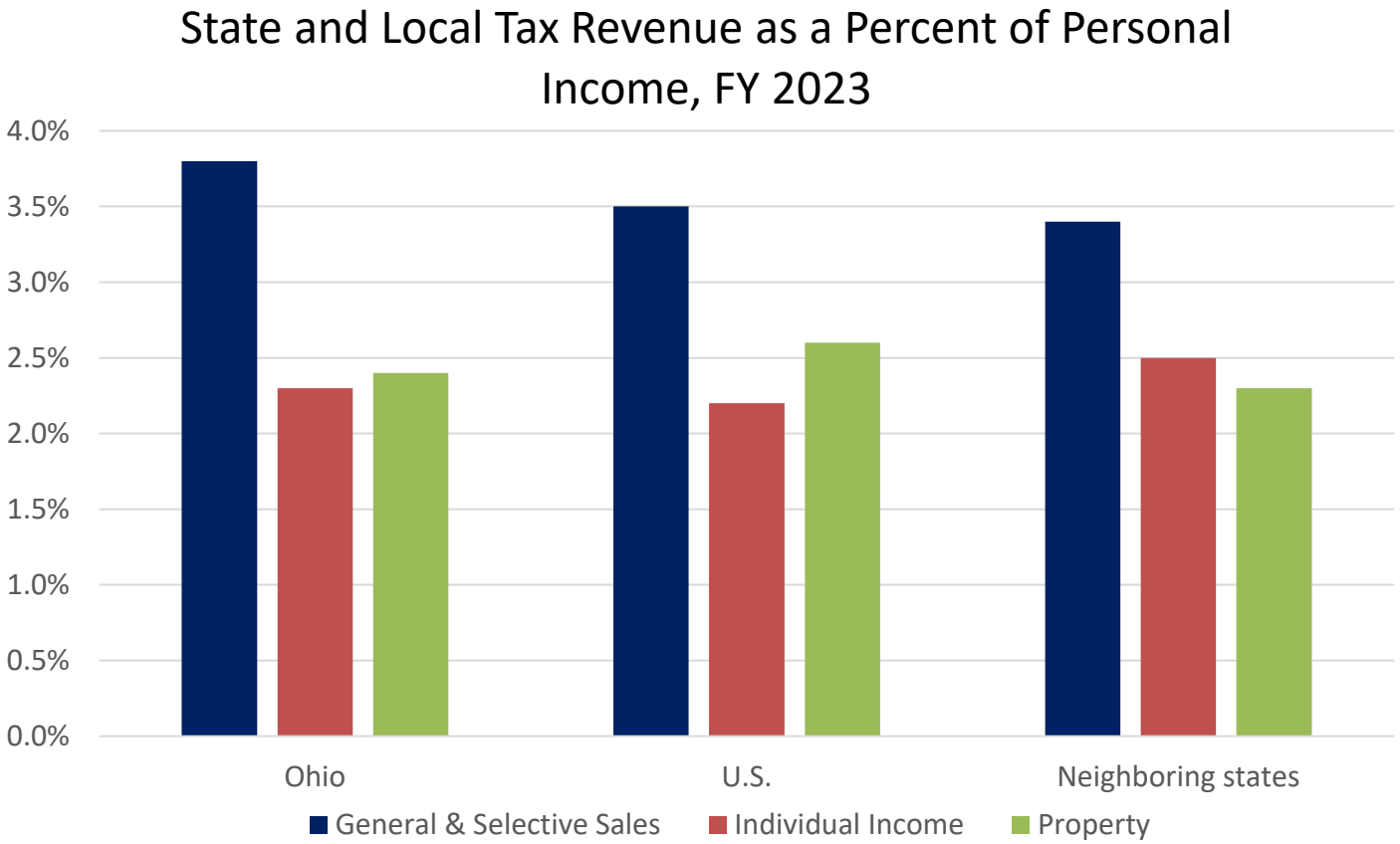


Note: Sales taxes include general state and local sales tax and gross receipts taxes on sales of specific products, including tobacco products, alcoholic beverages, motor fuels, and utility services.

Source: U.S. Census Bureau's Annual Survey of State and Local Government Finances (ALFIN) Public Use Files Individual Unit.

- In FY 2023, 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 86% 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 2023. 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



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

- In FY 2023, Ohio's general and selective sales tax receipts were 3.8% of total personal income, which was higher than the national average (3.5%) and was also higher than the average of its five neighboring states (3.4%).
- Ohio's state and local individual income tax receipts as a percentage of total personal income were 2.3%, higher than the U.S. average (2.2%), but lower than the average of its five neighboring states (2.5%). 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 2.4% of total personal income, which was lower than the national average (2.6%), but higher than the average of its five neighboring states (2.3%).

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 2023			
State	General & Selective Sales	Individual Income	Property
Ohio	3.8%	2.3%	2.4%
Indiana	3.9%	3.0%	2.0%
Kentucky	3.6%	3.1%	1.8%
Michigan	3.0%	2.0%	2.6%
Pennsylvania	3.2%	2.5%	2.4%
West Virginia	3.9%	2.9%	2.1%

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

- In FY 2023, Ohio's individual income tax receipts were 2.3% 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 slightly lower than Indiana and West Virginia, but higher than Kentucky, Pennsylvania, and Michigan.
- Ohio's property tax receipts were 2.4% of total personal income, which was the same as Pennsylvania, but higher than Kentucky, Indiana, and West Virginia, and lower than Michigan.