John R. Kasich
Governor

Joseph W. Testa
Tax Commissioner

ANNUAL REPORT

Fiscal Year 2018

2018

Annual Report

Prepared by the

Communications Office, Chief Counsel's Office, and Legislative and
Tax Analysis Divisions with the
assistance of numerous operating divisions

Joseph W. Testa,
Ohio Tax Commissioner

From the Tax Commissioner

Dear Governor, Senators, and Representatives,

It is my responsibility and privilege to provide you the Fiscal Year 2018 Annual Report of the Ohio Department of Taxation. This report highlights the department's activities during the year in compliance with Ohio Revised Code 5703.42.

The report provides a complete description of the tax base, rates and provisions of each of the state taxes administered by the department, three revenue sharing funds administered by the department and 13 local taxes. It also provides detailed statistical data concerning each tax and an accounting of department activities during the fiscal year.

My hope is that the contents of this report will be of value and interest to you, the General Assembly, and the people of Ohio.

Respectfully,

Joseph W. Testa
Tax Commissioner

Year in Review

Ohioans enjoyed one of the biggest tax cuts in the nation under the Kasich Administration with more than $5 billion in net tax relief. Over the past eight years, Ohio reduced income tax rates 16 percent, eliminated state income taxes for many small businesses, killed the estate tax and provided targeted tax relief for low- and middle-income workers. Also, a taxpayer- and business-friendly law was passed to ensure that businesses are notified when they have overpaid their taxes.

Lowering the Income Tax

Personal income tax rates are now at their lowest rate since 1982 as Ohio cut the personal income tax rate by 16 percent. Ohio's top marginal income tax rate has been cut from 5.925 percent when Gov. Kasich came into office in 2011 to 4.997 percent. Kasich also reduced the number of state income tax brackets from nine to seven.

Helping Small Businesses Grow

Understanding that small businesses are the drivers of our economy, making up roughly 98 percent of all Ohio businesses and employing half of our state's private-sector workforce, Gov. Kasich worked with the Ohio legislature to improve the state's business climate by phasing out income taxes for virtually all small businesses. These businesses continue to be subject to the commercial activity tax, the same as larger corporations.

Demise of the 'Death Tax'

Gov. Kasich eliminated the Estate Tax that was harmful to family small businesses. In concert with other tax relief measures for small businesses, the repeal of the Estate Tax helped drive Ohio's sustained record of small business creation every year of the Kasich Administration.

Cutting Taxes for Lower-income Ohioans

Gov. Kasich created Ohio's first Earned Income Tax Credit (EITC) in 2013 for low-income Ohioans and doubled it the next year. Ohio also increased the state income tax personal exemption from $1,700 to $2,200 for families earning less than $40,000 a year and raised the exemption from $1,700 to $1,950 for families with incomes between $40,000 and $80,000.

It's the Taxpayer's Money

The Ohio Department of Taxation and Governor Kasich made a commitment and then worked with the General Assembly to pass a law memorializing the responsibility to get tax refunds back to businesses that are due a refund but not aware they have overpaid. This ended a decades-long practice uncovered by the Kasich Administration whereby the Department deliberately didn't tell business taxpayers of overpayments unless they asked about them. The Department began in 2012 by refunding about $14 million of commercial activity tax overpayments and then expanded the program to include all major business taxes and returning about $30 million of overpayments.

… and that's not all. The past eight years have included a number of significant improvements to and developments in Ohio's system of taxation.

Fiscal Year 2018

Reforming the Municipal Income Tax on Business Net Profit

More than 400,000 Ohio businesses are now able to significantly reduce paperwork and a major source of tax-season frustration by opting for centralized administration of their municipal net profit tax returns. Rather than file a separate tax return in each and every municipality in which they earn income – as required in the past – businesses can now file just one return through the Ohio Business Gateway (OBG) to cover all their local net profit tax obligations.

Going forward, for a business choosing to "opt-in" by registering for this new system, the Department will process that business's local net profit returns and then distribute tax payments to the appropriate communities, all based on a single filing and payment made by the business. The Department will also handle all administrative functions associated with the tax, including audits and appeals. Like other income taxes, the 2018 municipal net profit tax return will be due in April of 2019.

New CAUV Law Produces Bountiful Yield for Farmers

The Current Agricultural Use Value, or CAUV, program was designed to hold down property taxes on land devoted to agricultural use. It has largely succeeded by reducing taxes over time an average 50 percent below residential property tax rates. Recent changes in the agricultural economy began eating away at that tax relief causing significant increases in both tax bills and farmer concerns. The result: Ohio lawmakers approved two significant changes (via House Bill 49) regarding the application and calculation of current agricultural use values. The first change provided that farmland dedicated to conservation practices or enrolled in a federal land retirement or conservation program can be eligible for the lowest CAUV value, which is currently $230 per acre. To qualify, the land must be enrolled in a federal government conservation program as of the first day of January of the applicable year. If the farmland ceases to be used for conservation purposes sooner than 36 months after the initial certification, the county auditor must recoup an amount equal to the extra tax savings for the most recent three years. The lower values are phased in using a two-step process over each county's next two revaluations, beginning with the counties undergoing reappraisal or update in 2017. The final values are determined by statutory formula.

The H.B. 49 changes also significantly revised the formula under which CAUV values are calculated. Specifically, the equity yield rate used in the CAUV capitalization rate is to equal either the 25-year average of the total rate of return on farm equity published by the USDA or the loan interest rate for the year, whichever is greater. The result: a significant lowering of the taxable value of farmland and subsequent reduction of property tax paid on that farmland.

Tax Amnesty

In FY 18, the Department administered Ohio's fourth general Tax Amnesty program since 2000. This amnesty ran from January 1 through February 15, 2018. Under the amnesty program, qualifying taxpayers with unreported and/or under-reported taxes for eligible tax types received a fifty percent (50%) reduction in interest and a waiver of all penalties. Any tax liabilities for which the Department had issued a notice of delinquency, bill, or assessment, or for which an audit was underway, did not qualify for the program. To be eligible for the amnesty program, an outstanding tax liability had to be due as of May 1, 2017. In addition, to receive the reduced interest and penalty waiver, the entire delinquent liability and interest charges had to be paid in full by the end of the amnesty program. The 2018 amnesty program generated a total of $14.3 million in revenue from 1,353 applications.

Helping Modernize the Ohio Business Gateway (OBG)

Ohio's primary online filing portal for businesses – the Ohio Business Gateway – is undergoing a major, multi-year, multimillion dollar upgrade, and the Ohio Department of Taxation helped advance that cause in a big way this year. The modernization project is being run by the Lt. Governor's Office and the Office of Information Technology in the Department of Administrative Services. Department staff provided substantial assistance with the critical task of defining and enhancing what the customer/user experiences when they conduct business through OBG. This effort included designing business rules and participating in system interfaces. User acceptance testing involved 30 dedicated testers from multiple work units across the Department collaborating to write and execute over 3,700 test scripts. The Department was also an integral part of three mock 'go-live' events, to help with testing the conversion weekend activities, and preparing the team for a successful conversion from the old OBG to the new, OBG 3.0. The Department also contributed to an outreach effort geared toward helping taxpayers transition into the new system. OBG last year facilitated nearly 5.5 million taxpayer transactions and more than $13 billion in tax payments. The Department has the largest user base among agencies utilizing the portal.

OTIS

The Department's Criminal Investigations Division (CID), with more than 30 enforcement agents spread across Ohio, had long been looking for a system that provided better coordination and communication throughout the group. The solution they adopted was christened OTIS, the Ohio Tax Investigative System. OTIS provided a better way to manage data. Rather than stand-alone databases requiring redundant data entry, OTIS gives CID a case management and evidence tracking system. It provides a central repository for case data and complaints regarding cigarette, other tobacco products, motor fuel, income, withholding, and sales and use taxes. It also assists in tracking the status of delinquent taxpayers, including those whose history necessitates being placed in the habitual offenders program.

The primary advantage of OTIS is that it provides access for management and staff no matter where they're located. OTIS is a web-based system that is hosted on department servers which allows CID staff to access the system whether in the office or out in the field with laptops. That accessibility facilitates better case and workload management and streamlines criminal complaint and case entry. It allows for rapid retrieval of information in the database, ability to search records, prepopulation of fields whose information is already entered and production of professional reports for administrative and judicial purposes.

BRUTUS

As with CID, the Department's Audit Division was looking for a solution to the inefficiencies inherent with outdated computer systems. This division was hampered by software which couldn't adequately handle all the different taxes subject to audit, an impediment which primarily impacted auditing of the Commercial Activity Tax (CAT). The division began researching different programs that would provide the flexibility needed to perform audits and allow the group to configure and maintain the software going forward without needing the expertise of outside computer technology personnel. The software solution is now known as BRUTUS, or the Business Refunds & Underreported Tax Unification System. The first trial for the new system was adapting it to the audit activities associated with the sales and use taxes. That effort quickly proved successful and examiners began completing their audits in BRUTUS soon after. The work then turned to CAT. The team was able to have CAT implemented by the end of March 2018, and it went live in May after training was concluded for the CAT examiners. The team then targeted implementation of two taxes associated with motor fuel and expected to complete those by the end of the fiscal year. The 'To-do' list for the next fiscal year includes incorporating and implementing withholding taxes to be followed by taxes on certain business income. The goal is to have all these taxes live in BRUTUS by the end of calendar year 2018.

Opening Up Ways to Enhance Mail Processing

FY 18 marked the beginning of a new era of greater efficiency in handling one of the oldest and primary chores associated with the business of administering taxes. Despite the inroads and advances made with online filing and other electronic business practices, the processing of mail remains a significant undertaking at the Department of Taxation. With the annual volume in recent years exceeding 2.5 million pieces of mail, there is an ongoing effort to find ways to manage the work involved with handling that much mass. A streamlined process utilizing new, commercially available equipment proved its worth in the first year of use at ODT. This new equipment included five new extraction desks, a central dispatch station, a new machine to cut/open incoming mail, and visual monitors for current equipment to display productivity statistics to employees. The new process has enabled the Department to accomplish the following: assign a barcode to each tray of incoming mail which enables the tracking of mail until it has been processed, automate the inventory tracking process, analyze real-time data on productivity and inventory volumes, provide real-time productivity feedback to employees, and reduce maintenance costs by over $77,000 annually.

HOP Handed New Tools

It wasn't only new and more efficient equipment and systems in FY 18; the year also brought new and expanded responsibility to the work group that handles the Department's Habitual Offender Program (HOP). The HOP program is assigned responsibility for monitoring and working with vendors that have a history of not filing or remitting their sales tax. Under Ohio law vendors are entrusted with and compensated for collecting state and local sales tax on goods and some services. New state law (H.B. 49, effective January 1, 2018) gave ODT new authority for additional oversight of vendors who fail to comply with the duties incumbent with this 'trust tax'. The Department can now suspend a vendor's license and ability to conduct business if that vendor falls short in complying with certain other taxes:

a) If a vendor has had its license suspended for sales tax shortfalls, that license will not be reinstated if the business has delinquent employer withholding / school district employer withholding tax filing or payment obligations.
b) Also, the Department was authorized to suspend the license of a vendor enrolled in the HOP program if that business has repeatedly failed to file or pay employer withholding / school district employer withholding tax filings or payment obligations.

Preparing for the Medical Marijuana Industry

The use of marijuana for medical purposes was authorized by the passage of House Bill 523 during the 131st General Assembly. Because nationally this new industry is not always served by the traditional banking network, and instead must deal primarily in cash, the Department of Taxation has made preparations to securely receive and account for large cash payments for tax obligations.

Solutions from Within

The concept of the Suggestion Box was refreshed and redeployed by the Department in FY 18 as the Solutions Program, an employee-centered, and employee-driven effort to capture even the smallest of improvements to the way the Department does business. The Solutions Program offers an open invitation to all employees to suggest potential solutions to small or large problems that crop up with any of the various and ongoing work processes at the Department. Suggestions are submitted electronically and each is directed to the most appropriate responsible management group, evaluated, and responded to as a way to make the quality or perhaps efficiency of work life a little better.

Ohio Department of Taxation Overview

The Department of Taxation, under the authorities granted to the Ohio Tax Commissioner, is responsible for administering and collecting most state, and several local taxes, in addition to supervising the real property tax. These responsibilities include making tax assessments, valuations, findings and determinations; promulgating rules and regulations; auditing tax returns; issuing and overseeing certain licenses; and distributing revenues from various taxes to units of local government.

Table 1. Department Expenditures, FY 2018

Division	Personal Service	Maintenance	Equipment	Total
Administration	$6,148,341	$4,807,486	$35,483	$10,991,310
Audit	23,874,941	566,982	-	24,441,923
Business and Excise	8,565,600	263,985	-	8,829,585
Chief Counsel	5,584,078	33,991	-	5,618,069
Compliance	6,065,265	1,293,880	-	7,359,145
Criminal Investigations	3,448,815	219,944	7,594	3,676,353
Fiscal Services	5,983,825	4,432,138	193,251	10,609,214
Information Services	20,644,966	12,946,896	1,060,755	34,652,618
PIT/SDIT/Employment Tax	9,334,204	1,038,697	-	10,372,901
Tax Equalization	1,515,127	337,607	-	1,852,734
Taxpayer Services	8,581,037	11,501	-	8,592,538
Total Expenditures	**$99,746,199**	**$25,953,107**	**$1,297,084**	**$126,996,389**

Summary information on taxes collected

The Tax Commissioner is responsible for the administration of most of Ohio's taxes. Three exceptions are Ohio's insurance premiums tax, the tax on spirituous liquor, and the motor vehicle license tax. The Tax Commissioner also is responsible for the administration or oversight of several local government taxes. Additionally, the Tax Commissioner is responsible for the distribution of local government and public library funds, revenues from several taxes, real property tax rollback funds, and certain fees.

The revenues collected from many – but not all – taxes are deposited in Ohio's General Revenue Fund (GRF). The GRF is used to pay for approximately half of the state government's operations. Other taxes are collected for specific purposes and are not deposited into the GRF.

The following tables and charts summarize data on collections of taxes administered by the Tax Commissioner, all state tax sources, and state tax sources for the GRF. Additional information is available on ODT's website (www.tax.ohio.gov) and the Office of Budget and Management's website (www.obm.ohio.gov).

Table 2: Taxes & Fee Collected by the Ohio Department of Taxation

This table shows both gross and net tax collections for state-collected and locally-collected taxes. For state collected taxes, "gross tax collections" are equal to total taxes collected, including taxes which were later refunded. Net tax collections are equal to gross collections, less all refunds. Note: because the data for state-collected taxes is from the state accounting system, the figures will differ slightly from data shown elsewhere in the report. Other tables in this report frequently represent taxes reported as shown on the tax returns filed during the fiscal year, rather than actual collections during the fiscal year or for specific funds (e..g, the state's General Revenue Fund).

	Gross Tax Collections		Net Tax Collections		% Change (2017-2018)
State-Collected Taxes	**FY 2017**	**FY 2018**	**FY 2017**	**FY 2018**	
State Sales and Use	$10,908,375,348	$10,453,390,174	$10,806,336,025	$10,342,974,399	-4.3%
State Personal Income	9,949,600,792	10,711,548,656	7,981,112,892	8,796,211,882	10.2%
Local Sales and Use	2,607,643,279	2,545,390,129	2,607,643,279	2,545,390,129	-2.4%
Motor Vehicle Fuel	1,840,079,273	1,820,089,640	1,823,817,437	1,805,171,645	-1.0%
Commercial Activity Tax	1,855,968,358	1,963,768,818	1,751,487,743	1,804,573,427	3.0%
Cigarette & Other Tobacco Excise	981,656,920	942,103,953	980,514,966	939,761,555	-4.2%
Kilowatt-Hour Excise	540,512,339	537,453,423	539,196,985	537,154,944	-0.4%
School District Income	464,001,950	482,830,853	435,395,738	454,819,379	4.5%
Casino Gross Revenue Tax	264,683,904	272,055,072	264,683,904	272,055,072	2.8%
Financial Institutions Tax	225,797,148	243,000,699	187,308,823	201,067,378	7.3%
Public Utility Excise	107,427,844	119,422,640	106,902,021	119,242,123	11.5%
Petroleum Activity Tax	63,832,403	75,024,473	63,234,116	74,806,458	18.3%
Natural Gas Consumption	61,790,806	69,551,510	61,790,229	69,550,506	12.6%
Alcoholic Beverage Excise[2]	58,309,229	54,364,065	58,309,229	54,364,065	-6.8%
Severance	45,746,822	52,054,753	45,746,822	52,054,753	13.8%
Wireless 911	25,773,202	26,027,556	25,772,950	26,010,288	0.9%
Motor Fuel Use[4]	74,058,123	21,269,980	34,857,443	20,168,571	-42.1%
Local Cigarette Excise[3]	17,509,910	16,388,492	17,509,717	16,388,492	-6.4%
Municipal Income Tax for Electric Light Companies	10,380,080	13,636,250	10,380,080	13,636,250	31.4%
Municipal Net Profits Tax[5]	N/A	11,054,592	N/A	11,054,592	N/A
Replacement Tire Fee	7,842,478	8,589,624	7,839,360	8,583,279	9.5%
Horse Racing	5,253,586	5,061,978	5,253,586	5,061,978	-3.6%
Local Alcoholic Beverage[3]	5,501,540	5,348,563	5,501,540	5,348,563	-2.8%
Estate Tax[1]	833,121	235,499	756,027	212,950	-71.8%
Corporation Franchise[1]	5,750,984	3,335,592	(1,210,790)	2,185,347	-280.5%
Resort Area Excise	1,203,150	1,226,928	1,203,150	1,226,928	2.0%
Dealer in Intangibles[1]	14,922	0	(676,187)	(374,398)	-44.6%
Total State-Collected Taxes	**$30,129,547,512**	**$30,454,223,913**	**$27,820,667,087**	**$28,178,700,555**	**1.3%**

	Tax Collections		
Locally-Collected Taxes	**CY 2017**	**CY 2018**	**% Change (2017-2018)**
Public Utility Property	$1,253,375,979	$1,328,123,219	6.0%
Estate [1, 6]	$3,766,663	$1,107,668	-70.6%
Total Locally-Collected Taxes	**$1,257,142,642**	**$1,329,230,887**	5.7%

[1]These taxes are no longer in effect. Only residual revenues and refunds are applicable going forward. [2]Excludes tax on liquor since it is administered by the Ohio Department of Commerce, Division of Liquor Control. [3]Collected for Cuyahoga County. [4]Gross collections include refunds and payments made to other states and Canadian provinces participating in the International Fuel Tax Agreement (IFTA). [5]Municipal Net Profits Tax collections by the state for distribution to municipalities is new for FY 2018. [6]CY 2017 data is from County Auditor estate tax settlements for the August 2016 and February 2017 periods; CY 2018 data is from the settlements for the August 2017 and February 2018 periods. Source: FY 2017 & 2018 data on state-collected taxes was extracted from the state accounting system. Data on locally-collected taxes is based on the Department of Taxation's own data sources.

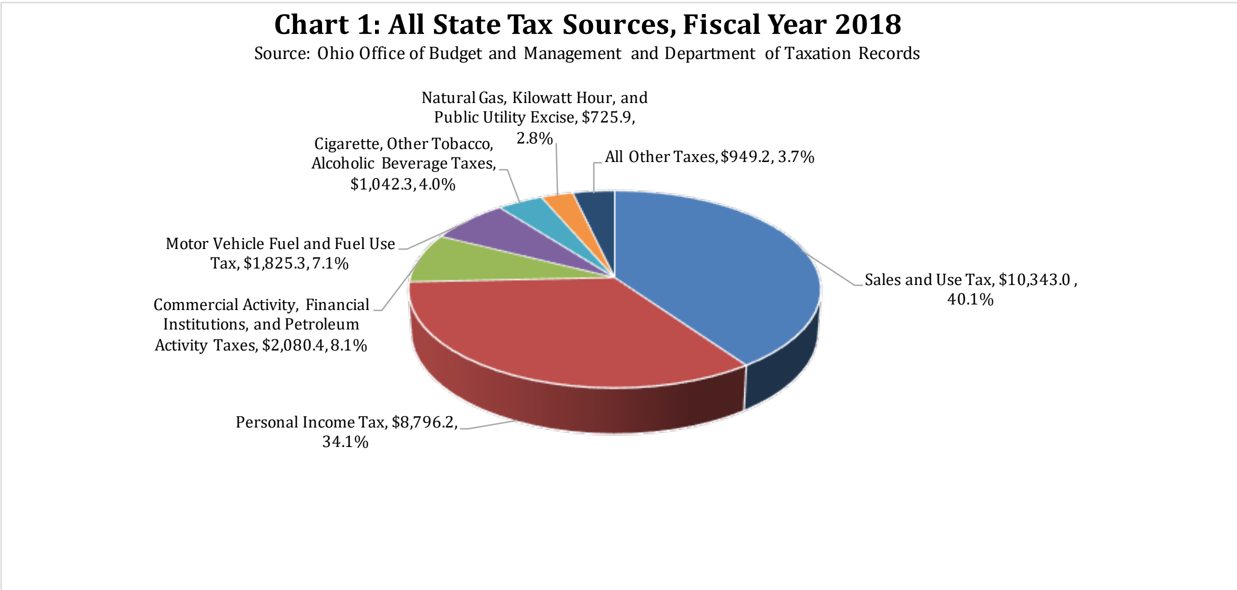


Table 3: All State Tax Sources, Fiscal Year 2018 (dollars in millions, excluding federal aid)

Major Taxes:	**Collections**	**Percent of Total**
Sales and Use Tax	$10,343.0	40.1%
Personal Income Tax	$8,796.2	34.1%
Motor Vehicle Fuel and Fuel Use Tax	$1,825.3	7.1%
Commercial Activity, Financial Institutions, and Petroleum Activity Taxes	$2,080.4	8.1%
Cigarette, OTP and Alcoholic Beverages Taxes[1]	$1,042.3	4.0%
Natural Gas, Kilowatt Hour, and Public Utility Excise	$725.9	2.8%
All Other Taxes	$949.2	3.7%
	$25,762.4	**100.0%**
Other Taxes:		
Foreign Insurance Tax	$299.4	
Casino Gross Revenue Tax	$272.1	
Domestic Insurance Tax	$283.4	
Severance	$52.1	
Corporation Franchise Tax	$2.2	
Wireless 9-1-1	$26.0	
Estate Tax	$0.2	
Other Business and Property	$0.2	
Horse Racing	$5.1	
Replacement Tire	$8.6	
Other Taxes Total	**$949.2**	

Source: Ohio Office of Budget and Management and Department of Taxation Records

[1]Includes tax collections on liquor, which is administered by the Ohio Department of Commerce

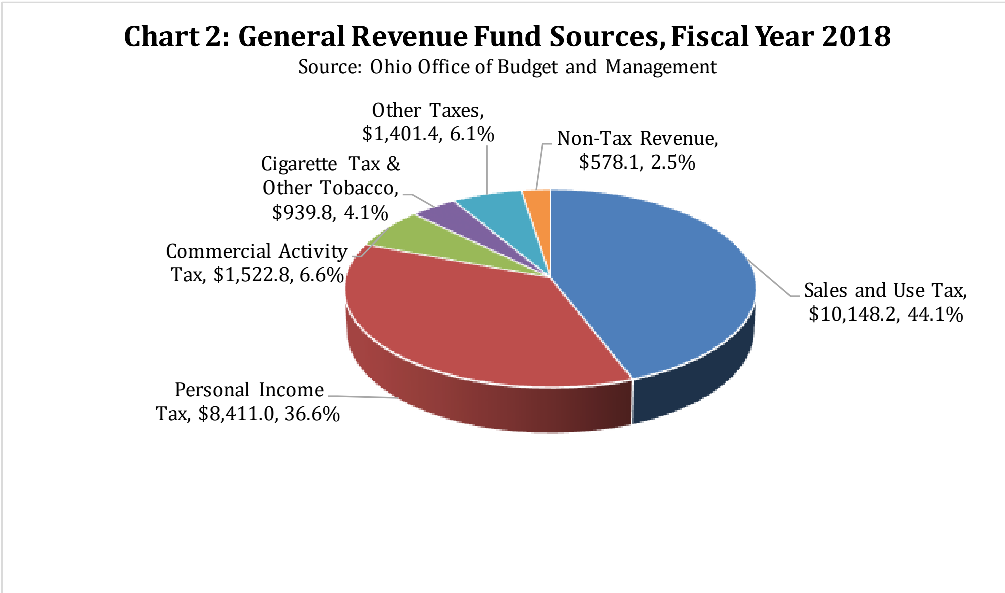


Table 4: General Revenue Fund Sources, Fiscal Year 2018 (dollars in millions, excluding federal aid)

Major Taxes:	**Collections**	**Percent of Total**
Sales and Use Tax	$10,148.2	44.1%
Personal Income Tax	$8,411.0	36.6%
Commercial Activity Tax	$1,522.8	6.6%
Cigarette Tax & Other Tobacco	$939.8	4.1%
Total Major Taxes	**$21,021.8**	**91.4%**
Other Taxes:		
Kilowatt-Hour Excise Tax	$342.4	
Domestic Insurance Tax	$278.4	
Foreign Insurance Tax	$276.5	
Financial Institutions Tax	$201.1	
Public Utility Excise Tax	$119.2	
Alcoholic Beverage Taxes (including liquor gallonage)	$103.8	
Natural Gas Distribution Tax	$69.6	
Petroleum Activity Tax	$7.8	
Corporation Franchise Tax	$2.2	
Estate Tax	$0.2	
Other Business and Property	$0.2	
Total Other Taxes	**$1,401.4**	**6.1%**
Total Tax Revenue	**$22,423.2**	**97.5%**
Non-Tax Revenue:		
Earnings on Investment	$64.2	
Miscellaneous[1]	$513.9	
Total Non-Tax Revenue	**$578.1**	**2.5%**
	$23,001.3	**100.0%**

Source: Ohio Office of Budget and Management.

[1]Includes certain transfers into the general revenue fund, licenses and fees, and other income.

Chart 3

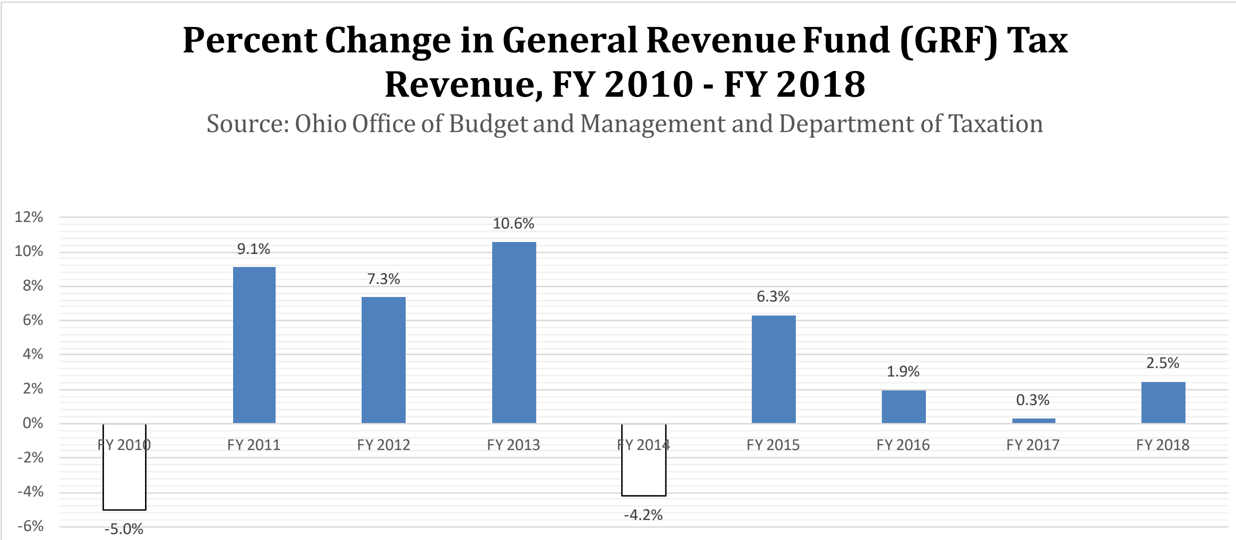


Table 5: General Revenue Fund Tax Revenue, FY 2010-FY 2018 (dollars in millions)

Fiscal Year	Revenue	% Change
2010	$16,233.6	
2011	$17,706.1	9.1%
2012	$19,005.2	7.3%
2013	$21,015.7	10.6%
2014	$20,134.4	-4.2%
2015	$21,405.8	6.3%
2016	$21,821.6	1.9%
2017	$21,885.8	0.3%
2018	$22,423.2	2.5%

Source: Ohio Office of Budget and Management and Department of Taxation

Responsibilities

The mission of the Ohio Department of Taxation (ODT) is to provide quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law.

Tax Commissioner. Section 5703.05 of the Ohio Revised Code vests all powers, duties and functions of the Department of Taxation in the Tax Commissioner. The Tax Commissioner is appointed by the Governor, is subject to confirmation by the Ohio Senate, and serves at the pleasure of the Governor.

In general, the Tax Commissioner is responsible for the administration of most state-collected taxes and several locally-collected taxes as well as supervision of the real property tax. Broadly speaking, the principal powers and duties of the Tax Commissioner include: making all tax assessments, valuations, findings, determinations, computations and orders; reviewing, re-determining or correcting previous assessments, valuations or findings; promulgating rules and preparing and distributing tax return forms and other reporting tools; auditing returns, levying assessments and penalties, and granting or denying tax refunds; and issuing, revoking or suspending certain licenses and permits.

In addition, the Tax Commissioner has specific duties. These include: the actual collection of the vast majority of Ohio's taxes; the operation of a central collection and reporting system for municipal income taxes on electric light and local exchange telephone companies; the maintenance of a continuous study of the practical operation of the taxation and revenue laws of the state, the probable revenue effect of legislation introduced to change existing laws, and proposed measures providing for other forms of taxation; and revenue distribution to local governments, including shares of motor fuel tax revenue, property tax relief reimbursements, and distributions from the Local Government Fund, the Public Library Fund, and certain other funds.

In order to perform these duties efficiently, the Tax Commissioner is authorized by law to create divisions and sections of employees and organize the work of the department in a manner that, in the Tax Commissioner's judgment, will result in an efficient and economical administration of Ohio's tax laws.

Customer services. Ohio's taxpayers are among ODT's customers. When they need help complying with tax obligations, they frequently turn to ODT's customer services divisions.

For many taxpayers, the Taxpayer Services Division is the first stop – a single point of contact for taxpayers with questions about individual income, school district income, sales and use, employer withholding, employer school district income withholding, commercial activity, pass-through entity and trust taxes. This division serves as a multi-channel contact center that responds to taxpayer inquiries by letter, telephone, e-mail, and fax machine.

This division strives for "first call resolution" to taxpayer inquiries, which range from general and technical taxability issues, tax return issues, filing requirements, business registrations, tax releases, billings, and assessments. The division also serves as the help desk for the Ohio Business Gateway, responds to requests for forms, handles inquiries about refunds, and answers questions from tax practitioners.

During fiscal year 2018, the Taxpayer Services Division received 876,442 phone calls, 68,936 emails, and 11,234 walk-in taxpayers at the Northland Facility. The division also has a central registration unit dedicated to answering telephone calls regarding business registration and entering business registrations into the system for employer withholding, school district withholding and some sales tax vendor's licenses. Other responsibilities include maintaining the cumulative vendor accounts, updating of demographic information, and data purification.

When time permits, Taxpayer Services assists several other divisions with their workload to avoid backlog, which in turn decreases the need for taxpayers to contact the department.

The **Problem Resolution Officer** (PRO) is a statutorily required resource for Ohio's taxpayers. The PRO specifically is to "receive and review inquiries and complaints concerning matters that have been pending before the department for an unreasonable length of time or matters to which a taxpayer has been unable to obtain a satisfactory response after several attempts to communicate with the employee of the department assigned to the taxpayer's case or the employee's immediate supervisor." Most Ohio tax situations are reviewable by the PRO except for final determination appeals and collections cases certified to the Ohio Attorney General.

Organizational divisions. Tax divisions administer specific taxes including developing regulatory rules and procedures, prescribing returns and schedules, examining returns that suspend from processing, and articulating laws and policies to help resolve taxpayers' questions and issues. These divisions are:

- Business Tax (Commercial Activity Tax, Municipal Income Tax for Electric Light and Telephone Companies, Municipal Net Profits Tax and Pass-through Entity Tax),
- Excise & Energy Tax (Alcoholic Beverage Tax, Cigarette and Other Tobacco Products Tax, Horse Racing Tax, Kilowatt-Hour Tax, Motor Fuel Tax, Natural Gas Distribution Tax, Severance Taxes, Public Utility Property and Excise Taxes),
- Individual and School District Income Tax
- Tax Equalization.

The forms unit coordinates the creation and maintenance of paper forms and instructions for ODT, including barcoded forms that can be scanned by computers. The unit distributes forms and instructions and acts as a liaison with third party software vendors and payroll processing companies that create third party versions of Ohio's tax forms and payment coupons.

The **Revenue Accounting Division** ensures that tax dollars are properly deposited and distributed in accordance with the law. In fiscal year 2018, Revenue Accounting distributed approximately $5.3 billion of various revenues (for more information on distributions, please see http://www.tax.ohio.gov/Government/distributions.aspx).

In addition, Revenue Accounting records most of the revenue receipts and refund deposits for the individual income and employer withholding taxes, the sales and use taxes, the corporation franchise tax, the school district income tax, the motor fuel and use taxes, the International Fuel Tax Agreement, the commercial activity tax, the municipal income tax on net profits and the municipal income tax for electric light companies and telephone companies. The division is also responsible for exception processing for most of the refunds released by the department. The division handles the accounting and reversals for all tax payment errors. This includes paper checks, electronic funds transfers (EFTs), payments made through the Ohio Business Gateway (OBG), and Treasurer of State debits and credits. Revenue Accounting also has a Central Payment Unit that is responsible for researching payments that need processing for all taxes. Revenue Accounting reconciles EFT payments, OBG payments, and credit card payments. Revenue Accounting has the additional responsibility of assisting the Office of Budget and Management with the state Comprehensive Annual Financial Report (CAFR).

The **Revenue Processing Division** is the central processing unit for most paper tax returns filed with the Ohio Department of Taxation. The division's primary function is to timely process all paper tax returns and checks. This is accomplished through receiving, extracting, scanning and capturing tax returns, documents and remittances; storing and retrieving tax documents and depositing taxpayer payments to the bank so that funds are available for distributing to state and local governments. Each fiscal year, the division extensively tests data capture software and software vendor paper returns for both 1D and 2D barcoding. The division processed over 1.2 million paper returns and 1.68 million check payments in fiscal year 2018. See Table 1 for volume of paper forms processed by tax type.

Table 1. Volume of Paper Forms by Tax Type, Fiscal Year 2018

Tax Type	Volume
Employer Withholding (for both individual income and school district income taxes)	99,863
School District Income	139,073
Individual Income	807,332
Pass-through Entity Withholding	79,441
Sales Taxes	28,135
Tax Equalization property tax forms	74,697

Compliance services. The primary role of the Compliance Division is issuing bills and assessments as part of the Department's major compliance programs. These major compliance programs address a range of tax-types, including individual income, school district income, employer withholding, school district employer withholding, sales and use, commercial activity, and pass-through entity taxes.

Examples of major compliance programs run by this division include: sending billing notices when taxpayers fail to file a tax return, fail to pay the balance due shown on a filed tax return or make an error in filing their tax return (e.g. fail to report all taxable income, compute tax liability incorrectly, etc.).

When taxpayers do not respond to a billing notice asking them to resolve a tax-due matter, the Compliance Division issues an assessment. Assessments are the Tax Commissioner's final notice to a taxpayer of a tax deficiency or delinquency. An assessment informs a taxpayer of his or her legal rights if the assessment is not timely resolved or an appeal is not timely filed. Failure to resolve or file an appeal results in the division certifying the debt for collection to the Ohio Attorney General's office. The Compliance Division serves as the department's liaison to the Ohio Attorney General's office regarding the collection of tax deficiencies and delinquencies.

The Compliance Division also is responsible for responding to all taxpayer billing, assessment and certification correspondence and reviewing appeals of assessments that did not begin with an audit. This enables taxpayers to resolve certain issues in an informal manner that supports the department's focus on timely, quality customer service.

The **Criminal Investigations Division** (CID) consists of 32 sworn police officers and 2 civilian employees who enforce the criminal provisions of Ohio's tax laws. CID was created in 1971 primarily to combat organized crime and the smuggling of untaxed cigarettes. Today, CID enforces most taxes administered by ODT including tobacco taxes, the motor fuel tax, the income tax, employer withholding taxes and sales and use taxes.

Support services. The **Budget and Fiscal Division** performs the internal financial tasks that are necessary for ODT to run its daily operations. Those tasks include preparing and monitoring the operating budget, coordinating centralized purchasing, paying invoices, reimbursing travel expenses, managing department assets, generating financial reports, and managing department contracts.

The **Tax Analysis Division** serves as the research and statistics division of ODT providing data, quantitative analysis, revenue estimates and forecasting to the Tax Commissioner and other customers. The division prepares a tax expenditure report biennially that by state law is submitted to the Governor who submits it to the General Assembly as an appendix to the biennial operating budget. The division performs other functions including assisting with the forecasting and tracking of state tax revenues, estimating and certifying school district income tax rates, and publishing the Tax Data Series for public use.

The **Communications Division** is ODT's first point of contact for the news media. It provides communications services to assist the Tax Commissioner with the discharge of his statutory duties. These communications services include issuing news releases, coordinating interviews and media events, managing ODT's website, social media accounts, and publications, monitoring media for news and criticism relevant to ODT, managing content on ODT's intranet, and publishing a monthly employee newsletter.

The **Office of Agency Performance** is responsible for functions related to ODT's human resources, organizational development, internal audit, and facilities management. Human Resources creates, implements, and assesses a range of human resource actions. Organizational Development coordinates and provides practical and applied professional skills and career development opportunities. Internal Audit independently examines and evaluates the ongoing control processes and acts as a liaison with external auditing authorities. Facilities Management maintains ODT's buildings, office spaces, and grounds and provides building security.

Information Services Division (ISD) collaborates with ODT business areas to implement technical solutions to effect new legislation, provide enhanced and secure services for our internal and external customers, and to simplify taxpayer compliance with the law. ISD's functional responsibilities include project management, application development, database, infrastructure configuration, security/compliance, data analytics, and customer service. ODT utilizes the Department of Administration Services Office of Information Technology (OIT) shared services including: network, most hardware (mainframe and servers), system software (z/OS, Windows, AIX), eMail, phones and the Ohio Business Gateway (OBG). ISD also supports cross agency interaction with the Attorney General's Office, Treasurer of State, Bureau of Workers' Compensation and Department of Insurance.

Since the July 2017 completion of the State Taxation and Accounting Revenue System (STARS) project, ODT has continued to add functionality to enhance the business users' experience on this application which comprised some of the 21 various projects ISD had in flight. Additionally, business customers were legislatively provided with an option to file their municipal net profit tax with ODT. ISD has added the functionality to administer the municipal net profit tax as the 24th business tax being administered on STARS with the first tax return due in 2019.

ODT as a whole and ISD specifically has provided significant support to OIT to assist in the development and implementation of phase one of the modernized Ohio Business Gateway 3.0 system (OBG). OBG provides ODT a one-stop, cloud-based gateway for business customers to electronically file and pay taxes.

ISD continued to partner with OIT on various IT consolidation projects, and remained vigilant to ensure the infrastructure was available and reliable.

The **Legislation Division** coordinates ODT's legislative affairs by providing legislative ethics compliance, monitoring state and federal tax legislation, analyzing proposed tax bills and amendments, assisting legislators with constituent inquiries, attending committee hearings and lobbying on behalf of the Tax Commissioner.

Office of the Chief Counsel. The Office of the Chief Counsel is responsible for the supervision of all legal affairs of ODT. This office is divided into three divisions: the Tax Appeals Division, the Appeals Management & Bankruptcy Division and the Legal Counsels Division.

The **Tax Appeals Division** conducts most of the administrative appeal hearings within the department and issues the Tax Commissioner's final determination in these tax matters, which serves as the department's final assessment of the taxpayer. Fiscal year 2017 ended with a balance of approximately 2,564 cases, a slight increase of approximately 139 cases from the prior year. Of those cases, 1,762 were challenges to sales and use tax assessments and/or refunds. While sales and use tax, employer withholding and school district withholding assessments have been processed through the department's tax management system since mid-2014, management of the Commercial Activity came online during fiscal year 2017. Beginning in the current fiscal year, additional taxes will be managed through this system. The sales and use tax group started the fiscal year with approximately 1,359 cases and ended the year with approximately 1,762 cases. Final determinations and assessments issued during the year totaled 1,533. Of the remaining tax types, the division began the year with 1,066 cases, and ended the year with a balance of 802 cases.

The **Appeals Management/Bankruptcy Division** serves as a liaison with the Attorney General's Office for all litigation that involves the Department of Taxation except personnel actions. The current division facilitates bankruptcies through the federal courts, substantive tax cases at the Ohio Board of Tax Appeals, the Ohio Supreme Court, and various courts throughout the federal and state court systems. The division also facilitates offers in compromise and certified claim settlements with the Ohio Attorney General.

During the past year, the Appeals Management/Bankruptcy Division and the Tax Appeals Division began the process of merging, to meet department's goal of utilizing resources in the most efficient manner practicable. As of June 30, 2017 there were 794 cases on appeal at the Board of Tax Appeals, the state appeals court system and at the Ohio Supreme Court. These numbers compare to fiscal year 2016, when the division had 780 cases on appeal at the various tribunals. On the Bankruptcy side, in fiscal year 2017, the division received 8,479 notices of bankruptcy (compared to 9,908 notices filed the previous year). It processed a total of 2,968 proofs of claims (compared to 3,192 the previous year). The group was able to secure over $4 million through bankruptcy claims during the year.

Division counsel is assigned to other department divisions to provide legal advice on tax law and the administration of taxes as well as drafting legislation, regulatory rules, tax opinions, and information releases.

The **Audit Division** conducts audits relating to most of Ohio's major business taxes. During fiscal year 2018, the Audit Division completed the following numbers and types of audits:

Table 2

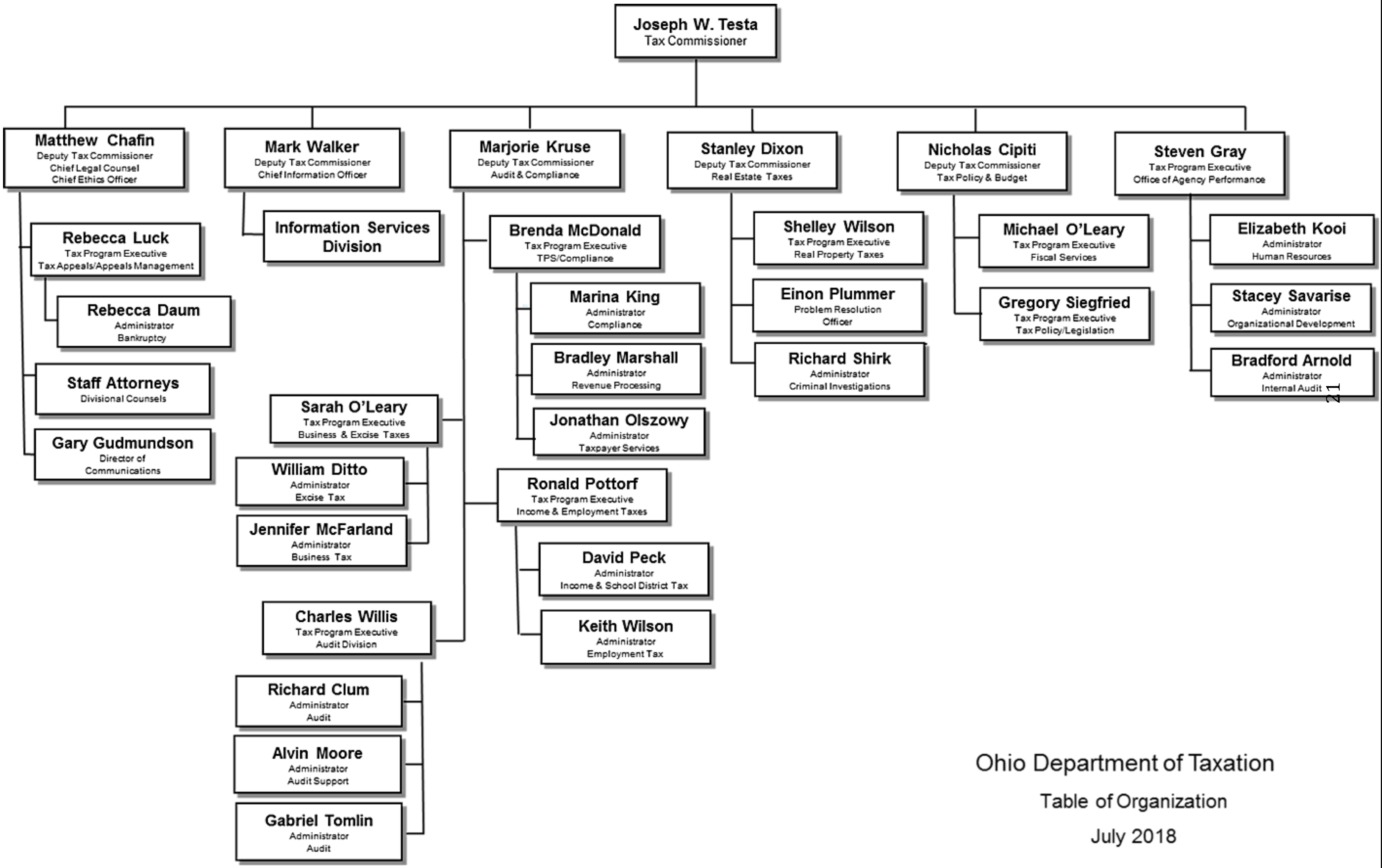
Tax Type	**Number of Audits**
Commercial Activity	1,304
Corporate Franchise	14
Employer Withholding	699
Financial Institutions	46
International Fuel Tax Agreement	239
International Registration Plan	400
Master Settlement Agreement	51
Other Tobacco Products	1
Pass-Through Entity	261
Personal Income	3,247
Petroleum Activity	13
Sales and Use	1,544
School District Withholding	6
Total	**7,825**

Table 3. Ohio Individual Income & School District Income Tax Return Filing: Tax Years 2008 - 2017										
State Returns	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Total Paper	1,859,662	1,454,332	1,137,134	997,950	915,022	809,704	778,869	687,633	684,359	685,994
Total Electronic	3,587,372	3,812,182	4,160,231	4,378,196	4,504,305	4,717,107	4,778,740	4,728,900	4,836,968	5,033,431
Total State Returns	5,447,034	5,266,514	5,297,365	5,376,146	5,419,327	5,526,811	5,557,609	5,416,533	5,521,327	5,719,425
% Filed on Paper	34.0%	27.6%	21.5%	18.6%	16.9%	14.6%	14.0%	12.7%	12.4%	12.0%
% Filed Electronically	66.0%	72.4%	78.5%	81.4%	83.1%	85.4%	86.0%	87.3%	87.6%	88.0%
School District Returns										
Total Paper	293,600	213,468	173,496	152,397	135,842	121,206	117,243	110,459	111,463	114,624
Total Electronic	448,400	530,416	579,731	615,042	655,443	692,467	714,340	728,320	761,119	770,876
Total School Returns	742,000	743,884	753,227	767,439	792,058	813,673	831,583	838,779	872,582	885,500
% Filed on Paper	39.5%	28.7%	23.0%	19.9%	17.2%	14.9%	14.1%	13.2%	13.8%	12.9%
% Filed Electronically	60.5%	71.3%	77.0%	80.1%	82.8%	85.1%	85.9%	86.8%	87.2%	87.1%

Table 4. Sales and Excise Taxes Levied and Unpaid Assessments Certified for Collections (Fiscal Years 2017-18)						
	Assessments Levied				**Unpaid Assessments Certified for Collection**	
	FY 2017 Amount	**FY 2017 Number**	**FY 2018 Amount**	**FY 2018 Number**	**FY 2017 Amount**	**FY 2018 Amount**
Tax Category						
Sales and Use	$1,033,860,183	176,192	$1,400,186,843	192,058	$759,551,988	$988,709,594
Commercial Activity	751,128,050	56,230	1,589,066,215	60,018	406,197,887	1,010,625,447
Motor Fuel and Use Tax	31,587,439	190	17,585,380	89	5,620,372	888.235
Cigarette	273,569	57	417,824	45	1,557,898	131,809
Other Tobacco Products	9,926,438	190	7,151,473	194	5,157,806	3,896,596
Alcoholic Beverage	51,711,289	586	19,224,237	512	24,836,673	9,290,773
Severance	11,149,377	583	16,555,251	568	6,396,477	12,831,898
Horse Racing	575	2	509	2	580	0
Replacement Tire Fee	424,133	51	412,053	37	186,799	204,487
IFTA	886,794	599	793,891	921	439,723	462,216
Kilowatt Hour	4,113,464	136	3,680,958	167	400,683	2,721,926
Master Settlement Agreement	110,000	141	79,250	105	62,000	42,000
MCF	58,531	1	173	3	0	0
Public Utility Excise	389,650	3	3,138,321	21	389,650	846,249
Municipal Electrical Light	0	0	0	0	0	0
Gross Casino Revenue	0	0	0	0	0	0
Individual Income	153,995,670	88,858	514,294,072	100,118	115,556,193	416,883,996
School District Income	40,113,423	108,954	46,192,039	125,479	26,665,283	33,959,736
Total	**$2,089,728,585**	**432,773**	**$3,618,778,489**	**480,337**	**$1,353,020,012**	**$2,480,607,615**

Table 5. Cash Collections from Audit and Compliance Programs for Fiscal Year 2018								
Tax	**Delinquent Programs**	**Automated Billing**	**Billing Collections**	**Assessment Collections**	**Audit Collections**	**Voluntary Disclosure Agreements**	**Total**	**% of Total**
Sales & Use	n/a	n/a	$104,078,420	$132,112,734	$22,348,605	0	$258,539,759	0.358
Corporation Franchise	n/a	n/a	0	0	1,456,573	0	1,456,573	0.201
Individual Income	n/a	n/a	104,375,948	106,655,101	3,505,481	70,400	214,606,930	29.738
Employer Withholding	n/a	n/a	4,608,849	18,319,228	1,053,827	0	23,981,904	3.320
Commercial Activity	n/a	n/a	54,972,587	55,266,172	37,289,641	0	147,528,400	20.442
Excise and Energy	$3,997,338	$1,493,461	0	3,547,991	408,790	0	9,447,580	1.309
IFTA	n/a	$614,441	0	398,318	170,880	0	1,183,639	0.164
Pass-Through Entity	n/a	n/a	405,352	3,329,855	10,940,303	1,872,404	16,547,914	2.293
School District Income	n/a	n/a	5,776,638	39,277,473	24,397	1,734	45,080,242	6.247
Financial Institutions	n/a	n/a	130,484	290,700	2,897,541	0	3,318,725	0.459
Total	**$3,997,338**	**$2,107,902**	**$274,348,278**	**$359,197,572**	**$80,096,038**	**$1,944,538**	**$721,691,666**	**100%**

Table 6. Ohio Tax Commissioners (1939 to present)			
Tax Commissioner	**Began Service**	**Ended Service**	**Appointing Governor**
William S. Evatt	June 3, 1939	December 31, 1944	John W. Bricker
C. Emory Glander	January 1, 1945	January 31, 1951	Frank J. Lausche
John W. Peck	February 1, 1951	January 31, 1954	Frank J. Lausche
Stanley J. Bowers	February 1, 1954	April 14, 1963	Frank J. Lausche
Louis J. Schneider	April 15, 1963	December 29, 1964	James A. Rhodes
Gerald A. Donahue	January 4, 1965	March 12, 1966	James A. Rhodes
Gail W. Porterfield	March 13, 1966	January 10, 1971	James A. Rhodes
Robert J. Kosydar	January 11, 1971	January 12, 1975	John J. Gilligan
Gerald S. Collins	Janaury 13, 1975	September 10, 1975	James A. Rhodes
Edgar L. Lindley	September 11, 1975	January 9, 1983	James A. Rhodes
Joanne Limbach	January 10, 1983	January 13, 1991	Richard F. Celeste
Roger W. Tracy	January 14, 1991	January 11, 1999	George V. Voinovich
James J. Lawrence	January 11, 1999	June 30, 1999	Bob Taft
Thomas M. Zaino	July 1, 1999	October 31, 2003	Bob Taft
J. Patrick McAndrew	November 1, 2003	January 11, 2004	Bob Taft
William W. Wilkins	January 12, 2004	Janaury 7, 2007	Bob Taft
Richard A. Levin	January 8, 2007	January 9, 2011	Ted Strickland
Joseph W. Testa	January 10, 2011	Janaury 14, 2019	John R. Kasich

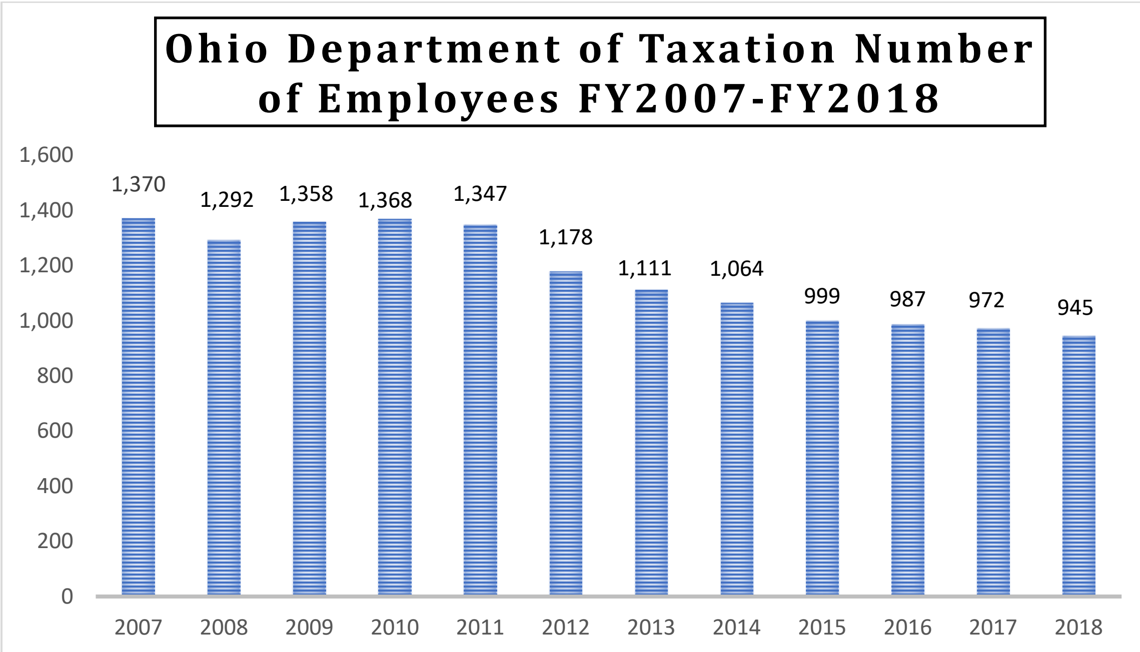


Ohio Department of Taxation

Table of Organization

July 2018

Chart 2


Ohio Department of Taxation Number of Employees FY2007-FY2018
1,600
1,400
1,200
1,000
800
600
400
200
0
1,370
1,292
1,358
1,368
1,347
1,178
1,111
1,064
999
987
972
945
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018

State Taxes Administered by the Tax Commissioner

The following are reports for fiscal year 2018 on the various taxes administered by the Tax Commissioner. Collections data shown are net of refunds. All collections data reported in the tax sections comes from the state's general ledger report available to the Ohio Department of Taxation unless otherwise noted, and the data is rounded. Other data tables are reported in the **Data Appendix** section.

Alcoholic Beverage Taxes

Overview. Responsibility for administering Ohio's taxes on alcoholic beverages is split between the Ohio Department of Taxation (ODT) and the Ohio Department of Commerce's Division of Liquor Control. This chapter covers only the role of ODT in administering Ohio's excise taxes on beer, wine, cider, and mixed beverages of up to 21 percent alcohol by volume (ABV). The Division of Liquor Control administers a separate tax on spirituous liquor.

During fiscal year 2018, tax collections of alcoholic beverages taxes administered by ODT totaled approximately $56.8 million, excluding hold fund balance. Of this amount, approximately $55.7 million was deposited into the General Revenue Fund (GRF) and approximately $1.2 million to the Ohio Grape Industries Fund.

ODT also administers and collects county permissive taxes on beer, wine, cider, and mixed beverages. Cuyahoga County is the only county in Ohio permitted by state law to levy such taxes. Please see the **Local Government Taxes** section for details.

Taxpayer (R.C. 4301.42-.43, 4303.33, 4305.01). The alcoholic beverage taxes are levied on manufacturers, bottlers and canners, wholesale dealers, distributors, and retail dealers.

Tax base (R.C. 4301.01). The tax base is comprised of beer, wine, cider, and mixed beverages up to 21 percent of alcohol by volume (ABV). These beverages are defined in law as follows:

- Beer includes all beverages brewed or fermented wholly or in part from malt products containing at least 0.5 percent of ABV.
- Mixed beverages include bottled and prepared cordials, cocktails, highballs, and solids and confections that are obtained by mixing any type of whiskey, neutral spirits, brandy, gin, or other distilled spirits with, or over, carbonated or plain water, pure juices from flowers and plants, and other flavoring materials. They contain at least 0.5 percent and not more than 21 percent of ABV.
- Wine, including sparkling wine and vermouth, includes all liquids fit to use for beverage purposes made from the fermented juices of grapes, fruits, or other agricultural products, except it does not include cider. It contains at least 0.5 percent and not more than 21 percent of ABV (by law, wine with less than 4 percent ABV is not subject to the tax); and
- Cider means all liquids fit to use for beverage purposes that are made through the normal alcoholic fermentation of the juice of apples including flavored, sparkling, or carbonated cider and cider made from pure condensed apple must. It contains at least 0.5 percent of ABV and not more than 6 percent of alcohol by weight.

Tax rates. Excise tax rates on each alcoholic beverage vary by type and alcohol content. The state rates are as follows:

Type of Product	Code Section	Measure	Rate
Beer in bottles or cans (12 ounces or less)	4301.42	per ounce	0.14 cents
Beer in bottles or cans (more than 12 ounces)	4301.42	6 oz. or fraction thereof	0.84 cents
Wine (containing 4-14% ABV)	4301.43-.432	gallon	32 cents
Wine (containing 14-21% ABV)	4301.43-.432	gallon	$1.00
Vermouth	4301.43-.432	gallon	$1.10
Sparkling wine	4301.43-.432	gallon	$1.50
Cider	4301.43	gallon	24 cents
Mixed Beverages	4301.43	gallon	$1.20
Beer in barrels	4305.01	31 gallons	$5.58

Exempt Products and Sales (R.C. 4301.23, 4301.43, 4307.05). The alcoholic beverage tax does not apply to sacramental wine used in religious rites, sales to the federal government, or sales for resale outside of Ohio.

Tax filing and payment dates (R.C. 4303.33 and 4301.422). The beer and malt beverage monthly advance tax payment is due on or before the 18th day of each month for that month's estimated tax liability. The beer and malt beverages tax return is due monthly on or before the 10th day of the month following the reporting period. The wine and mixed beverages tax return is due on or before the 18th day of the month following the reporting period.

Tax discounts, credits, and exemptions (R.C. 4303.33-.333). An advance tax payment credit is allowed to beer permit holders equal to 3 percent of the amount of tax received by the 18th day of the month for which the tax is paid. A discount also is allowed on the balance of the tax due (after the advance payment) when received by the 10th day of the following month. This additional discount is the smaller of the following: 3 percent of 10 percent of the advance payment or 3 percent of the net amount of the tax due after deducting the advance payment. A 3 percent discount is allowed to wine and mixed beverage permit holders on the amount of the monthly payment when the payment is received on or before the 18th day of the month following the reporting period.

Any A-1c permit holder (i.e., a manufacturer of beer with total production not to exceed 31 million gallons in a calendar year) is allowed a credit against taxes levied in the following calendar year on not more than 9.3 million gallons of beer sold or distributed in Ohio. The credit may be claimed monthly as the reports required are due. At the time the report for December is due for a calendar year during which a permit holder is eligible to receive the credit, if the permit holder claimed less than the credit due on 9.3 million gallons, including credit claimed on the December report, the permit holder may claim a refund of taxes previously reported and paid during the calendar year on a number of gallons equal to the difference between 9.3 million gallons and the number of gallons for which a credit has been claimed under the law.

Any A-2 or A-2f permit holder (i.e., a manufacturer of wine or an Ohio farm winery) whose total production of wine, wherever produced, which but for this exemption is taxable in Ohio, does not exceed 500,000 gallons in a calendar year is allowed an exemption from the excise tax. The exemption may be claimed monthly against current taxes levied under such section as the reports are due. At the time the report for December is due for a calendar year during which a permit holder claimed an exemption, if the permit holder has paid the tax levied, the permit holder may claim a refund of such tax paid during the calendar year.

Disposition of tax revenue (R.C. 924.51-.55, 4301.423, 4301.43-432, 4301.46, 4305.01). The taxes collected are deposited in the GRF, except 5 cents per gallon of the excise tax on wine including sparkling wine and vermouth, which is deposited in the Ohio Grape Industries Fund. However, the statute requiring 2 of the 5 cents to be deposited into this fund is limited to the period of July 1, 2017 through June 30, 2019 under current law, and this allocation of revenue has been repeatedly extended in biennial budget bills.

Comparisons with Competitor States (as of June 30, 2018).

Unless otherwise noted, the percentages refer to ABV. One barrel equals 31 gallons. Conversions to gallons and barrels may have been made for purposes of comparisons including rounding to the nearest cent.

Georgia	Beer: $10 per barrel Wine (14 percent or less): up to $1.51 per gallon Wine (14 – 21 percent): up to $2.54 per gallon Distilled spirits (less than 190 proof): up to $3.79 per gallon Distilled spirits (190 proof and greater): up to $5.30 per gallon *(all shown inclusive of the import tax)*
Indiana	Beer, malt beverages, and cider: $3.57 per barrel Wine (less than 21 percent): $0.47 per gallon Mixed beverages (15 percent or less): $0.47 per gallon Distilled spirits (21 percent and greater): $2.68 per gallon
Kentucky	Beer, malt beverages, and weak cider: $2.50 per barrel Wine and cider: $0.50 per gallon Distilled spirits (less than 6 percent): $0.25 per gallon Distilled spirits (6 percent and greater): $1.92 per gallon
Michigan	Beer: $6.30 per barrel Wine (16 percent or less): $0.51 per gallon Wine (greater than 16 percent): $0.757 per gallon Mixed drinks (10 percent or less): $1.82 per gallon Distilled spirits (including wine 21 percent and greater): 12 percent of selling price
North Carolina	Beer: $19.13 per barrel Wine (less than 17 percent): $1.00 per gallon Wine (17 to 24 percent): $1.11 per gallon Distilled spirits: 30 percent of selling price
Pennsylvania	Beer, malt beverages, and cider: $2.48 per barrel Distilled spirits: 18 percent of selling price
Tennessee	All beverages (less than 5 percent): $4.29 (state excise tax) and $35.60 per barrel (wholesale tax) All beverages (5 to 7 percent): $1.10 per gallon All beverages (7 to 21 percent): $1.21 per gallon Distilled spirits: $4.40 per gallon
Texas	Beer (4 percent alcohol by weight or less): $6.00 per barrel Ale and malt liquor (over 4 percent alcohol by weight): $6.14 per barrel Wine (14 percent or less): $0.204 per gallon Wine (greater than 14 percent of ABV): $0.408 per gallon Sparkling wine: $0.516 per gallon Distilled spirits: $2.40 per gallon Mixed beverages: 6.7 percent of gross receipts
West Virginia	Beer and similar products (less than 12 percent): $5.50 per barrel Wine: $1.00 per gallon Distilled spirits: 5 percent of the retail price

History of Collections.

Table 1: Alcoholic Beverage Taxes collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Beer	Wine & Mixed Beverages	Liquor	Hold Fund	Total
2014	$44.0	$12.6	$41.8	$0.0	$98.4
2015	43.9	13.8	43.4	0.0	101.1
2016	42.4	13.2	45.1	2.5	103.2
2017	44.0	14.4	46.5	-0.1	104.8
2018	42.9	14.0	48.1	-2.5	102.5

Source: Office of Budget and Management financial reports.

History of Major Changes.

1805	First saloon license law enacted permitting counties to charge annual fees of between $4 and $12.
1851	New Ohio Constitution prohibits the licensing of liquor traffic but permits the legislature to "provide against evils resulting therefrom."
1886	After two previous taxes are struck down, the Dow Law is enacted, a $200 annual tax on the traffic of liquor and $100 annual tax on the traffic of "malt or vinous" alcohol. Generally, the tax applies to saloons; manufacturers are exempted. Initially, proceeds are split between county treasuries and county poor funds. The Dow Law, framed as an "act providing against the evils" of spirituous liquor traffic, withstands constitutional scrutiny.
1888	Dow tax is raised to $250, regardless of type of alcohol. One-fifth of proceeds are directed to the GRF.
1896	Dow tax is raised to $350; 30 percent of revenue is dedicated to the GRF.
1906	Dow tax is raised to $1,000.
1920	Prohibition began.
1933	Prohibition ended; the modern taxation of alcohol began. Beer and malt beverages are taxed at $1 per barrel. Wine is taxed at 10 percent of retail price.
1934	Spirituous liquor is taxed at $1 per gallon. Tax on bottled beer and malt beverages is set at 0.75 cents per each six ounces or fractional share thereof.
1935	Mixed beverages are taxed at 10 percent of retail price. Malt beverage tax is increased to $2.50 per barrel.
1939	Mixed beverages are taxed at 40 cents per gallon. Wine tax is revised as follows: • Wine (less than 14 percent ABV): 12 cents per gallon • Wine (14 to 21 percent ABV): 30 cents per gallon • Vermouth: 60 cents per gallon • Sparkling wine: $1 per gallon
1959	Sales of wine and mixed beverages are subjected to sales tax. Beer tax is increased to $2.50 per barrel.
1967	Beer and malt beverages are subjected to sales tax.
1969	New rates are enacted as follows: • Spirituous liquor gallons: $2.25 per gallon • Mixed beverages: 80 cents per gallon • Wine (less than 14 percent ABV): 24 cents per gallon • Wine (14 to 21 percent ABV): 60 cents per gallon • Vermouth: 75 cents per gallon • Sparkling wine: $1.25 per gallon
1982	Credit against taxes is enacted for Ohio brewers and wine producers. Wine tax is increased 2 cents per gallon, with 3 cents per gallon earmarked for grape industries. Distinction between "beer" and "malt" beverages is repealed. Tax on beer in containers of 12 ounces or less is changed to 0.125 cents per ounce.
1989	Tax on barreled beer increased to $3.50 per barrel.

1992	Tax on beer is increased to 0.14 cents per ounce bottled and $5.58 per barrel. Mixed beverage tax is increased to $1.20 per gallon. Wine taxes are increased to the following rates: • Less than 14 percent ABV: 32 cents per gallon • Between 14 and 21 percent ABV: $1 per gallon • Sparkling wine: $1.50 per gallon • Vermouth: $1.10 per gallon
1995	Additional 2 cents of the excise tax on wine is temporarily allocated to the Ohio grape industry special account until July 1, 1999.
1997	Department of Liquor Control is renamed Division of Liquor Control and placed within the Department of Commerce.
1999	Temporary 2 cents per gallon tax on wine for the Ohio Grape Industries Fund is extended until July 1, 2001 (and extended for an additional two years in 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, and 2017).
2007	Two new permit types are legislated, B-2a and S, to allow for the direct shipment of wine by small wineries to retailers and consumers in Ohio.
2008	Holders of B-2a and S permits are exempted from 30 cents of the 32 cents per gallon wine tax and are allowed a refund of all but two cents per gallon of the total tax paid retroactive to Oct. 1, 2007.
2011	An “S” permit holder that is a brand owner, or United States importer, or a designated agent, is allowed to sell beer directly to consumers in Ohio using “H” permit holders to ship the beer.
2013	A new A-1c permit is legislated for manufacturers whose total production of beer, wherever produced, will not exceed 31 million gallons of beer in a calendar year.
2016	H.B. 342 (131st General Assembly) created the A-2f liquor permit designated as the “Ohio Farm Winery Permit.”

Cigarette and Other Tobacco Products Taxes

Overview. Ohio has levied an excise tax on cigarettes since 1931. The rate was last increased from $1.25 per pack of 20 cigarettes to $1.60 per pack effective July 1, 2015. The tax is paid primarily by wholesale dealers through the purchase of tax stamps that are affixed to packs of cigarettes. An excise tax at the same rate is levied on the use, consumption, or storage for consumption of cigarettes by consumers if the excise tax has not been paid.

An excise tax has been levied on other tobacco products (OTP) – including cigars, chewing tobacco, snuff, smoking tobacco, and other tobacco products – since 1993. The 17 percent tax rate is levied on the wholesale price of OTP manufactured in Ohio or imported into Ohio. The excise tax on little cigars was raised to 37 percent of the wholesale price in 2013. The excise tax on premium cigars was capped at $0.50 cents per cigar in 2017, and this cap is indexed annually for inflation. The tax is required to be paid by sellers of OTP. An excise tax at the same rate is levied on the storage, use, or other consumption of OTP if the excise tax has not been paid.

During fiscal year 2018, state tax collections from the sale of cigarettes amounted to approximately $869.8 million, an amount that does not include collections from the levy on OTP. State tax collections from OTP were approximately $69.9 million. Both amounts were deposited into the General Revenue Fund (GRF).

The Ohio Department of Taxation (ODT) also administers and collects the county permissive cigarette tax. Cuyahoga County is the only county with authority under state law to levy this tax. For the permissive tax, collection is made by the sale of tax stamps for cigarettes to be sold in Cuyahoga County. Please see the **Local Tax Section** for details.

Taxpayer (R.C. 5743.01, 5743.32, 5743.51, 5743.62-.63). The cigarette tax is paid by wholesale dealers, meaning those who purchase cigarettes directly from manufacturers, producers, importers, or other wholesalers for stamping and then sell cigarettes to retailers for the purpose of resale. An excise tax is levied on the use, consumption, or storage for consumption of cigarettes by consumers in Ohio if the tax has not already been paid. The OTP tax is paid by distributors, meaning all manufacturers, wholesalers, and retailers who are licensed as other tobacco products distributors. An excise tax is levied on the storage, use, or other consumption of OTP if the excise tax has not been paid.

Tax base (R.C. 5743.01, 5743.02, 5743.32, 5743.51, 5743.62-.63). The base of the tax is the sale of cigarette tax stamps, the use, consumption, or storage for consumption of cigarettes by consumers in Ohio when the excise tax has not been paid, the receipt or import of OTP for resale, and the storage, use or other consumption of OTP if the excise tax has not been paid. "Little cigars" means any roll for smoking, other than cigarettes, made wholly or in part of tobacco that uses an integrated cellulose acetate filter or other filter and is wrapped in any substance containing tobacco, other than natural leaf tobacco. "Premium cigar" means any roll for smoking, other than cigarettes and little cigars, made wholly or in part of tobacco that has all of the following characteristics: the binder and wrapper of the roll consist entirely of leaf tobacco, the roll contains no filter or tip, nor any mouthpiece consisting of a material other than tobacco, and the weight of one thousand such rolls is at least six pounds.

Tax rates (R.C. 743.02, 5743.32, 5743.51, 5743.62-.63). The state rate on cigarettes is $1.60 per pack of 20 cigarettes or 8 cents per cigarette. The state rate on OTP is 17 percent of the wholesale price. The state rate on "little cigars" is 37 percent of the wholesale price. The state rate on "premium cigars" is capped at a $0.50 per cigar in fiscal year 2018.

Tax exemptions (R.C. 5743.05). Cigarettes sold into interstate or foreign commerce or to the U.S. Government are exempt from the tax.

Tax discounts (R.C. 5743.05, 5743.52, 5743.62). Discounts are provided as consideration for affixing and canceling cigarette tax stamps. Wholesale dealers receive a discount of 1.8 percent of the face value of the stamps. OTP taxpayers receive a 2.5 percent discount for timely payment of the tax.

Special provisions

Manufacturer and importers – Manufacturers and importers of cigarettes are required to be licensed by and file monthly reports with ODT. Manufacturers and importers of other tobacco products are required to be registered and file monthly reports with ODT (R.C. 5743.072, 5743.15, 5743.66).

Wholesale and retail dealers – Annually, wholesale cigarette dealers are required to be licensed by ODT and retail cigarette dealers by the county auditor of the county in which the retail dealer sells cigarettes. Also annually, OTP distributors are required to be licensed by ODT (R.C. 5743.15, 5743.61-.62).

Authorized sales – The identities of all entities authorized to make cigarette and OTP sales – including cigarette manufacturers and importers, licensed cigarette wholesalers, licensed distributors of other tobacco products, and registered manufacturers and importers of other tobacco products – are subject to public disclosure. As required by law, the Tax Commissioner posts this list at http://www.tax.ohio.gov/ (R.C. 5743.20).

Unstamped cigarette prohibition – It is a crime to possess packs of cigarettes not bearing the tax stamps required to be affixed thereto. It is a felony for any person to possess packs of cigarettes not bearing the stamps required or bearing stamps that have been affixed in violation of the law when the total number of cigarettes exceeds 1,200. Any such person also is liable for the excise tax due plus any applicable penalties and interest (R.C. 5743.10, 5743.99, 5743.111-.112).

Authorized recipients of cigarettes – All cigarettes coming into Ohio must be transported or shipped only to an “authorized recipient of tobacco products” such as a licensed wholesale cigarette dealer. All other exchanges of cigarettes must be made in “face-to-face” transactions. No motor carrier, or other person shall knowingly transport cigarettes to any person in Ohio that the carrier or other person reasonably believes is not an authorized recipient of tobacco products. If cigarettes are transported to a home or residence, it shall be presumed that the motor carrier, or other person, knew that the person to whom the cigarettes were delivered was not an authorized recipient of tobacco products. No person engaged in the business of selling cigarettes who ships or causes to be shipped cigarettes to any person in Ohio in any container or wrapping other than the original container or wrapping of the cigarettes shall fail to plainly and visibly mark the exterior of the container or wrapping in which the cigarettes are shipped with the words "cigarettes." It is an offense, punishable by a fine of up to $1,000, for each violation (R.C. 2927.023, 5743.031).

Cigarettes legal for sale in Ohio – The Ohio Attorney General’s Office maintains a list on its website of all cigarette brands that may be sold in Ohio. This list represents brands that are produced by manufacturers that are certified to be in compliance with the Master Settlement Agreement. It is illegal to sell in Ohio any brand of cigarette not on this list (R.C. 1346.04-1346.10).

Master Settlement Agreement reports – Persons who pay the cigarette or OTP excise taxes are required to report the quantity of all cigarettes and roll-your-own cigarette tobacco sold in Ohio for each brand not covered by a manufacturer participating in the tobacco Master Settlement Agreement. A penalty of up to $250 per month may be imposed for failing to file this report (R.C. 5743.03).

Method of payments – All cigarette stamping wholesale dealers are required to purchase stamps from the Tax Commissioner. Dealers are required to pay for stamps at the time of purchase unless they have been authorized to make purchases on credit. The Tax Commissioner may authorize wholesale dealers to purchase stamps on credit payable within 30 days or the following twenty-third day of June, whichever comes first. Credit sales are allowed only from the first day of July of a fiscal year until the twenty-third day of the following June. Any consumer acquiring cigarettes for use, storage, or consumption in Ohio must pay the tax if the excise tax has not already been paid (R.C. 5743.05).

Filing deadlines (R.C. 5743.03, 5743.33, 5743.52, 5743.62, Ohio Admin. Code 5703-15). Wholesale cigarette dealers must file reports by the last day of each month following the reporting period. Distributors of OTP or "little cigars" must file reports by the 23rd day of each month following the reporting period. Cigarette consumer's use tax returns must be filed by the 15th day of each month following the reporting period.

Disposition of tax revenue (R.C. 5743.02, 5743.51). Revenue from the cigarette and OTP taxes is deposited into the GRF.

Comparisons with Competitor States (as of June 30, 2018).

In the table below, the cigarette tax rates are expressed in terms of a pack of 20 cigarettes. Taxes on OTP are expressed as a percentage of wholesale cost unless otherwise noted. Some states apply special tax rates to specific tobacco products like cigars, moist snuff tobacco, and loose tobacco that are not shown here.

	Cigarettes	OTP
Georgia	37 cents	10 percent
Indiana	99.5 cents	24 percent
Kentucky	60 cents	15 percent
Michigan	$2.00	32 percent
North Carolina	45 cents	12.8 percent
Pennsylvania	$2.60	$0.55 per ounce ($0.66 per container minimum)
Tennessee	62 cents	6.6 percent
Texas	$1.41	$1.22 per ounce
West Virginia	$1.20	12 percent

History of Collections.

Table 1: Cigarette and OTP Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Cigarette	OTP	Total[1]
2014	$757.0	$57.0	$814.0
2015	746.0	62.2	808.2
2016	944.3	63.4	1,007.6
2017	914.4	66.1	980.5
2018	869.8	69.9	939.7

[1] Excludes amounts remaining in a hold fund.

History of Major Changes.

1893	Legislature enacts annual tax of $300 on wholesalers and $100 on retailers.
1894	Annual tax is lowered to $30 for wholesalers and $15 for retailers.
1920	Annual tax is raised to $200 for wholesalers and $50 for retailers.
1931	Legislature enacted cigarette tax, including the use of stamps, at the rate of 1 cent per pack.
1956	Tax rate increased to 3 cents per pack.
1959	Tax rate increased to 5 cents per pack.
1969	Tax rate increased to 10 cents per pack.
1971	Tax rate increased to 15 cents per pack, cigarettes exempted from the sales tax.
1981	Tax rate decreased to 14 cents per pack, cigarettes become subject to the sales tax.
1983	Tax rate became 0.7 cents per cigarette.
1987	Tax rate increased to 0.9 cents per cigarette.
1991	All cigarette tax revenues allocated to the general revenue fund when capital improvement bonds are retired in 1992.
1992	Legislature enacted tax on other tobacco products at 17 percent of the wholesale price; cigarette rate increased to 1.2 cents per cigarette.
2001	Minimum stamp discount rate is lowered from 3.6 percent to 1.8 percent.
2002	Tax increased to 2.75 cents per cigarette.
2005	H.B. 66 increased the tax rate to 6.25 cents per cigarette.
2009	H.B. 1 increased annual license fee for cigarette wholesalers and tobacco distributors to $1,000 and for retailers to $125 per place of business. The Cigarette Tax Enforcement Fund received 100 percent of cigarette wholesale license fees. Sixty percent of revenue from retail license fees is allocated for enforcement, 30 percent is allocated to the subdivision where the business is located, and 10 percent is allocated to the county.
2013	H.B. 59 increased the tax rate on little cigars from the 17 percent OTP rate on the wholesale price to 37 percent of the wholesale price.
2014	H.B. 492 moved the selling of stamps and collection of revenue from the Treasurer of Ohio to the Ohio Department of Taxation and made changes to the law on the sale of cigarette tax stamps on credit.
2015	H.B. 64 increased the tax rate to 8 cents per cigarette effective July 1, 2015.
2017	H.B. 49 increased from semiannually to monthly the frequency of excise tax filing and payment for wholesale cigarette dealers. It also established a maximum tax amount for "premium cigars" of $0.50 per cigar for invoices dated on or after July 1, 2017. The maximum tax amount is subject to an annual increase based on the Consumer Price Index.

Commercial Activity Tax

Overview. The commercial activity tax (CAT) is a business privilege tax. The CAT is measured by taxable gross receipts and is paid either quarterly or annually. The CAT is a successor tax to Ohio's general business property and corporate franchise taxes, both of which were phased out.

During fiscal year 2018, CAT collections were approximately $1.8 billion. Of the amount remaining after 0.85 percent was deposited into the revenue enhancement fund (a tax administration fee), approximately $1.5 billion was deposited into the General Revenue Fund (GRF), approximately $232.9 million was deposited into the School District Tangible Property Tax Replacement Fund, approximately $35.8 million was deposited into the Local Government Tangible Property Tax Replacement Fund, and just over $0.1 million was deposited into the Commercial Activity Tax Motor Fuel Fund.

Taxpayer (R.C. 5751.01). The CAT is paid generally by persons, including individuals and entities, having more than $150,000 in taxable gross receipts in a calendar year. Persons that must pay CAT are persons doing business in Ohio. These persons include, but are not limited to, persons that have substantial nexus with Ohio. Substantial nexus with Ohio means a person that owns or uses a part or all of its capital in Ohio, holds a certificate of compliance with Ohio laws authorizing it to do business in Ohio, has "bright line presence" in Ohio, or otherwise has nexus with Ohio to the extent the person can be required to remit the tax under the Constitution of the United States. A person has "bright line presence" in Ohio for a reporting period and for the remaining portion of the calendar year when the person has:

- at least $500,000 in taxable gross receipts in Ohio during the calendar year;
- at least $50,000 in property in the aggregate in Ohio at any time during the calendar year;
- at least $50,000 of payroll in Ohio during the calendar year;
- at least 25 percent of total property, payroll, or gross receipts within Ohio at any time during the calendar year; or
- is domiciled in Ohio as an individual or for corporate, commercial, or other business purposes.

The CAT is not levied on excluded persons as that term is defined under R.C. 5751.01(E). An excluded person includes:

- any person with not more than $150,000 in taxable gross receipts during the calendar year, except for a person that is a member of a consolidated elected taxpayer;
- a public utility that paid the public utility excise tax, except with regard to certain receipts of a public utility that is a combined company;
- a financial institution that paid the financial institutions tax (FIT) based on one or more taxable years that include the entire tax period under CAT;
- A person directly or indirectly owned by one or more financial institutions, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include the entire tax period under the CAT;
- a domestic or foreign insurance company that pays the Ohio insurance premiums tax;
- a person that solely facilitates or services one or more securitizations of phase-in-recovery property pursuant to a final financing order;
- a pre-income tax trust and any pass-through entity of which such pre-income tax trust owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests; and
- nonprofit organizations, the state, and its political subdivisions.

The CAT allows for a consolidated elected taxpayer. A consolidated elected taxpayer group is a taxpayer that has elected to file as a group including all entities that have either 50 percent or more common ownership or 80 percent or more common ownership. In addition, the group can elect to include or exclude non-U.S. entities with the same common ownership in the group. A major benefit of making this election is that receipts received between members of the group may be excluded from the taxable gross receipts of the group. However, taxpayers making this election must agree that all commonly owned entities are part of the group even if nexus does not exist. This election is binding for eight calendar quarters.

If such election is not made, any taxpayers with common ownership of more than 50 percent must file as a combined taxpayer group. Combined taxpayer groups may not exclude receipts between members of the group; however, such groups need only include in the group those members that have nexus with Ohio.

Tax base (R.C. 5751.01). The CAT is levied on persons with taxable gross receipts for the privilege of doing business in Ohio. "Taxable gross receipts" means gross receipts sitused to Ohio in accordance with rules that are primarily destination based. "Gross receipts" means the total amount realized, without deduction for the costs of goods sold or other expenses incurred, that contribute to the production of gross income, except as otherwise specified in the statute. The taxpayer's method of accounting for the CAT is the same as the method the taxpayer used for federal income taxes.

Annual Minimum Tax (R.C. 5751.03). Persons with annual taxable gross receipts of $150,000 or less generally are not subject to the CAT. Persons with annual taxable gross receipts of more than $150,000 are subject to an annual minimum tax on the first $1 million in taxable gross receipts each calendar year. The annual minimum tax is calculated as follows:

- $150 for taxpayers with taxable gross receipts of $1 million or less in the previous calendar year;
- $800 for taxpayers with taxable gross receipts greater than $1 million but less than or equal to $2 million in taxable gross receipts in the previous calendar year;
- $2,100 for taxpayers with more than $2 million but less than or equal to $4 million in taxable gross receipts in the previous calendar year; or
- $2,600 for taxpayers with more than $4 million in taxable gross receipts in the previous calendar year.

The annual minimum tax is due on May 10th with the filing of the annual or first quarter tax return.

Tax rates (R.C. 5751.03). Taxpayers with annual taxable gross receipts more than $1 million pay the annual minimum tax plus the product of the tax rate (0.26 percent) multiplied by taxable gross receipts for the tax period after subtracting the first $1 million of taxable gross receipts for a calendar year. Calendar quarter taxpayers apply the full exclusion amount to the first calendar quarter return filed that calendar year and may carry forward and apply any unused exclusion amount to subsequent calendar quarters within that same calendar year.

Tax credits (R.C. 5751.51-53, 5751.98). Eligible taxpayers can claim the following credits against the CAT:

- the nonrefundable jobs retention credit;
- the nonrefundable credit for qualified research expenses;
- the nonrefundable credit for a borrower's qualified research and development loan payments;
- the nonrefundable credit for calendar years 2010 to 2029 for unused corporate franchise tax net operating losses;
- the refundable motion picture production credit;
- the refundable jobs creation credit, or the refundable job retention credit;
- the refundable credit for calendar year 2030 for unused corporate franchise tax net operating losses;
- the Ohio historic preservation tax credit (on a temporary basis).

For more information about these credits, see the **Business Tax Credits** chapter.

Filing and payment dates (R.C. 5751.051). All persons with CAT liability must register prior to filing a CAT return. All taxpayers are subject to the annual minimum tax due by May 10 of each year. Taxpayers with taxable gross receipts of more than $1 million must file quarterly returns electronically through the Ohio Business Gateway. Quarterly returns are due by the 10th day of the second month after the end of each calendar quarter (May 10, August 10, November 10, and February 10). Taxpayers with taxable gross receipts equal to or less than $1 million file an annual return on or before May 10 of each year. The annual return reports the prior year's taxable gross receipts and records the payment of the annual minimum tax for the current privilege year.

Disposition of tax revenues (R.C. 5751.02). All collections from the CAT are deposited into the CAT Receipts Fund for fiscal year 2018. From that fund, 0.85 percent is transferred to the Revenue Enhancement Fund to defray the tax administration costs. The remainder is deposited into the CAT Motor Fuel Receipts Fund (i.e., residual tax measured by receipts from the sale of motor fuel used to propel vehicles on the highways) and then into the General Revenue Fund (75 percent), into the School District Tangible Property Tax Replacement Fund (20 percent), and into the Local Government Tangible Property Tax Replacement Fund (5.0 percent).

Comparisons with Competitor States (as of June 30, 2018).

No competitor state imposes a business privilege tax measured by taxable gross receipts. Competitor states may levy net income, franchise, and/or general business property taxes.

History of Collections.

Table 1: CAT collections all funds: fiscal years 2014-2018 (in millions)

Fiscal Year	Total
2014	$1,685.8
2015	$1,751.7
2016	$1,689.5
2017	$1,751.5
2018	$1,804.6

Source: Office of Budget & Management fiscal reports.

History of Major Changes.

2005	H.B. 66 enacted the CAT.
2006	Certain corporations can claim an unused tax credit previously available against the corporate franchise tax. Beginning in 2007, an existing exemption for amounts derived from shipments into or out of a qualified foreign trade zone was replaced with an exemption for certain receipts from the sale of tangible personal property delivered to a "qualified distribution center."
2007	Legislation required 70 percent of CAT revenues to be deposited into the School District Tangible Property Tax Replacement Fund and authorized an alternative method for situsing receipts from services that must be applied in a reasonable, consistent, and uniform manner that is supported by the taxpayer's records as they existed when the service was performed or within a reasonable time thereafter.
2009	Beginning in 2010, the due date for the annual return was moved from February to May. Additionally, the quarterly due dates for the CAT returns were moved to the 10th day of the second month following each tax period.
2010	Legislation allowed a person in certain situations that, after completion of the calendar year, was not subject to the CAT because the person's gross receipts were $150,000 or less, to apply for a refund of a previously paid annual minimum tax.
2013	In response to the Ohio Supreme Court's mandate in *Beaver v. Testa*, H.B. 59, 130th General Assembly, excluded from the CAT base receipts from the sale or exchange of motor fuel used to propel vehicles on the highways, beginning July 1, 2014. H.B. 59 also modified the method of collecting tax due, excluded from the CAT base receipts from the sale of agricultural commodities

	of licensed agricultural commodities handlers, and replaced the fixed minimum tax with a variable minimum tax.
2016	S.B. 208 added a CAT exclusion for receipts within an integrated supply chain, contained in R.C. 5751.01(F)(2)(jj). This was stated to be a clarification of law and applies to tax periods beginning on or after July 1, 2011. H.B. 340 authorized an exclusion from a railway company's gross receipts for railway fuel purchases on which the petroleum activity tax was paid by the fuel supplier. The calculated amount represents the amount of petroleum activity tax the railroad is assumed to have paid upon purchase of the dyed diesel fuel.
2017	H.B. 49 altered the disposition of CAT revenue effective July 1, 2017.
2018	H.B. 133 enacted a CAT exclusion for gross receipts realized by an out-of-state disaster business from disaster work conducted in Ohio during a disaster response period pursuant to a qualifying solicitation received by the business.

Financial Institutions Tax

Overview. The financial institutions tax (FIT), for the most part, is a successor tax to the corporation franchise tax as it was levied on financial institutions. The FIT is levied on financial institutions for tax years beginning on or after Jan. 1, 2014, for the privilege of doing business in Ohio. During fiscal year 2018, FIT revenues were approximately $201.1 million.

Taxpayer (R.C. 5726.01-02; Ohio Admin. Code 5703-33-04). A financial institution is subject to the FIT for each calendar year that the financial institution conducts business as a financial institution in Ohio or otherwise has nexus in or with Ohio under the Constitution of the United States on the first day of January of that calendar year. For purposes of the FIT, a financial institution is a bank organization, holding company of a bank organization, or a nonbank financial organization, except when one of the following applies: if two or more such entities are consolidated for the purposes of filing an FR Y-9, financial institution means a group consisting of all entities that are included in the FR Y-9. If two or more such entities are not included in such a group but are consolidated for the purposes of filing a call report, financial institution means a group consisting of all entities that are included in the call report. If a bank organization is owned directly by a grandfathered unitary savings and loan holding company or directly or indirectly by an entity that was a grandfathered unitary savings and loan holding company on Jan. 1, 2012, the financial institution consists of only that bank organization and the entities included in that bank organization's call report.

A financial institution does not include a diversified savings and loan holding company, a grandfathered unitary savings and loan holding company, any entity that was a grandfathered unitary savings and loan holding company on Jan. 1, 2012, or any entity that is not a bank organization or owned by a bank organization and that is owned directly or indirectly by an entity that was a grandfathered unitary savings and loan holding company on Jan. 1, 2012. A bank organization does not include an institution organized under the "Federal Farm Loan Act," 39 Stat. 360 (1916), or a successor of such an institution, a company chartered under the "Farm Credit Act of 1933," 48 Stat. 257, or a successor of such a company, an association formed pursuant to 12 U.S.C. 2279c-1, an insurance company, or a credit union. A nonbank financial organization does not include an institution organized under the "Federal Farm Loan Act," 39 Stat. 360 (1916), or a successor of such an institution, an insurance company, a captive finance company, a credit union, an institution organized and operated exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, a pawn shop, a pawnbroker, or a person that facilitates or services one or more securitizations for a bank organization, a holding company of a bank organization, a captive finance company, or any member of the person's affiliated group.

Tax base (R.C. 5726.01, 5726.04, 5726.05). The FIT is a tax levied for the privilege of doing business in Ohio measured by total equity capital of the financial institution that is apportioned to Ohio. The amount of tax due is equal to the greater of the minimum tax ($1,000) or the amount by which the calculated tax exceeds any credits allowed against the tax. The calculated tax is determined by multiplying the total Ohio equity capital of the financial institution by the appropriate tax rate. Total Ohio equity capital is equal to the product of multiplying the total equity capital of the financial institution by an Ohio apportionment factor. Total equity capital is the sum of the common stock at par value, perpetual preferred stock and related surplus, other surplus unrelated to perpetual preferred stock, retained earnings, accumulated other comprehensive income, treasury stock, unearned employee stock ownership plan shares, and other equity components. Total equity capital excludes any non-controlling (minority) interests as reported on an FR-Y9 or call report, unless such interests are in a bank organization or a bank holding company.

Apportionment factor (R.C. 5726.05). The apportionment factor is a fraction, the numerator of which is the total gross receipts of the financial institution in Ohio during the taxable year (i.e., for the FIT, taxable year means the calendar year preceding the year in which an annual report is required to be filed) and the denominator of which is the total gross receipts of the financial institution everywhere during the taxable year. Gross receipts generated by a financial institution are sitused to Ohio in the proportion that the customers' benefit in Ohio with respect to the services received bears to the customers' benefit everywhere with respect to the services received. The physical location where the customer ultimately uses or receives the benefit of what was received is paramount in determining the proportion of the benefit in Ohio to the benefit everywhere.

Rates (R.C. 5726.04). The tax has a three-tiered rate structure:

- 8 mills (0.008) on the first $200 million of total Ohio equity capital;
- 4 mills on each dollar of total Ohio equity capital greater than $200 million and less than $1.3 billion;
- 2.5 mills on each dollar of total Ohio equity capital equal to or greater than $1.3 billion.

Deductions and exclusions (R.C. 5726.041). A temporary deduction is allowed in computing total Ohio equity capital for a financial institution's investments in an Ohio-qualified real estate investment trust. When computing total equity capital, a financial institution may deduct the following:

- Tax year 2014: 80 percent of the amount that was invested in an Ohio-qualified real estate investment trust as of Jan. 1, 2012.
- Tax year 2015: 60 percent.
- Tax year 2016: 40 percent.
- Tax year 2017: 20 percent.
- Tax year 2018 and thereafter: no deduction.

Credits (R.C. 5726.50 et seq.). Many business credits may be claimed under more than one Ohio tax. Information about these credits is consolidated in the **Business Tax Credits** section of this report. Several business tax credits that remained unused under the corporation franchise tax may be carried forward and claimed under the FIT.

Filing and payment dates (Ohio Rev. Code 5726.03, 5726.06; Ohio Admin. Code 5703-33-01). The FIT is reported on a calendar year basis with the annual report due on or before the 15th day of each October. Taxpayers are required to file electronically and pay using electronic funds transfer through the Ohio Business Gateway or the Treasurer of State. Annual and estimated reporting and tax payment due dates are:

- By January 31: Taxpayers remit the greater of the minimum tax or one-third of the estimated liability for the tax year.
- By March 31: Taxpayers remit one-half of the amount by which the estimated tax exceeded the payment amount remitted by January 31st.
- By May 31: Taxpayers remit the remaining one-half of the amount by which the estimated tax exceeded the payment amount remitted in January.
- By October 15: Each reporting person must submit an annual report to the Tax Commissioner and remit any remaining payments.

Disposition of revenue (R.C. 5726.04). Revenue from the FIT are deposited into the state's General Revenue Fund.

Comparisons with Competitor States (as of June 30, 2018). In addition to the taxes shown below, these states also may impose net income or franchise taxes on financial institutions.

Georgia	Imposes an occupation tax on depository financial institutions measured by Georgia gross receipts of depository financial institutions at the rate of 0.25 percent.
Indiana	Imposes a financial institutions tax on corporations transacting the business of a financial institution in Indiana measured by adjusted apportioned income at the rate of 6.5 percent for taxable years beginning after Dec. 31, 2016 and before Jan. 1, 2019. The rate is phased down until reaching 4.9 percent after Dec. 31, 2022.

Financial Institutions Tax Fiscal Year 2018	
Kentucky	Imposes a bank franchise tax measured by net capital at the rate of 1.1 percent (a $300 minimum tax applies).
Michigan	Imposes a franchise tax on financial institutions at the rate of 0.29 percent of net capital.
North Carolina	No tax specifically limited to financial institutions.
Pennsylvania	Imposes a bank and trust company shares tax at the rate of 0.95 percent and a mutual thrift institutions tax at the rate of 11.5 percent.
Tennessee	No tax specifically limited to financial institutions.
Texas	No tax specifically limited to financial institutions.
West Virginia	No tax specifically limited to financial institutions.

History of Collections.

Table 1: Financial Institutions Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Gross Revenue	Refunds	Total GRF
2014	$197.9	$0.1	$197.8
2015	214.9	32.8	182.1
2016	231.5	18.0	213.5
2017	225.8	38.5	187.3
2018	243.0	41.9	201.1

Source: Office of Budget and Management financial reports.

History of Major Changes.

2012	H.B. 510 enacted the FIT on financial institutions for tax years 2014 and thereafter.
2014	S.B. 243 expanded a continuing FIT exemption by exempting entities that were grandfathered unitary savings and loan holding companies on January 1, 2012, and nonbank subsidiaries of such entities thereby levying the CAT as a privilege of doing business tax on these entities.
2015	H.B. 64 exempted production credit associations and agricultural credit associations from the FIT for tax years 2014 and thereafter thereby levying the CAT as a privilege of doing business tax on these entities. H.B. 340 repealed the bank organization assessment credit.
2017	H.B. 384 and S.B. 235 exempted small business investment companies from the FIT for tax years 2014 and thereafter.

Gross Casino Revenue Tax

Overview. Ohio voters passed a constitutional amendment in 2009 that authorized casino gaming in Ohio at facilities located in Cincinnati, Cleveland, Columbus, and Toledo. Three casinos opened in calendar year 2012. Cincinnati's casino opened in February 2013. The Ohio Department of Taxation is responsible for administering the gross casino revenue tax. The Ohio Casino Control Commission is responsible for licensing and regulating casino operators, their employees, and gaming-related vendors. During fiscal year 2018, gross casino revenue tax (GCRT) collections were approximately $272.1million.

Taxpayer (R.C. 5753.02). The tax is paid by operators of the four casinos authorized by Article XV, Section 6(C) of the Ohio Constitution.

Tax base (R.C. 5753.01-.02). The tax applies to all gross casino revenue received by each casino operator. "Gross casino revenue" means the total amount of money exchanged for the purchase of chips, tokens, tickets, electronic cards, or similar objects by casino patrons, less winnings paid to wagerers.

Tax rates (R.C. 5753.02). The tax rate is 33 percent of the operator's gross casino revenue at the casino facility.

Tax exemptions (R.C. 5753.01). Promotional gaming credits issued to casino patrons are excluded from the definition of "gross casino revenue." However, when the issuance of promotional gaming credits requires money exchanged as a match from a casino patron, the excludable portion does not include the portion of the wager purchased by the patron.

Disposition of revenue (Ohio Const. Art. XV, 6(C); R.C. 5753.03 and 5753.11). Revenue from the tax is distributed as follows:

- 51 percent to the Gross Casino Revenue County Fund, which is distributed among all 88 counties in proportion to such counties' respective populations at the time of distribution. In counties whose most populous city had a population greater than 80,000 as of the 2000 U.S. Census, 50 percent of that county's distribution goes to the most populous city. In all other counties, revenue is distributed to the county;
- 34 percent to the Gross Casino Revenue County Student Fund, which is distributed among all 88 counties in proportion to such counties' respective public school district populations at the time of such distribution. Funds are transferred to districts semiannually at the end of August and January each year;
- 5 percent to the Host City where the casino is located;
- 3 percent to the Ohio State Racing Commission. Of this amount, 5 percent may be retained by the commission for operating expenses necessary for the administration of the fund;
- 3 percent to the Ohio Casino Control Commission. Of this amount, one cent of every dollar is transferred to the Department of Taxation for tax administration costs;
- 2 percent to the Problem Casino Gambling and Addictions Fund to support efforts to alleviate problem gambling and substance abuse and to fund related research;
- 2 percent to Ohio Law Enforcement Training Fund. Of this amount, 85 percent is directed to the Ohio Peace Office Training Academy and the remainder is directed to the Department of Public Safety's Office of Criminal Justice Services.

Tax payment dates (R.C. 5753.01-.02, 5753.04). The operators of each casino facility are required to electronically file returns and to remit payments for the related tax liabilities, not later than noon, each day that banks are open for business. Each return reflects casino gaming activity over a 24-hour period.

Comparisons with Competitor States (as of June 30, 2018).

Georgia	No casinos permitted.
Indiana	For riverboat casinos, a 22.5 percent tax or a graduated tax ranging from 5 percent to 40 percent applies to adjusted gross receipts. For racetrack casinos, a graduated slot tax ranges from 25 percent to 35 percent and applies to 88 percent of the adjusted gross receipts. In addition, riverboat casinos that have relocated to an inland casino are subject to a supplemental wagering tax of 3 percent of a casino's adjusted gross receipts. Riverboat casinos are subject to the supplemental wagering tax bases on a riverboat's adjusted gross receipts multiplied by: (1) the total riverboat admissions tax paid in the fiscal year; divided by (2) the riverboat's adjusted gross receipts for the fiscal year.
Kentucky	No casinos permitted.
Michigan	An 18 percent total tax applies to adjusted gross receipts. Of this, 8.1 percent is distributed to the state school aid fund.
North Carolina	Tribal casinos only.
Pennsylvania	Other than Category 4 slot machine, licensees pay a tax of 34 percent of gross terminal revenue, a 2 percent local share assessment, a 5.5 percent Pennsylvania gaming and economic development and tourism fund assessment, a 0.5 percent supplemental Pennsylvania gaming and economic development and tourism fund assessment (subject to sunset provisions), and up to a 12 percent Pennsylvania race horse improvement assessment. Category 1 and 2 licensees also pay an annual $10 million slot machine license operation fee. Category 4 slot machine licensees pay a tax of 50 percent from daily gross terminal revenue and a local share assessment of 4 percent of gross terminal revenues. Each certificate holder and a Category 4 slot machine licensee who is a holder of a table game operation certificate at a Category 4 licensed facility pays a tax of 12% of its daily gross table game revenue and an additional tax of 2% of its daily gross table game revenue. Each certificate holder and Category 4 slot machine licensee who is a holder of a table game operation certificate at a Category 4 licensed facility pays a tax of 34% of its daily gross table game revenue from each table game played on a fully automated electronic gaming table.
Tennessee	No casinos permitted.
Texas	Tribal casinos only.
West Virginia	A 35 percent tax applies to adjusted gross receipts from table games.

History of Collections.

Table 1: Gross Casino Revenue Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Tax Revenue
2014	$273.4
2015	266
2016	270.4
2017	264.7
2018	272.1

Office of Budget and Management finanical reports.

Table 2: Gross Casino Tax Distribution FY 2018 (in millions)

Fund	Distribution	% Share
Host City Fund	$ 13.5	5.0%
Student Fund	$ 92.0	34.0%
County Fund	$ 137.9	51.0%
Casino Control Commission Fund	$ 8.1	3.0%
Ohio State Racing Commission Fund	$ 8.1	3.0%
Law Enforcement Fund	$ 5.4	2.0%
Problem Gambling & Addictions Fund	$ 5.4	2.0%
Total Distribution	$ 270.4	100.0%
Casino Holding Account	$ 1.6	
Total	**$ 272.0**	

Source: Office of Budget and Management financial reports.

History of Major Changes.

2009	Voters approved constitutional amendment authorizing a casino in Cincinnati, Cleveland, Columbus, and Toledo, and requiring a 33 percent tax on gross casino revenue.
2010	H.B. 519 established casino gaming statutes in accordance with the Ohio Constitution, created the Ohio Casino Control Commission, and implemented the gross casino revenue tax.
2011	H.B. 277 enacted several changes to pertaining to Ohio's casinos including clarifying that gross casino revenue does not include promotional gaming credits and treating casino gaming receipts under the CAT the same as under the GCRT.
2012	H.B. 386 made regulatory changes to Ohio's gambling laws, mainly affecting Ohio's Casino Control Commission, Racing Commission, and Lottery Commission. Related provisions were included for the Inspector General, Attorney General, Development Services Agency, and Department of Taxation. Also addressed were video lottery terminals, gambling addiction services, charitable gaming activities, and sweepstakes terminal devices.

Horse Racing Tax

Overview. Ohio's horse racing tax applies to both pari-mutuel and "exotic" wagering. Ohio has taxed pari-mutuel wagering on horse racing since 1933. In 1981, the horse racing tax was expanded to include "exotic" wagering – meaning all bets made on horse placements other than win, place, or show. An additional tax on pari-mutuel wagering also is levied for the municipal corporation or township in which racing takes place and is intended as a reimbursement for expenses incurred because of racing meets. During fiscal year 2018, horse racing collections were approximately $5.1 million.

Taxpayer (R.C. 3769.08). The tax is paid by holders of racing permits issued by the State Racing Commission.

Tax Base (R.C. 3769.08, 3769.28, 3769.087). The base of the tax includes the amount wagered each day on all pari-mutuel racing, the amount wagered each day on exotic bets, and the total amount wagered at each horse race meeting of a permit holder.

Tax rates. Pari-mutuel wagering tax (R.C. 3769.08):

Amount wagered daily	Rates
First $200,000	1.00%
Next $100,000	2.00%
Next $100,000	3.00%
Over $400,000	4.00%

Exotic wagering tax (R.C. 3769.087). In addition to the pari-mutuel wagering tax, a special tax of 3.5 percent applies to daily wagering on results other than win, place, or show. Such "exotic" wagers include the daily double, perfecta, quinella, and trifecta.

Additional pari-mutuel wagering tax (R.C. 3769.28 and 3769.102). There also is an additional pari-mutuel wagering tax levied as follows:

Total wagering per meet	Rates
Less than $5 million	0.10%
$5 million or more	0.15%

Revenue from the additional pari-mutuel wagering tax is distributed to the municipal corporation or township in which racing takes place. It is intended to reimburse these areas for expenses incurred due to racing meets. The municipal corporations and townships receiving the money may reimburse an adjoining political subdivision that incurs increased expenses because of racing meets. The maximum tax liability is $15,000 from each meet.

Exemptions (R.C. 3769.28). Agricultural societies are not subject to the additional pari-mutuel wagering tax.

Credits (R.C. 3769.08 and 3769.20). Large projects may qualify a racing permit holder for a major capital improvement credit. Permit holders renovating, reconstructing, or remodeling an existing race track facility at a cost of $6 million or more can reduce their tax liability by 1 percent of the amount wagered until the cost of the project plus debt service is paid. When the abatement exceeds the tax on the wagering, the abatement may be carried forward and applied against future tax liability. The major capital improvement credit is in addition to a 0.75 percent credit for permit holders who make capital improvements to existing race tracks or construct new race tracks.

Special provisions (R.C. 3769.089 and 3769.26). In accordance with state laws, permit holders may, at their facilities, conduct televised simulcasts of horse races at other facilities in or outside of Ohio and conduct taxable pari-mutuel wagering on such races. Off-track betting on races simulcast at a satellite facility operated by a racing permit holder is also permitted in Ohio. Such wagers are taxable.

Filing and payment dates (R.C. 3769.08 and 3769.28). For each racing day, a permit holder must electronically file a report and remit payment of the pari-mutuel and exotic wagering taxes to the Tax Commissioner by the following day. County fairs, independent fairs, and agricultural societies are not required to file or pay electronically but may do so. Within 10 days of the close of a horse racing meeting, the additional pari-mutuel wagering tax is remitted to the Tax Commissioner along with a final report showing the total amount wagered during the racing meeting.

Disposition of revenue (R.C. 3769.08, 3769.087, 3769.26). The Nursing Home Franchise Permit Fee fund receives 25 percent of gross tax revenue from taxpayers other than county and independent fairs and agricultural societies plus all tax revenue from off-track betting parlors. The Ohio State Racing Commission's Operating Fund receives the final 0.5 percent point of the 3.5 percent tax on exotic wagering and 16.7 percent of the base 3 percent point tax on exotic wagering. Other distributions are made by the Tax Commissioner as shown in the table below. The revenue that remains from each racing day after payment into the Nursing Home Franchise Permit Fee Fund and the reductions allowed under 3769.08(J) and 3769.20 is usually insufficient to pay the percentages of pari-mutuel wagering described in the table, below. When such insufficiency exists, distributions to each are prorated on a proportional basis.

Recipient	Source of Receipts	Share of Receipts
County Agricultural Societies	Permit holders for racing at an agricultural exposition or fair	25% of pari-mutuel wagering
Ohio Fairs Fund	All permit holders	0.5% of total pari-mutuel wagering and 8.3% from the base 3% tax on exotic wagering
Ohio Thoroughbred Race Fund	Quarter horse racing permit holders	0.625% of pari-mutuel wagering
Ohio Standardbred Development Fund	Harness racing permit holders	0.625% of pari-mutuel wagering and 8.3% from the base 3% tax on exotic wagering
Ohio Standardbred Development Fund	Harness racing permit holders (except county and independent fairs and agricultural societies)	0.5% of total pari-mutuel wagering
Ohio Thoroughbred Race Fund	Harness racing permit holders (except county and independent fairs and agricultural societies)	0.27% of pari-mutuel wagering[1]
Ohio Thoroughbred Race Fund	Thoroughbred racing permit holders	1.125% of total pari-mutuel wagering and 16.7% from the base 3% tax on exotic wagering
State Racing Commission Operating Fund	All permit holders (except county and independent fairs and agricultural societies)	0.25% of total pari-mutuel wagering

[1]This percentage changes annually based on a calculation performed at the beginning of each year. The share for both calendar year 2017 and 2018 is 0.27 percent.

Comparisons with Competitor States (as of June 30, 2018).

Georgia	No wagering on horses permitted.
Indiana	A 2.0 percent tax is levied on pari-mutuel wagering on live races and simulcasts at a permit holder's racetrack. A 2.5 percent tax is levied on the total amount of money wagered on simulcasts at satellite facilities.
Kentucky	Race tracks conducting live horse races must pay a license tax of up to $2,500.00 for each day of racing based on the average daily handle. An excise tax of 1.5-3.75 percent is imposed on all money wagered on live races at the track and a 1.5 percent tax is levied on all money wagered on historical horse races at the track.
Michigan	A 3.5 percent tax is levied on all money wagered on interstate and intertrack simulcast races conducted at a permit holder's race meetings.
North Carolina	No wagering on horse racing permitted.
Pennsylvania	A tax of 1.5 percent is imposed on the amount wagered on win, place, or show each racing day and a tax of 2.5 percent is imposed on multiple and exotic wagering.
Tennessee	No wagering on horse racing permitted.
Texas	A tax of 1–5 percent is imposed on the amount wagered at live events and a tax of 1-1.25 percent on simulcast events
West Virginia	On live thoroughbred racing, a tax rate of 1.4 percent applies to pari-mutuel pools April-September and a rate of 0.4 percent applies during all other months. On harness racing, a tiered-tax rate applies ranging from 3 percent to 5.75 percent to the total amount wagered.

History of Collections.

Table 1: Horse Racing Tax collections: fiscal years 2014 - 2018 (in millions)

Year	Nursing Home Fund	Thoroughbred Fund	Standardbred Fund	Other Funds	Total
2014	$1.2	$0.8	$0.9	$2.6	$5.5
2015	1.4	0.9	1	2.5	5.8
2016	1.4	0.9	1	2.3	5.5
2017	1.3	0.8	0.9	2.3	5.3
2018	1.3	0.8	0.9	2.1	5.1

Source: Office of Budget and Management financial reports.

History of Major Changes.

1933	Tax is enacted with rates ranging from 10 percent on the first $1,000 of daily wagers to 30 percent on wagers more than $20,000.
1953	Rates are reduced with new rate schedules.
1955	For thoroughbred racing, an additional 0.75 percent is added to each bracket; rates are unchanged for harness racing.
1975	Flat tax rates are adopted for thoroughbred racing: 7 percent through the end of 1976, 6.75 percent for 1977 and 6.5 percent starting in 1978. Rates on harness racing are reduced to a

	schedule of rates from 3-6.5 percent on the excess over $550,000. Also, a 0.5 percent credit for qualifying capital improvements is established.
1981	A 2.5 percent tax on exotic wagering is established and the value of the capital improvement credit is increased to 0.75 percent. Lawmakers enacted a gradual rate reduction on thoroughbred racing to 5.25 percent by mid-1983. Harness rates are phased down and by mid-1983 rates range from 1.5-4.5 percent.
1984	H.B. 639 consolidated all rates into a single schedule for live racing. New rates range from 1-4 percent. Also, a 1.5 percent major capital improvements credit is enacted.
1989	Effective July 1, exotic wagering rate is increased from 2.5 percent to 3 percent.
1994	Legislature permits wagering on simulcast events. Revenues not going to horse racing funds go to the Passport program. Major capital improvements tax credit reduced to 1 percent of wagering.
1996	Legislation established that Passport program received 25 percent of gross revenues.
2001	Exotic wagering tax increased to 3.25 percent
2003	Temporary additional tax of 0.25 percent placed on exotic wagering from July 1, 2003, until July 1, 2005.
2006	Reinstatement of 0.25 percent additional tax on exotic wagering for 2007 fiscal year.
2007	Additional 0.25 percent tax on exotic wagering made permanent.
2012	Ohio Passport Fund changed to Nursing Home Franchise Permit Fee Fund.
2017	H.B. 49 (132 General Assembly) enacted law requiring 0.25 percent of exotic wagers on quarter horse races to be paid into the Ohio Thoroughbred Race Fund and reduce from 0.5 percent to 0.25 percent the amount of exotic wagers on thoroughbred races that are paid into that same fund.

Individual Income Tax

Overview. Ohio's income tax traces to 1912. In that year, Ohio voters approved a constitutional amendment specifically authorizing the General Assembly to levy an income tax. Legislative action did not follow until late 1971 when the income tax was first enacted. It became effective Jan. 1, 1972 for individuals and estates. In 2002, the income tax base was expanded to include trust income. The income tax is Ohio's second largest revenue source. During fiscal year 2018, collections were just under $8.8 billion. Of this amount, approximately $8,411 million was deposited into the General Revenue Fund, $385 million into the Local Government Fund, and $0.1 million into the political party fund.

Taxpayer (R.C. 5747.01 and 5747.02). The tax is levied on statutorily defined incomes of every individual, trust, and estate residing in Ohio or earning or receiving income in Ohio, or otherwise having nexus with or in Ohio. The tax also applies to winnings from lotteries and casino gaming in Ohio. Withholding responsibilities apply to employers who pay wages and salaries for each employee working in Ohio.

Tax Base (R.C. 5747.01 et seq.). The tax base for an individual's income, other than business income, is federal adjusted gross income, plus or minus Ohio adjustments, less an exemption for the taxpayer, the taxpayer's spouse, and each dependent. The tax base for an individual's business income is taxable business income. In the case of estates, the tax base is Ohio taxable income. The tax base for trusts is modified Ohio taxable income. Calculating the net liability for Ohio's individual income tax is summarized by the following five steps:

1. Start with federal adjusted gross income (FAGI) as reported to the Internal Revenue Service on federal form 1040 and calculate Ohio adjusted gross income (OAGI) by applying Ohio additions and deductions.
2. Calculate the Ohio individual income tax base by subtracting the income-based exemptions from OAGI. For taxable year 2017, each taxpayer is allowed personal and dependent exemptions equal to the product of the number of exemptions claimed on his or her federal income tax return multiplied by the personal exemption amount for the taxpayer, as listed in Table 1, below:

Table 1: Exemption Amounts (taxable year 2017)

Ohio Adjusted Gross Income	Deduction Per Exemption
$40,000 or less	$2,300
$40,001 to $80,000	$2,050
$80,001 or more	$1,800

3. Determine the amount of taxable business income, if any, and calculate the tax due on it, if any. Taxable business income is the amount of business income included in FAGI minus the business income deduction and less any excess personal or dependent exemptions that were unused after calculating the tax due on non-business income. The tax rate on taxable business income is 3 percent for taxable years beginning in 2016 and thereafter.
4. Calculate non-business income by subtracting business income from the Ohio income tax base. Apply the graduated tax rates in Table 3 to Ohio taxable non-business income. Add this tax to the tax on business income to determine gross tax liability.
5. Calculate the net tax liability by subtracting applicable credits from gross tax liability.

Table 2. Income tax table for non-business income: taxable years beginning in 2017

Ohio Taxable Non-business Income		Tax Calculation
More Than	Not More Than	
$0	$10,650	0.000% of Ohio taxable nonbusiness income
$10,650.00	$16,000.00	$79.08 + 1.980% of excess over $10,650
$16,000.00	$21,350.00	$185.01 + 2.476% of excess over $16,000
$21,350.00	$42,650.00	$317.48 + 2.969% of excess over $21,350
$42,650.00	$85,300.00	$949.88 + 3.465% of excess over $42,650
$85,300.00	$106,650.00	$2,427.70 + 3.960% of excess over $85,300
$106,650.00	$213,350.00	$3,273.16 + 4.597% of excess over $106,650
$213,350.00		$8,178.16 + 4.997% of excess over $213,350

Rates (R.C. 5747.02). See Table 2 for individual income tax rates on non-business income for the 2017 taxable year. In 2010, the Tax Commissioner was required by state law to begin adjusting the size of each bracket for inflation each July (R.C. 5747.02(A)). The tax rates do not change as part of this adjustment. The 2017 taxable year income tax table for estates and trusts levies a rate of 0.7425 percent on more than $0 and not more than $10,650; otherwise, its income tax brackets, tax rates, and base tax liabilities are identical to those in Table 2. The rate is 3 percent on taxable business income.

This same statute requires tax rates to be temporarily adjusted downward in any year in which the director of the Office of Budget and Management determines that the budget stabilization fund (or "Rainy Day" fund) is equal to 8.5 percent of the general revenue fund revenues of the preceding fiscal year and that the percentage of the balance in the income tax reduction fund exceeds thirty-five one hundredths of one percent of the amount of revenue that the director estimates will be received from the income tax in the current fiscal year without regard to any reduction under this statute and certifies that percentage to the Tax Commissioner.

Additions, deductions, and exemptions. The starting point for the Ohio individual income tax return is federal adjusted gross income (FAGI). Additions and deductions (including the business income deduction) are applied to FAGI to calculate Ohio adjusted gross income (OAGI). Tax on taxable business income is calculated using a special schedule (2017 Ohio IT BUS – Business Income Schedule) that includes a business income deduction.

Personal and Dependent Exemptions (R.C. 5747.02 and 5747.025). For taxable year 2017 (filed in 2018), individuals may claim personal and dependent exemptions equal to the product of the number of exemptions claimed on their federal income tax return multiplied by the amount per exemption for the taxpayer. The amount per exemption, the total of which is subtracted from OAGI before tax rates are applied, is determined based on the OAGI calculated on the Ohio income tax return. Any excess is deducted from taxable business income before computing the tax on taxable business income. The personal and dependent exemption typically is adjusted for inflation each year.

Major additions to FAGI for individuals. Major additions for individuals, to the extent not already included in FAGI, include:

- non-Ohio state or local government interest and dividends;
- a pass-through entity add back; and
- five-sixths of the depreciation described in Internal Revenue Code sections 168(k) and 179.

Major deductions for individuals. Major deductions for individuals, to the extent not excluded from FAGI, include:

- certain federal interest and dividends;

- reciprocity income (income tax paid by residents of other states – for details, see Special Provisions);
- state or municipal income tax overpayments deducted on a prior year's federal income tax return;
- business income deduction;
- qualified disability and survivorship benefits;
- Social Security and some railroad retirement benefits;
- certain unsubsidized health insurance, long-term care insurance and excess medical expenses;
- funds deposited into, and earnings on, an Ohio Medical Savings Account;
- interest income from Ohio public and Ohio purchase obligations and gains from the sale or other disposition of Ohio public obligations;
- repayment of income reported in a prior year;
- one-fifth of the depreciation added back in each of the previous five years;
- military pay received while the resident service member is stationed outside Ohio;
- retired uniformed services personnel pay;
- college opportunity or federal Pell grant amounts received and used to pay room or board.

For a complete listing and explanation of the adjustments to federal adjusted gross income, please see form IT 1040, Ohio Income Tax Return and its instruction booklet.

Major credits (R.C. 5747.98)

Personal and dependent exemption credit (R.C. 5747.022) **-** This $20 credit per personal and dependent exemption claimed when filing the return is allowed only for taxpayers with an Ohio individual income tax base of less than $30,000.

Adoption credit (R.C. 5747.37) **-** Individual taxpayers may claim a credit for adoption expenses of either $1,500 per child or the total amount of qualified expenses incurred to adopt a child up to $10,000, whichever is greater. Adoption of stepchildren does not qualify for this credit. The credit is nonrefundable, but the excess may be carried forward for the ensuing five taxable years with each year's credit claimed deducted from the carry-forward balance.

Child and dependent care credit (R.C. 5747.054) **-** Individual and estate taxpayers with an adjusted gross income of less than $40,000 may claim a nonrefundable credit equal to 25 percent of the federal dependent care credit for which the taxpayer is eligible. If the taxpayer's adjusted gross income is less than $20,000, the credit is equal to the federal credit for which the taxpayer is eligible.

Displaced worker training credit (R.C. 5747.27) **-** An individual taxpayer may claim a nonrefundable credit for training expenses incurred within 12 months of losing or leaving a job due to the closing or moving of a facility at which the individual was employed or the abolishment of the individual's position or shift at that facility and who has not obtained another job at which the individual works more than 20 hours a week. The maximum credit is the lesser of 50 percent of the training expenses or $500.

Earned Income Credit (R.C. 5747.71) **-** Taxpayers who qualify for the federal earned income tax credit (EITC) may take a nonrefundable Ohio earned income credit equal to up to ten percent of the taxpayer's federal EITC.

Financial Institutions Tax (FIT) Credit (R.C. 5747.65) **-** A refundable credit is allowed equal to the taxpayer's proportionate share of the lesser of either FIT tax due or paid by a pass-through entity for the entity's taxable year ending in the taxpayer's taxable year.

Invest Ohio Credit (R.C. 5747.81) **-** The credit equals the taxpayer's qualifying investment as indicated on the investor's small business investment certificate multiplied by 10 percent.

Joint filer credit (R.C. 5747.05(E)) - Spouses who file jointly are allowed a tax credit if each spouse has qualifying Ohio adjusted gross income of $500 or more. Qualifying income does not include interest, dividends and distributions, royalties, rent, and capital gains. The credit is a percentage of the tax due after all credits other than the resident, nonresident, part-year resident, and business credits are claimed, but the maximum credit amount is $650.

Nonresident credit (R.C. 5747.05(A)) - Nonresident individuals may calculate a tax credit of the tax otherwise due on such portion of the combined adjusted gross income and business income of any nonresident taxpayer that is not allocable or apportioned to Ohio.

Resident credit (R.C. 5747.05(B)) - Resident individuals may calculate a tax credit when part or all of their income is taxed in another state or the District of Columbia.

Retirement income credit (R.C. 5747.055) – Individuals, whose Ohio individual income tax base is less than $100,000 receiving retirement benefits, annuities or distributions from a pension, retirement, or profit-sharing plan that are included in adjusted gross income are allowed a nonrefundable credit that depends upon the amount of retirement income received during the taxable year, capped at $200.

Senior citizen credit (R.C. 5747.055(F)) – Individuals whose Ohio individual income tax base is less than $100,000, and who are 65 years of age or older on or before December 31 of the taxable year may claim a $50 credit per return.

Pass-through entity (PTE) credit (R.C. 5747.059) - Investors in PTEs are eligible for a refundable credit equal to the taxpayer's proportionate share of the lesser of either the tax due or the tax paid by any qualifying entity for the qualifying taxable year of the qualifying entity which ends in the taxable year of the taxpayer. Several other business credits also may be claimed against personal income tax liabilities. For more information, please see the **Business Tax Credits** chapter of this annual report.

Special provisions

Military pay and income of military spouses (R.C. 5747.01(A)(24)) - A deduction is allowed for active duty military pay and allowances included in federal adjusted gross income and not otherwise allowable as a deduction or exclusion if those amounts were received for active duty service while the service member is stationed outside Ohio.

Reciprocity (R.C. 5747.05(A)(2)) - Because of agreements Ohio has with bordering states (i.e., Indiana, Kentucky, West Virginia, Michigan and Pennsylvania), an individual does not have to file an Ohio income tax return when: the taxpayer was a full-year resident of one of the border states for the taxable year, and the taxpayer's only source of income within Ohio was from wages, salaries, tips or commissions generally received from employers unrelated to the taxpayer. These reciprocal agreements do not apply to nonresidents who directly or indirectly own at least 20 percent of the stock or other equity of an Ohio pass-through. These nonresidents must include this compensation in Ohio taxable income but can treat this compensation as business income, which must be apportioned for purposes of computing the nonresident credit.

Residency (R.C. 5747.24) - For details, see information release IT 2015-02.

Filing and Payment Dates (R.C. 5747.07-.09)

<u>For individuals, estates, and trusts</u>

Annual return – The annual return is generally due by April 15 for calendar year taxpayers without an extension. For tax year 2017, the due date was April 17, 2018.

Quarterly – Taxpayers must file quarterly declarations when they expect their tax to be underwithheld by more than $500. Such calendar year taxpayers must make estimated payments by April 15, June 15 and September 15 of the current year and by January 15 of the following year. For fiscal year taxpayers, quarterly payments of tax must be made on the 15th day of the fourth, sixth and ninth months of the fiscal year and on the 15th day following the end of the fiscal year.

Electronic filing –Tax return preparers who file more than 11 original income tax returns, reports, or other tax payment documents must file electronically.

For employers that withhold taxes

An employer accumulating undeposited taxes of $100,000 or more is required to make payment within one banking day by electronic funds transfer (EFT). Otherwise, the following rules apply:

• if an employer withheld no more than $2,000 during the 12 months ending on June 30 of the preceding year, payments are due within 30 days after the quarter ending in March, June, September and December.

• if an employer withheld more than $2,000 and less than $84,000 during the 12 months ending on June 30 of the preceding year, payments are due within 15 days after the end of the month.

• if an employer withheld at least $84,000 during the 12 months ending on June 30 of the preceding year, payments are due within three banking days after the end of the partial weekly period and must be made by electronic funds transfer.

Disposition of revenue (Ohio Const. Art. XII, 9, R.C. 5747.03). During fiscal year 2018, approximately 95.6 percent of revenue from the state income tax or approximately $8,411 million was distributed to the General Revenue Fund (GRF). The rest (about 4.4 percent or $385.1 million) was distributed to the Local Government Fund (LGF) and the Ohio Political Party Fund. Article XII, Section 9 of the Ohio Constitution requires that at least 50 percent of the income tax collections be returned to the county of origin. This provision is met primarily through GRF allocations to education, LGF distributions, and local property tax relief (i.e., the non-business tax credit, owner-occupied tax credit and the homestead exemption for senior citizen and certain homeowners who are disabled).

Charts

The following charts summarize information from Ohio individual income tax returns. Chart 2 reflects all tax returns filed to date by taxpayers for the taxable year noted. Chart 2 includes tax returns that indicate tax liability as well as returns with no tax liability.

Chart 1: General Computation of Ohio Individual Income Tax Liability for TY 2017

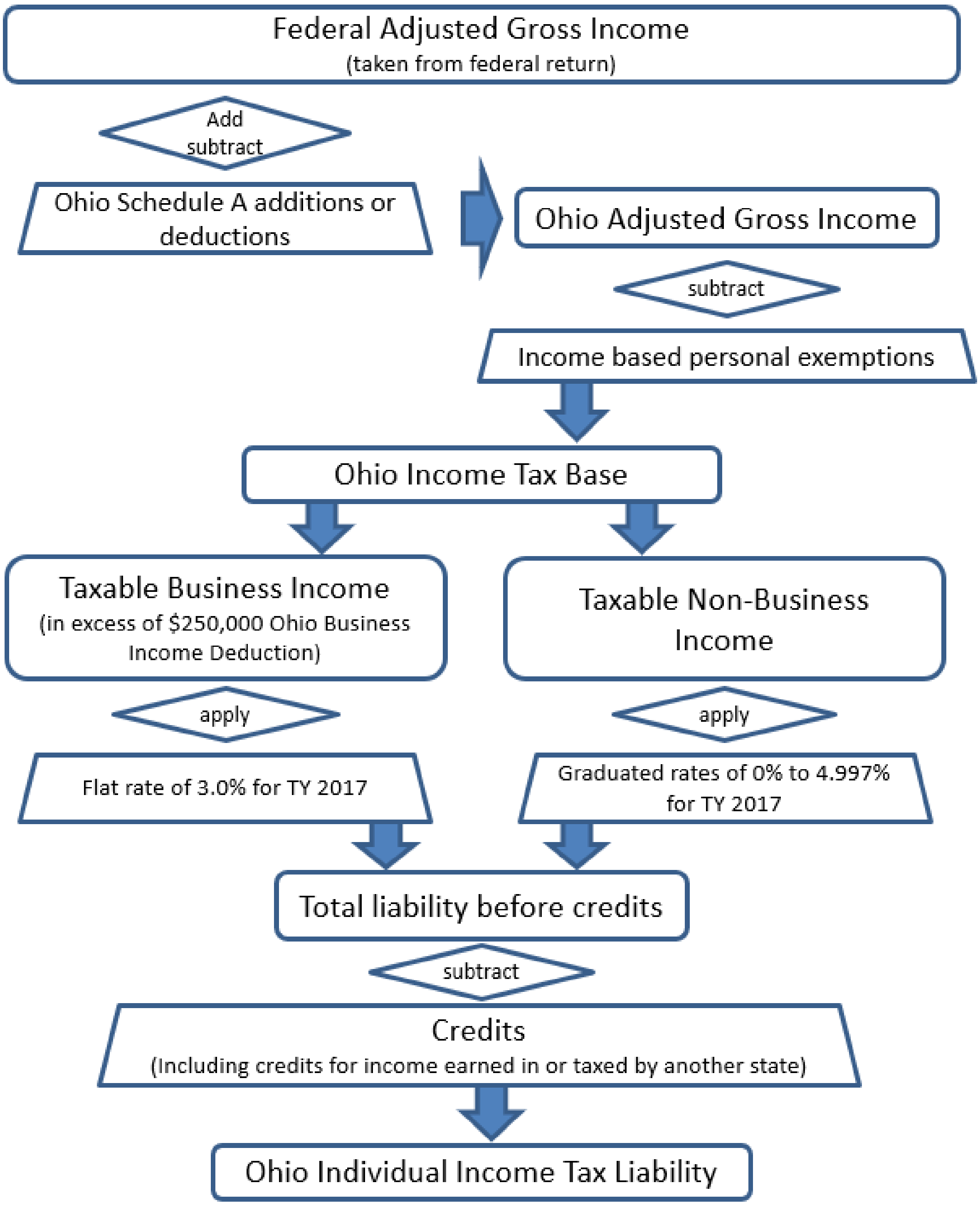
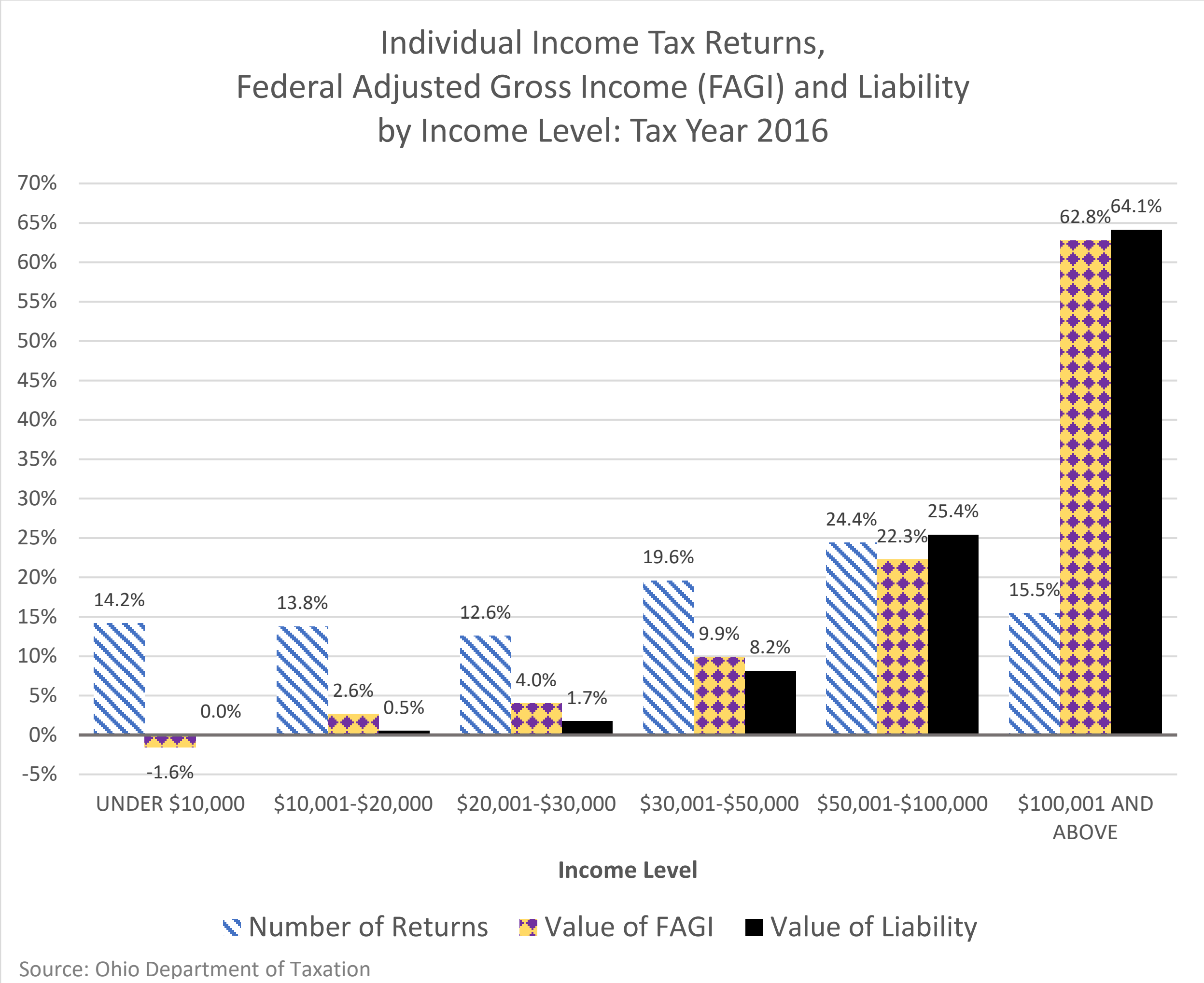


Chart 2


Individual Income Tax Returns,
Federal Adjusted Gross Income (FAGI) and Liability
by Income Level: Tax Year 2016
70%
65%
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
-5%
14.2%
-1.6%
0.0%
13.8%
2.6%
0.5%
12.6%
4.0%
1.7%
19.6%
9.9%
8.2%
24.4%
22.3%
25.4%
15.5%
62.8%
64.1%
UNDER $10,000
$10,001-$20,000
$20,001-$30,000
$30,001-$50,000
$50,001-$100,000
$100,001 AND ABOVE
Income Level
Number of Returns
Value of FAGI
Value of Liability
Source: Ohio Department of Taxation

Comparisons with Competitor States for taxable year 2017

Georgia	Rates range from 1 percent on net taxable income not over $750.00 to 6 percent on the amount of net taxable income over $7,000.
Indiana	Indiana imposes an income tax at the rate of 3.23 percent.
Kentucky	Rates range from 2 percent on the first $3,000 of taxable net income to 6 percent of the amount of net taxable income over $75,000.
Michigan	Michigan imposes an income tax at the rate of 4.25 percent.
North Carolina	North Carolina imposes an income tax at the rate of 5.499 percent.
Pennsylvania	Pennsylvania imposes an income tax at the rate of 3.07 percent.
Tennessee	Tennessee imposes a tax on taxable interest and dividend income at the rate of 4 percent.
Texas	None.
West Virginia	Rates range from 3 percent on taxable income not over $10,000 to 6.5 percent on taxable income in excess of $60,000.

History of Collections.

Table 3: Individual Income Tax collections: fiscal years 2014-2018 (in millions)

Fiscal year	Total Revenues
2014	$9,029.7
2015	$9,869.8
2016	$8,169.2
2017	$7,981.1
2018	$8,796.2

Source: Office of Budget and Management Financial Reports

History of Major Changes.

1912	Voters approved an amendment to the Ohio Constitution permitting the taxation of income on a uniform or graduated basis.
1967	Ohio Tax Study Commission of 1967 reported its findings and recommendations for an income tax.
1971	General Assembly enacted a state individual income tax effective for 1972.
1972	Ohio voters rejected a constitutional amendment that would have repealed the new income tax and prohibited future graduated income taxes.
1973	Voters approved a constitutional amendment eliminating a $3,000 cap on personal exemptions. Legislature enacted a joint filer credit.
1982	A temporary 25 percent across the board tax increase for 1982 and a temporary 12.5 percent increase for 1983 are imposed. Additional rate increases are imposed on high-income individuals for 1982 and 1983 through the creation of new brackets for income more than $80,000 and $100,000.

1983	The new brackets are made permanent. There is an increase in the temporary across the board rate increases to 83.3 percent for 1983 and 90 percent for 1984 when the increases become permanent. Also increased are the senior citizen credit, the joint filer credit, and the personal exemption. In November, Ohio voters sustain these changes by rejecting a constitutional amendment that would have repealed all tax changes enacted since 1982.
1984	A one-time special refund is enacted. For most taxpayers, the refund is 2.03 percent of 1983 tax liability or $7, whichever is greater. Taxpayers who had less than $7 due in 1983 receive a full refund.
1985	A three-year, 15 percent across the board rate cut is enacted. Rates are scheduled to fall from 1984 levels by 5 percent in 1985, 5 percent in 1986, and 5 percent in 1987.
1986	The top marginal tax rate (on income more than $100,000) is lowered from 8.55 percent to 6.9 percent effective 1987. Legislators also lower other rates by an additional 7 percent in 1987 and an additional 1 percent in 1988 and thereafter.
1992	A new bracket is created for income more than $200,000, effective for tax year 1993. The tax rate associated with this new bracket is 7.5 percent.
1996	A new mechanism is enacted to temporarily lower statutory rates in any year when a budget surplus exists. Thus, tax rates are temporarily reduced for 1996 by 6.609 percent. This provision later leads to temporary rate reductions in 1997, 1998, 1999, and 2000.
1997	A pass-through entity and trust withholding tax is enacted and personal exemptions are indexed to inflation starting in 2000.
2002	S.B. 261 temporarily broadened the individual income tax to include trusts. It also indexes tax brackets to inflation starting in 2005 (later delayed until 2010) and decouples Ohio income tax law from federal bonus depreciation.
2005	H.B. 66 launched a five year 21 percent across-the-board reduction in income tax rates. Rates are to decreased by 4.2 percent for taxable years 2005-2009. It also included a credit effectively eliminating state income tax liabilities for taxpayers with a taxable income of $10,000 or less. It made permanent the extension of the tax on trusts and postponed the annual adjustment of tax brackets for inflation until 2010.
2006	Resident armed services members are permitted to deduct military pay and allowances earned while stationed outside of Ohio effective January 1, 2007.
2007	Military retirement pay is exempted from Ohio income and school district taxes.
2008	Tax preparers who file more than 75 original income tax returns in 2008 are required by law to file electronically as of January 1, 2010.
2009	H.B. 318 postponed the fifth income tax rate reduction for two years (until 2011). HB 1 created the motion picture production tax credit.
2010	The Tax Commissioner is required by state law to adjust the tax brackets effective for taxable years 2010 and thereafter for inflation.
2011	The fifth year of income tax reductions authorized by HB 66 is implemented. HB 167 enacted a new income tax deduction for Pell Grant recipients.
2013	H.B. 59 enacted a 10 percent reduction in income tax rates over three years. Rates decreased 8.5 percent in the 2013 taxable year and are scheduled to decrease by 0.5 percent for the 2014 tax year and 1 percent for the 2015 taxable year. It also freezed the indexing of income brackets and the personal and dependent exemptions during the phase-in periods. It subjected the personal and dependent credit to means testing and created an earned income tax credit and a 50 percent business income deduction. H.B. 365 enacted an allowance for business owners who claimed an enhanced federal income tax depreciation deduction and who increased payroll to claim more of the deduction that the business owner must add back to the Ohio income tax base.
2014	H.B. 483 accelerated the final phase-in of a 10 percent total income tax rate reduction from taxable year 2015 to taxable year 2014.
2015	H.B. 64 and S.B. 208 created separate tax bases for business and non-business income of individuals and established a flat 3 percent rate on taxable business income. Tax rates are reduced on non-business income by 6.3 percent starting in tax year 2015 and means testing is established

	for the senior and retirement income and retirement income lump sum credits. The business income deduction is set at $125,000 for each spouse if each spouse files separate returns or $250,000 for all other individuals.
2017	H.B. 49 reduced the number of tax brackets levied on estates' Ohio taxable income and trusts' modified Ohio taxable income from nine to eight for taxable years beginning in 2017 and thereafter by consolidating into one bracket the bottom two brackets that are applied for taxable years beginning in 2016 and earlier. Only the top seven brackets are levied on individuals' other than taxable business income (a reduction from nine to seven) for taxable years beginning in 2017 and thereafter. The low-income credit is repealed for taxable years beginning in 2017 and thereafter, as the bottom bracket of the seven-bracket system begins at $10,500. The tax commissioner must adjust the income and base tax amounts for all brackets beginning in August 2017. H.B. 49 increased the maximum income tax deduction for contributions to a federally tax advantaged college savings plan or disability expense account from $2,000 to $4,000 annually for each beneficiary and made changes to the motion picture tax credit program. It eliminated the administrative fee for refund contribution check-offs, reduced the tax commissioner's role in Ohio political party fund contributions, and required the tax commissioner to separately report income tax collections from business income.
2018	Sub. H.B. 292 amended R.C. 5747.24 to change the requirements for the "irrebuttable presumption" of non-Ohio domicile for individuals. For tax years 2018 and forward, an individual is irrebuttably presumed not to be domiciled in Ohio for each taxable year for which the individual files a statement, on or before October 15th, attesting that the individual meets the following criteria: (1) no more than 212 contact periods with Ohio during the taxable year, (2) an abode outside of Ohio for the entire taxable year, on which the individual did not claim a depreciation deduction under I.R.C. §167, (3) no Ohio driver's license or identification card at any time during the taxable year, (4) no Ohio property on which the individual claimed the homestead exemption and/or the owner-occupancy property tax reduction, and (5) no "in state" tuition at an Ohio institution of higher education based on an Ohio address.

Kilowatt-Hour Tax

Overview. The Kilowatt-Hour (kWh) tax was created by the Ohio General Assembly in 2001 as part of a broader legislative effort to deregulate electric utilities. The tax, effective May 1, 2001, replaced the public utility excise tax on electric and rural electric companies. It also was designed to replace revenues lost from the reduction of assessment rates on electric and rural electric tangible personal property. During fiscal year 2018, collections were approximately $537.2 million.

The tax is levied on electric distribution companies with end users in Ohio. The tax has tiered rates that vary according to the kWh consumption of individual end users of electricity. For certain large consumers of electricity, a self-assessor option exists that is partially based on price and partially based on consumption. Companies that provide both electric and other services must separate the charges for electricity from the other services they provide.

Taxpayer (R.C. 5727.80 and 5727.81). Electric distribution companies with end users in Ohio are subject to the tax. Electric distribution companies do not include an end user of electricity that self-generates electricity that is used directly by that end user on the same site that the electricity is generated or a person that donates all the electricity generated to a political subdivision of the state. The tax also is paid by certain large commercial and industrial end users (self-assessing purchasers) that consume more than 45 million kWh of electricity during a calendar year. Self-assessing purchasers must qualify and register to self-assess the tax.

Tax base (R.C. 5727.81). The tax has two bases with payments determined by the number of kWh distributed to end users in Ohio.

Rates (R.C. 5727.81). Electric distribution companies pay rates based on their monthly distribution to each end user. The rates are tiered according to the amount of kWh the individual end user consumes, as shown in the following schedule:

0 - 2000 kWh	0.465 cents
2001 - 15,000 kWh	0.419 cents
15,001 kWh or more	0.363 cents

End users above 45 million kWh in annual consumption may register to self-assess the tax. Self-assessors pay 0.257 cents per kWh on the first 500 million kWh and 0.1832 cents per kWh in excess of 500 million.

Exemptions (R.C. 5727.80 and 5727.81). The kWh tax does not apply to the federal government, qualified end users in qualified manufacturing processes, and qualified regeneration meters.

Filing and payment dates (R.C. 5727.82). For kWh and self-assessing taxpayers, the filing date is the 20th day of each month. Payments reflect the amount of electricity distributed to the end users during the preceding month. To register as a self-assessing purchaser, end users must apply and pay a $500 fee before May 1. The registration year begins on May 1 and ends on the following April 30.

Disposition of Revenue (R.C. 5727.81). The General Revenue Fund (GRF) receives nearly 100 percent of the state tax revenues. R.C. 131.51(C) allows the director of the Office of Budget and Management to identify the specific tax revenue sources to be used to make the required monthly transfer to the Public Library Fund (PLF). A portion of the monthly amount deposited into the PLF is credited against the kWh tax portion of the GRF revenues. The amount of kWh tax revenue credited to the PLF varies from year to year based on a fixed percentage of all tax collections distributed to the GRF.

Special provision. In cases where self-assessing purchasers are served by a municipal electric utility and are located within that municipality, the tax is remitted to the municipality rather than to the state in accordance with R.C. 5727.81.

Comparisons with Competitor States (as of June 30, 2018). Georgia, Indiana, Kentucky, Michigan, North Carolina, Pennsylvania, Tennessee, Texas, and West Virginia do not have specific taxes levied on the volume of electricity consumed or distributed. In these states, electric companies may be subject to public utility excise or business taxes.

History of Collections.

Table 1: kWh Tax collections and distributions: fiscal years 2014-2018 (in millions)

Year	Total Collections	General Revenue Fund	Public Library Fund	School District Property Tax Replacement Fund	Local Government Property Tax Replacement Fund
2014	$544.6	$306.3	$173.0	$49.0	$16.3
2015	539.8	292.3	182.7	48.6	16.2
2016	527.3	338.0	189.3	0.0	0.0
2017	539.2	347.4	191.8	0.0	0.0
2018	537.2	342.4	194.8	0.0	0.0

Source: Office of Budget and Management financial reports.

History of Major Changes.

1999	S.B. 3 established the kilowatt-hour (kWh) tax effective May 1, 2001.
2000	S.B. 287 enacted the following changes: lowers the self-assessor tax threshold from 120 million kWh of annual consumption to 45 million kWh; caps the consumption portion of the self-assessor tax formula to 504 million kWh of annual consumption; establishes an exemption for "qualified regeneration facilities"; allows businesses to declare that they will have enough electricity consumption in the upcoming year to self-assess and provides for a "recapture" tax if the taxpayer fails to meet the self-assessor threshold; and requires self-assessors served by a municipal electric company and located within the municipal boundary to remit the self-assessor tax to the municipality.
2007	Under H.B. 119, the General Revenue Fund's share of the kWh tax is changed to 63 percent. Also, the General Assembly reduced the price component for the tax paid by self-assessing purchasers from 4.0 percent to 3.5 percent effective July 1, 2008.
2009	H.B. 1 eliminated the price-based component of the self-assessment calculation effective Jan. 1, 2011 in favor of a flat rate of 0.257 cents per kWh on the first 500 million kWh and of 0.1832 cents per kWh for each kWh in excess of 500 million.
2011	H.B. 153 changed the percentage of distribution to 88 percent of the General Revenue Fund (GRF), 9 percent to the School District Property Tax Replacement Fund and 3 percent to the Local Government Property Tax Replacement Fund.
2015	H.B. 64 altered the disposition of revenue and credited nearly all to the GRF.
2017	H.B. 49 exempted from the kWh tax any use of electricity by a qualified end user in a chlor-alkali manufacturing process (i.e., a process to manufacture bleach). An end user must obtain the consent of the legislative authority of the municipal corporation that owns or operates the utility when the end user receives the electricity from a municipal electric company.

Motor Vehicle Fuel and Use Tax

Overview. An excise tax applies to all dealers in motor vehicle fuel on the use, distribution, or sale within Ohio of fuel used to generate power for the operation of motor vehicles. The motor fuel excise tax rate has been 28 cents per gallon since July 1, 2005. As of January 1, 2018, the five prior existing levies that made up the 28 cents per gallon was combined into one 28 cents levy. A single 28 cent per gallon levy is allocated in specified fractions that correspond with the five prior distinct levies. The revenue from the levy is subject to five differing distribution formulas. Article XII, Section 5a of the Ohio Constitution mandates that no revenues from excise taxes on fuel used to propel vehicles on public highways be expended for costs other than costs of administering such laws, statutory refunds and adjustments provided therein, payment of highway obligations, costs for construction, reconstruction, maintenance and repair of public highways and bridges and other statutory highway purposes, expense of state enforcement of traffic laws, and expenditures authorized for hospitalization of indigent persons injured in motor vehicle accidents on the public highways. During fiscal year 2018, motor fuel tax collections were approximately $1,805.2 million, inclusive of amounts in the motor fuel hold fund.

There also is a fuel use tax of 28 cents per gallon levied on commercial cars and tractor trailers operated or driven upon a public highway in two or more jurisdictions. Fuel use taxpayers pay tax on the motor vehicle fuel consumed in Ohio that exceeds the fuel purchased and taxed in Ohio. During fiscal year 2018, motor fuel use tax collections were approximately $72.1 million, with nearly $20.2 million net to Ohio and the remainder to refunds and distributions to other states and Canadian provinces participating in the international fuel tax agreement (IFTA).

Taxpayer (R.C. 5735.01 and 5735.05). The excise tax applies to dealers that: import motor fuel from another state or foreign country or acquire motor fuel by any means into a terminal in this state; import motor fuel from another state or foreign country in bulk lot vehicles for subsequent sale and distribution in this state from bulk lot vehicles; refine motor fuel in this state; acquire motor fuel from a motor fuel dealer for subsequent sale and distribution in this state from bulk lot vehicles; or possess an unrevoked permissive motor fuel dealer's license.

Tax Base (R.C. 5728.06, 5735.05). The base of the tax is the gallons of motor vehicle fuel sold, used, or distributed in Ohio.

Rates (R.C. 5735.05). The consolidated rate of 28 cents per gallon is allocated in specified fractions that correspond with the five prior distinct levies.
Deductions (R.C. 5735.05-.06). Dealers may deduct the following motor fuel from their total gallons sold:

- dyed diesel sold for uses other than operating motor vehicles on public highways or waterways within Ohio;
- K-1 kerosene to a retail service station, except when placed directly in the fuel supply tank of a motor vehicle (such sales are rebuttably presumed to not be distributed or sold for use or used to generate power for the operation of motor vehicles upon the public highways or upon the waters within the boundaries of this state);
- motor fuel sold by licensed dealers to other licensed dealers;
- motor fuel exported by licensed dealers from Ohio to any other state or foreign country;
- motor fuel sold for exclusive use by the U.S. government or its agencies;
- motor fuel that is in the process of transportation in foreign or interstate commerce, except insofar as it may be taxable under the Constitution and statutes of the United States, and except as may be agreed upon in writing by the dealer and the commissioner;
- motor fuel sold exclusively for use in the operation of aircraft; and
- motor fuel sold by a dealer for delivery from a bulk lot vehicle, for consumption in operating a vessel when the use of such fuel in a vessel would otherwise qualify for a refund under section 5735.14 of the Revised Code.

Shrinkage allowance (R.C. 5735.06);757.20. Licensed motor fuel dealers receive a discount intended to cover "evaporation, shrinkage or other unaccounted for losses." An uncodified provision of House Bill 119, enacted in mid-2007 by the 127th General Assembly, set this "shrinkage allowance" at the following levels, which has been extended through fiscal year 2019 by House Bill 26 of the 132nd General Assembly:

- licensed distributors receive a 1 percent discount on total gallons of fuel received, minus 0.5 percent on gallons sold to retailers, for fuel lost through shrinkage and evaporation; and
- retailers receive a 0.5 percent discount on gallons of fuel purchased from licensed distributors for fuel lost through shrinkage and evaporation. This discount is received in the form of a refund.

Refunds (R.C. 5735.13, 5735.14, 5735.141, 5735.142, 5735.18, 5734.29). Persons who have purchased motor vehicle fuel on which the fuel tax has been paid may receive a refund when:

- the motor fuel was used to operate or propel stationary gasoline engines, tractors used for off-highway purposes or unlicensed motor vehicles used exclusively in intra-plant operations;
- the motor fuel was used by watercraft devoted entirely to commercial purposes such as trade or fishing; by vessels used in Boy Scout training; by vessels used or owned by railroad car ferry companies; or by vessels used or owned by federal, state or local governments;
- the motor fuel was used for cleaning or dyeing;
- the motor fuel was used by local transit systems;
- the motor fuel was used in aircraft;
- the motor fuel was lost or destroyed through fire, explosion, lightning or other natural disasters; or
- any person, other than a dealer, sells or uses the fuel outside Ohio, or sells the fuel to the U.S. government or any of its agencies.

Also, a city, exempted village, joint vocational or local school district, an educational service center or a county board of developmental disabilities may be reimbursed for 6 cents per gallon of the total Ohio motor fuel tax paid on fuel.

Fuel Use Tax (R.C. Chapter 5728). The Ohio motor vehicle fuel use tax of 28 cents per gallon is imposed on heavy trucks on the amount of motor fuel consumed in Ohio that was purchased outside of Ohio. A refund or credit is allowed for the tax on fuel purchased in Ohio for use in another state, provided the other state imposes a tax on such fuel and allows a similar credit or refund. During fiscal year 2017, approximately $34.9 million was collected from the fuel use tax.

Liquid Natural Gas (R.C. 5735.013). Unlike other forms of motor fuel that are taxed on a per-gallon basis, the tax on liquid natural gas is measured in pounds. The conversion method is the diesel gallon equivalent standard for liquid natural gas adopted by the National Conference on Weights and Measures.

Filing and Payment Dates (R.C. 5735.06). Taxpayers must submit returns to the department by the last day of each month for the preceding month's tax liability.

Disposition of Revenue (R.C. 5735.05, 5735.051, 5735.27)

Motor vehicle fuel tax is distributed by the Department of Taxation each month. Before any distributions are made, funds are set aside for refunds and two percent of the previous month's net receipts are credited to the Highway Operating Fund, 0.875 percent of revenue is allocated to the Waterways Safety Fund, 0.125 percent to the Wildlife Boater Angler Fund and 0.275 percent to the Motor Fuel Tax Administrative Fund.

Of the remainder:

1) 5.2942 percent of 17/28ths is credited to the Highway Operating Fund and 94.7058 percent of 17/28ths is credited into the Gasoline Excise Tax Fund after $100,000 is transferred each month to

the Grade Crossing Fund and any crediting of Fund the Highway Operating Fund as prescribed in 5735.051.

2) 32.5 percent of 2/28ths is credited to the Gasoline Excise Tax Fund and 67.5 percent of 2/28ths is credited to Fund the Highway Operating Fund.
3) 13/16ths of 8/28ths is credited the Highway Operating Fund and 3/16ths of 8/28ths is credited to the Gasoline Excise Tax Fund.
4) Of the remaining 1/28ths, 100 percent is credited to the Highway Operating Fund.

Of the 94.7058 percent credited to the Gasoline Excise Tax Fund in (1) above, 93.1677 percent is distributed in accordance to 5735.051(A)(2)(a):

a) 6.7 percent to the Local Transportation Improvement Program (LTIP)
b) five cents multiplied by the number of gallons of motor fuel sold at stations operated by the Ohio Turnpike and Infrastructure Commission
c) After the LTIP and Turnpike amounts are calculated, the remaining balance is distributed as follows:
    - 10.7 percent to municipal corporations less $745,875,
    - 9.3 percent to counties less $745,875,
    - 5.0 percent to townships less $263,250 and
    - the remainder of the balance to fund the Highway Operating Fund or the Highway Capital Improvement Bond Service fund where applicable (fixed dollar amounts go to fund the Highway Operating Fund).

Of the 94.7058 percent credited to the Gasoline Excise Tax Fund in (1) above, 6.8323 percent is distributed in accordance to 5735.051(A)(2)(b) and amounts credited to the Gasoline Excise Tax Fund in (2) above are also distributed in this manner :

- 42.86 percent to municipalities
- 37.14 percent to counties
- 20 percent to townships.

Of the 3/16ths of 8/28ths is credited to the Gasoline Excise Tax Fund in (3) above is distributed in the same manner as 5735.051(A)(2)(b) subject to deductions under divisions 5735.051(C)(3). Amounts are credited in this manner:

- 42.86 percent to municipalities
- 37.14 percent to counties
- 20 percent to townships.

Funds are distributed among townships in the manner required under 5735.27(A)(3). The amounts are distributed in equal proportions, except the portion of the revenue that is described under R.C. 5735.05(A)(3) that is partially allocated to provide funding for townships. Each township receives the greater of the amount credited divided evenly among townships or 70 percent of a formula amount for that township. The formula amount is 50 percent the amount credited distributed based on centerline road miles and the remainder distributed based on registered motor vehicles per township. One third of the difference between the amount required to make the required payments to townships is deducted from the amounts credited to municipalities and counties, the remaining one-third is deducted from the Highway Operating Fund.

Comparisons with Competitor States (as of June 30, 2018).

Tax rates in cents per gallon

State	Gasoline	Diesel	Sales Tax Applicable
Georgia	26.8	30	No
Indiana	28	47	Yes
Kentucky	24.6	26	No
Michigan	26.3	26.3	Yes
North Carolina	35.1	35.1	No
Pennsylvania	57.6	74.1	No
Tennessee	24	21	No
Texas	20	20	No
West Virginia	35.7	35.7	No

History of Collections.

Fiscal Year	Gross Collections	Refunds	Net Tax After Refunds
2014	$1,844.8	$19.3	$1,825.5
2015	1,822.1	21.5	1,800.6
2016	1,764.2	23.8	1,740.4
2017	1,840.1	16.3	1,823.8
2018	1,820.1	14.9	1,805.2

Source: Office of Budget and Management financial reports.

Table 2: Motor Vehicle Fuel Use Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Gross Collections	Refunds	Payments Sent to Other States/Provinces[1]	Net Tax After Refunds
2014	$66.2	$0.5	$35.7	$30.0
2015	72.6	0.8	37.5	34.4
2016	81.1	0.7	44.0	36.4
2017	74.1	0.7	38.5	34.9
2018	72.1	1.1	50.8	20.2

[1]Payments sent to other states and provinces represents payments made under the International Fuel Tax Agreement.

Source: Ohio Department of Taxation records.

History of Major Changes.

1925	2 cent per gallon enacted
1927	1 cent increase (3 cents total)
1929	1 cent increase (4 cent total)
1933	1 cent increase (5 cents total)
1947	1 cent decrease (4 cents total)
1953	1 cent increase (5 cents total)
1959	2 cent increase (7 cents total)
1981	3.3 cent increase (10.3 cents total); Ohio Motor Vehicle Use Tax becomes effective July 1, 1980.
1982	1.4 cent increase (11.7 cents total)
1983	0.3 cent increase (12 cents total)
1987	2.7 cent increase (14.7 cents total)
1988	0.1 cent increase (14.8 cents total)
1989	3.2 cent increase (18 cents total)
1990	2 cent increase (20 cents total)
1991	1 cent increase (21 cents total)
1993	1 cent increase (22 cents total)
1995	Ohio joined the International Fuel Tax Agreement (IFTA). IFTA is a state compact between the 48 U.S. states and the Canadian provinces to simplify the reporting of fuel taxes by carriers operating in more than one of these jurisdictions. IFTA is administered by the International Fuel Tax Association, an Arizona non-profit corporation. IFTA auditing is conducted by ODT.
2003	2 cent increase (24 cents total)
2004	2 cent increase (26 cents total)
2005	2 cent increase (28 cents total)
2017	Beginning January 1, 2018, H.B. 26 consolidated five motor vehicle fuel levies into one 28 cent levy and changed the statutory distribution language accordingly. It requires aviation fuel dealers to obtain a license from and file reports with the ODT. It further requires all counties and regional transit authorities to file an annual report with the Director of Transportation and the Tax Commissioner on local spending for airport related activities.

Municipal Net Profits Tax

Overview. Municipal net profit taxes have historically been administered by each municipal corporation that imposes a tax, or a third-party administrator working on behalf of the municipal corporation. In the past, if a business operated in multiple municipal corporations, the business would have to file a tax return for each municipal corporation in which it did business. H.B. 49 (132nd General Assembly) enacted law providing businesses with a state-administered alternative to such filing. The law allows taxpayers, beginning with the 2018 taxable year, to elect to have the tax commissioner serve as the sole administrator for the municipal net profit tax. For those taxpayers making the election, one municipal net profit tax return is filed through the Ohio Business Gateway for processing by the Department. The Department handles all administrative functions for those centrally-filed returns, including the distribution of payments to the appropriate municipalities, billing, assessment, collections, audits, and appeals. The first payments were received by the Department in March 2018 and the first distributions were made in April 2018.

This section is limited to reporting on the Department's administration of R.C. 718.80-718.95. For details on municipal income taxes generally, please see the Municipal Income Tax section.

Taxpayer (R.C. 718.01 and 718.81). For purposes of R.C. 718.80-718.95, taxpayers are persons subject to the municipal net profit tax levied by a municipal corporation other than disregarded entities, natural persons, or entities subject to the tax imposed under Chapter 5745, and may include receivers, assignees, or trustees in bankruptcy when such persons are required to assume the role of a taxpayer.

Tax base (R.C. 718.01, 718.81, and municipal ordinances/resolutions). The tax base for electing taxpayers is municipal taxable income. Municipal taxable income means income apportioned or sitused to the municipal corporation under R.C. 718.82, as applicable, reduced by any pre-2017 net operating loss carryforward available to the person for the municipal corporation.

Tax rates (R.C. 718.04, 718.80, and municipal ordinances/resolutions). Chapter 718 requires rates to be uniform. The rates are determined locally. The maximum rate permitted to be levied without the approval of voters in the municipality is 1 percent. On or before the thirty-first day of January each year, each municipality imposing a tax on income must certify to the tax commissioner the rate of the tax in effect on the first day of January of that year.

Credits, deductions, and exemptions (Chapter 718 and municipal ordinances/resolutions). Taxpayers may claim refundable and nonrefundable jobs creation or jobs retention tax credits granted by resolution or ordinance of a municipal corporation pursuant to R.C. 718.15-718.151. Taxpayers may also deduct net operating losses incurred in a taxable year beginning on or after January 1, 2017 and may carry excess losses forward for five years. For taxable years beginning in 2018 through 2022, taxpayers may only deduct fifty percent of the amount of the net operating loss deduction otherwise allowed. Taxpayers may also deduct net operating losses incurred in taxable years prior to 2017 in municipalities that permit such a deduction. Other applicable deductions and exemptions are described in the definition of "adjusted federal taxable income" in R.C. 718.81(B).

Filing and payment dates (R.C. 718.85, 718.851, and 718.88). Annual returns are due from taxpayers on the same date as federal income tax returns. The annual return reconciles tax liability with the amount remitted through quarterly estimated payments. Taxpayers are required to file all returns and declarations electronically through the Gateway. Payments must be remitted electronically through the Gateway or through the Ohio treasurer of state via electronic funds transfer (EFT).

Disposition of Revenues (R.C. 718.83, 718.85, and Ohio Adm. Code 5703-41-02). Upon receipt of amounts paid pursuant to R.C. 718.80-718.95, 0.5 percent of the revenue is credited to the municipal income tax administrative fund and the remaining 99.5 percent is credited to the municipal income tax fund. By the fifth day of each month, the Department distributes money credited to the municipal income tax fund that was collected during the second preceding month to various municipalities entitled to receive the distribution based upon the returns and declarations filed by electing taxpayers. Collections for Joint Economic Development Districts (JEDD) and Joint Economic Development Zones (JEDZ) are distributed to those municipalities that have collections agreements with their respective JEDDs and JEDZs. In Fiscal Year 2018, a total of $11.1 million was collected with $11.0 million credited to the Municipal Income Tax Fund and just under $0.1 million credited to the administration fund. A total of $6.9 million was distributed, representing three months (distributions for April-June 2018). For details, see the Data Appendix.

Administration (R.C. 718.80-718.95 and Chapter 5703). For electing taxpayers, the tax commissioner serves as the sole administrator of the municipal net profit tax for the term of the election and administers the tax pursuant to R.C. 718.80 to 718.95 and any applicable provision of Chapter 5703. A taxpayer's election is binding for one tax year at a time and the election will automatically renew unless the taxpayer notifies the Department and the municipal corporations in which it is subject to tax that it is terminating the election.

History of Major Changes.

2017	H.B. 49 authorizes taxpayers to elect to be subject to R.C. 718.80-718.95 in lieu of the provisions set forth in the remainder of Chapter 718.

Comparisons with Competitor States (as of June 30, 2018).

See the Municipal Income Tax section for comparison with other states.

Natural Gas Distribution Tax

Overview. The natural gas distribution tax was enacted by the Ohio General Assembly effective July 1, 2001, as part of a larger series of tax changes involving the natural gas industry. The tax was designed to replace the revenue lost by school districts and local governments when the assessment rate on the personal property of natural gas companies was reduced from 88 percent to 25 percent. Effective July 1, 2011, the Ohio General Assembly established that all revenue from the natural gas distribution tax is to be credited to the General Revenue Fund. During fiscal year 2018, natural gas distribution tax collections were approximately $69.6 million.

Taxpayer (R.C. 5727.811). The tax is levied on companies that meet the definition of a "natural gas distribution company" in R.C. 5727.80(K).

Tax Base (R.C. 5727.811). The base of the tax is the amount of natural gas distributed through the meter of an end user in Ohio.

Rates (R.C. 5727.811). In most cases, a three-bracket rate schedule applies to the amount of natural gas distributed to each end user, as measured in 1,000 cubic feet (Mcf).

Distribution to end users	Rates per Mcf
First 100 Mcf per month	15.93 cents
Next 101 to 2,000 Mcf per month	8.77 cents
2,001 or more Mcf per month	4.11 cents

Small distribution companies with 70,000 or fewer customers may elect to apply the standard rate schedule outlined above to the total amount of natural gas distributed to all of its Ohio customers, as if all distribution had been made to a single customer. This results in a lower overall tax rate for the distribution company.

The rate on natural gas distributed to flex customers is 2 cents per Mcf. A flex customer is an industrial or commercial facility that consumed more than one billion cubic feet of natural gas a year at a single location during any of the previous five years or that purchases natural gas distribution services at a discount as part of a special arrangement. Special arrangements are arrangements subject to review and regulation by the Public Utilities Commission under R.C. 4905.31, arrangements with a natural gas distribution company pursuant to a municipal ordinance, or a variable rate schedule that permits rates to vary between defined amounts provided that the schedule is on file with the Public Utilities Commission.

Exemptions (R.C. 5727.811). The natural gas distribution tax does not apply to the distribution of natural gas to the federal government or natural gas produced by an end user, consumed by that end user or its affiliates, and not distributed through the facility of a natural gas company.

Filing and payment dates (R.C. 5727.82). Returns and payments are due as follows:

Quarterly returns	Due date
January - March	May 20th
April - June	August 20th
July - September	November 20th
October - December	February 20th

Disposition of Revenue (R.C. 5727.811). All revenue is deposited in the state's General Revenue Fund.

Comparisons with Competitor States (as of June 30, 2018). Georgia, Kentucky, Indiana, Michigan, North Carolina, Pennsylvania, Tennessee, Texas, and West Virginia do not have comparable natural gas distribution-based taxes.

History of Collections.

Table 1: Natural Gas Distribution Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Revenue
2014	$76.1
2015	74.7
2016	60.7
2017	61.8
2018	69.6

Source: Office of Budget and Management financial reports.

History of Major Changes.

2000	H.B. 287 created the tax effective July 1, 2001. The tax is designed to replace local tax revenue that were lost from a reduction in natural gas utility personal property tax assessment percentages.
2002	Distribution formula is changed. The share to the School District Property Tax Replacement Fund fell from 70 percent to 68.7 percent; the share to the Local Government Property Tax Replacement Fund increased from 30 percent to 31.3 percent.
2011	H.B. 153 enacted an allocation of 100 percent of the revenue to the General Revenue Fund effective July 1, 2011.

Pass-through Entity and Trust Withholding Tax

Overview. The pass-through entity and trust withholding tax, enacted in 1998, is not so much a separate tax as it is a mechanism designed to collect individual income tax that is otherwise due and payable by equity investors in certain pass-through entities. All the revenue collected from pass-through entities is included in the income tax revenue amounts shown in Table 1 in the **Individual Income Tax** section of this report.

Table 1: Pass-Through Entity and Trust Withholding: fiscal year 2018 (in millions)

Form IT 1140	$247.1
Form IT 4708	263.0

Source: Ohio Department of Taxation

Please note, refundable pass-through entity tax credits claimed on the IT 1040 for taxable year 2016 were approximately $163.9 million.

A pass-through entity is an S corporation, a partnership, or a limited liability company (LLC) treated for federal income tax purposes as either a partnership or an S corporation. Each qualifying pass-through entity doing business in Ohio or otherwise having nexus with Ohio is subject to the pass-through entity withholding tax. Qualifying trusts are also subject to the withholding tax. See the Special Provisions section in this chapter for details. Many pass-through entities are not "qualifying pass-through entities" and, therefore, are not subject to the withholding or composite tax. Pass-through entities not subject to the withholding tax include entities whose investors are limited to full-year Ohio resident individuals or Ohio resident estates. A more complete listing of exempt pass-through entities is available in the Exemptions and Exclusions section of this chapter.

An explanation of two of the pass-through entity tax forms follows:

IT 1140 – The IT 1140 is a withholding form that the qualifying pass-through entity completes and files with the Department of Taxation. Through the IT 1140, a tax of 5 percent is withheld from the income of all qualifying individual investors and an entity tax of 8.5 percent is withheld from the income of qualifying investors that are not individuals. The entity tax, historically 8.5 percent, was phased out for most corporate investors as part of the phase-out of the corporation franchise tax but still applies to most investors who are themselves pass-through entities (see Entity Tax Phase-Out for Qualifying Investors). When completing their individual tax returns (IT 1040), a qualifying individual investor may claim a refundable income tax credit based on the investor's proportionate shares of the pass-through withholding and entity tax reported on the IT 1140.

IT 4708 – This form is a composite return completed and filed by the pass-through entity on behalf of one or more of the entity's investors for whom income tax has not been previously withheld. By being included in form IT 4708, nonresident investors meet their filing and payment obligation with respect to that income and need not file a separate individual income tax return unless they have other Ohio-source income. On the IT 4708, the tax is calculated at the highest individual income tax rate for nonbusiness income for the taxable year for which the return is filed.

Entity Tax Phase-Out for Qualifying Investors (R.C. 5733.41). The entity tax that a qualifying pass-through entity must withhold was phased out for qualifying investors that were also subject to the phase-out of the corporation franchise tax. Certain investors were not subject to the phase-out rates. For these qualifying investors, the pass-through entity must continue to compute the entity tax at the rate of 8.5 percent. These investors include: certain financial holding companies, bank holding companies and savings and loan holding companies, certain affiliates of these holding companies, and certain affiliates of financial institutions, certain affiliates of insurance companies, and securitization companies. The 8.5 percent entity tax rate also continues to apply to investors that are estates, trusts, and other pass-through entities.

Taxpayer (R.C. 5733.40, 5747.08). A qualifying pass-through entity is generally an "S" corporation, a partnership or an LLC treated for federal income tax purposes as a partnership or an "S" corporation. An entity that files the IT 4708 is deemed a "taxpayer" under Ohio law. See the Exemptions and Exclusions section of this chapter for a list of pass-through entities excluded from the definition of a qualifying pass-through entity.

Tax Base (R.C. 5733.40, 5747.02, 5747.08, 5747.40-401)

Form IT 1140

The tax base is the net sum of qualifying investors' distributive shares of the pass-through entity's income, gain, expense and loss apportioned to Ohio. This net sum is known as the "adjusted qualifying amount."

Form IT 4708

The tax base is the distributive shares of the pass-through entity's taxable income to qualifying non-corporate investors, to the extent that such income was not reported on form IT 1140.

Rates (R.C. 5733.41, 5747.02, 5747.08, 5747.41)

Form IT 1140

A 5 percent withholding tax rate applies to adjusted qualifying amounts for those qualifying equity investors who are individuals. Before 2005, an 8.5 percent entity tax rate was uniformly applied to adjusted qualifying amounts for those qualifying equity investors that are not individuals. However, this entity tax is 0 percent on those "adjusted qualifying amounts" that pertain to qualifying investors subject to the phase-out of the corporate franchise tax. No tax is due if the total adjusted qualifying amount is $1,000 or less.

Form IT 4708

The applicable rate is the highest marginal individual income tax rate, which was 4.997 percent for the 2017 taxable year.

Exemptions and Exclusions (R.C. 5733.40-402, 5747.08, 5747.401)

Form IT 1140

The following are not qualifying pass-through entities: disregarded entities and qualifying subchapter S subsidiaries if the owner is filing, or is exempt from filing, with the Ohio Department of Taxation the appropriate income or franchise tax returns; entities having no qualifying investors (see below for a list of investors that do not qualify); pension plans and charities; publicly-traded partnerships; real estate investment trusts (REITs), regulated investment companies (RICs), and real estate mortgage investment conduits (REMICSs);

The following investors are not qualifying investors:

- pension plans or charities;
- publicly-traded partnerships;
- colleges or universities;
- investors that are public utilities in Ohio and are required to pay the Ohio public utility excise tax;
- investors that are insurance companies, fraternal corporations, beneficial corporations, bond investment corporations, health maintenance organizations or any other corporation required to file an annual report with the Ohio superintendent of insurance;
- investors that are dealers in intangibles as defined in R.C.5725.01(B);

- real estate investment trusts (REITs), regulated investment companies (RICs) and real estate mortgage investment conduits (REMICs);
- non-resident individual estates on whose behalf, the qualifying pass through entity files Ohio form IT 4708, Composite Income Tax Return for Certain Investors in a Pass-through Entity, for the taxable year;
- investors that are themselves qualifying pass-through entities if the qualifying pass-through entities' investors during the three-year period beginning 12 months before the first day of the investee entity's taxable year are limited to those investors set forth in any of the items, above (or any combination thereof);
- investors that are themselves pass-through entities, but only if the owners of those other pass-through entities are limited to (i) individuals who are full-year residents of Ohio, (ii) estates domiciled in Ohio, (iii) nonresident individuals on whose behalf those other pass-through entities file Ohio form IT 4708, Composite Income Tax Return for Certain Investors in a Pass-through Entity, and/or (iv) nonresident estates on whose behalf those other pass-through entities file Ohio form IT 4708, Composite Income Tax Return for Certain Investors in a Pass-through Entity, for the taxable year;
- investors that are either trusts or funds whose beneficiaries are limited to the following during the taxable year of the qualifying pass-through entity: beneficiaries of a pension plan trust, profit-sharing trust, a stock bonus plan trust or similar retirement trust; beneficiaries of or the recipients of payments from a trust or fund that is a nuclear decommissioning reserve fund, a designated settlement fund, or any other similar trust or fund established to resolve and satisfy injury claims; or beneficiaries of a complex trust, but only if the trust irrevocably agrees in writing that, for the taxable year during or for which the trust distributes any of its income to any of its beneficiaries who are individuals residing outside Ohio, the trust will withhold tax as required under R.C. 5747.41 through 5747.453;
- investors that are "investment pass-through entities" (defined below), but only if the investment pass-through entity provides to the qualifying pass-through entity the name, address and Social Security number or federal employer identification number (FEIN) of each person who has an equity investment in the investment pass-through entity;
- investors that are either trusts or funds whose beneficiaries are limited to the following during the taxable year of the qualifying pass-through entity; • Persons that are or may be beneficiaries of a pension plan trust, profit-sharing trust, a stock bonus plan trust or similar retirement trust; OR • Persons that are or may be beneficiaries of or the recipients of payments from a trust or fund that is a nuclear decommissioning reserve fund, a designated settlement fund, or any other similar trust or fund established to resolve and satisfy similar injury claims; OR • Persons who are or may be the beneficiaries of a complex trust, but only if the trust irrevocably agrees in writing that, for the taxable year during or for which the trust distributes any of its income to any of its beneficiaries who are individuals residing outside Ohio, the trust will be withholding tax as required under R.C. sections 5747.41 through 5747.453;
- investors that are "investment pass-through entities", but only if the investment pass-through entity provides to the qualifying pass-through entity the name, address and Social Security number or federal employer identification number (FEIN) of each person who has an equity investment in the investment pass-through entity using the Ohio IT K-1.

Special Provisions (R.C. 5747.08)

Form IT 1140

Qualifying trusts – Qualifying trusts are also subject to the 5 percent withholding tax. A qualifying trust is generally any trust that meets all four of the following tests: files the IRS form 1041, U.S. Income Tax Return, for Estates and Trusts; has at least one beneficiary who is neither a full-year Ohio resident individual nor an Ohio resident estate; makes a distribution to a nonresident beneficiary; and the distribution directly or indirectly relates either to real estate located in Ohio or to tangible personal property located in Ohio. If an entity is a trust whose beneficiaries are limited to full-year Ohio resident individuals or Ohio resident estates, then it is not a qualifying trust and is not subject to the pass-through entity withholding tax. The filing, payment, and credit provisions that apply to qualifying pass-through entities and investors also apply to qualifying trusts and beneficiaries.

Pass-through to Pass-through – The 8.5 percent entity withholding tax does not apply to any pass-through entity to the extent that the pass-through entity's distributive shares of income and gains pass through from that entity to another pass-through entity (referred to as the "investing entity"), as long as four conditions are met by the investing entity: is not an "investment pass-through entity" (see below); acknowledges that it has nexus with Ohio during the taxable year; makes a good faith effort to comply with the 8.5 percent entity tax or the 5 percent withholding tax, as applicable; and includes in its apportionment factors its proportionate share of each lower-tiered pass-through entity's property, payroll, and sales.

Investment pass-through entities – Neither the 8.5 percent entity tax nor the 5 percent withholding tax applies to the items and income, listed below, that are earned by an "investment pass-through entity." An investment pass-through entity is a pass-through entity having at least 90 percent of its assets represented by intangible assets and having at least 90 percent of its gross income from one or more of the following sources:

• transaction fees earned in connection with the acquisition, ownership or disposition of intangible property;
• loan fees;
• financing fees;
• consent fees;
• waiver fees;
• application fees;
• net management fees (management fees that the pass-through entity earns or receives from all sources reduced by the management fees that the pass-through entity incurs or pays to any person), but only if such net management fees do not exceed 5 percent of the pass-through entity's profit;
• dividend income;
• interest income;
• net capital gains from the sale or exchange of intangible property;
• all types and classifications of income and gain attributable to distributive shares of income and gain from other pass-through entities.

Investment pass-through entity investors – An equity investor in an investment pass-through entity is deemed to be an equity investor in any other qualifying pass-through entity in which the investment pass-through entity is a direct investor. Each deemed investor's portion of such qualifying pass-through entity's adjusted qualifying amount is the product of the adjusted qualifying amount that would otherwise pass-through to the investment pass-through entity, multiplied by the percentage of the deemed investor's direct ownership in the investment pass-through entity.

Form IT 4708 – A pass-through entity cannot claim nonbusiness exemptions or nonbusiness credits, such as the personal exemption credit. However, the pass-through entity can claim a proportionate share amount of business credits (such as the job training credit) for those investors that are included on the pass-through entity's return. Also, the election to file a composite IT 4708 return applies only to the taxable year for which the election is made. Unless the Tax Commissioner provides otherwise, this election is binding and irrevocable for the taxable year for which the election is made.

Filing and payment dates (R.C. 5747.08-09, 5747.42-44, Ohio Admin. Code 5703-7-01)

Form IT 1140

Qualifying pass-through entities whose total "adjusted qualifying amounts" exceed $10,000 must make estimated quarterly tax payments on Form IT 1140 ES. The IT 1140 must be filed by the 15th day of the fourth month following the end of the entity's taxable year. For taxpayers with a January 1 through December 31 taxable year, the return is due on April 15. If the entity has sought an extension of time to file its federal tax return (IRS form 1065 or 1120S), then the qualifying pass-through entity has the same extended time to file the Ohio tax return. The payment deadline, however, will not be extended.

Form IT 4708

The pass-through entity must make estimated tax payments on Form IT 4708 ES if the pass-through entity's tax due for the current year is more than $500. The return is generally due by April 15 of the calendar year immediately following the calendar year in which the pass-through entity's taxable year ends. If the pass-through entity has sought an extension of time to file its federal tax return, then the pass-through entity has the same extended time to file the Ohio return on form IT 4708.

Disposition of Revenue (R.C. 5733.12, 5747.41). The revenue collected from the IT 1140 withholding tax and the form IT 4708 tax is treated as individual income tax revenue.

Comparisons with Competitor States (as of June 30, 2017). The states with a tax most closely approximating this tax are those states requiring withholding tax on the pass-through entity income of nonresident investors. These states include Georgia, Indiana, Kentucky, North Carolina, Pennsylvania, and West Virginia.

History of Collections.

Table 2: Collections from IT 4708 and 1140: fiscal years 2014-2018 (in millions)

Fiscal Year	IT 4708	IT 1140
2014	$168.2	$179.8
2015	199.8	228.3
2016	200.6	221.7
2017	192.6	215.5
2018	263.0	247.1

Source: Ohio Department of Taxation

History of Major Changes.

1998	Withholding tax enacted at a rate of 5 percent on individual qualifying investors and 8.5 percent on non-individual qualifying investors.
2002	Ohio decoupled from federal accelerated depreciation laws requiring a 5/6 add back for bonus depreciation.
2003	H.B. 127 revised Ohio's method of situsing sales in Ohio as part of the sales factor for apportioning corporate and trust income.
2005	H.B. 66 launched a gradual phase-out of the 8.5 percent entity withholding tax rate for that portion of adjusted qualifying amounts pertaining to investors subject to the phase-out of the corporate franchise tax. The phase-out was completed in 2009.

Petroleum Activity Tax (PAT)

Overview. For tax periods commencing on or after July 1, 2014, receipts from the sale, transfer, exchange, or other disposition of motor fuel became excluded from the definition of gross receipts for purposes of the commercial activity tax (CAT). At that time, suppliers of motor fuel began to pay the replacement motor fuel receipts tax measured by the supplier's gross receipts derived from the first sale of motor fuel within this state or "actual gross receipts." Beginning with tax periods commencing on or after July 1, 2015, the Petroleum Activity Tax (PAT) statute was amended to change the tax base from "actual gross receipts" to "calculated gross receipts." Calculated gross receipts is the product of taxable gallons sold multiplied by a statewide wholesale price per gallon that is updated each quarter. Total collections during fiscal year 2018 were approximately $74.8 million. Of the amount remaining after 1 percent was deposited into the Petroleum Activity Tax Administration Fund (just over $0.7 million), approximately $66.0 million was deposited into the Petroleum Activity Tax Public Highways Fund and approximately $7.8 million into the GRF.

Taxpayer (R.C. 5736.01). The PAT is imposed on each "supplier" of motor fuel. A "supplier" is any person that meets any of the following: (1) Sells, transfers, or otherwise distributes motor fuel from a terminal or refinery rack to a location in this state and that point is outside of a distribution system; (2) Imports or causes the importation of motor fuel for sale, exchange, transfer, or other distribution by the person to location in this state and that point is outside of a distribution system; (3) Knowingly purchases motor fuel from an unlicensed supplier.

Tax Base (R.C. 5736.01, 5735.01). For all sales of motor fuel, calculated gross receipts are the product of the total number of gallons first sold within this state by a supplier during the tax period multiplied by an average statewide wholesale price per gallon, by motor fuel type, for the calendar quarter that begins six months before the upcoming calendar quarter. With respect to sales of gasoline, the statewide average wholesale price of unleaded regular gasoline is utilized. With respect to sales of propane, the average wholesale price of propane is utilized. For sales of all motor fuel that is not gasoline or propane, the statewide wholesale price of diesel fuel is utilized. Motor fuel means gasoline, diesel fuel, K-1 kerosene, or any other liquid motor fuel, including, but not limited to liquid petroleum gas or liquid natural gas, but excluding substances prepackaged and sold in containers of five gallons or less.

Tax Rate (R.C. 5736.02). The PAT is levied at a rate of 0.65 percent.

Exclusions (R.C. 5736.01). Any fuel sold by a supplier to a point outside of Ohio is not included in the supplier's tax base for purposes of the PAT. Motor fuel exchanges and the sale of fuel on which the supplier may claim a bad debt are also excluded from the tax base. Additionally, blend stock or additives on which the tax has previously been paid may be excluded from calculated gross receipts.

Credits (R.C. 5736.50). Two tax credits are available for PAT taxpayers. These are the refundable and non-refundable job retention tax credits. Information about these credits has been consolidated in the **Business Tax Credits** chapter of the Annual Report.

Publication of Average Wholesale Prices (R.C. 5736.02). The Tax Commissioner determines and publishes, on the website of the Department of Taxation, the statewide average wholesale prices of a gallon of unleaded regular gasoline, of a gallon of propane, and of a gallon of diesel fuel for each calendar quarter. The figure must be published at least 15 days before the beginning of the calendar quarter. The Commissioner bases the average wholesale price on pricing information available from the United States Energy Information Administration or, if such information is not available from that agency, from another publicly available source selected by the Commissioner. The Commissioner makes reasonable efforts to obtain data specific to Ohio before using national data to determine average wholesale price. The price does not include any federal or state excise taxes on the gasoline or diesel fuel or the PAT. The price is rounded up to the nearest one-tenth of one cent.

Licensing (R.C. 5736.06). All motor fuel suppliers subject to PAT must apply for a license with the Tax Commissioner. All suppliers are required to renew their licenses annually on or before March 1. Importers, applicants that solely import or cause the importation of motor fuel for sale, exchange, or transfer in this state are subject to a $300 license fee. Distributors, applicants that sell, transfer, exchange, or otherwise dispose of motor fuel to a point outside the distribution system, are subject to a $1,000 license fee. Applicants operating as both an importer and a distributor are subject to a $1,000 license fee.

Filing and Payment Dates (R.C. 5736.04). Taxpayers must file quarterly electronic returns through the Ohio Business Gateway. Quarterly returns are due by the 10th day of the second month after the end of each calendar quarter (May 10, August 10, November 10, and February 10).

Disposition of Revenue (R.C. 5736.02 and 5736.13). All collections from the PAT are deposited in the petroleum activity tax fund. From that fund, one percent is dedicated to the petroleum activity tax administration fund. The portion of the remainder derived from the sale of motor fuel used for propelling vehicles on public highways and waterways is deposited in the Petroleum Activity Tax Public Highways Fund and must be used for the purposes of maintaining the state highway system, funding the enforcement of traffic laws, and covering the costs of hospitalization of indigent persons injured on public highways. All other revenue is deposited in the state General Revenue Fund.

Comparisons with Competitor States (as of June 30, 2018).. No state selected for comparison in this publication imposes a tax measured by gross receipts from the sale or exchange of motor fuel.

History of Collections.

Table 1: Petroleum Activity Tax collections: fiscal years 2015-2017 (in millions)

Fiscal Year	Revenue
2015	$72.2
2016	79.1
2017	63.2
2018	74.8

Source: Office of Budget and Management financial reports.

History of Major Changes.

2013	H.B. 59 enacted the motor fuel receipts tax (MFRT) to replace the Commercial Activities Tax as it applies to receipts from the sale or exchange of motor fuel. MFRT begins July 1, 2014.
2014	H.B. 492 renamed the MFRT the Petroleum Activity Tax and changed the basis of the tax from actual gross receipts to a per-gallon, average price-per-gallon basis.
2015	H.B. 64 changed the base upon which the tax is imposed in the case of propane by using the average market price of propane, instead of diesel, to calculate a taxpayer's gross receipts.

Public Utility Excise Tax

Overview. Ohio's public utility excise tax is a tax on the privilege of doing business in Ohio, measured by gross receipts, which dates to 1894. Classes of public utilities liable for the tax include natural gas, heating, pipeline, water transportation and water works companies. Companies liable for this excise tax do not pay the commercial activity tax. During fiscal year 2018, public utility excise tax collections were approximately $119.2 million.

Taxpayer (R.C. 5727.01-02). Taxpayers include heating, pipeline (excluding businesses primarily consisting of producing or gathering natural gas - rather than supplying or distributing natural gas to consumers - or producing, refining, or marketing petroleum products), water transportation, water works and natural gas companies.

Tax base (R.C. 5727.01, 5727.24, 5727.30). The tax is measured by taxable gross receipts.

Tax Rates (R.C. 5727.24-25, 5727.38). The tax rate is 6.75 percent for pipeline companies and 4.75 percent for all other taxpayers. A minimum tax of $50 applies each tax year.

Exemptions and deductions (R.C. 5727.02 and 5727.33). Public utilities owned by municipal corporations are exempt from the tax. Also exempt are all telephone companies, inter-exchange telecommunications companies, electric companies, rural electric companies, nonprofit water companies, and railroads.

All companies receive a standard annual deduction of $25,000. Natural gas companies paying quarterly receive a $6,250 deduction on each return. Additionally, the following gross receipts are exempt from the tax:

- receipts derived wholly from interstate business;
- receipts from business done for or with the federal government;
- receipts from the sale of merchandise;
- receipts from sales to other public utilities for resale; and
- receipts billed on behalf of other entities by natural gas companies.

Credits (R.C. 5727.29 and 5727.241). Natural gas and combined electric and natural gas companies may claim a refundable venture capital investment credit against the tax imposed. The credit amount and tax year in which the credit may be claimed must be listed on a tax credit certificate issued by the Ohio Venture Capital Authority.

Filing and Payment Dates (R.C. 5727.25, 5727.31, 5727.38, 5727.42, 5727.48). Company annual statements (returns) are due to the tax commissioner by August 1 for the tax year ending April 30. Taxpayers may request an extension of up to 30 days.

Tax assessments - By the first Monday in November, the tax commissioner may assess the amount of tax due for the year and certifies that amount to the company.

Advance payments - Companies with a tax liability of $1,000 or more during the preceding year are required to make three advance payments, each in an amount equal to one-third of the previous year's certified tax liability. These advance payments are due to the treasurer of state on October 15, March 1 and June 1.

Final payments - When the current year's total tax liability exceeds the sum of the three advance payments, there is a deficiency, and the tax commissioner will issue an assessment by the first Monday in November. A refund is issued when advance payments exceed the total liability certified by the tax commissioner.

Natural gas and combined electric and gas companies - Companies that exceeded $325,000 in annual liability pay the excise tax quarterly. Quarterly payments are due 45 days after the end of each calendar quarter. Companies below the $325,000 threshold for the preceding calendar year pay 45 days after the thirty-first day of December.

Disposition of Revenue (R.C. 5727.45). All revenues from the public utility excise tax are deposited into the General Revenue Fund.

Comparisons with Competitor States (as of June 30, 2018).

Georgia	All electric, railroad, water, steam, and natural gas companies are subjected to the state's corporate income tax and franchise tax in the same manner as other non-utility corporations. Regulated public utilities are assessed additional fees.
Indiana	A 1.4 percent gross receipts tax is applied from all utility services consumed within the state.
Kentucky	Public utilities pay a utility gross receipts license tax for schools of up to 3 percent. In addition, telecommunications providers pay a 3 percent telecommunications tax on multichannel video programming (MVP) services, a 2.4 percent gross revenues tax on MVP services, and a 1.3 percent gross revenues tax on communications services.
Michigan	The state does not levy a specific public utility excise tax. Utilities organized as C corporations are subject to Michigan corporate income tax. Cities that are organized as corporations with a population over 600,000 may levy a "utility users tax" on utility and intra-state communications service. Detroit levies such a tax at a 5 percent rate.
North Carolina	Telecommunication, railroad, transportation, and water and sewerage companies are subject to the state's corporate income tax and general business franchise tax. Sales of electricity and piped natural gas in the state are subject to the state sales tax (4.75 percent) and local sales taxes (in most counties, the combined rates amount to 6.75 percent or 7 percent).
Pennsylvania	Electric companies are taxed at 5.9 percent on gross receipts from sales of electric energy. Transportation and telecommunications companies pay a rate of 5 percent on gross receipts.
Tennessee	Gas, water, and electric utilities pay a utility gross receipts tax rate of 3 percent on gross receipts from intrastate commerce. A separate gross receipts tax is imposed at a 3 percent rate on the gross receipts of other "public utilities." Companies that manufacture or distribute manufactured gas or natural gas pay a rate of 1.5 percent on gross receipts. A credit is allowed against liability for franchise and excise taxes paid by the utility.
Texas	Three utility classes (gas, electric, and water) pay utility gross receipts tax rates ranging from 0.581 percent to 1.997 percent of gross receipts from business done in incorporated cities or towns, depending upon the population of the incorporated city or town in which the utility operates.
West Virginia	West Virginia levies business and occupation taxes measured by gross receipts on public utilities. Water companies pay tax at a rate of 4.4 percent. Natural gas companies and toll bridges pay tax at a rate of 4.29 percent. Other public service/ utility businesses pay tax at a rate of 2.86 percent. Street, inter-urban and electric railways pay at a rate of 1.4 percent. Electric power companies (producers) pay a rate based on the generating capacity of their electric generating facilities.

History of Collections.

Table 1: PUET collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Total
2014	$106.0
2015	114.5
2016	103.7
2017	106.9
2018	119.2

Office of Budget and Management financial reports.

History of Major Changes.

1894	Legislature enacted tax.
1911	Current tax structure established.
1935	A 1 percent rate increase is applied to certain utilities.
1938	Rates increased for certain utilities.
1963	Advance payment system begins.
1966	Starting July 1, 1966, all revenue is allocated to the state's general revenue fund. Previously, close to half of the revenue was distributed to counties and cities for poor relief and other welfare programs.
1971	Rates are increased from 3 percent to 4 percent for most utilities.
1980	For 1981, rates are temporarily increased from 4 percent to 5 percent for most utilities.
1981	For 1982, rates are temporarily increased from 4 percent to 4.5 percent for most utilities. In addition, a 5.55 percent surtax is imposed on utilities' 1982 liabilities.
1982	For 1983, rates are temporarily increased from 4.25 percent to 4.5 percent for most utilities. In addition, a 5.55 percent surtax is imposed on utilities' 1983 liabilities.
1983	For 1983, rates are temporarily increased from 4.5 percent to 5 percent for most utilities. For 1984 and thereafter, rates are permanently increased from 4.25 percent to 4.75 percent for most utilities.
1987	Long-distance telephone companies are exempted from the public utility excise tax.
1991	In response to a 1987 federal court decision (*General American Transportation Corp. v. Limbach*) the legislature repealed the tax for freight-line and equipment companies as well as interstate toll bridge, artificial gas, union depot, cooling, express and messenger companies, starting with the 1990 tax year.
1999	Electric and rural electric companies shifted to the kilowatt-hour tax, effective May 1, 2001. Final public utility excise tax payments for such companies are due June 2001.
2000	Large natural gas companies required to begin paying the excise tax on a quarterly basis.
2003	Telephone companies shifted from the public utilities excise tax to the corporation franchise tax, effective after the 2004 tax year.
2017	H.B. 49 transferred collection and refund responsibilities related to this tax from the Treasurer of State to the Tax Commissioner. It requires all payments to be made to and all refunds to be made by

	the Tax Commissioner, except for tax payments required to be made by electronic funds transfer. It shortens the maximum filing extension from 60 to 30 days, removes a requirement that excise tax penalties not paid within 15 days be certified to the Attorney General for collection, and allows the Tax Commissioner to assess the excise tax against utilities.

Replacement Tire Fee

Overview. The replacement tire fee generates revenue intended to defray the cost of regulating scrap tire facilities and to abate accumulations of scrap tires. Revenue from the fee also funds grants to promote research regarding alternative methods of recycling scrap tires and loans to promote the recycling or recovery of energy from scrap tires. During fiscal year 2018, total collections were approximately $8.6 million.

Taxpayer (R.C. 3734.903). The tire fee is paid by any wholesale distributor of replacement tires or by any retail dealer acquiring tires on which the fee has not been paid.

Tax Base (R.C. 3734.90-.901). The tire fee applies to the sales of new tires with rims of 13 inches or more designed for use on a motor vehicle and sold as replacements. Tires that are used, or retreads, or tires on a new motor vehicle are not subject to the tire fee.

Tax Rate (R.C. 3734.901). The tire fee is $1.00 per tire.

Filing and Payment Dates (R.C. 3734.904). Returns and payments are due on the 20th day of each month. If the return and total fees due are filed and paid timely, the taxpayer is entitled to a discount of 4 percent on the total amount due.

Disposition of Revenue (R.C. 3734.901-.9010). The Tire Fee Administration Fund receives 2 percent for appropriation to ODT to cover administrative costs. The remaining 98 percent is distributed evenly between the Scrap Tire Management Fund and the Soil and Water Conservation District Assistance funds.

Comparisons with Competitor States (as of June 30, 2018).

Georgia	
Indiana	25 cents per tire on new tires.
Kentucky	$1 per tire on new tires.
Michigan	$1.50 tire disposal surcharge assessed on vehicle title transfers.
North Carolina	2 percent privilege tax on all tires sold that are less than 20 inches in bead diameter;1 percent for tires with a bead diameter at least 20 inches.
Ohio	$1 per tire on new replacement tires.
Pennsylvania	$1 per tire on new replacement tires.
Tennessee	$1.35 per tire on new replacement tires.
Texas	No state fee.[1]
West Virginia	$5.00 imposed on each car registration.[1]
[1]Texas & West Virginia: A disposal fee may be charged to customers.	

History of Collections.

Table 1: Replacement Tire Fee collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Collections
2014	$7.6
2015	7.3
2016	7.6
2017	7.8
2018	8.6

Source: Office of Budget and Management financial reports.

History of Major Changes.

1993	S.B. 165 created the fee effective December 1, 1993 with a sunset date of June 30, 2002.
1999	H.B. 283 extended the fee through June 30, 2006.
2001	H.B. 94 increased the fee from 50 cents to $1 per tire.
2005	H.B. 66 extended the tire fee through June 30, 2011. The percentage of revenue distributed to the Tire Fee Administration Fund is reduced from 4 percent to 2 percent. The percentage to the Scrap Tire Management Fund rises to 98 percent.
2011	H.B. 153 extended the tire fee through June 30, 2013 and stipulated that a portion of the revenue be distributed to the Soil & Water Conservation District Conservation Fund.
2013	H.B. 59 extended the tire fee through June 30, 2016.
2015	H.B. 64 extended the tire fee through June 30, 2018.
2017	H.B. 49 extended the tire fee through June 30, 2020.

Sales and Use Tax

Overview. The sales and use tax is the state's primary source of revenue. The Ohio sales tax dates to 1934, when the General Assembly enacted a 3 percent sales tax effective January 1935. The use tax followed a year later. In 1967, the legislature adopted a 4 percent state rate and, for the first time, authorized county governments to levy piggyback taxes, subject to repeal by a majority vote of the county electorate. In 1974, transit authorities were also granted the authority, with voter approval, to levy piggyback taxes. The current state sales and use tax rate, 5.75 percent, was established on Sept. 1, 2013. During fiscal year 2018, the tax generated approximately $10.3 billion in collections. Of that amount, approximately $10.1 billion was distributed to the General Revenue Fund (GRF) and the balance to the Public Library Fund (PLF).

Taxpayer (R.C. 5739.01, 5739.03, 5739.031, 5739.17, 5741.01). The sales tax is called a "trust" tax because consumers entrust the tax to persons who make retail sales with the understanding that the tax will be reported and paid to the State of Ohio in a timely manner. Any person who makes a "retail sale" subject to tax, or stores, uses, or consumes tangible personal property, or realizes a benefit in this state from any taxable service on which sales tax has not been paid is required to file a return and remit the tax due. See Exhibit 1 for a description of taxpayers and applicable vendor's licenses.

Exhibit 1. Sales and Use Taxpayers and License, Permit or Account Types:

Taxpayer	Cost of License	Description
Vendor	$25	Each person or business establishment located in Ohio making retail sales.
Transient Vendor	$25	Retailer who makes sales in any county in which they have no fixed place of business. The license is valid statewide.
Seller	No Fee	Retailer located outside of Ohio who makes retail sales of property or services for storage, use, or consumption in Ohio.
Direct pay permit holder	No Fee	Consumers authorized by the Tax Commissioner to remit tax directly to the state instead of to the vendor. This authority can only be issued upon application if the Commissioner determines that granting the authority would improve compliance and increase the efficiency of the administration of the tax.
Clerks of court	No Fee	Dealers remit taxes collected on sales of motor vehicles, watercraft, and outboard motors to county clerks of court when a title is issued. Clerks of court also collect the tax on casual sales of motor vehicles, and sales of watercraft and outboard motors required to be titled. Clerks of court remit these receipts to the state.
Consumers' use tax account	No Fee	Purchasers who have not paid the tax to a vendor or seller (in most cases for out-of-state transactions) make payments directly to the state.
Streamlined sales and streamlined use tax accounts	No Fee	Remote sellers in any other state that has passed laws conforming to the Streamlined Sales Tax Agreement and that sell their products to customers in Ohio using the Internet, mail order, or telephone, without having a physical presence in Ohio, collect and remit on such sales.

Tax Base (R.C. 5739.01, 5741.01). State, county, and transit authority sales and use taxes apply to all retail sales of tangible personal property that are not specifically exempted by state law. The taxes also apply to the rental of tangible personal property, the rental of hotel rooms by transient guests, and sales of the following enumerated services:

- repair of tangible personal property;
- installation of tangible personal property;
- washing, cleaning, waxing, polishing and painting of a motor vehicle;

- laundry and dry cleaning services;
- automatic data processing, computer services and electronic information services used in business;
- telecommunications services;
- lawn care and landscaping services;
- private investigation and security services;
- building maintenance and janitorial services;
- employment services and employment placement services;
- exterminating services;
- physical fitness facility services;
- recreation and sports club services;
- mobile telecommunications services;
- satellite broadcasting services;
- personal care services;
- transportation of persons by motor vehicle or aircraft entirely within this state;
- motor vehicle towing services;
- snow removal services; and
- electronic publishing services.

The tax also applies to all transactions by which:

- a warranty, maintenance or service contract is, or is to be, provided;
- all transactions by which tangible personal property is, or is to be, stored;
- a specified digital product is provided for permanent use or less than permanent use, regardless of whether continued payment is required.

The use tax base is identical to that of the sales tax. Use tax applies to the storage, use or other consumption in this state of taxable tangible personal property and the benefit realized in this state of any taxable service provided the vendor did not charge sales tax. For additional information on the use tax, see the discussion in Tax Rates, below, under Sourcing.

Tax Rates (R.C. 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 5741.021-5741.023)

State rate. The state sales and use tax rate has been 5.75 percent since Sept. 1, 2013.

Local rates. Please see the section of this report entitled Sales and Use Tax – Counties and Transit Authorities for a discussion of permissive sales and use taxes.

Sourcing. For taxable sales made by Ohio vendors and delivered to an Ohio consumer, the sales tax rate is based on the location where the vendor receives the order. Sales made by out-of-state sellers are generally sourced to the location where the consumer receives the tangible personal property. Exceptions include services where the rate is based on the location where the service is received. Special sourcing rules are in place for certain sales of electronic information services, electronic publishing services and software delivered electronically that are concurrently available for use by the consumer in multiple locations, for certain types of direct mail, for telecommunications services, and for leases. Generally, the applicable use tax rate for all taxable sales on which no sales tax was paid to the vendor is based on the location of the purchaser. Effective Jan. 1, 2010, a consumer has no additional use tax liability on the purchase of tangible personal property if the consumer paid sales tax to a vendor, regardless of whether the amount of sales tax invoiced is calculated at the rate where the consumer receives the property or the rate where the vendor received the order. Consumers do, however, have a liability on purchases made out-of-state, by catalog or via the Internet on which no sales tax has been paid. Taxpayers with an annual consumer's use tax liability exceeding $1,000 must register for a consumer's use tax account and file returns. Other taxpayers can remit consumer use tax either on state income tax returns or by filing a use tax voluntary payment form.

Exemptions and Exceptions (R.C. 5709.25, 5739.01, 5739.011, 5739.02, 571.02, 6121.16, 6123.041).
The sales and use tax does not apply to:

- service transactions in which tangible personal property is an inconsequential element for which no separate charge is made except for the services that are specifically taxable (see Tax Base);
- tangible personal property or the benefit of a taxable service to be resold in the form received;
- the refundable deposit paid on returnable beverage containers, cartons and cases;
- transportation of persons or property, except the transportation of persons specifically taxed as a service;
- sales to the state or any of its political subdivisions;
- food for human consumption off the premises where sold;
- food sold to students in a dormitory, cafeteria, fraternity or sorority;
- newspapers;
- food served without charge to employees as part of their compensation;
- motor vehicle fuel subject to the state motor fuel excise tax;
- gas, water and steam delivered through pipes or conduits by a utility company (or if applicable, a municipal gas company) and electricity delivered through wires;
- communications services provided by telegraph companies;
- casual sales except for motor vehicles, titled watercraft and outboard motors, snowmobiles and all-purpose vehicles;
- sales by churches and nonprofit organizations (except for the sale of motor vehicles) provided that the number of sales does not exceed six days each year;
- sales to churches, nonprofit organizations included under Internal Revenue Code (I.R.C.) 501(c)(3), nonprofit scientific research organizations, and to other nonprofit charitable organizations;
- sales to nonprofit hospitals and to those privately held homes for the aged and hospital facilities that are financed with public hospital bonds;
- sales to nonprofit community centers and to producers offering presentations in music, dramatics, the arts, and related fields to foster public interest and education;
- sales to non-commercial, educational broadcasting stations;
- sales to U.S. government agencies;
- transportation of persons or property, unless the transportation is by a private investigation and security service or a transaction under R.C. 5739.01(B(3)(r);
- building and construction material sold to contractors for incorporation into real property constructed for federal, state or local governments; for religious and certain other nonprofit charitable institutions; for horticulture and livestock structures; and for other specified organizations and industries;
- ships and rail rolling stock used in interstate or foreign commerce and material used for the repair, alteration, or propelling of such vessels;
- material, machinery, equipment and other items used in packaging property to be sold at retail;
- as defined by federal law, normally taxable food items, such as soft drinks, sold to persons using food stamps;
- sales of property for use in agricultural production;
- all drugs for a human dispensed by prescription; urine and blood testing materials used by diabetics or persons with hypoglycemia; medical oxygen and medical oxygen equipment for personal use; hospital beds for personal use; and epoetin alfa for persons with a medical disease;
- prosthetic devices, durable medical equipment for home use, or mobility enhancing equipment sold by prescription for use by a human;
- emergency and fire protection vehicles used exclusively by nonprofit organizations in providing emergency and fire protection services for political subdivisions;
- property manufactured in Ohio and immediately shipped outside the state for use in retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer;
- sales of services provided by the state or any of its instrumentalities;
- motor vehicles sold in Ohio to nonresidents for titling and use in most other states and Canada, provided that the other state or province does not collect sales tax from Ohio residents for motor vehicles

purchased there or provided that the state offers a credit to their residents for vehicles purchased in Ohio;

- property used in the preparation of eggs for sale;
- bulk water for residential use;
- fees paid for the inspection of emission control equipment on motor vehicles;
- items used in preserving, preparing, or serving food, or material used in maintaining or cleaning these items in a commercial food service operation;
- sales of animals by nonprofit animal shelters and county humane societies;
- tangible personal property used by holders of exempt facility certificates issued by the tax commissioner in air, noise, or water pollution control facilities or in energy conversion, solid waste energy conversion, or thermal efficiency improvement facilities;
- sales and installation of agricultural land tile and the sale and installation of portable grain bins to farmers;
- sales, leases, repairs and maintenance of motor vehicles used primarily in providing highway transportation for hire;
- sales to state headquarters of veterans' organizations chartered by Congress or recognized by the U.S. Department of Veterans Affairs;
- sales of tangible personal property and services used directly in providing a telecommunications service, mobile telecommunications service, or satellite broadcasting service;
- property used to store and handle purchased sales inventory in a warehouse or similar facility, when the inventory is primarily distributed outside Ohio to retail stores of the person who owns or controls the warehouse, to retail stores of an affiliated group of which the owner of the warehouse is a member, or by means of direct marketing;
- sales of computer equipment made to qualifying certified teachers and used for educational purposes;
- sales of certain tangible personal property made to qualified motor racing teams;
- sales of used manufactured and mobile homes;
- sales of tangible personal property and services to a provider of electricity used or consumed directly and primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become a part of the consumer's production, transmission, or distribution system and that retains its classification as tangible personal property after incorporation; fuel or power used in the production, transmission, or distribution of electricity; and tangible personal property and services used in the repair and maintenance of the production, transmission, or distribution system, including only those motor vehicles as are specially designed and equipped for such use. The exemption provided in this division shall be in lieu of all other exemptions in division (B)(42)(a) of section 5739.02 of the Revised Code to which a provider of electricity may otherwise be entitled based on the use of the tangible personal property or service purchased in generating, transmitting, or distributing electricity;
- sales of personal property and services used directly and primarily in providing taxable intrastate transportation of persons;
- property and labor used to fulfill a warranty or service contract;
- items used in acquiring, formatting, editing, storing and disseminating data or information by electronic publishing;
- tangible personal property used or consumed in commercial fishing;
- sales of equipment used in qualified research and development;
- sales of coin-operated car washes;
- the provision of self-service laundry or dry cleaning facilities;
- repair and replacement parts and repair and maintenance services for aircraft used primarily in a fractional aircraft ownership program;
- sales of telecommunications services used directly and primarily to perform the functions of a call center;
- items used in the repair and maintenance of aircraft and avionics systems for aircraft;
- repair, remodeling, replacement or maintenance services performed on aircraft or on an aircraft's engine, avionics, or component materials or parts;

- sales of full flight simulators that are used for pilot or flight-crew training and repair and replacement parts or components for such full flight simulators; and repair and maintenance services for full flight simulators
- sales of investment metal bullion and investment coins;
- sales of natural gas by a municipal gas company;
- sales of a digital audio work electronically transferred for delivery through use of a machine, such as a juke box, that accepts direct payments to operate, automatically plays a selected digital audio work for a single play upon receipts of a payment, and operated exclusively for the purpose of playing digital audio works in a commercial establishment; and
- sales of an item of clothing priced $75 or less, an item of school supplies priced $20 or less, or an item of school instructional material priced $20 or less, which occur on the first Friday of August and the following Saturday and Sunday of each year.

Also, Ohio law:

- permits a 25 percent sales tax refund for qualified computer purchases for providers of electronic information services;
- caps at $800 the sales or use tax on any aircraft sold as a fractional share aircraft;
- exempts from the use tax items that are held by a person, but not for that person's own use, and donated to a charitable organization or to the state or its political subdivisions for exclusively public purposes;
- does not include sales to or by a cable service provider, video service provider or radio or television broadcast station regulated by the federal government of cable service or programming, video service or programming, audio service or programming, or electronically transferred digital audiovisual or audio work;
- does not tax intrastate transportation of persons by transit bus or ambulance or by a person holding a Certificate of Public Convenience and Necessity under 49 United States Code 41102; or does not include in the tax base copyrighted motion picture films unless solely used for advertising.

Ohio law also includes direct use and primary use exemptions. The direct use exemption applies to:

- material incorporated as a component part of tangible personal property produced for sale by manufacturing, assembling, processing or refining;
- material used or consumed directly in the production of tangible personal property by mining, farming, agriculture, horticulture, floriculture, or used in the production of and exploration for crude oil and natural gas;
- tangible personal property used directly in rendering a public utility service;
- tangible personal property used or consumed in the preparation for sale of printed and other reproduced material and magazines distributed as controlled circulation publications; and
- certain property used in making retail sales including: advertising material or catalogs used or consumed in making retail sales that price and describe property; preliminary materials sold to direct marketing vendors that will be used in printing advertising material; printed matter that offers free merchandise or chances to win sweepstakes prizes and includes advertising material; equipment primarily used to accept orders for direct marketing retail sales; and certain automatic food vending machines.

The primary use exemption refers to tangible personal property used primarily in a manufacturing operation to produce a product for sale. The primary use exemption includes, but is not necessarily limited to, the following items:

- production machinery and equipment that act upon the product being produced;
- handling and transportation equipment (except licensed motor vehicles) used in moving property in or between plants during the production process;
- property used in producing property that is used or consumed in the production of a final product (use on use);

- coke, gas, water, steam and similar substances used in the manufacturing operation;
- catalysts, solvents, water, acids, oil and similar consumables that interact with the product and are an integral part of the manufacturing operation;
- property that is used to control, physically support, or is otherwise necessary for functioning of machinery and equipment and continuation of the manufacturing operation;
- machinery and equipment, detergents, supplies, solvents and any other tangible personal property located at a manufacturing facility that are used in the process of removing soil, dirt or other contaminants from, or otherwise preparing in a suitable condition for use, towels, linens, articles of clothing, floor mats, mop heads or other similar items, to be supplied to a consumer as part of laundry and dry cleaning services, only when the towels, linens, articles of clothing, floor mats, mop heads or other similar items belong to the provider of the services;
- ORC section 122.175, allows a taxpayer that proposes a capital improvement project for an eligible computer data center in this state to apply to the tax credit authority to enter an agreement for a complete or partial sales and use tax exemption on computer data center equipment used at the eligible computer data center.

Special Provisions

Cumulative filing (R.C. 5739.12 and Ohio Admin. Code 5703-9-09). The Tax Commissioner may require a vendor that operates from multiple locations or has multiple vendors' licenses to report all liabilities on one consolidated return. Vendors with two or more places of business in Ohio may, upon approval by the tax commissioner, file a single monthly consolidated return reporting on one form the information that normally is required to be reported from each location.

Pre-arranged agreements (R.C. 5739.05 and Ohio Admin. Code 5703-9-08). Vendors, such as fast food outlets, whose business is of a nature that keeping records of which sales are taxable and which are exempt would impose an unreasonable burden, may be authorized by the tax commissioner to pay an amount based on a test check conducted to determine the proportion of taxable sales to total sales.

Pre-determined agreements (R.C. 5739.05 and Ohio Admin. Code 5703-9-08). Vendors, such as coin-operated vending machine operators, whose business is of a nature that the collection of the tax from consumers would impose an unreasonable burden, may be authorized by the tax commissioner to pay the tax at a pre-determined rate based on an analysis of sales and prices.

Construction contractors (R.C. 5739.01 and Ohio Admin. Code 5739-9-14). Construction contractors are considered to be the consumers of property incorporated into the construction of or improvement to real property and, thus, are responsible for paying the tax on such property.

Payment by EFT (R.C. 5739.032, 5739.122, 5741.121). Vendors are required to remit payment by electronic funds transfer (EFT) in cases where annual liability exceeds $75,000 per calendar year. Taxpayers required to use this payment method will be notified by the department. Vendors that do not meet the $75,000 threshold may request authorization by the treasurer of state to remit tax payments by EFT.

Accelerated tax payment (R.C. 5739.032, 5739.122, 5741.121). Vendors required to remit tax by EFT are required to make advance payment of 75 percent of each month's anticipated tax by the 23rd day of that month. These vendors are still required to file a return by the 23rd of the next month and pay the balance of their tax due, along with that month's accelerated payment.

Filing and Payment Dates (R.C. 5739.031, 5739.12, 5739.17, 5741.12, Ohio Admin. Code 5703-9-10). See Exhibit 2 for a summary of filing and payment dates.

Exhibit 2: Types of Sales Tax Returns and Filing Payment Dates

Type of Return	Taxpayer	Payment Date
Weekly	Clerks of court	Payment on Friday for taxes collected during the preceding week on motor vehicles, and on watercraft and outboard motors, titled.
Semi-monthly	JobsOhio Beverage System	By the 15th day of the month for the tax collected during the last 15 days of the previous month, and by the last day of the month for the tax collected during the first 15 days of the month, on spirituous liquor sold in state-contracted liquor agency stores.
Monthly	Vendors, sellers, transient vendors, direct pay permit holders, consumer use tax accounts, streamlined sales tax accounts, streamlined use tax accounts, delivery vendors	By the 23rd day of the month following the close of the reporting period, which is the previous month. Taxpayers whose annual liability in a prior year exceeded $75,000 are required to pay by EFT. These same taxpayers are required to make accelerated payments during each month.
Quarterly	Direct pay permit holders, consumer use tax accounts	By the 23rd day of January, April, July, and October for their tax liability during the preceding three months, this method of payment may be authorized for accounts with less than $5,000 in quarterly tax liability.
Semi-annual	Vendors, sellers, transient vendors, delivery vendors	By the 23rd day of the month following the close of each semi-annual period (predetermined by filing schedule) for the tax collected during the preceding six-month period; this method of payment may be authorized for vendors and sellers whose tax liability is less than $1,200 per six-month period.

Discount (R.C. 5739.12, 5741.12). Payments made on or before the due date entitle the vendor to a discount of 0.75 percent of the amount due. (Example: $5,000 tax due – $37.50 discount = $4,962.50 net tax due.)

Disposition of Revenue (R.C. 5739.21, 5741.03). The amount of state sales tax revenue deposited into the PLF varies from year to year based on a fixed percentage of all tax revenues deposited into the GRF. One half of each monthly transfer from the GRF to the PLF is credited against the state sales tax portion of GRF revenues.

Comparisons with Competitor States (as of June 30, 2018).

State	State Rate	Maximum Local Rate	Maximum Total Rate
Georgia	4.00 percent	4.90 percent	8.90 percent
Indiana	7.00	---	7.00
Kentucky	6.00	---	6.00
Michigan	6.00	---	6.00
North Carolina	4.75	2.75	7.50
Pennsylvania	6.00	2.00	8.00
Tennessee	7.00	2.75	9.75
Texas	6.25	2.00	8.25
West Virginia	6.00	1.00	7.00

History of Collections.

Table 1: State Sales and Use Tax collections: fiscal years 2014-2018 (in millions)

Fiscal year	Total
2014	$9,344.6
2015	10,147.6
2016	10,537.3
2017	10,806.3
2018	10,343.0

Source: Office of Budget & Management fiscal reports.

History of Major Changes.

1934	General Assembly enacted a 3 percent sales tax effective Jan. 1, 1935.
1935	Legislature enacted a companion use tax effective Jan. 1, 1936.
1936	Ohio voters approved a constitutional amendment exempting food for human consumption off the premises where sold.
1962	The use of sales tax stamps is discontinued.
1967	Legislature increased rate to 4 percent and broadens the tax base to include cigarettes and beer.
1971	Cigarettes again became exempt.
1980	State sales tax rate temporarily increased to 5 percent from Jan. 1 through June 30, 1981.
1981	H.B. 694 increased the state sales tax rate from 4 percent to 5.1 percent. Some vendors claimed the new rate was incompatible with their registers. Subsequently, H.B. 552 lowered the state rate to 5 percent. Other provisions of H.B. 694 were retained, including broadening the base to again include cigarettes, as well as repairs and other selected services. Other legislation established a credit for trade-ins on new motor vehicles.
1983	Tax base broadened to include business data processing services.
1987	Purchases made with food stamps exempted from the tax; long distance telecommunications service made taxable.
1990	Tangible personal property primarily used in manufacturing operations exempted from the tax, replacing a direct use exemption for manufacturers. Also, a credit is established for trade-ins on new or used watercraft.
1991	Tax base broadened to include lawn care, landscaping, private investigation, and security services.
1993	Legislature broadened tax base to include building cleaning and maintenance, exterminating, employment agency and personnel supply services as well as memberships in physical fitness facilities and recreation and sports clubs. Exemptions established for qualified property used in

	research and development and for nonprofit scientific organizations. Vendor discount lowered from 1.5 percent to 0.75 percent of tax collections.
1994	Purchases made by organizations defined under Internal Revenue Code 501(c)(3) exempted.
1997	Sale of personal computers and qualified equipment to licensed and certified teachers exempted.
1999	Sale of used manufactured and mobile homes exempted, effective Jan. 1, 2000.
2000	For the purposes of the sales and use tax, sales of new manufactured or mobile homes are no longer considered motor vehicle sales.
2000	Transient vendor's license fee reduced from $100 to $25. Definition of an exempt casual sale is changed to include items that had been subject to the taxing jurisdiction of another state.
2001	The application of the sales and use tax on certain leased motor vehicles, watercraft, aircraft, and on the lease of tangible personal property by businesses is changed so that the tax is paid upon consummation of the lease.
2002	Refunds allowed to be issued directly to consumers in cases where the consumer illegally or erroneously paid tax to the vendor.
2003	State sales tax rate temporarily increased from 5 percent to 6 percent from July 1, 2003 to June 30, 2005. Vendor discount temporarily increased from 0.75 percent to 0.9 percent during the same period. Also: • tax base expanded to laundry and dry cleaning, satellite broadcasting service, personal care services, intrastate transportation of persons by motor vehicle or aircraft, towing service, snow removal and the storage of tangible personal property. • threshold increased for mandatory payment by electronic funds transfer from $60,000 annual tax liability to $75,000, and such taxpayers begin paying on an accelerated schedule. • some definitions of food, beverages and medical supplies changed to conform to the provisions of the multistate Streamlined Sales Tax Project.
2005	State sales tax rate reset to 5.5 percent and temporary vendor discount rate of 0.9 percent extended through June 30, 2007.
2006	Property withdrawn from inventory and donated to a charitable organization exempted from the use tax.
2008	General Assembly enacts H.B. 429, which allows Ohio to retain origin sourcing for most sales of tangible personal property made by Ohio vendors to Ohio consumers effective Jan. 1, 2010.
2009	Electronic filing of sales tax returns became mandatory. General Assembly, in H.B. 1, applied sales tax to monthly Medicaid premiums received by health insuring corporations in lieu of a former 5.5 percent franchise fee.
2013	State sales and use tax rate increased to 5.75 percent, effective Sept. 1, 2013.
2014	Ohio became a full member of the Streamlined Sales Tax Project.
2015	H.B. 64 prescribed new criteria for determining whether sellers have substantial nexus with Ohio and permits sellers to rebut the presumptions.
2016	S.B. 172 exempted the sale or use of investment metal bullion and investment coins. H.B. 390 exempted sales of natural gas by a municipal gas company.
2017	H.B. 49 enacted law requiring an out-of-state seller with annual Ohio sales in excess of $500,000 or 200 or more Ohio transactions, and if the seller either uses in-state computer software to make Ohio sales or has an agreement with a third party to provide content distribution networks in Ohio to accelerate or enhance delivery of the seller's website to Ohio consumer, to collect and remit use tax, regardless of whether or not those sellers have a physical presence or a substantial nexus with Ohio. It exempted purchases of digital music purchased from and played by a single-play commercial music machine (jukebox.).
2018	• S.B. 226 enacted a permanent sales tax "holiday" occurring on the first Friday of August and the following Saturday and Sunday of each year, beginning in 2018. On those days, sales taxes are not levied on the sale of an item of clothing priced $75 or less, an item of school supplies priced $20 or less, or an item of school instructional material priced $20 or less. Sales tax "holidays" covering the same items and same price thresholds took place on a temporary basis Aug. 7-9, 2015, Aug. 5-7, 2016; and Aug. 4-6, 2017.

	• S.B. 8 amended the definition of an exempt prosthetic device to include corrective eyeglasses or contact lenses, on or after July 1, 2019. • H.B. 430 enumerated a separate exemption for tangible property used or consumed directly in production of crude oil and natural gas for sale. This separate exemption maintains current practice. • H.B. 133 eliminated the application of use tax to equipment used in this state by an out-of-state disaster business during a disaster response period under certain conditions.

Severance Tax

Overview. The severance tax, effective in 1972, is paid by persons or firms that extract, or sever, certain natural resources from the soil or waters of Ohio. Severers are licensed by the tax commissioner and other designated state agencies. During fiscal year 2018, severance tax collections were approximately $66.1 million (excluding a hold fund balance).

Tax Base (R.C. 5749.02). The tax is levied on the weight or volume of certain natural resources extracted from the soil or water of Ohio.

Tax Rates (R.C. 5749.02). The tax rates on the severance of most natural resources are as follows:

Resource	Tax Rate
Clay, sandstone, shale, conglomerate, gypsum and quartzite	1 cent per ton
Dolomite, gravel, sand and limestone	2 cents per ton
Natural gas	2.5 cents per Mcf
Oil	10 cents per barrel
Salt	4 cents per ton

Coal: The base tax rate on coal is 10 cents per ton. It does not include two additional levies that have applied since April 1, 2007:

- an additional 1.2 cents per ton on surface mining operations.
- an additional 12, 14 or 16 cents per ton reclamation tax on operations without a full cost bond, depending on the amount. This rate varies based on the amount remaining in the state Reclamation Forfeiture Fund at the end of each state budget biennium. The rate is 12 cents if the balance of the fund is $10 million or more; 14 cents if it is between $10 million and $5 million; and 16 cents if it is $5 million or less.

Exemptions and Credits (R.C. 5749.03). An annual exemption applies to natural resources used on the land from which they are taken by the severer, as part of the improvement of or use in the severer's homestead.

Special Provisions. The Chief of the Division of Mineral Resources Management certified on July 17, 2017 that the balance of the Reclamation Forfeiture Fund was greater than $10 million. Thus, the reclamation tax rate on coal mining operations without a full cost bond is 12 cents per ton effective Jan. 1, 2018. Although not part of the severance tax, oil and gas well owners are subject to the oil and gas regulatory cost recovery assessment. The assessment is based on a formula that takes into consideration the number of wells owned, the production of those wells, and the amount of severance tax paid. Wells designated as domestic exempt prior to July 1, 2010 are not subject to the assessment. The assessment is reported on the severance tax return by either the owner or severer. The oil and gas regulatory cost recovery assessment for a well that became an exempt domestic well on or after June 30, 2010, is $60 and is paid to the Division of Oil and Gas Resources Management.

Filing and Payment Dates (R.C. 5749.06). Payments are due May 15, August 14, November 14, and February 14 for the quarterly periods ending the last day of March, June, September and December, respectively. Annual returns are due February 14. Electronic filing and payment are required.

Disposition of Revenue (R.C. 5749.02).

Fund	Revenue Source
Geological Mapping Fund	4.76% of the 10 cent per ton base severance tax on coal
	All salt severance revenue
	7.5% of limestone, dolomite, sand and gravel severance tax collections
Unreclaimed Lands Fund	14.29% of the 10 cent severance tax on coal
	42.5% of linestone, dolomite, sand and gravel severance tax collections
	All of the 1.2 cent tax on coal mined using surface mining methods
Oil and Gas Well Fund	90% of the oil and gas severance tax collections
Coal Mining Administration Fund	80.95% of the 10 cent tax on coal
Reclamation Forfeiture Fund	All revenue from the tax on coal operations without a full cost bond, which may vary from 12 cents to 16 cents depending upon the amount in the fund.
Surface Mining Administration Fund	50% of limestone, dolomite, sand and gravel severance tax collections

Comparisons with Competitor States (as of June 30, 2018).

Indiana	Oil & gas – greater of either 1 percent of the petroleum value or 3 cents per Mcf from natural gas and 24 cents per barrel of oil
Kentucky	Oil – 4.5 percent of market value of all crude petroleum produced Gas and other minerals – 4.5 percent of the gross value of the natural resource severed, with a minimum tax of 50 cents per ton of coal
Michigan	Oil – 7.6 percent of gross cash market value; marginal/stripper wells taxed at 5 percent Gas – 6 percent of the gross cash market value; secondary/enhanced recovery taxed at 5 percent Nonferrous metallic minerals – 2.75 percent of the taxable mineral value
North Carolina	Oil and condensate – 2 percent of gross price paid Gas – 0.9 percent of market value
Pennsylvania	Impact fee on horizontal wells ranging from $50,700 in the first year of production to $20,300 in the fourth year of production, varying with the price of natural gas; fee for vertical wells is 20 percent of the fee for horizontal wells
Tennessee	Crude oil & gas – 3 percent of sales price Coal – $1 per ton Mineral – Counties may tax up to 15 cents per ton
Texas	Oil – 2.3 to 4.6 percent for oil Gas – 7.5 percent of market value
West Virginia	Oil – 5 percent of gross value at wellhead Natural gas – 5 percent of gross value at wellhead Coal – 4.65 percent of gross value[1] Timber – 1.5 percent of gross value

[1] There is a minimum severance tax of 75 cents per ton of coal and different rates may be levied depending upon the coal. An additional coal severance tax is levied at the rate of 0.35% of gross value for the benefit of West Virginia counties and municipalities.

History of Collections.

Table 1. Severance Tax Collections[1] FY 2014 - 2018 (in millions)

Natural Resource	Tax Rate	Measurement	2014	2015	2016	2017	2018
Coal	25.2	cents per ton	$4.5	$4.9	$3.7	$2.9	$2.8
Natural Gas	2.5	cents per Mcf	3.3	14.4	26.7	37.9	58.4
Limestone	2	cents per ton	1.0	1.2	1.3	1.2	1.4
Oil	10	cents per barrel	0.7	1.5	2.6	2.3	2.4
Gravel	2	cents per ton	0.3	0.3	0.3	0.4	0.3
Sand	2	cents per ton	0.3	0.3	0.4	0.4	0.4
Dolomite	2	cents per ton	<0.1	<0.1	<0.1	<0.1	<0.1
Salt	4	cents per ton	0.1	0.2	0.2	0.2	0.2
Clay	1	cent per ton	<0.1	<0.1	<0.1	<0.1	<0.1
Sandstone	1	cent per ton	<0.1	<0.1	<0.1	<0.1	<0.1
Shale	1	cent per ton	<0.1	<0.1	<0.1	<0.1	<0.1
Quartzite	1	cent per ton	<0.1	<0.1	<0.1	<0.1	<0.1
Severance Tax Receipts Fund[2]			4.8	4.0	4.8	0.5	-14.1
Total			**$15.0**	**$26.9**	**$40.1**	**$45.7**	**$52.1**

[1]Excludes revenue from Oil and Natural Gas Regulatory Cost Recovery assessments.

[2]Severance taxes are paid into this holding account and then allocated by using tax returns.

Source: Office of Budget and Management fiscal reports.

History of Major Changes.

1971	Legislature enacted H.B. 475 creating tax effective January 1, 1972.
1981	H.B. 1051 enacted an additional temporary 1 cent per ton tax on coal to be collected depending on the balance in the Defaulted Areas Fund.
1983	H.B. 291 increased the rate from 3 cents to 10 cents per barrel of oil and from 1 cent to 2.5 cents per Mcf of natural gas.
1985	H.B. 238 increased the permanent rate on coal from 4 cents to 7 cents per ton and included an additional 1 cent per ton temporary tax on coal, also conditioned on the balance of the Defaulted Areas Fund.
1989	Effective July 1, 1989, H.B. 111 increased the rate on limestone, dolomite, shale, conglomerate, gypsum, and quartzite.
1998	The 122nd General Assembly enacted S.B. 187 making permanent one of the temporary 1 cent per ton coal levies.
2006	H.B. 433 changed the base rate on coal to 10 cents per ton. The bill also levied an additional 1.2 cents per ton for surface mining operations and an additional levy of up to 16 cents per ton on operations without a full cost bond.
2009	H.B. 1 directed all revenue from the salt component of the tax to the Geological Mapping Fund where previously the fund received 15 percent of the revenue.
2010	S.B. 165 created an oil and gas "regulatory cost recovery assessment" effective July 1, 2010. While not part of the severance tax, the assessment is reported on severance tax returns.
2013	H.B. 59 required electronic filing and payment of the tax.

2017	H.B. 49 removed the existing $1,000 limit on a severance tax exemption for resources severed from land owned by the severer and instead exempts gas severed by an exempt domestic well on and after October 1, 2017.

Wireless 9-1-1 Charge

Overview. Wireless 9-1-1 charges provide state level funding for local wireless 9-1-1 services. Current law imposes a 9-1-1 charge on each wireless phone number of a wireless service subscriber who has a billing address in Ohio at the rate of 25 cents per month and on the purchase of prepaid wireless services occurring in Ohio at the rate of 0.5 percent of the purchase price. During fiscal year 2018, approximately $25.2 million was collected for the Wireless 9-1-1 Government Assistance Fund, $0.5 million for the 9-1-1 Program Fund, and $0.3 million for the Wireless 9-1-1 Administration Fund.

Taxpayer (R.C. 128.42). Each wireless service subscriber of a wireless telephone number who has a billing address in Ohio pays a monthly charge of 25 cents. Each retail purchaser of a prepaid wireless calling service occurring in Ohio pays a wireless 9-1-1 charge of 0.5 percent of the sale price. The charge is collected by the retailer at the point of sale for prepaid wireless services.

Tax Base (R.C. 128.42). For post-paid wireless, it is each wireless phone number of a wireless service subscriber with a billing address in Ohio. For prepaid wireless service, it is the sales price.

Rates (R.C. 128.42). For post-paid wireless, 25 cents per month. For prepaid wireless, 0.5 percent of the purchase price.

Special Provisions (R.C. 128.44 and 128.46). A wireless service provider reseller and seller may retain 3 percent of the wireless 9-1-1 charge as a collections fee. Returns and payments of charges must be remitted electronically except upon showing of good cause. The Department of Taxation must provide not less than 30 days advance notice to known wireless service providers, resellers, and sellers of prepaid wireless calling services of any increase or decrease in 9-1-1 charges.

Filing and payment dates (R.C. 128.46). Returns and payments are due on the 23rd day of each month.

Disposition of Revenue (R.C. 128.54-.55, 128.57). The revenues from the charges are allocated as follows:

- 97 percent to the Wireless 9-1-1 Government Assistance Fund;
- 2 percent to the 9-1-1 Program Fund; and
- 1 percent to the Wireless 9-1-1 Administration Fund.

Counties receive a monthly distribution from the Wireless 9-1-1 Government Assistance Fund. The distribution is to occur by the end of each month. The counties receive the same amount as they received in the corresponding month during calendar year 2013. In the event of insufficient moneys to make the distributions, each county receives a distribution in proportion to the county's share during the corresponding month in calendar year 2013. Any shortfall in distributions from a previous month must be remedied in the following month. The Next Generation 9-1-1 Fund is to receive from the Wireless 9-1-1 Government Assistance Fund any remainder in the administration funds at the end of each fiscal year.

Comparisons with Competitor States (as of June 30, 2018).

Georgia	Prepaid $0.75 Post-paid $1.00
Indiana	Prepaid $1.00 Post-paid $1.00
Kentucky	Prepaid $0.93 Post-paid $0.70
Michigan	Prepaid 1.92 percent of the sale price Post-paid $0.19 state fee and $0-$3.00 county fee
North Carolina	Pre- and post-paid $0.60

Pennsylvania	Pre- and post-paid $1.65
Tennessee	Pre- and post-paid $1.16
Texas	Prepaid 2 percent of sale price Post-paid $0.50
West Virginia	Prepaid 6 percent of sale price. Post-paid $3.00

History of Collections.

Table 1: Wireless 9-1-1 Fee collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Wireless 9-1-1 Government Assistance Fund	9-1-1 Program Fund	Wireless 9-1-1 Adminstrative Fund	Total
2014[1]	$15.3	$0.3	$0.2	$15.8
2015	24.8	0.5	0.3	25.6
2016	24.8	0.5	0.3	25.6
2017	25.0	0.5	0.3	25.8
2018	25.2	0.5	0.3	26.0

[1] Fiscal year 2014 represents only a partial year's collections.

Source: Office of Budget and Management financial reports.

History of Major Changes.

2004	H.B. 361 established a service charge of 32 cents per month to be billed on each wireless number of a subscriber with a billing address in the state.
2008	S.B. 129 reduced the wireless 9-1-1 charge from 32 cents per month to 28 cents per month.
2012	H.B. 360 decreased the post-paid monthly wireless 9-1-1 charge from 28 cents to 25 cents. The enactment required the prepaid wireless charge to be 0. 5 percent of the retail price imposed at the point of sale.
2012	H.B. 472 required the monthly wireless 9-1-1 charge to be continuously imposed on prepaid subscribers until the new prepaid charge imposed at the point of sale took effect on January 1, 2014.
2013	H.B. 59 codified 9-1-1 service law into Chapter 128 of the Ohio Revised Code.
2014	H.B. 483 enacted the wireless 9-1-1 charge to the list of taxes and fees that can be refunded from the refund fund.
2015	H.B. 64 stopped the monthly transfer to the next generation 9-1-1 fund, of any excess remaining in the wireless 9-1-1 government assistance fund after the monthly transfers to counties are made. Additionally, any shortfall in monthly distribution from the wireless 9-1-1 government assistance fund to counties resulting from insufficient funds from a previous month must be remedied in the following month.
2017	H.B. 49 established that interest is charged for late Wireless 9-1-1 Charge remittances and is payable on refunds of overpaid charge remittances. It specified that the charge does not have to be paid if the amount due is $1.00 or less.

Taxes no longer in effect

Tables and Charts. Certain taxes are no longer in effect yet still result in collections (or refunds) from assessments, audits, etc. from prior tax periods. Reported here are collections from the phased-out Corporate Franchise Tax, Dealers in Intangibles Tax, and Estate Tax. The Corporate Franchise Tax was phased out for tax years beginning in 2015 and thereafter. The Dealers in Intangibles Tax was phased out for report years 2014 and thereafter. The Estate Tax was phased out for the estates of persons dying on or after January 1, 2013.

Table 1: Corporate Franchise Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Gross Tax Collections	Refunds	Net Tax Collections
2014	$72.6	$8.4	($11.2)
2015	49.6	47.0	2.6
2016	37.5	4.3	33.2
2017	5.8	7.0	(1.2)
2018	3.3	1.1	2.2

Source: Office of Budget and Management financial reports.

Table 2. Dealers in Intangibles Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	State General Revenue Fund
2014	$0.5
2015	<0.1
2016	0.1
2017	-0.7
2018	(0.4)

Source: Office of Budget and Management financial reports.

Table 3: Estate Tax collections: fiscal years 2014-2018 (in millions)

Fiscal Year	Total Collections	State General Revenue Fund	Local Governments
2014	$206.8	$39.4	$167.4
2015	16.6	3.1	13.5
2016	12.3	2.2	10.1
2017	4.6	0.8	3.8
2018	1.3	0.2	1.1

Source: State GRF figures are based on actual receipts reported by the Office of Budget and Management financial reports. Local government figures represent the certified local share of the estate tax (including fees) from the semi-annual settlements that occur each year. Effective January 1, 2002, the state share of the estate tax became 20% and the local share became 80%.

State Revenue Sharing with Local Governments

Local Government Fund

Overview. The Local Government Fund (LGF) dates to the Jan. 1, 1935 establishment of the state sales tax. The fund has undergone many changes in the ensuing decades, but the basic elements remain: a designated portion of state revenues is deposited into the LGF, a statutory formula is used to allocate revenue monthly to the undivided LGFs of each of Ohio's 88 counties, and county budget commissions determine the distribution of the undivided moneys to local subdivisions. In 1972, the state added a new element by allowing municipalities to receive a share of the LGF because the state enacted a personal income tax.

Recent changes (R.C. 131.44, 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, 5747.03, 5747.503). Beginning in August 2013, the LGF began to receive 1.66 percent of all General Revenue Fund tax collections of the previous month, and a guaranteed minimum distribution amount for counties was codified by H.B. 59 (130th General Assembly). H.B. 64 (131st General Assembly) required the tax commissioner to reduce the total amount available for direct distribution to municipal corporations by redirecting $10 million in state fiscal year 2017 to the Law Enforcement Assistance Fund and $12 million to Small Villages and Townships Fund (for villages with less than 1,000 in population in the 2010 Census of Population). This enactment specified that each month $833,333 was to be redirected and split among townships and $166,667 redirected to and split among small villages. The redirection to small villages and townships was made permanent in H.B. 49 (132nd General Assembly) beginning in July 2017. This bill also temporarily redirected all remaining monies in the direct municipal LGF distribution to the Targeting Addiction Assistance Fund for the FY 2018-2019 biennium. Therefore, during this time period, there were no distributions to the direct municipal LGF.

Distributions (R.C. 5747.50). Starting with the 2008 calendar year and thereafter:

- Subject to available resources, each county's undivided LGF fund receives at least what it received in combined distributions from the LGF and LGRAF during the 2007 calendar year.
- Subject to available resources, each of the more than 500 municipalities that received a direct distribution from the LGF in 2007 receives an equal amount in subsequent calendar years. The distribution is after any transfers made to the Law Enforcement Assistance Fund and the Townships and Small Villages Fund.
- When additional revenue is available once these distributions have been made, it is distributed to the 88 county undivided LGFs based on each county's proportionate share of the state population, using U.S. Census Bureau estimates from the previous year. No additional revenue would be allocated directly to municipalities.
- Counties are guaranteed an amount not less than $750,000 or the amount they received during fiscal year 2013. Any additional money required to bring a county to the guarantee would be contributed by counties that received more than the $750,000 floor in proportion to their fiscal year 2013 distributions.
- Distributions from the state LGF to counties and municipalities occur on or before the tenth day of each month.

Use of the Funds (R.C. 5747.50). The amount that each county receives from the state's LGF is expressly designated for deposit into the county's undivided LGF. The Department of Taxation does not determine distributions from the county's undivided LGF. The amount received by a municipal corporation directly from the state LGF is paid into the municipality's general fund to be used for any lawful purpose.

History of Major Changes.

1934	Local Government Fund (LGF) was created in December 1934. Revenue from the new 3 percent state sales tax was used for a county poor relief excise fund and a state public school fund, with remaining revenue to be used for the new "Local Government Fund". State LGF was distributed to 88 county undivided LGFs based on each county's proportionate share of municipal valuation.
1939	The earmarking concept was replaced by annual appropriations.
1945	LGF was distributed 75 percent based on each county's share of municipal valuation and 25 percent based on population.
1972	Municipalities imposing an income tax receive 1/12th of the LGF.
1973	Fixed-dollar LGF allocations were replaced by revenue sharing concept; 3.5 percent of the state income tax, sales tax and corporate franchise tax were dedicated to the LGF. Minimum annual county undivided LGF distribution of $150,000.
1982	The portion of the corporate franchise tax earmarked for the LGF was increased: 3.5 percent of franchise tax was earmarked for State LGF and 7.75 percent of the franchise tax was distributed to counties based on their share of 1981 intangibles tax revenues. Minimum LGF distribution increased to $225,000.
1983	H.B. 291 repealed the special contribution schedule for the franchise tax; 14.5 percent of the franchise tax was dedicated to the LGF with no special allocations to counties based on historical intangibles tax. S.B. 293 remedied distributional inequalities and increased the fund by changed the corporate franchise tax share from 14.5 to 15.4 percent.
1987	HB 171 created the Local Government Revenue Assistance Fund (LGRAF). The percentage earmarked for the LGF, increased to 4.5 percent in February 1988 and to 4.6 percent in July 1989. The LGRAF and LGF received monies from two additional state revenue sources: the use tax and the public utility excise tax.
1989	Funding for the LGRAF began in July 1989, comprised of 0.3 percent of the same major tax sources that fund the LGF; this share was scheduled to increase to 0.6 percent in FY 1991, 0.65 percent in FY 1992, and 0.70 percent in FY 1993. H.B. 111 stipulated that the LGRAF would be distributed based on population.
1991	H.B. 298 and H.B. 904 temporarily suspended the LGF and LGRAF funding percentages from January 1992 through July 1993, constituting a "freeze" on distributions.
1994	The "freeze" was lifted beginning in FY 1994, and the respective LGF and LGRAF funding percentages were reduced to 4.2 percent and 0.6 percent.
2001	S.B. 3 enacted a kilowatt hour tax with a portion of revenues earmarked for the LGF (2.464 percent) and the LGRAF (0.378 percent). H.B. 94 enacted a "freeze" in which each county undivided LGF (as well as each municipality receiving a direct LGF distribution) and each county undivided LGRAF would receive the same amount that it received in FY 2001. The 125th and 126th General Assemblies continued the freeze.
2007	H.B. 119 extended the freeze through the end of calendar year 2007 and restructured LGF and LGRAF; LGRAF was consolidated into the LGF. LGF is funded based on 3.68 percent of all general revenue tax collections.
2012	H.B. 153 funded LGF at a percentage of prior year distributions in FY 2012 and FY 2013 with an additional appropriation in FY 2012. Beginning with the August 2013 distribution, the LGF receives 1.66 percent of all GRF tax revenue collections of the prior month. Guarantee that no county that received less $750,000 in FY 2011 would have zero reduction in FY 2012 and FY 2013. Any county that received over $750,000 after the "freeze" would receive no less than $750,000.
2013	H.B. 59 codified that counties are guaranteed an amount not less than $750,000 or the amount received in FY 2013.
2015	H.B. 64 redirected most of the revenue from the direct municipal LGF distribution to townships and qualifying villages and to the Law Enforcement Assistance Fund for the

	2016-2017 biennium. Additionally, it provided for withholding direct municipal distributions for those maintaining red-light traffic cameras under certain circumstances.
2017	H.B. 49 codified the redirected direct municipal LGF distributions to the Small Villages and Township fund. It additionally redirected the remaining distribution to the Targeting Addiction Assistance Fund.

Public Library Fund

Overview. The Public Library Fund (PLF) was created by the General Assembly in 1985 as the Library and Local Government Support Fund. Its creation was part of a broader effort to phase out the intangible personal property tax. The PLF was designed to offset the loss of revenue from the intangible personal property tax, then a significant source of revenue for local libraries. A share of state income tax collections was distributed to a fund established in each county. In turn, county officials distributed the revenue from that county fund to libraries and local governments. The Library and Local Government Support Fund was renamed the PLF by the 127th General Assembly.

Distributions (R.C. 5747.47). The PLF receives 1.66 percent of all General Revenue Fund tax revenue collections of the previous month. H.B. 64 (131st General Assembly state fiscal year 2016-2017 biennial budget) temporarily increased this percentage to 1.68 percent for the state fiscal year 2018-2019 period. Distributions from the state PLF to counties are made on or before the 10th day of each month. In July of each year, the Department of Taxation certifies an estimate of each county's total entitlement for the following calendar year. Estimates reflect the best projection of state tax revenues for the subsequent calendar year and incorporate updated county population estimates and an inflation factor. Each December, the department certifies (1) the amounts that each county was entitled to receive under the distribution formula during the current calendar year, (2) the amount each county received, and (3) the difference between the two. The amount of PLF to which a county is entitled is not known until the end of each year when the total amount of revenue into the PLF is known. During the first six months of the following year, each county's distribution is adjusted for any overpayment or underpayment received in the preceding year. Each June, the estimates for the current calendar year distributions are revised to account for recent actual state tax revenues and any revised projections of tax revenues.

Use of Funds (R.C. 3375.05, 3375.121, 3375.40, 3375.403, 3375.82, 3375.85, 5705.32). County budget commissions determine the amounts to be allocated to all libraries. The amount is given to each library based on its needs for building construction and improvement, operations, maintenance, and other expenses required by the library and its branches. By law, libraries collectively may never receive a smaller share of county PLF distributions than the average percentage of the county's intangible property taxes that were distributed to all libraries in 1982, 1983, and 1984. After fixing the amount to be distributed to libraries within the county, the county budget commission fixes an amount to distribute to municipal corporations in the county. By law, each municipal corporation receives a percentage of the remainder equal to the percentage share of all classified, or intangible, property taxes originating from that municipality in 1984. Most revenue distributed from the PLF is provided to libraries with the remainder provided to other local governments.

History of Major Changes.

1933	Local situs intangible tax was levied on the intangible property of individuals, unincorporated businesses and single county corporations. Revenues went to libraries and local governments.
1984	H.B. 291 eliminated the local situs intangible tax and established the Library and Local Government Support Fund (LLGSF).
1986	Funding for LLGSF began consisting of 6.3 percent of the state income tax.

1991	H.B. 298 and H.B. 904 temporarily suspended the LLGSF funding percentage from January.
1993	"Freeze" lifted beginning in fiscal year 1994 and the funding percentage reduced to 5.7 percent.
2001	H.B. 94 enacted a "freeze" in which each county undivided LLGSF received the same amount received in FY 2001. The 125th and 126th General Assemblies continued the freeze.
2007	H.B. 119 funded public libraries with 2.22 percent of the state's total general revenue tax collections.
2008	S.B. 185 changed the name of the LLGSF to the Public Library Fund (PLF).
2009	H.B. 1 temporarily reduced the fixed percentage of GRF to the PLF to 1.97 percent from August 2009 through June 2011.
2011	H.B. 153 reduced the amount credited to the PLF to 95 percent of the monthly amount received during July 2010 through June 2011.
2012	Beginning with the August 2013 distribution, the PLF receives 1.66 percent of all GRF tax revenue collections of the prior month.
2015	Beginning with the August 2015 distribution, the PLF receives 1.70 percent of all GRF tax revenue collections of the prior month for fiscal years 2016-2017.
2017	Beginning with the July 2017 distribution, the PLF receives 1.68 percent of all GRF tax revenue collections of the prior month for fiscal years 2018-2019.

Tangible Property Tax Replacement Funds

Overview. This chapter deals with two revenue sharing funds, the School District Tangible Property Tax Replacement Fund and the Local Government Tangible Property Tax Replacement Fund. The tangible tax replacement funds were created by the 126th General Assembly as part of H.B. 66, the biennial budget bill for fiscal years 2006-07. The funds are used to make distributions to schools and local governments to replace local property tax revenue reduced by H.B. 66 and S.B. 3 as passed by the 123rd General Assembly and amended by S.B. 287. During fiscal year 2018, approximately $208.7 million was distributed to schools and joint vocational districts from the School District Tangible Property Tax Replacement fund. Approximately $30.8 million was distributed to counties, municipalities, townships and special districts from the Local Government Tangible Property Tax Replacement Fund in fiscal year 2018.

Distributions to Schools and Local Governments (R.C. 5709.92, 5709.93). For fiscal year 2018, replacement payments for the fixed-rate levies of counties, townships and special districts as well as municipal operating levies were equal to the sum of 2011 reimbursements less six percent of calculated total resources. Replacement payments to schools and joint vocational (jvs) districts in fiscal year 2017 for fixed-rate operating levies were equal to fiscal year 2015 replacement less a percentage of calculated total resources. Reduction percentages ranged from 2 to 4 percent and were assigned by ranking districts into reliance quintiles. In fiscal year 2018, payments to schools for fixed-rate operating levies were reduced by 1/16th of 1% of the district's total taxable valuation for tax years 2014, 2015, and 2016. Fiscal year 2018, reimbursements for fixed-sum operating levies were equal to 90 percent of fiscal year 2016 TPP losses and 70 percent of PUPP losses. Additionally, a municipal corporation with an end user consuming at least 7 million kilowatts of electricity generated by a renewable resource using wind energy and subject to the kilowatt hour tax receives a payment equal to the kilowatt hour tax paid by the end-user; currently, this provision is applicable to the city of Columbus.

Revenue Sources (R.C. 5751.02 (C) & (D)). After required transfers to the commercial activities tax receipts fund and the commercial activity tax motor fuel receipts fund, the School District Tangible Property Tax Replacement fund receives twenty percent of commercial activity tax receipts and the Local Government Tangible Property Tax Replacement Fund receives five percent. A transfer from the General Revenue Fund will be made if the replacement funds are insufficient to make the calculated reimbursement payments. Any balance in the replacement funds, after reimbursements are distributed, will be allocated to the General Revenue Fund.

Distribution Procedure (R.C. 5709.93, 5709.92). Distributions for tangible property losses are made from the state to counties on or before the last day of August and February. The county treasurer and auditor then distribute payments to the appropriate local government within 30 days. Direct payments from the Ohio Department of Education are made to schools and joint vocational districts. Reimbursements to schools and local governments are to be utilized for the purpose of the originally qualifying levy. Distributions to qualifying municipalities based on qualifying kilowatt hours, currently the city of Columbus, are made directly to the qualifying municipal corporation and are to the credit of a special fund dedicated to the benefit of the qualified end user.

History of Major Changes.

1999	S.B. 3 enacted; beginning January 1, 2001, all electric and rural electric personal property – except for transmission and distribution property – is assessed at 25 percent of true value.
2000	S.B. 287 enacted, beginning January 1, 2001, the assessment percentage of natural gas personal property is lowered from 88 percent to 25 percent of true value.
2001	Effective May 1, 2001, kilowatt-hour (KwH) tax replaced the public utility excise tax on electric and rural electric companies; it was also designed to replace revenues lost from the reduction of assessment rates on electric and rural electric tangible personal property.
2001	The natural gas distribution tax was enacted effective July 1, 2001 as part of a larger series of tax changes involving the natural gas industry; the tax was designed to replace the revenue lost by school districts and local governments when the assessment rate on the personal property of natural gas distribution companies was reduced.
2003	Beginning January 1, 2005, the assessment rate of telephone personal property acquired before 1994 is phased down from 88 percent to 25 percent of true value over a three-year period.
2005	H.B. 66 includes the following changes effective January 1, 2006: • Lowered the assessment percentages on electric transmission and distribution personal property from 88 percent to 85 percent and on electric production personal property from 25 percent to 24 percent; • Began phase-out over three years of the tax on railroad personal property and general business tangible personal property; listing percentages of 18.75 percent for 2006,12.5 percent for 2007, 6.25 percent for 2008, and 0 thereafter; • Repeals the corporate franchise tax and enacts the commercial activities tax on gross receipts with a portion of revenue dedicated to replacement funds.
2007	Beginning January 1, 2007, classified telephone companies and inter-exchange telecommunications companies classified as general business taxpayers, with the personal property for these companies to be phased on a four-year schedule.
2012	H.B. 153 altered the formula for fixed-rate levy replacement payments to a reliance-based calculation. In general, local governments operating levies were to experience an annual reduction equal to 2 percent to calculated total resources for three years; school fixed-rate operating reimbursements were to decline by 2 percent of total resources for two years.
2015	H.B. 64 combines calculation and distribution of payments to schools and local governments related to the phase-out of the tax on general business tangible personal property and reductions in the tax on public utility tangible personal property. The bill resumes a reliance-based phase-out for reimbursements of fixed-rate operating levies. Also, the bill ends reimbursement of municipal non-operating levies in fiscal year (FY) 2015 and school and jvs non-operating levies in FY 2016. Additionally, reimbursement of school fixed-sum levies is extended. Effective July 1, 2015, the School District Property Tax Replacement Fund and Local Government Property Tax Replacement Fund is eliminated. In FY 2016 and thereafter, distributions to schools and joint vocational schools are paid by the School District Tangible Property Tax Replacement Fund. Distributions to local governments are made from the Local Government Tangible Property Tax Replacement Fund. In FY

	2016 and thereafter, distributions to schools are funded by 20 percent of CAT revenue and distributions to local governments are funded by 5 percent of CAT revenue. H.B. 64 created a payment to municipalities with a qualifying end-user of wind generated electricity.
2015	For FY 2018 and thereafter, S.B. 208 replaces the reliance-based phase-out for school and joint vocational districts with an annual reduction equal to 1/16th of 1 percent of the district's average taxable value for tax years 2014, 2015, and 2016.
2017	H.B. 49 of the 132nd alters the disposition of CAT revenue; in FY 2018 and thereafter, distributions to schools are funded by 13 percent of CAT revenue and distributions to local governments are funded by 2 percent of CAT revenue.
2018	S.B. 8 provides for a supplemental reimbursement payment to schools and jvs in FY 2018 and 2019.

Local Taxes

Admissions Tax

Overview. Municipal corporations are permitted to levy a tax on admissions to places of amusement or entertainment such as movies, theme parks, and professional sporting events. A tourism development district ("TDD") is authorized to levy a tax on admissions within the TDD. The tax is generally charged as a percent of the cost of entrance, though one municipality charges a nominal flat rate per ticket.

H.B. 64 (131st General Assembly) authorized the creation of a "tourism development district" (TDD). A township creating a TDD is authorized to levy up to a 5% tax on admissions within the TDD. Every person receiving an admission payment located in the TDD is required to collect the tax from the person making the payment.

A tourism development district (TDD) was defined in H.B. 64 as:

- Only a township or municipality located in a county that has a population between 375,000 and 400,000 and levies a county sales tax in which the aggregate rate does not exceed 0.50% as of the effective date of H.B. 64 (Stark Co.).
- The district is not more than 200 contiguous acres (increased to 600 by H.B. 49 of the 132nd General assembly).

Taxpayer (R.C. 715.013). The tax applies to operators of movie theaters, theme parks, professional sporting events, and other activities for which there is an admissions charge. A TDD is authorized to levy up to a 5 percent tax on admissions within the TDD.

Tax base. The base of the tax varies but commonly includes admissions charges to theaters, sporting events, and other places of amusement as well as country club dues. A TDD is limited to a township or municipality located in a county that has a population between 375,000 and 400,000 and that levies a county sales tax in which the aggregate rate does not exceed 0.50 percent as of the effective date of HB 64 of the 131st General Assembly (i.e., in Stark County). The district may not be more than 200 contiguous acres.

Tax Rates. Admissions tax rates vary among municipalities.

History of Collections.

Table 1. Revenue to Municipal Corporations from Admissions Tax: 2012-2016 (in millions)

Calendar year	Total
2012	$22.9
2013	26.3
2014	28.9
2015	30.7
2016	37.9

Source: Surveys completed for the Ohio Department of Taxation

History of Major Changes.

1998	General Assembly enacted H.B. 770, which explicitly permits municipalities to levy taxes on admissions; though some municipalities had been taxing admissions for decades.
2015	General Assembly enacted H.B. 64, which allowed admissions taxes to be levied in a tourism development district (TDD).
2017	H.B. 49 extended the maximum size of a TDD from 200 to 600 acres, authorized municipal corporations and townships (i.e., in Stark County) to designate new TDDs until 2021, expanded the improvements toward which revenues can be spent or pledged, and clarified that revenue used to fund permanent improvements located in a TDD must be from collections as a result of activities occurring in the TDD.

Alcoholic Beverage Taxes - County

Overview. Cuyahoga County is the only county in the state that levies a separate local tax on alcoholic beverages. In 2008, the General Assembly prohibited localities from levying any new taxes on alcoholic beverages. However, in 2013, the General Assembly authorized Cuyahoga County to extend its current levy subject to a resolution adopted by the County Council (Cuyahoga County has a charter form of government) and approved by a majority of voters in the county. Cuyahoga County voters last approved an extension of their alcoholic beverage taxes (along with cigarette taxes) in May 2014, for a 20-year period. Cuyahoga County levies the maximum rates specified in state law on gallons of beer, wine, mixed drinks, cider and liquor. Revenues from these taxes (along with a portion of the county's revenues from cigarette taxes) are used for construction and renovation costs for professional sports facilities in the county along with related economic development projects. During fiscal year 2018, the Department's collections of county alcoholic beverage taxes were approximately $11.9 million.

Taxpayer (R.C. 4301.422). The tax is paid by manufacturers, importers, and wholesale distributors of beer, wine, cider and mixed beverages - up to 21 percent alcohol by volume (ABV). The tax also is paid by the Ohio Department of Commerce's Division of Liquor Control, the state's sole purchaser and distributor of liquor containing more than 21 percent ABV. The Division of Liquor Control in the Department of Commerce administers the taxes on liquor.

Tax Base (R.C. 4301.421 and 4301.01). The tax applies to beer, wine, mixed beverages, cider and liquor, defined as follows:

- Beer includes all beverages brewed or fermented wholly or in part from malt products containing at least 0.5 percent ABV.
- Mixed beverages include bottled and prepared cordials, cocktails, highballs, and solids and confections that are obtained by mixing any type of whiskey, neutral spirits, brandy, gin, or other distilled spirits with, or over, carbonated or plain water, pure juices from flowers and plants, and other flavoring materials; the completed product shall contain not less than 0.5 percent ABV and not more than 21 percent ABV.
- Wine, including sparkling wine and vermouth but excluding cider, consists of fermented juices of grapes, fruits or other agricultural products; it contains at least 0.5 percent and not more than 21 percent ABV. Wine with less than 4 percent ABV is not subject to the alcoholic beverage excise tax.
- Cider consists of fermented juices of apples, including flavored, sparkling or carbonated cider; it contains at least 0.5 percent and not more than 6 percent alcohol by weight.
- Liquor or "spirituous liquor" includes all intoxicating liquors that contain more than 21 percent ABV.

Rates (R.C. 4301.421).

Maximum Rates Established in State Law for County Alcoholic Beverage Taxes

Beverage	Rate per gallon
Beer	$0.16
Wine and mixed drinks	$0.32
Cider	$0.24
Liquor	$3.00

Exemptions (R.C. 4301.421). The tax does not apply to sacramental wine or to sales made to the federal government.

Disposition of Revenues (R.C. 4301.432). The county receives 98 percent of the revenues the month after the revenues are collected by the Department of Taxation. Two percent of beer, wine, and mixed beverage tax revenues are allocated to the Department of Taxation to administer the tax.

Payment Dates (R.C. 4301.422). Returns and payments must be received by the last day of the month following the reporting period.

Discounts (R.C. 4301.422). Taxpayers receive a 2.5 percent discount for timely payment of taxes.

History of Collections.

Table 1: Cuyahoga County Alcoholic Beverage Tax collections: fiscal years 2014-2017 (in millions)

Fiscal Year	Beer	Wine and Mixed Beverages	Liquor	State Administrative Fee	Total
2014	$4.0	$1.3	$5.7	$0.1	$11.2
2015	4.1	1.4	6.3	0.1	11.9
2016	3.9	1.3	6.3	0.1	11.7
2017	4.0	1.4	6.5	0.1	12.0
2018	3.9	1.3	6.6	0.1	11.9

History of Major Changes.

1986	General Assembly authorizes county sports facility liquor taxes.
1990	General Assembly authorizes county sports facility taxes on beer, wine and mixed beverages and amends law on county sports facility liquor taxes. Later, Cuyahoga County voters enact taxes on beer, wine and liquor at the maximum rate through July 31, 2004.
1995	General Assembly permits counties to enact alcoholic beverage taxes that do not take effect until a current levy expires. Cuyahoga County voters approve a 10-year extension of beer, wine and liquor taxes.
2008	Future local taxes on alcoholic beverages prohibited by House Bill 562.
2013	Cuyahoga County authorized under HB 59 to renew the county alcoholic beverage (and cigarette) taxes for up to 20 years, by adopting a resolution by Sept. 15, 2015 subject to voter approval.
2014	Cuyahoga County voters extend alcoholic beverages (and cigarette) taxes at current rates for 20 years.

Cigarette Tax – County

Overview. In 1990, Cuyahoga County became the first and only county in the state that levies a local tax on cigarettes. In 2008, the General Assembly prohibited localities from levying any new taxes on cigarettes. However, in 2013, the General Assembly authorized Cuyahoga County to extend its current levy subject to a resolution adopted by the County Council (Cuyahoga County has a charter form of government) and approved by a majority of voters in the county. Cuyahoga County voters approved cigarette taxes (along with alcohol taxes) in May 2014 for a 20-year period. Cuyahoga County levies the maximum rates specified in state law. Revenues from these taxes generally may be used for funding a regional arts and cultural district; some revenues are used for the construction and renovation costs for professional sports facilities in the county along with related economic development projects. During fiscal year 2018, ODT collected approximately $16.4 million in county cigarette taxes.

Taxpayer (R.C. 5743.025). The tax is paid by cigarette dealers (primarily wholesalers), who must be licensed and who pay the tax by purchasing tax indicia (stamps or impressions). The indicia must be affixed to all packs of cigarettes before sale at retail in a county that levies such taxes.

Tax Base (R.C. 5743.026). The tax is assessed per each cigarette sold.

Rates (R.C. 5743.021 and 5743.026). Cuyahoga County levies two separate cigarette taxes at the maximum rates permitted under state law:

- Up to 1.5 cents per cigarette (30 cents per pack of 20 cigarettes) for funding a regional arts and cultural district; and
- Up to 0.225 cents per cigarette (4.5 cents per pack of 20 cigarettes) for construction of a sports facility.

For one pack of 20 cigarettes purchased, a total of 34.5 cents is assessed.

Disposition of Revenue (R.C. 5743.021, 5743.024). The county receives 98 percent of revenues from each tax to use for the specified purposes listed above. The remaining two percent of revenue is allocated to the Department of Taxation to administer the tax.

Payment Dates & Special Provisions. See the **Cigarette and Other Tobacco Products Tax** chapter in the State Taxes section.

History of Collections.

Table: 1 Cigarette Tax collections for Cuyahoga County : fiscal years 2014-2018 (in millions)

Fiscal Year	Total Revenue	Cuyahoga County Revenue	Cuyahoga County Arts District Allocation[1]	Cuyahoga County Sports Facilities Allocation[1]	State Administration Fee
2014	$18.9	$18.5	$16.1	$2.4	$0.4
2015	18.4	18.0	15.7	2.3	0.4
2016	18.4	18.0	15.6	2.3	0.4
2017	17.5	17.2	14.9	2.2	0.4
2018	16.4	16.1	14.0	2.1	0.3

Source: Ohio Office of Budget and Management fiscal reports, calculations by the Department of Taxation.

[1] Allocation by purpose calculated by Department of Taxation based on proportion of respective tax rates.

History of Major Changes.

1986	General Assembly authorizes county sports facility cigarette taxes.
1990	Cuyahoga County voters approve 4.5 cents per pack cigarette tax through July 31, 2005, with revenue designated to finance sports facilities for the Cleveland Indians and Cavaliers.
1995	General Assembly permits counties to extend cigarette taxes that have not yet expired. Later, Cuyahoga County voters extend the cigarette tax for 10 years to support facility improvements for the Cleveland Browns.
2006	General Assembly permits counties with a population of 1.2 million or more to levy a cigarette tax to fund a regional arts and cultural district. Cuyahoga County voters approve the tax at a rate of $0.30 per pack (effective February 2007).
2008	H.B. 562 includes a provision that prohibits future local taxes on cigarettes (and alcoholic beverages).
2013	H.B. 59 authorizes Cuyahoga County to renew county cigarette and alcoholic beverage taxes for up to 20 years, by adopting a resolution, subject to voter approval.
2014	Cuyahoga County voters extend the cigarette and alcoholic beverage taxes for 20 years.

Individual Income Tax – School District

Overview. The authority for school districts to levy an income tax dates to 1979 when the Ohio General Assembly permitted such a tax solely to repay a state loan. Two years later, lawmakers repealed this law which had not been used, and enacted Chapter 5748, granting broader authority for school districts to levy an income tax, subject to voter approval. In 1983, after voters in six districts approved such taxes, the legislature blocked other districts from enacting new income taxes by repealing most of the chapter. The ability of a school district to enact an income tax was restored in 1989. Unlike state or municipal income taxes, school district income tax may be levied only on the income of residents of the school district.

At the end of April 2018, the Department made quarterly school district income tax distributions to 190 school districts. Of these districts, 144 levied the tax on the "traditional" tax base, and the remaining 46 districts levied the tax on the "earned income" tax base.

The Department of Taxation administers the school district income tax, including collections through employer withholding, individual quarterly estimated payments, and annual returns. During fiscal year 2018, school district income tax collections totaled approximately $454.8 million, a figure that includes approximately $6.8 million from the administrative fee, and net distributions totaled $444.1million.

Taxpayer (R.C. 5748.01). The tax applies to every individual residing in a taxing school district. In districts that levy tax on the traditional base, the tax also is levied on the taxable income of the estates of persons who, at the time of their death, were domiciled in such taxing school district.

Tax Base (R.C. 5748.01)

"Traditional base" school districts

The "traditional base" of the tax is Ohio adjusted gross income less the exemptions provided by R.C. 5747.02 plus any amount deducted under R.C. 5747.01(A) (31) (Ohio business income deduction). In the case of the estate of a decedent who was domiciled in the school district, the base is taxable income for the taxable year as defined in R.C. 5747.01(S).

"Earned income only" school districts

Earned income includes wages, salaries, tips, and other employee compensation to the extent included in Ohio adjusted gross income as defined in section 5747.01 of the Revised Code, and net earnings from self-employment, as defined in section 1402(a) of the Internal Revenue Code, to the extent included in Ohio adjusted gross income.

Tax Rates (R.C. 5748.02). Rates are proposed by the school district board of education and must be approved by voters in the school district. Rates are set in increments of 0.25 percent. During fiscal year 2016, rates ranged from 0.25 percent to 2 percent.

Special Provisions

Senior citizen credit (R.C. 5748.06). A taxpayer 65 years of age or older during the taxable year receives a $50 credit against the amount of school district income tax due. Only one credit is allowed for each return.

Filing and Payment Dates (R.C. 5747.06 - 5747.09)

Individuals and estates

Most taxpayers file their annual returns by April 15 of the year immediately following the end of the taxable year. A taxpayer must make quarterly estimated payments if taxpayer will owe more than $500 in combined state and school district income tax after subtracting Ohio and school district income tax withholding amounts and overpayment carryforwards from the previous year. An exception exists if the taxpayer's combined Ohio and school district income tax withholding amounts and overpayment carryforwards from the previous year are at least 90 percent of the current year combined state and school district income tax or combined state and school district income tax withholding amounts and overpayment carryforwards from the previous year are equal to or greater than the previous year's combined Ohio and school district income tax. For calendar year taxpayers, quarterly payments of the tax must typically be made on or before April 15, June 15, and September 15 of the current year and January 15 of the following year. For fiscal year taxpayers, quarterly payments of tax must be made on the 15th day of the fourth, sixth and ninth months of the fiscal year and on the 15th day following the end of the fiscal year.

Employers

If the employer remits quarterly for state income tax purposes, payment is due for both the state and school district income taxes by the last day of the month following March, June, September and December. If the employer remits monthly or by electronic funds transfer for state income tax purposes, remittances of school district income taxes withheld are made within 15 days after the end of each month.

Disposition of Revenue (R.C. 5747.03). Collections are deposited into the School District Income Tax Fund for distribution to school districts, less 1.5 percent retained for state administrative purposes. Deposited amounts accrue interest. Distributions are made to school districts on the last day of April, July, October and January. Payments are for the net amount in each school district's account, after refunds and administrative fees, as of the end of the prior calendar quarter.

History of Collections.

Table 1: School District Income Tax collections: Fiscal Years 2014 -2018 (in millions)

Fiscal Year	School District Income Tax Fund	School District Income Tax Administration Fund	Total Revenue
2014	$380.8	$5.8	$386.6
2015	397.2	6.0	403.2
2016	415.4	6.3	421.7
2017	428.9	6.5	435.4
2018	448.0	6.8	454.8

History of Major Changes.

1979	General Assembly enacts law authorizing school districts authority to levy an income tax solely for repaying a state loan.
1981	General Assembly enacts law repealing 1979 law and enacted Chapter 5748 of the Ohio Revised Code, authorizing school districts to enact a school district income tax based on Ohio taxable income (meaning Ohio adjusted gross income, less personal and dependent exemptions claimed on the Ohio individual income tax return).
1983	General Assembly enacts law prohibiting additional school districts from enacting the tax by repealing most of Chapter 5748, but permits the six districts that had enacted the tax before Aug. 3, 1983 to continue levying the tax.
1989	General Assembly enacts law reinstating portions of Chapter 5748, allowing additional school districts to levy the tax. Lawmakers also enact a $50 senior citizen credit.
1991	For the first time, school districts are permitted to seek voter approval for income taxes for finite periods of time. Previously, all levies had to be continuing levies.
1992	General Assembly enacts law permitting districts to submit to voters an income tax levy and property tax reduction with a single ballot issue.

2000	Personal exemptions become indexed to inflation.
2005	General Assembly enacts law allowing districts the option of levying the tax on earned income – meaning, only wages and self-employment income – instead of on the traditional base of Ohio taxable income.
2009	The Congressional "Military Spouses Residency Relief Act of 2009" extended the principle of domicile that applies to service members to their spouses.
2017	H.B. 49 enacts law prescribing the way the school district income tax applies to a school district resulting from the consolidation of territory of two or more districts by specifying that the tax will be levied at the rate, and according to the other terms, of the "surviving" school district into which territory of another district is merged and requiring the board of education of a surviving school district to report certain tax-related information to the tax commissioner before such a consolidation takes effect.

Lodging Tax

Overview. Local governments may levy a tax on lodging furnished to transient guests by hotels and motels. Municipalities or townships may levy a lodging tax of up to 3 percent plus an additional tax of up to 3 percent when located wholly or partly in a county that has not levied a lodging tax. Counties may levy a lodging tax of up to 3 percent but may not levy such a tax in any municipality or township that already has levied the additional lodging tax. State law also permits local governments to levy lodging taxes for special purposes (e.g., convention centers).

Tax rates (R.C. 307.672, 5739.08, 5739.09). The maximum combined rate permitted in most jurisdictions is 6 percent. However, due to the enactment of special lodging taxes in some jurisdictions, the maximum combined rate might exceed 6 percent.

Municipalities and townships

Under House Bill 519 enacted in 1967, municipalities and townships are permitted to enact a lodging tax of up to 3 percent. Under H.B. 355 enacted in 1980, municipalities and townships may levy an additional lodging tax of up to 3 percent, but only if the county in which the municipality or township is located has not already imposed a tax under this same law. Therefore, with one exception, noted below, municipal and township lodging taxes have a maximum 6 percent rate.

In 2002, the legislature enacted H.B. 518, which permitted a municipality to levy an additional 1 percent tax for funding a convention center, contingent on the county in which the municipality is located also enacting a special lodging tax for funding a convention center.

Counties

Under H.B. 355 enacted in 1980, counties may levy a lodging tax of up to 3 percent, except in those townships and municipalities that have already enacted their own lodging tax under the same law. In addition, various special county lodging taxes have been authorized under state law. Most of these special taxes could only be adopted by a board of county commissioners during a limited time period. Furthermore, revenue produced from these special taxes may only be used for specified purposes. Most of the special county lodging taxes have been restricted to a narrow class of counties, such as counties meeting certain population levels and counties that already had an existing lodging tax imposed for specific purposes.

County Convention Facility Authorities

In H.B. 772 enacted in 1988, the General Assembly permitted convention facility authorities to enact an additional lodging tax of up to 4 percent only during a designated six-month period of that calendar year. The legislature also permitted an additional 0.9 percent rate during this time period if this tax and the municipal or township tax authorized by the 1967 law did not exceed 3.3 percent.

Also, in 2005, H.B. 66 allowed convention facility authorities in certain Appalachian counties (those with populations of less than 80,000 and already lacking a lodging tax) for a limited time to enact a tax of up to 3 percent to pay the cost of constructing, equipping or operating a convention, entertainment, or sports facility.

Disposition of Revenue (R.C. 5739.09). Under the lodging tax authorized in 1967, all tax collections are deposited in the general revenue fund of the municipality or township. Under the lodging tax authorized in 1980, counties are required to return to municipalities and townships that do not levy any hotel/motel tax a uniform percentage (not to exceed one-third) of revenue generated within the municipality and township. The remainder of the revenue is to be deposited in a separate fund to be used for county convention and visitor bureau expenses. Municipalities and townships are required to allocate at least one-half of the revenues from the lodging tax authorized in 1980 for convention and visitors bureaus located within the county. Remaining revenues are retained by the municipality or township and deposited into the local general revenue fund. All revenue from a convention facility authority lodging tax levy is for constructing, equipping, and operating a convention or sports center. Revenue from a special county or municipal lodging tax is to be used for the purpose designated for that tax levy in state law.

Special Provisions/Credits (R.C. 505.56 and 5739.09). The General Assembly has permitted certain special lodging taxes for various projects and durations. Usually, the General Assembly specifies a time period within which a local jurisdiction may authorize a special levy. Recent ones are listed below.

• Hamilton County – H.B. 49 required Hamilton County to distribute annual revenue in excess of $6 million, that is derived from the increased hotel rate of 3.5 percent in 2002, to townships and municipal corporations in proportion to the tax generated in each subdivision. Distribution begins in 2019. The General Assembly also requires that the townships and municipal corporations use the revenue to promote travel and tourism.

• Summit County – H.B. 49 authorized Summit County to extend the term of an existing 1 percent lodging tax for an additional 10 years by vote of the county legislative authority. The original authority for the tax was set to expire in calendar year 2017.

• Stark County – H.B. 49 authorized the county to increase the current county lodging tax rate by up to an additional 3 percent.

• Municipal Corporations within Lorain County – H.B. 49 authorized a municipal corporation in Lorain County that currently levies a 3 percent municipal lodging tax to increase the rate of the municipal lodging tax by up to an additional 3 percent.

• Clermont County – H.B. 49 authorized the county to increase the current county lodging tax rate by up to an additional 1 percent, but only after the county's convention and visitor's bureau enters a contract for the construction, improvement, or maintenance of a sports facility intended to house a professional sports team. If the convention and visitor's bureau has not entered such a contract before January 1, 2019, the authority to levy the tax expires on January 1, 2019.

• Warren County – H.B. 49 specified that proceeds of a special 1 percent county lodging tax may be used to pay the construction and maintenance costs of a sports facility owned by a port authority, and authorized Warren County to use or pledge any of all of the proceeds from its special 1 percent or its general 3 percent county lodging tax that to service securities issued to construct, operate, or maintain such sports facilities, including any portion of the general lodging tax currently required to by returned to townships and municipal corporations in the county that do not levy a lodging tax.

Responsibility for Administration. County commissioners, township trustees, the legislative authority of a municipality, and/or convention facilities authorities are responsible for administering the taxes.

History of Collections.

Table 1: Lodging Tax collections by local governments: 2012-2016 (in millions)

Calendar Year	Total Local Collections
2012	$150.4
2013	$159.8
2014	$172.2
2015	$185.2
2016	$202.2

Source: Amounts reported by counties, townships, and municipalities in surveys sent by the Department of Taxation.

Municipal Income Tax

Overview. The first municipal income tax predated the state's income tax. During 2016, 624 municipalities in Ohio levied a municipal income tax.

Taxpayer (R.C. 718.01 and municipal ordinances). Generally, for municipalities that levy an income tax, taxpayers are residents, nonresidents earning income or receiving net profits in a municipality, and businesses that have net profits sitused or apportioned to the municipality. Withholding requirements generally apply to employers located within municipalities that levy an income tax.

Tax base (R.C. 718.01 and municipal ordinances). The municipal income tax base is earned income and net profits of residents and of nonresidents that is earned or received in the municipal corporation, distributive shares of net income of residents from ownership interests in businesses organized as pass-through entities, and the net profits of businesses (i.e., partnerships, limited liability companies, and corporations) sitused or apportioned to the municipality. Under a grandfathering provision in Chapter 718, some municipalities may continue to levy income tax on shareholders' distributive shares of net profits from S corporations. In the case of a "qualified municipal corporation," the tax is levied on "Ohio adjusted gross income" as defined in R.C. 5747.01.

Tax rates (R.C. 718.04 and municipal ordinances). Chapter 718 of the R.C. requires the rate to be a uniform rate. The rate itself is determined locally. The maximum rate permitted to be levied without the approval of voters in the municipality is 1 percent.

In 2016, the most recent year for which survey data is available, 624 municipalities responded that they levied an income tax (241 cities and 383 villages). Rates ranged from 0.5 percent to 3 percent. The following rates were the most common: 252 municipalities (40.4 percent) levied a tax rate of 1 percent; 128 municipalities (20.5 percent) levied a tax rate of 1.5 percent; 117 municipalities (18.8 percent) levied a tax rate of 2 percent. Of the remaining municipalities submitting survey data, they levied taxes at various tax rates from 0.5 percent to 3 percent. Ohio's three largest municipalities (i.e., Cincinnati, Cleveland, and Columbus) levied tax rates more than 2 percent.

Credits, deductions, and exemptions (Chapter 718 and municipal ordinances). Various credits, deductions and exemptions may be allowed or be required to be allowed under Chapter 718 including under R.C. 718.01(C) that defines "exempt income." Some municipalities allow resident individuals partial or full credit for municipal income taxes paid to another municipality.

Filing and payment dates (R.C. 718.03, 718.05-.051 and municipal ordinances). Annual returns are due from taxpayers on the same date as federal and state returns: normally April 15. The annual municipal return reconciles tax liability with the amount remitted through withholding and quarterly estimated payments.

Tax Revenue. For calendar year 2016, the most recent year for which survey data is available, municipal income tax revenues totaled approximately $5.3 billion statewide. Revenues were the greatest in Ohio's three largest cities, which accounted for almost one third of total municipal income tax revenues statewide.

Ohio's largest municipalities, reporting revenues and percentage of total revenues for calendar year 2016:

- Columbus – $870.5 million (16.3 percent)
- Cincinnati – $388.6 million (7.3 percent)
- Cleveland – $370.8 million (6.9 percent)
- Toledo – $169.0 million (3.2 percent; did not respond to survey and is based upon prior response)
- Akron – $139.7 (2.6 percent; did not respond to survey and is based upon prior response)
- Dayton – $110.9 million (2.1 percent)

Of the remaining municipalities reporting revenues of less than $100 million in calendar year 2015:

- 110 municipalities had revenues ranging from $10 million to under $100 million;
- 229 municipalities had revenues ranging from $1 million to $10 million; and
- The remaining municipalities had revenues of less than $1 million.

Disposition of Revenues (municipal ordinances). Collections may be used for general revenues, capital improvements, bond retirements, and costs to administer the tax.

Administration. Municipal income taxes, except for Chapter 5745 taxes, are administered by the municipality or in many cases by a third-party administrator. Additionally, the Ohio Department of Taxation has administrative responsibilities (such as audits, refund processing, appeals, etc.) for those business taxpayers that pay municipal net profits taxes that opt to pay centrally with the department (see Municipal Net Profits section). Third-party administrators include the Regional Income Tax Agency (301 municipalities and 28 joint economic development districts ("JEDD"), joint economic development zones, and enterprise zones), Central Collection Agency (Cleveland, 48 surrounding municipalities, and 11 JEDDs), City of Columbus (Columbus, 6 surrounding municipalities, and 2 JEDDs), and City of St. Mary's (City of St. Mary's and 10 surrounding villages), and the City of Findlay (City of Findlay and 3 additional municipalities). These third-party administrators administer the taxes for numerous municipalities, JEDDs and JEDZs.

The Ohio Department of Taxation administers the municipal income tax for a taxpayer that is an electric company, combined company, or telephone company and that is subject to and required to file reports under Chapter 5745. Please see the **Municipal Income Tax for Electric Light and Telephone Companies** section in this part.

ODT maintains a list of links to municipalities that impose a municipal income tax and The Finder (which provides information on municipal income tax rates for all addresses in Ohio) on its web site at www.ohio.tax.gov. Additionally, taxes on net profits and employer withholding taxes may be paid via the Ohio Business Gateway at http://business.ohio.gov/efiling.

History of Major Changes.

1946	Toledo enacted first municipal income tax.
1957	General Assembly enacted the first uniform municipal income tax law.
1987	General Assembly enacted law restricting municipalities from taxing income from intangibles, unless voters in a municipality that taxed such income voted to continue taxing such income beyond the taxable year 1988. Residents in two, Wyoming and Indian Hills, vote to continue taxing intangible income.
1992	State law authorized municipalities to grant job creation tax credits.
1993	General Assembly enacted law allowing municipal income tax revenues to be shared with a school district.
1997	State law enacted permitting municipalities to exempt stock options from the income tax.
1999	Beginning in 2001, state law restructured municipal income taxes by excepting from tax a non-resident working in the municipality for 12 or fewer days, except for professional athletes, entertainers, or promoters. Also, beginning in 2003, a municipality taxing pass-through entities' net profits is required to grant resident taxpayers a credit for taxes paid by a pass-through entity to another municipality if the pass-through entity does not conduct business in the municipality where the taxpayer resides.
2000	General Assembly enacted law prohibiting new municipal income taxes that share income with school districts.
2004	Certain single member limited liability companies allowed to elect to be treated as separate taxpayers from the single member. Also, businesses are required to add-back tax exempt stock options in the apportionment of their net profits.

2007	General Assembly enacted H.B. 24 permitting municipalities to allow an income tax deduction to self-employer taxpayers for amounts paid for medical care insurance for themselves, their spouses, and their dependents.
2014	Effective Jan. 1, 2016, H.B. 5 enacts a more uniform tax base including specific criteria for determining residency, a 20-day withholding rule, and a uniform 5-year carryforward of net operating losses (with some variations allowed under law).
2017	H.B. 49 enacts law allowing businesses to file and have municipal net profits tax administered by the Department of Taxation.

Comparisons with Competitor States (as of June 30, 2018).

Georgia, North Carolina, Tennessee, Texas, and West Virginia do not have local governments that impose income taxes. Similar taxes in other states are described below.

Indiana	Until June 30, 2016, a county may levy either a "county adjusted gross income tax" or a "county option income tax." Counties are also permitted to levy a "county economic development income tax." The total of a county's economic development tax and the adjusted gross income tax cannot exceed 3.75 percent. The economic development tax combined with the county option income tax cannot exceed 3.5 percent. The economic development tax levied alone cannot exceed 0.75 percent. All these taxes are to be replaced by a consolidated income tax by Jan. 1, 2017.
Kentucky	Cities, counties, transit districts and school districts may levy a license tax on the net profits of businesses located in the district and the salaries and wages of employees earned in the jurisdiction. Rates can vary between the two types of occupational license taxes.
Michigan	Cities may impose a tax up to the rate of 1 percent on residents and 0.5 percent on non-residents. Detroit may impose rates of up to 2.4 percent for residents and 1.2 percent for nonresidents.
Pennsylvania	Municipalities may impose an earned income tax on wages and most net profits (S-Corp income is exempt from the earned income tax). The tax may be imposed either on residents only or both residents and nonresidents. Most municipalities have a 1 percent cap. Home rule municipalities (such as Philadelphia, Pittsburgh, and Scranton) are not subject to the cap. If the local school district also imposes an earned income tax, the tax revenue must be shared between the school district and the municipality. • Pittsburgh: The city imposes an earned income and net profits tax at the rate of 1 percent. Additionally, the city levies a flat $52 local services tax that is withheld in equal amounts from employee payrolls and a 0.55 percent tax on payroll amounts generated as a result of employers conducting business in the city. • Philadelphia: The city imposes an earned income tax on salaries, wages, commissions, and net profits. The resident tax rate is 3.9102 percent. The nonresident tax rate is 3.4828 percent.

Municipal Income Tax for Electric Light and Local Exchange Telephone Companies

Overview. The municipal income tax for electric light companies and local exchange telephone companies, set forth in Chapter 5745 of the Ohio Revised Code, was enacted by the Ohio General Assembly in 2000. This tax is sometimes referred to as the "Chapter 5745 municipal income tax" to distinguish it from the conventional municipal income tax, which may be levied and administered by various Ohio cities and villages pursuant to Chapter 718 of the Revised Code and the municipal net profit tax that the department of taxation administers for those taxpayers that elect to particpate. The Chapter 5745 municipal income tax applies only to electric light companies and local exchange telephone companies. It is administered by the Ohio Department of Taxation. During fiscal year 2018, collections were approximately $13.6 million.

Taxpayer (R.C. 5745.01). Chapter 5745 taxpayers include:
• Electric companies engaged in the business of generating, transmitting or distributing electricity within Ohio for use by others. This definition does not include rural electric companies;
• Combined companies engaged in the activity of an electric company or rural electric company that is also engaged in the activity of a heating company or a natural gas company, or any combination thereof;
• Certain marketers or brokers of electricity that meet the requirements and make the election set out in R.C. § 5745.031; and
• Telephone companies primarily engaged in the business of providing local exchange telephone service, excluding cellular radio service, in Ohio.

Tax base (R.C. 5745.01 and 5745.02). The "starting point" for Chapter 5745 municipal income taxpayers is federal taxable income. After making certain adjustments to federal taxable income (described below), the taxpayer computes Ohio net income by multiplying the taxpayer's adjusted federal taxable income by the taxpayer's Ohio apportionment ratio. Then, municipal income is computed for each municipality that has enacted an income tax and where the company has taxable nexus by multiplying Ohio net income by the taxpayer's apportionment ratio for that municipality, then deducting any available municipal net operating loss carryforward. Finally, municipal income tax liability is determined by multiplying the income apportioned to each municipality by the municipality's income tax rate.

Ohio Apportionment Ratio (R.C. 5745.02). The Chapter 5745 Ohio apportionment formula is a three-factor formula, where the property, payroll and sales factors are equally weighted.

Municipal Apportionment Ratio (R.C. 5745.02). The municipal apportionment ratio for each municipality also requires the use of an equally weighted three-factor formula made up of municipal property, municipal payroll, and municipal sales.

Adjustments to Federal Taxable Income (R.C. 5745.01). Net intangible income – Taxpayers must deduct intangible income as defined in R.C. 718.01 from federal taxable income and add back expenses incurred in the production of such intangible income. Book-tax difference – Both electric companies and telephone companies must compute a book-tax difference adjustment which is either added to or subtracted from federal taxable income. For details, see the Ohio Municipal Income Tax Instructions for Electric Light Companies and Local Exchange Telephone Companies on the department's web site at www.tax.ohio.gov.

Tax Rates (R.C. 5745.03). Tax rates are levied locally by the municipality. The rate that applies is the rate that was in effect as of January 1 of the taxable year. If a taxpayer's taxable year is for a period of less than 12 months and does not include January 1, then the rate that applies is the rate that was in effect on January 1 of the preceding taxable year.

Credits (R.C. 5745.06). If the taxpayer has an interest in a pass-through entity that is also subject to and has paid the Chapter 5745 municipal income tax, then the taxpayer may claim a credit against its own Chapter 5745 liability. The credit equals the taxpayer's proportionate share of the tax due from, or paid by, the qualifying pass-through entity, whichever is less.

Special Provisions (R.C. 5745.01, 5745.031, and 5745.02). Taxpayer elections – An "electric light company that is not an electric company" may elect to be a taxpayer under Chapter 5745 if, during the company's most recently concluded taxable year, at least 50 percent of the company's total sales in Ohio, as determined under R.C. 5733.059, consist of sales of electricity and other energy commodities. The election is effective for five consecutive taxable years and, once made, is irrevocable for those five years. An "electric light company that is not an electric company" that does not make this election remains subject to the conventional municipal income tax as enacted by the municipalities with which the entity has taxable nexus (Chapter 718).

Qualified subchapter S subsidiaries – If an electric company or a telephone company is a qualified subchapter
S subsidiary as defined in Internal Revenue Code (I.R.C.) section 1361 or a disregarded entity, the company's parent S corporation or owner is the taxpayer for the purposes of the municipal income tax.

Combined companies (R.C.5745.02(D)) – If the taxpayer is a "combined company," it must adjust the numerator of its municipal property, payroll and sales factors (but not the numerator of its Ohio property, payroll and sales factors) to include only the company's activity as an electric company. This is so because only a combined company's income from its activity as an electric company is subject to taxation by a municipal corporation.

Alternative apportionment methods - If the standard provisions for apportioning adjusted federal taxable income to Ohio or for apportioning Ohio net income to an Ohio municipality do not fairly represent the extent of a taxpayer's business activity in Ohio or Ohio's municipalities, the taxpayer may request, or the tax commissioner may require, that the taxpayer's adjusted federal taxable income or Ohio net income be determined by an alternative method, including any of the alternative methods set out in R.C. 5733.05(B)(2)(d).

Municipality cannot require tax return (R.C. 5745.03(E), R.C. 718.02) – A municipality that has enacted a Chapter 718 municipal income tax cannot require a Chapter 5745 municipal income taxpayer to file a Chapter 718 municipal income tax return for that municipality. The Chapter 718 municipal income tax does not apply to taxpayers that are required to file Chapter 5745 municipal income tax. However, to the extent necessary for a municipality to compute a taxpayer's property, payroll and sales factors for that municipality, the municipality may require the taxpayer to report to the municipality the value of the taxpayer's real and tangible personal property situated in the municipality, the taxpayer's compensation paid to its employees in the municipality and the taxpayer's sales made in the municipality.

Filing and Payment Dates (R.C. 5745.04)

Estimated payment requirements

For each taxable year, each taxpayer must file a declaration of estimated tax report and make payment as follows:

- Not later than the 15th day of the fourth month after the end of the preceding taxable year, the taxpayer must pay at least 25 percent of the combined tax liability for the preceding taxable year or 20 percent of the combined tax liability for the current taxable year.
- Not later than the 15th day of the sixth month after the end of the preceding taxable year, the taxpayer must pay at least 50 percent of the combined tax liability for the preceding taxable year or 40 percent of the combined tax liability for the current taxable year.
- Not later than the 15th day of the ninth month after the end of the preceding taxable year, the taxpayer must pay at least 75 percent of the combined tax liability for the preceding taxable year or 60 percent of the combined tax liability for the current taxable year.
- Not later than the 15th day of the 12th month after the end of the preceding taxable year, the taxpayer must pay at least 100 percent of the combined tax liability for the preceding taxable year or 80 percent of the combined tax liability for the current taxable year. The term "combined tax liability" means the total of the taxpayer's income tax liabilities to all Ohio municipalities for a taxable year.

Returns and extensions (R.C. 5745.03). Returns are due by the 15th day of the fourth month following the end of the taxpayer's taxable year. An extension will be granted if, by that date, the taxpayer filed with the tax commissioner a copy of the taxpayer's federal extension. The granting of an extension does not extend the last day for paying taxes without penalty unless the tax commissioner extends the payment date.

Payment by electronic funds transfer (R.C. 5745.03, 5745.04, and 5745.041). If any remittance of estimated Chapter 5745 municipal income tax is for $1,000 or more or the amount payable with the report exceeds $1,000, the taxpayer must make the remittance by electronic funds transfer (EFT).

Disposition of Revenue (R.C. 5745.03 and 5745.05). Revenue from the Municipal Income Tax Fund is distributed to municipal corporations quarterly, by the first day of March, June, September and December. The Department of Taxation certifies the amount distributed to each municipality and, to defray the costs of administering the tax, receives 1.5% percent of collections.

Taxable Year (R.C. 5745.01). A taxpayer's taxable year is the same as the taxpayer's taxable year for federal income tax purposes.

History of Collections.

Table 1: Municipal Income Tax for Electric Light & Telephone Companies collections: fiscal years 2014 - 2018 (in millions)

Fiscal Year	Municipal Income Tax	Municipal Income Tax Administration Fund	Total
2014	$8.7	0.1	$8.8
2015	7.4	<0.1	7.4
2016	15.1	0.2	15.3
2017	10.2	0.2	10.4
2018	13.4	0.2	13.6

Source: Office of Budget and Management financial reports

History of Major Changes.

2000	H.B. 483 created a uniform municipal income tax for electric light companies in Chapter 5745 effective Jan. 1, 2002. Later that year, S.B. 287 clarified uniform procedures for computing and apportioning municipal taxable income.
2003	H.B. 95 enacted law placing local exchange telephone companies in the Chapter 5745 municipal income tax for taxable years beginning on or after Jan. 1, 2004.
2007	H.B. 119 amended R.C. § 5745.13 to clarify that the Department of Taxation is required to notify a municipality of the department’s adjustment to a particular taxpayer’s tax for that municipality only if the adjustment increases or decreases the taxpayer’s tax for that municipality for the taxable year by more than $500.

Real Property – Manufactured Home Tax

Overview. State law establishes a tax on manufactured homes (i.e., mobile homes or house trailers). The tax is computed and assessed by the county auditor where the manufactured home is located and is paid to and collected by the treasurer of the same county. In calendar year 2017, approximately $29.8 million in tax was levied on 193,947 manufactured homes in Ohio.

Taxpayer (R.C. 4503.05 and 4503.061). The tax is paid by all owners of manufactured homes sitused on real property in Ohio and used as a residence.

Tax base (R.C. 4503.06). The base is calculated based on one of two methods. For manufactured homes first sitused in Ohio before Jan. 1, 2000, the assessed value is 40 percent of the amount calculated by multiplying the greater of either the home's cost or market value at the time of purchase by a depreciation percentage (from one of 2 schedules). For manufactured homes first sitused in Ohio (or transferred on or after) Jan. 1, 2000, the assessed value is 35 percent of true value consistent with the property tax on real property. Manufactured home owners whose manufactured homes were sitused in Ohio before Jan. 1, 2000, may elect to have their home taxed in this manner rather than the depreciation method. When a manufactured home is affixed to real property by a foundation, the property becomes subject to the property tax on real property.

Tax Rates (R.C. 4503.06). Rates vary according to the property tax levies in effect for the taxing district in which the manufactured home is sitused. The effective rate charged depends on the method of assessment described above. For homes assessed using the depreciation method, the tax is based on the gross local rate with a minimum tax of $36 per year, or no minimum tax if the home owner qualifies for the homestead exemption. Please see the **Real Property** section for homestead exemption details.

Exemptions, deductions, and credits (R.C. 4503.06). The tax does not apply when a manufactured home is:

- part of the inventory of a new motor vehicle dealer, manufacturer, remanufacturer, or distributor;
- a travel trailer not exceeding 35 feet in length.
- licensed in another state, unless located in Ohio for more than 30 days in any calendar year.
- taxed as real property.
- exempt from taxation under Chapter 5709 of the R.C.

Filing and payment dates (R.C. 4503.06). When the manufactured home is in Ohio on January 1 of a year, one-half of the tax is due by March 1 of that year with the balance due by July 31.

Distribution of Revenue (R.C. 4503.06). Revenue is distributed to the taxing subdivision of each county in the same manner as other taxes from real property. However, 4 percent is retained by the county auditor and 2 percent by the county treasurer as reimbursement for administrative costs.

History of Major Changes.

1920	Separate license taxes enacted for motorcycles, passenger cars, and commercial vehicles. Trailers are taxed as commercial vehicles, at 20 cents per 100 lbs. of gross weight or fractional part thereof.
1949	An $18 a year annual house trailer tax levied effective March 1, 1951.
1961	House trailer tax enacted as an ad valorem tax. Starting in 1962, house trailers were to be valued at 40 percent of cost or market value at the time of purchase, whichever is greater, less a depreciation percentage. A minimum tax of $18 applied.
1963	Legislature enacts a second depreciation schedule for house trailers that are purchased unfinished.
1969	Depreciation schedule allowances increased.
1980	Taxes owed must be collected before a certificate of title is issued.

1986	Homestead exemption extended to qualifying owners of manufactured homes.
1999	Manufactured homes must be taxed like real property when first located in Ohio or when ownership is transferred on or after Jan. 1, 2000. These homes remain on the manufactured home tax list but the same rates and credits that apply to residential real property apply to manufactured homes. Manufactured homes sitused in Ohio prior to this data may elect to be taxed like real property. Used manufactured homes subject to transfer fees and taxes beginning on that data. Owners are required to obtain relocation notice from county auditor and pay outstanding taxes before moving manufactured home.
2003	Manufactured home park owners are allowed to remove abandoned homes from the park and sell or destroy them.
2004	Ohio Manufactured Homes Commission established to regulate the installation of manufactured housing in Ohio including the affixing of a manufactured home to a permanent foundation before such home can be converted to real property.
2017	H.B. 49 abolished the Manufactured Homes Commission and transferred all its duties to the Department of Commerce.

Property Tax – Public Utility Property

Overview. This chapter deals with property taxes levied on the tangible personal property of public utilities. Public utility personal property is the only personal property remaining subject to taxation in Ohio because of changes enacted by the Ohio General Assembly in 2005. This chapter also touches on the taxation of public utility real property, since the Ohio Department of Taxation has a role in assessing the real property of railroads. However, tables showing the taxes paid on public utility real property are in the **Property Tax - Real Property** chapter.

The assessed value of public utility personal property was approximately $16.43 billion during tax year 2017. Electric utilities comprised approximately 73 percent of total public utility personal property value during 2017 and the pipeline industry accounted for about 15 percent. Revenue from the public utility property tax amounted to about $1.33 billion during calendar year 2017. This revenue was distributed to counties, municipalities, townships, school districts, and special districts per locally levied millage.

Taxpayer (R.C. 5727.06). Public utilities subject to taxation on their tangible personal property include electric, rural electric, energy, natural gas, pipeline, water works, water transportation, and heating companies.

Tax Base (R.C. 5715.01, 5727.01, 5727.06, 5727.10, 5727.11-.12, 5727.14-.15). For most public utilities, the personal property tax base consists of all tangible personal property owned and located in Ohio on December 31 of the preceding year. The exceptions:

- For water transportation companies, the tax base consists of all tangible personal property, except watercraft owned or operated in Ohio on Dec. 31 of the preceding year and all watercraft owned or operated by the water company in Ohio during the preceding calendar year.
- Railroad property is valued according to the unitary method described under **Determining true value**, below.

Listing percentages. The percentage of true value at which personal property is listed for taxation varies based on the type of public utility. The percentages are as follows:

Electric Companies	
Taxable transmission and distribution property and energy conversion equipment	85%
All other taxable propery	24%
Energy Companies	
Taxable production equipment	85%
All other taxable property	24%
Rural Electric Companies	
Taxable transmission and distribution property and energy conversion equipment	50%
All other taxable property	25%
Heating and pipeline companies	88%
Natural gas, water-works[1], and water transportation companies	25%

[1]The assessment percentage is 88% for taxable personal property first subject to taxation in Ohio before tax year 2017.

The above table does not apply to real property. Personal property includes all plant and equipment either owned or leased by the utility under a sale-lease back agreement and not classified as real property or intangible property.

Determining true value. For most public utility personal property, true value is the capitalized cost less the composite annual allowances, which vary according to the actual age and expected life of the property.

Exceptions: The true value of electric company production equipment and all taxable property of a rural electric company is 50 percent of capitalized cost, except for the production equipment of electric or rural electric companies purchased, transferred or sold after July 6, 1999, the date when the electric deregulation legislation known as Senate Bill 3 became effective. The true value of production equipment purchased, transferred or sold after this date is the capitalized cost on the books and records, less composite annual allowances.

The true value of current gas (gas available for market) stored underground is the monthly average value of such gas in the preceding tax year. The true value of non-current gas (gas not available for market that provides pressure for cycling current gas) stored underground is 35 percent of the cost of that gas shown on the books and records of the public utility on the 31st day of December of the preceding year.
To determine the true value of railroad real property used in railroad operations, the unitary method is used to value the company's entire railroad system property. The value is apportioned to Ohio in the proportion that the length of track in this state bears to the whole length of track. The value of railroad real property not used in operations is assessed by county auditors using the normal means of valuing such property.

Apportionment of value. Real property values of all utilities except railroads are assigned to local taxing districts throughout Ohio according to the physical location of the property. The taxable personal property values of all utilities are apportioned among the taxing districts as follows:
• Natural gas, heating, pipeline, water works, rural electric, and water transportation companies: taxable value is apportioned according to the cost of all taxable personal property physically located in each taxing district as a proportion of the total cost of all such taxable personal property physically located in the state.
• Electric companies: for production equipment, the total taxable value is apportioned to the taxing district in which the property is physically located.
•For all other property, the taxable value is apportioned according to the cost of this property physically located in each taxing district as a proportion of the total cost of all such taxable personal property physically located in the state.

Tax Rates (R.C. 319.30, 319.301, 5705.02 – .05, 5705.19). Tax rates vary by taxing jurisdiction. The total tax rate is the sum of all levies enacted by legislative authority or approved by voters for all taxing jurisdictions in which the property is located or to which it is apportioned. Examples of taxing jurisdictions include counties, townships, municipal corporations, school districts, joint vocational school districts, and special service districts. These total rates, or gross tax rates, apply to personal property. For real property, the application of tax reduction factors according to R.C. 319.301, commonly known as "House Bill 920," results in lower "effective" tax rates. For details on tax reduction factors, see the section on credits in the Property Tax – Real Property chapter.

Exemptions and Credits (R.C. 319.302, 5701.03, 5709.111, 5709.25, 5709.61, 5727.01, 5727.05, 5727.75, 6111.31). The following types of public utility property are exempt:

- municipally-owned utilities;
- certified air, water and noise pollution control facilities;
- licensed motor vehicles;
- tangible personal property under construction; and
- real and personal property of nonprofit corporations and political subdivisions used exclusively in the treatment, distribution and sale of water to consumers.

An allowance is available for funds used during construction and interest used during construction. This does not apply to electric company and rural electric company property, except transmission and distribution property first placed into service after Dec. 31, 2000. It also does not apply to the taxable property a person purchases, which includes transfers, if that property was used in business by the seller prior to the purchase. Also, qualified electric generating property may qualify for a property tax reduction if placed in an enterprise zone.

Renewable energy facilities that are not financed through the Ohio Air Quality Development Authority can be exempt from the tangible personal property tax if certified by the Director of the Development Services Agency as a "qualified energy project." Such a facility will require a payment in lieu of taxes based on each megawatt of production capacity. To be certified as a "qualified energy project," among other requirements, energy must be produced by January 1, 2015 (or January 2019 for nuclear, clean coal and cogeneration projects).

Reporting, Certification, and Payment Dates (R.C. 323.12, 323.17, 5727.08, 5727.10, 5727.23, 5727.48). Annual reports are due by March 1, but the Tax Commissioner may grant an extension of up to 30 days. The Tax Commissioner notifies utilities and county auditors of values on or before the first Monday in October. Tax payments, which are made to the county auditor, are due according to the same first- and second-half due dates for real property taxes. According to statute, at least one half of a real property tax bill is due by December 31, with the balance due by June 20. In practice, these deadlines may be extended by 45 days, or even longer in certain circumstances, on a county-by-county basis.

Disposition of Revenue (R.C. 319.54, 321.24, 321.26 –.261, 321.31, 321.34). After local administrative deductions, revenue is distributed to counties, municipalities, townships, school districts and special districts according to the taxable values and total millage levied by each.

History of Major Changes.

1910	The newly-created Tax Commission of Ohio is charged with the assessment of public utility property.
1939	Responsibility for assessing public utility property shifts to the Ohio Department of Taxation, which replaces the state Tax Commission.
1941	The assessment level for personal property of rural electric companies is reduced from 100 percent to 50 percent of true value. All other public utility property continues to be assessed at 100 percent.
1963	Certified air pollution control facilities are exempted.
1965	Certified water pollution control facilities are exempted.
1973	Certified noise pollution control facilities are exempted.
1979	Personal property of railroads begins to be assessed annually at the same percentage of true value as the tangible personal property of general businesses, which at the time was 42 percent of true value.
1985	General Assembly changes apportionment of electric company production plant equipment so that 70 percent is apportioned to the taxing district in which the property is physically located. The remaining 30 percent is apportioned to each taxing district according to the distribution base, meaning the percentage of the total cost of transmission and distribution property located in each district. Previously, production plant equipment had been apportioned entirely according to the value of overhead and underground lines.
1989	General Assembly enacts legislation that: bases the true value of most public utility personal property on the cost as capitalized on the utility's books less composite annual allowances as prescribed by the tax commissioner; reduces the taxable value of most public utilities from 100 percent to 88 percent of true value; defines the true value of electric company production equipment as 50 percent of original cost, while maintaining the 100 percent assessment rate on such property; revises the apportionment of production equipment at an electric utility plant with a cost exceeding $1 billion so that all of the cost in excess of $420 million is apportioned according to the distribution base. Previously, 70 percent of the amount above $420 million would have been apportioned to the taxing district in which the property is physically located.
1995	All inter-exchange telecommunications company personal property begins to be assessed at 25 percent of true value. Local telephone company personal property is added to the tax rolls during tax year 1995 and is thereafter assessed at 25 percent of true value.

1999	Beginning Jan. 1, 2001, all electric and rural electric utility personal property – except for transmission and distribution property – is assessed at 25 percent of true value. Also, electric production equipment is sitused 100 percent in the taxing district in which property is located.
2000	Beginning Jan. 1, 2001, the assessment percentage of natural gas personal property is lowered from 88 percent to 25 percent of true value.
2003	Beginning Jan. 1, 2005, the assessment rate of telephone personal property acquired before 1994 is phased down from 88 percent to 25 percent of true value over a three-year period.
2005	H.B. 66 included the following changes effective Jan. 1, 2006: lowered the assessment percentage on electric transmission and distribution personal property from 88 percent to 85 percent and on electric production personal property from 25 to 24 percent; began phase-out over three years of the tax on railroad personal property according to the same schedule that applies to general business tangible personal property: listing percentages of 18.75 for 2006, 12.5 for 2007, 6.25 for 2008 and zero thereafter; railroad real property in a single county and not used in operations is valued and assessed by the county auditor; included the cost of patterns, jigs, dies and drawings in the taxable personal property of an electric company. Also, beginning January 1, 2007, classified telephone companies and inter-exchange telecommunications companies as general business taxpayers, with the personal property for these companies to be phased out according to a four-year schedule; beginning January 1, 2009, defined persons that lease personal property to some public utilities as public utility personal property lessors and required the filing of returns listing this property; beginning Jan. 1, 2009, required persons that generate electricity and supply some of it to others, but whose primary business is not supplying electricity, to report their electricity-related property as an electric company does.
2010	S.B. 232 provided that energy companies that are not classified as "qualified energy projects" are classified as public utilities and are subject to the public utility property tax. H.B. 153 extended deadlines for qualified energy projects.
2017	H.B. 384 reduces the property tax assessment rate for water-works company tangible personal property that is taxed for the first time in tax year 2017 or thereafter, from 88 percent to 25 percent of true value.

Property Tax – Real Property

Overview. The real property tax is Ohio's oldest tax. It has been an ad valorem tax – meaning, based on value – since 1825, and the Ohio Constitution has generally required property to be taxed by uniform rule according to value since 1851. ODT ensures uniformity through its oversight of the appraisal work of Ohio's county auditors. According to state law and department rules, auditors conduct a full reappraisal of real property every six years and update values in the third year following each sexennial reappraisal. ODT's Division of Tax Equalization compares the assessed values of properties to sale prices, then uses these "sales ratios" to evaluate assessments and, if necessary, seek changes.

During tax year 2016 (bills payable during 2017), the assessed valuation of real property in Ohio was approximately $238.3 billion ($680.7 billion in appraised true value). Revenue from taxes levied on this assessed value is distributed by county auditors to the local taxing authorities during calendar year 2017. Taxes charged after the application of reduction factors required by Ohio Revised Code section 319.301

(frequently described as House Bill 920) were approximately $16.2 billion for tax year 2016, an increase of 3.0 percent from 2015. This amount does not include deductions for the 10 percent credit on certain residential and agricultural property (known as the non-business credit), the 2.5 percent credit for owner-occupied dwellings, or the homestead exemption for qualifying senior citizens and certain disabled homeowners.

The state reimburses local governments and school districts for the full amounts of the two credits (when they apply) and the homestead exemption. The amount of property tax relief for calendar year 2016 (reimbursed in 2017) is estimated to be $1.14 billion for the non-business credit, $211.1 million for the owner-occupied credit, and $423.4 million for the homestead exemption. These figures do not include those taxpayers who filed late for the homestead or owner-occupied reductions.

Table 1: Real Property Comparison of Largest Cities in Selected States

City	State	Median Home Value [1]	Estimated Property Tax Less Tax Reduction or Exemption	Effective Tax Rate per $100 [2]
Detroit	MI	$41,000	$1,419	3.46
Indianapolis	IN	120,400	3,142	2.61
Houston	TX	140,300	3,550	2.53
Columbus	OH	131,800	2,952	2.24
Memphis	TN	93,700	1,827	1.95
Atlanta	GA	222,300	3,957	1.78
Philadelphia	PA	147,300	2,062	1.4
Louisville[3]	KY	151,800	1,791	1.18
Charlotte	NC	178,000	2,047	1.15
Charleston[4]	WV	101,800	855	0.84

[1]Source: Table B25077, US Census Bureau, American Factfinder 2016 American Community Survey, Housing Characteristics.

[2]Source: Calculations by Ohio Department of Taxation based on Table 4 of Tax Rates and Tax Burdens in the District of Columbia, A Nationwide Comparison (issued December 2017).

[3]Median home value for Louisville/Jefferson County metro area.

[4]Median home value for Charleston, WV metro area.

Taxpayer (R.C. 5709.01). All real property owners who are not specifically exempt are subject to the real property tax.

Tax Base (R.C. 5713.03, 5715.01, 5713.30-.31). The real property tax base is the taxable (assessed) value of land and improvements. The taxable value is 35 percent of true (market) value, except for certain land devoted exclusively to agricultural use.

Rates (R.C. 319.301, 5705.02 – 5705.05, 5705.19). Real property tax rates are levied locally and vary by taxing authority. The total tax rate for any parcel includes all levies either enacted by a legislative body or approved by the voters of all taxing authority in which the property is a part. Examples of such jurisdictions include school districts, counties, municipalities, townships and special service districts.

During taxable year 2016, the statewide average tax rate before reduction factors (total tax liabilities at tax rates before reduction factors ÷ taxable value) was approximately 92.93 mills on residential and agricultural property and 96.97 mills on commercial and industrial property. The statewide average tax rate after reduction factors (total tax liabilities at actual tax rates after reduction factors divided by taxable value) was approximately 65.33 mills on residential and agricultural real property and 77.05 mills on commercial and industrial property. The difference between the gross and effective rate is due to tax reduction factors that generally prevent changes in tax liabilities from voted taxes even though the valuation of real property increases or decreases because of reappraisal or triennial update (see **Credits** below).

The Ohio Constitution prohibits governmental units from levying property taxes that, in the aggregate, exceed 1 percent of true value, unless they are approved by voters. This is known in state law as the 10-mill limitation on non-voted or "inside" millage. Since these inside mills are levied on taxable value, which is 35 percent of true value, the result is a statutory limit of 0.35 percent, or nearly three times as strict as the constitutional 1 percent limit.

Exemptions (R.C. 5709 et seq.). State law exempts certain facilities and organizations from real property tax. Expressed major exemptions include:

- primary and secondary schools (public and nonpublic);
- public colleges, academies and state universities;
- churches and property used for public or charitable purposes;
- government and public property;
- public recreational facilities used for athletic events;
- nature preserves.

Disposition of Revenue (R.C. 319.54, 321.24, 321.26 –.261, 321.31, 321.33–.34). After local administrative fee deductions, revenue is distributed to local taxing authorities according to the taxable values and total millage levied by each.

Credits (R.C. 319.301–.302, 323.151–.157)

Property tax credits. Since 1971, a 10 percent credit has applied to each taxpayer's real property tax bill. In 2005, as part of a broader series of tax reforms, the General Assembly limited the 10 percent credit to all real property not intended primarily for use in a business activity. The state reimburses local governments and schools for the cost of this credit, now called the non-business credit. In addition, since the 1979 tax year, a 2.5 percent credit, called the owner occupancy credit, of real property taxes has been available to homesteads – meaning a dwelling plus up to one acre occupied by the homeowner. The state reimburses local governments and schools for the cost of this credit.

These two credits do not apply to new local levies or replacement local levies passed after Sept. 29, 2013; they will continue to apply only to existing and renewed levies.

Tax reduction factors. Each year, the department calculates effective tax rates based on tax reduction factors that eliminate the effect of a change in the valuation of existing real property on certain voted taxes. This law, outlined in R.C. 319.301, was enacted in 1976 by the 111th General Assembly as House Bill 920. Reduction factors are applied to eligible tax rates for each taxing unit, such as a school district, a county or a municipality. For the purpose of applying tax reduction factors, real property is divided into two classes: Class I for residential and agricultural property and Class II for all other real property. Tax reduction factors are separately calculated for each class of property.

Reduction factors are calculated only on "carryover" property. Carryover property is property that is taxed both in the same class for the current year and the preceding year. For example, the value of new construction does not trigger a change in reduction factors. When new buildings are constructed, the tax generated will be additional moneys received by a taxing authority. Likewise, reduction factors do not change when value is removed as a result of exemption, demolition or reclassification. Finally, if tax reduction factors would reduce the effective tax rate of fixed-rate levies for current expenses of a school district below 20 mills on property in either class, the reduction factors are adjusted to yield a minimum of 20 effective mills. Districts that levy less than 20 mills do not automatically reach this 20 mill floor; a district that only levies 18 gross mills for current expense purposes will never receive more than 18 mills. The reduction factors of joint vocational school districts are adjusted in a similar manner to yield a minimum of two effective mills on each class of real property.

Homestead exemption. Eligibility for new exemptions is limited to qualifying taxpayers by age and Ohio adjusted gross income. The income threshold is adjusted annually for inflation and is $31,800 for tax year 2017. The homestead exemption dates to 1971. It is available to the homesteads of qualified homeowners who are either:

- at least 65 years old;
- permanently and totally disabled; or
- at least 59 years and the surviving spouse of a deceased taxpayer who previously received the exemption.

Each qualified homeowner receives a credit equal to the taxes that would otherwise be charged on up to $25,000 of the true value (meaning, $8,750 in taxable value) of the homestead. In effect, the homestead exemption shields up to $25,000 of the value of an eligible homestead from property taxation.

Veterans who have received a 100 percent permanent total disability rating or a total disability rating for a service-connected disability or combination of service-connected disabilities are exempt from this income threshold and are eligible to receive a homestead credit value of $50,000.

Special Provisions

Current agricultural use value (R.C. 5713.30 – 5713.36). The Ohio Constitution requires real property (land and improvements) to be taxed by uniform rule according to value. But land devoted exclusively to commercial agricultural use may be valued according to its current use instead of its "highest and best" potential use. Such land must meet one of the following requirements for three years before the year in which application for the current use treatment is made:

- 10 acres or more must be devoted to commercial agricultural use; or
- under 10 acres must be devoted to commercial agricultural use and produce an average yearly gross income of at least $2,500.

In addition, when land that is valued according to its commercial agricultural use is converted to a different use, a charge is assessed on the land in an amount equal to the difference in the amount of tax levied on the converted land during the three tax years immediately preceding the year in which the conversion occurs.

In 2017, a total of approximately 16.0 million acres were assessed at their current agricultural use value of approximately $10.0 billion, which is $14.6 billion less than the highest and best use value of approximately $24.6 billion.

Forest land (R.C. 5713.22 – 5713.26). Forest land, devoted exclusively to forestry or timber under the rules of the Ohio Department of Natural Resources' Division of Forestry, may be taxed at 50 percent of the local rate.

Manufactured home tax (R.C. 4505.01, 4503.06, 4503.065). Manufactured homes are subject to an annual property tax. The valuation method and tax calculation depend on whether the manufactured home is taxed like (but not as) real property. Details on this tax are in the Manufactured Home Tax chapter in the Local Taxes section of this report.

Filing and Payment Dates (R.C. 323.12, 323.17). According to statute, at least one-half of a real property tax bill is due by December 31, with the balance due by June 20. In practice, these deadlines are often extended in the ways described below. When the delivery of the tax duplicate is delayed for certain statutory reasons, the payment dates may be automatically extended for 30 days. Further extensions, not to exceed 15 days, may be granted for emergencies by application of the county auditor or treasurer to the Tax Commissioner. When an unavoidable delay occurs, an additional extension may be granted by application of both the county auditor and treasurer to the Tax Commissioner to avoid penalties to taxpayers.

Administration (R.C. 319.28, 5703.80, 5705.03, 5713.01, 5715.01–.02, 5719.05). The Tax Commissioner supervises the taxation of real property and is charged with the duty of achieving uniformity in the taxation of it. An amount equal to a portion of the amount by which taxes charged and payable were reduced for the owner-occupied credit and a portion of taxes charged and payable against public utility personal property is deposited in the property tax administration fund. County auditors are responsible for assessing all real property and for preparing a general tax list and duplicate. Using the duplicate, county treasurers prepare property tax bills and are responsible for the actual collection of the tax. County boards of revision hear complaints on the assessment or valuation of real property and may increase or decrease an assessment in the value of any property dispute properly before it.

History of Major Changes.

1803	Ohio became a state. General Assembly continued the territorial practice of taxing land (but not improvements) based on whether the fertility of the land is "first rate," "second rate" or "third rate."
1825	General Assembly abolished land classification system, replacing it with an ad valorem tax on land, improvements and select forms of personal property.
1846	General Assembly enacted "Kelley Law," which requires that "all property, whether real or personal… unless exempted, shall be subject to taxation." Previously, the legislature had exempted from taxation many forms of personal property, such as tools and machinery.
1851	New state constitution required that all real and personal property be taxed according to uniform rule, except for exemptions specifically permitted by the constitution, such as for churches and schools.
1902	Legislature repealed state property tax levies for the general fund. State levies persist for other purposes, such as public universities, common schools and highways.
1910	General Assembly created the Tax Commission of Ohio to supervise local property tax administration.
1911	General Assembly enacted "Smith 1 percent law," which sets an overall 10 mill limit on unvoted levies. Further levies are permitted up to a 15-mill limit, if they are approved through a vote of the people.
1925	General Assembly enacted first statutory requirement for a six-year reappraisal cycle.
1927	General Assembly repealed Smith Law and replaces it with a 15-mill cap on unvoted levies. Additional millage is permitted above this mark through a vote of the people.

1929	Ohio voters approved a constitutional amendment that, starting in 1931, generally limits levies enacted without voter approval to 1.5 percent of true value. The amendment also limited the principle of taxation by uniform rule to real property, rather than all property.
1932	For the first time in more than a century, no state tax is levied on real property
1933	Voters approved a constitutional amendment that tightens the cap on non-voted levies to 1 percent of true value.
1934	Through statute, the General Assembly reduced the aggregate tax limit on non-voted levies from 15 mills to 10 mills.
1939	The Tax Commission of Ohio is replaced by the Department of Taxation, the Board of Tax Appeals (which begins supervising real property tax administration), and a Tax Commissioner (who assumes functions with respect to taxation of public utility property).
1965	For the first time, the General Assembly enacted law explicitly permitting real property to be uniformly assessed at less than true value. The legislature required that taxable values be no more than 50 percent of true value with the actual uniform percentage to be established by rule of the Board of Tax Appeals.
1968	A state tax applied to real property for the last time – 0.2 mills to retire bonds issued to provide bonus compensation to veterans of the Korean conflict.
1970	Ohio voters approved constitutional amendment permitting a homestead exemption for low- and middle-income senior citizens.
1971	General Assembly enacted 10 percent property tax credit. Homestead exemption begins.
1972	Board of Tax Appeals required taxable values to be set at 35 percent of true value as counties complete their sexennial reappraisals, with annual adjustments to maintain the 35 percent level.
1973	Voters approved a constitutional amendment permitting the valuation of agricultural property based upon current use.
1974	Voters approved a constitutional amendment that permits the extension of the homestead exemption to permanently and totally disabled homeowners.
1976	General Assembly enacted H.B. 920, which requires the calculation of effective tax rates based on reduction factors. These factors are intended to eliminate from certain voted levies the changes in revenue that might occur when values grow on existing real property as part of a reappraisal or update. H.B. 920 also created the Department of Tax Equalization to supervise real property tax administration and requires real property valuations to be updated every three years, instead of annually.
1977	S.B. 221 established a 20-mill floor for school districts, after the application of “House Bill 920” reduction factors.
1979	Legislature enacted a 2.5 percent tax credit for owner occupied residential property.
1980	Voters approved a constitutional amendment that calls for separate reduction factors to be applied to two classes of real property: residential and agricultural property (Class I) and all other real property (Class II).
1983	Department of Tax Equalization is eliminated; all its functions are transferred to the Department of Taxation.
1990	Voters approved a constitutional amendment that permits the homestead exemption to be extended to the surviving spouses of homestead exemption recipients.
2005	As part of a larger series of tax reforms, H.B. 66 narrows the 10 percent credit to real property not intended primarily for use in a business activity.
2007	H.B. 119 expanded the homestead exemption to all senior citizens, qualifying disabled homeowners, and surviving spouses of previously qualified homeowners, regardless of income. The bill eliminated the tiered benefits and instead allows all eligible participants to exempt $25,000 of the true value of their homestead from taxation
2014	H.B. 59 limited the application of the non-business and owner occupied real property tax credits to levies approved before Sept. 29, 2013, and to subsequent renewals of these levies. The bill also

	implemented a means test for the availability of the homestead exemption for homeowners not receiving the exemption in tax year 2013. The test is to be adjusted annually for inflation. H.B. 85 increased the homestead exemption available to veterans who are permanently and totally disabled due to a service-related disability from a value of $25,000 to $50,000. The bill also exempted such veterans from the income threshold to be eligible for the homestead exemption.
2017	H.B. 26 enacted law suspending the property tax administration fee for the 2018-2019 biennium, reducing the maximum rates that may be charged thereafter, requiring the rates charged not to exceed the maximum rates or the estimated costs of the Ohio Department of Taxation to administer these taxes. H.B. 49 makes changes in the calculation of CAUV values, changes are phased in over two reassessment of update cycles.
2018	S.B. 8 modified Transportation Financing Districts (TFD) property tax exemptions. H.B. 24 authorizes a property tax exemption for certain property providing housing for individuals with developmental disabilities, expands the veterans' organization property tax exemption to qualifying 501(c)(4) groups, and enumerates uses of school safety and security tax levy. H.B. 292 requires a property tax exemption for certain Olympic training facilities and increases the maximum term of delinquency for such facilities.

Real Property Conveyance Fees

Overview. State law establishes a mandatory conveyance fee on the transfer of real property. The fee is calculated based on a percentage of the property value that is transferred. In addition to the mandatory fee, all but one county levies a permissive real property transfer fee. The revenue from both the mandatory fee and the permissive fee is deposited into the general revenue fund of the county in which the property is located. During 2016, the latest year for which survey data is available, conveyance fees generated approximately $132.9 million in revenues to the counties. The breakdown of these revenues was approximately $41.6 million from mandatory fees and $91.3 million from permissive fees.

Taxpayer (R.C. 319.202, 319.54, 322.02, 322.06). The real property conveyance fee is paid by persons that transfer real estate or sell a used manufactured or used mobile home.

Tax base (R.C. 319.202). The tax base is the value of the real estate or used manufactured or mobile home.

Tax rates (R.C. 319.54 and 322.02). The fee consists of two parts: (1) a statewide mandatory fee of 1 mill (0.001) or $1 per $1,000 of the value of the property transferred or sold and applies in all 88 counties and (2) an optional county permissive real property transfer fee of up to 3 mills. County commissioners may prescribe a lower permissive rate for conveyances of property receiving the homestead exemption. As of 2016, survey data, 87 of 88 counties levied an additional permissive fee at rates ranging from 1- 3 mills. The exception was Ross County.

Exemptions, deductions, and credits (R.C. 319.54). The tax does not apply to certain transfers or sales as set forth in R.C. 319.54(G)(3).

Filing and payment dates (R.C. 319.202 and 322.06). The fee is paid at the time of transfer.

Disposition of Revenue (R.C. 319.202 and 322.06). All revenues from the fees are deposited into the general fund of the county, except that fees charged and received for a transfer of real property to a county land reutilization corporation must be credited to the county's land reutilization corporation fund established under R.C. 321.263.

History of Major Changes.

1967	A mandatory real property transfer fee of 1 mill becomes required by state law and county commissioners are permitted to impose additional fees of up to 3 mills on conveyances on or after Jan. 1, 1968. The revenues from both components of the tax are distributed to the county's general fund.
1969	State law allows for a vote of the electorate to repeal a permissive transfer fee adopted as an emergency.

Resort Area Gross Receipts Tax

Overview. The resort area gross receipts tax is a business privilege tax that a municipality or township that has declared itself to be a resort area may enact. Revenue from the tax benefits the municipality or township. The tax was authorized by House Bill 327 (120th General Assembly) that became law on June 30, 1993. The village of Kelley's Island enacted the first resort area gross receipts tax in 1993. The village and township of Put-In-Bay followed suit in 1996. Additionally, H.B. 64 (131st General Assembly eff. Sep. 29, 2015) authorized the creation of a "tourism development district (TDD)," which may also levy a tax similar to the resort tax. Municipalities and townships may declare themselves to be a resort area and enact the tax when they meet a three-pronged test:

- At least 62 percent of total housing units are for seasonal use as of the last federal census.
- Entertainment and recreation facilities are provided within the community that are primarily intended to provide seasonal leisure activity for nonresidents.
- The municipality or township experiences seasonal peaks of employment and service demand because of a seasonal population increase.

A tourism development district was defined in H.B. 64 as:

- Only a township or municipality located in a county that has a population between 375,000 and 400,000 and levies a county sales tax in which the aggregate rate does not exceed 0.50 percent as of the effective date of H.B. 64 (i.e., Stark Cty).
- The district is not more than 200 contiguous acres (increased to 600 by H.B. 49 of the 132nd General Assembly).

Taxpayer (R.C. 5739.101). The resort area gross receipts tax is imposed on persons making sales or providing intrastate transportation or other services taxable under the state sales tax base, within a designated resort area or TDD. A person may separately or proportionately bill or invoice the tax to another person.

Tax Base (R.C. 5739.101). The tax is levied on the privilege of doing business in the resort area or TDD. It is measured by gross receipts generated from sales made and services provided within the boundaries of a designated resort area or TDD, as well as intra-state transportation to and from such an area.

Gross receipts are defined as activities, without deduction for the cost of goods sold or other expenses incurred, that contribute to the production of the gross income of a business. Gross receipts that are part of the tax base include:

- Rentals and leases of tangible personal property such as watercraft, golf carts, bicycles, videos, and fishing tackle;
- Wholesale and retail sales, excluding food consumed off the premises;
- Hotel and motel room rentals;
- Repair or installation of tangible personal property;
- Warranties, maintenance or service contracts; and
- Sales of certain services that are also subject to sales tax under R.C. 5739.01(B).

Rates (R.C. 5739.101). The tax in the resort areas may be levied at rates of 0.5 percent, 1.0 percent, or 1.5 percent. A TDD may levy a tax rate of up to 2.0 percent. Currently, only four jurisdictions have enacted the tax: the village of Kelley's Island, the village of Put-In- Bay, the town ship of Put-In-Bay (Resort Areas) and City of Canton (TDD). The rate in each resort area jurisdiction is 1.5 percent. The rate of the TDD is 2 percent.

Exemptions (R.C. 5739.101). Sales of food may only be included to the extent such sales are subject to the state's sales tax. Transportation of passengers as part of a tour or cruise in which the passengers will stay in the municipal corporation or township for no more than one hour are exempted from the calculation of the tax.

Filing and Payment Dates (R.C. 5739.102 and R.C. 5739.103). There are two semi-annual reporting periods for the tax. Returns are due to the Tax Commissioner approximately 30 days after the close of each reporting period: January 1 through June 30 - returns are due July 31; July 1 through December 31 - returns are due January 31.

Administration and Disposition of Revenue (R.C. 5739.102). Tax Commissioner administers the resort area gross receipts excise tax and distributes the revenue to the general fund of the township or municipality that levied the tax within 45 days after the end of each month that the tax was paid. One percent is withheld and deposited into the GRF to cover the costs of administering the tax.

History of Collections.

Table 1: Resort Area Gross Receipts Tax collections: fiscal years 2014-2018

Fiscal year	Revenue to Local Governments	State Administrative Fee	Total Tax Collections
2014	$1,154,319	$11,660	$1,165,978
2015	1,285,222	12,746	1,297,968
2016	1,175,730	11,876	1,187,606
2017	1,191,123	12,028	1,203,150
2018	1,226,928	12,250	1,214,678

Source: Office of Budget and Management fiscal reports.

History of Major Changes.

1993	The General Assembly enacts House Bill 327, authorizing municipalities or townships that meet certain requirements to declare themselves a "resort area" and levy a resort area gross receipts tax. Shortly thereafter, the village of Kelley's Island enacts the tax.
1996	The village of Put-In-Bay and township of Put-In-Bay both enact the tax.
2015	H.B. 64 authorized certain townships and municipal corporations to designate tourism development districts (TDDs). A subdivision creating a TDD may levy a gross receipts tax of up to 2 percent on businesses' gross receipts derived from making taxable sales in the in the TDD, provided the subdivision levies the tax before 2019. A TDD gross receipts tax is administered and collected by the Tax Commissioner in the same manner as a resort area gross receipts tax.
2017	H.B. 49 extended the maximum size of a TDD from 200 to 600 acres, authorized municipal corporations and townships to designate new TDDs until 2021, expanded the improvements toward which revenues can be spent or pledged, and clarified that revenue used to fund permanent improvements located in a TDD must be from collections as a result of activities occurring in the TDD.

Sales and Use Tax – County and Transit Authority

Overview. Counties and transit authorities are permitted to levy sales and use taxes that "piggyback" on the statewide 5.75 percent sales and use tax, subject to repeal by a majority vote of the county electorate. The department collects the combined state and local tax and then distributes the local share of revenue directly to the counties and transit authorities. The same exemptions, exceptions, credits, and return deadlines apply to the permissive taxes as to the state tax. All of Ohio's 88 county governments levied permissive sales and use taxes as of Dec. 31, 2017, ranging from 0.50 percent to 1.50 percent.

In addition, eight transit authorities levied sales and use taxes as of Dec 31, 2017, ranging from 0.25 percent to 1.00 percent. They were: Greater Cleveland Regional Transit Authority; Central Ohio Transit Authority; Laketran Transit Authority (Lake County); Western Reserve Transit Authority (Mahoning County); Greater Dayton Regional Transit Authority; Portage Area Regional Authority; Stark Area Regional Transit Authority; and Metro Regional Transit Authority (Summit County).

During fiscal year 2018, after a 1% administration fee (approximately $25.5 million), the state collected approximately $2,065.4 million for the counties and approximately $454.6 million for the transit authorities.

Taxpayer (R.C. 5739.01, 5739.03, 5739.031, 5739.17, 5741.01). Any person, retailer, business, organization or provider of taxable goods or services that makes retail sales or taxable purchases on which sales tax has not been paid is required to file a return and remit the sales or use tax due. (See **Sales and Use Tax** in the **State Taxes** section of this document for a list of specified services, for a description of taxpayers, and applicable vendor's licenses).

Tax Base (R.C. 5739.01, 5741.01). The state, county and transit authority sales and use taxes apply to all retail sales of tangible personal property that are not specifically exempt. The tax also applies to the rental of tangible personal property, the rental of hotel rooms by transient guests and the sales of certain specified services. The use tax base is identical to that of the sales tax. Use tax applies to purchases made outside of Ohio and to purchases made from Ohio vendors if the vendor did not charge sales tax. For additional information on use tax, see the discussion in ***Rates***, below, under ***Sourcing***.

See **Sales and Use Tax** in the **State Taxes** section of this document for a list of specified services and for more information of sourcing for the use tax.

Local Rates (R.C. 5739.02-.21, 5739.023, 5739.025-.26, 5741.02-.021, 5741.023. Current law gives counties the option of levying a sales tax of up to 1.00 percent for county general revenue, plus an additional tax of up to 0.50 percent for county general revenue for several specific purposes outlined in the R.C. 5739.026. These taxes may be repealed by county voters. Transit authorities are also authorized to levy additional permissive sales and use taxes at rates of 0.25 percent to 1.50 percent, also in 0.25 percent increments.

Table 1 shows the number of counties at each total combined state and local tax rate, as of Dec. 31, 2017. Four Ohio counties, Delaware, Fairfield, Licking, and Union, have more than one combined sales and use tax rate in effect because a small part of their area lies within the territory of the Central Ohio Transit Authority (COTA). Table 1 does not reflect the 0.50 percent COTA rate that applies in parts of these four counties.

Table 1: Rates and jurisdictions (as of Dec. 31, 2017)

Rate	Number of jurisdictions
6.50%	3
6.75%	19
7.00%	12
7.25%	52
7.50%	1
8.00%	1

Source: Ohio Department of Taxation

Exemptions, Deductions, Credits. Since local sales and use taxes "piggyback" on the state sales and use tax, exemptions are identical. For more information, see the **Sales and Use Tax** in the **State Taxes** section of this document.

Filing and Payment Dates. Since local sales and use taxes "piggyback" on the state sales and use tax and are administered by the Department of Taxation, filing and payment dates are identical. For more information, see the **Sales and Use Tax** in the **State Taxes** section of this document.

Disposition of Revenue (R.C. 5739.21, 5741.03). In any case where any county or transit authority has levied a tax or taxes pursuant to section 5739.021 (county permissive sales tax), 5739.023 (transit authority permissive sales tax), 5739.026 (additional county permissive sales tax), 5741.021 (county permissive use tax), 5741.022 (transit authority permissive use tax), or 5741.023 (county permissive use tax for specific purposes), the tax commissioner must, within 45 days after the end of each month, determine and certify to the director of the Office of Budget and Management the amount of the proceeds of such tax of taxes received during that month from billings and assessments, or associated with tax returns or reports filed during that month, to be returned to the county or transit authority levying the tax or taxes. The aggregate amount to be returned to any county or transit authority shall be reduced by one percent, which shall be certified directly to the Local Sales Tax Administrative Fund. On or before the 20th day of the month in which such certification is made, payment is made to the county treasurer and to the fiscal officer of the transit authority levying the tax or taxes.

County Disposition of Revenue (R.C. 5739.021, 5739.026, 5741.021, 5741.023). The moneys received by a county levying county permissive sales tax pursuant to 5739.021 and county use tax pursuant to 5741.021, shall be deposited in the county general fund to be expended for any purpose for which general fund moneys of the county may be used, including the acquisition or construction of permanent improvements, or in the bond retirement fund for the payment of debt service charges on notes or bonds.

The money received by a county levying additional county permissive sales tax pursuant to 5739.026 and county use tax pursuant to 5741.023 can be used to provide additional revenues for the local transit authority, certain permanent improvements, convention facility notes or bonds, implementation of a 9-1-1 system in the county, operation and maintenance of a detention facility, or conservation easements. Additionally, counties and transit authorities can share incremental sales tax growth derived from vendors located within a tourism development district with a municipality or township where the district is located.

Transit Authority Disposition of Revenue (R.C. 306.31, 5739.021, 5741.022)
The moneys received by a transit authority shall be expended for any authorized purchase, including for acquiring, constructing, operating, maintaining, replacing, improving, extending, and enlarging transit facilities, and for the payment of debt service charges on notes or bonds of the transit authority.

History of Collections.

Table 2: Permissive Sales and Use Tax Collections: fiscal years 2014-2018

Fiscal year	Total
2014	$2,134.3
2015	2,369.6
2016	2,553.8
2017	2,607.6
2018	2,545.4

Source: Office of Budget and Management fiscal reports.

History of Major Changes.

1967	General Assembly enacts law allowing counties the authority to levy a county sales tax at a rate of 0.50 percent.
1969	Lake County became the first county to levy a county sales tax, effective July 1.
1974	General Assembly enacts law authorizing transit authorities to levy a sales tax, subject to voter approval, at the following rates: 0.50 percent, 1.00 percent, or 1.50 percent.
1975	The Greater Cleveland Regional Transit Authority became the first to adopt a sales tax. A 1.00 percent rate takes effect October 1.
1982	General Assembly enacts law allowing counties to levy the county sales tax at rates of either 0.50 percent or 1.00 percent.
1986	Legislature enacts law allowing counties to levy an additional county sales tax at 0.50 percent for specified purposes, including the county general fund, subject to voter approval.
1987	General Assembly enacts law allowing all local sales tax levies to be enacted in 0.25 percent increments.
1992	A county 9-1-1 system is added to the list of purposes for which a county may enact an additional county sales tax.
1999	Conservation easements are added to the list of purposes for which the additional county sales tax may be levied.
2015	H.B. 64 allowed sharing of incremental sales tax growth of county or transit permissive sales tax from vendors located within a tourism development district with municipality or township where district is located.
2017	H.B. 49 allowed counties and transit authorities to increase permissive levies in increments of 0.1 percent beginning in July of 2018.

Other Resources

Business Tax Credits

Overview. Several Ohio's business tax credits can be claimed against more than one state tax (i.e., commercial activity tax (CAT), financial institutions tax (FIT), personal income tax (PIT), pass-through entity (PTE), Petroleum Activity Tax (PAT)). Rather than list the same business tax credits in multiple chapters of the annual report, the data and information about them has been consolidated here. Credits are non-refundable, unless specifically noted to be refundable (i.e., refundable credits can reduce tax liability below zero allowing the taxpayer to receive a refund from the state).

Major Business Tax Credits

Historic building preservation credit (R.C. 149.311, 5725.34, 5726.52, 5729.17, 5747.76, and Am. Sub. HB 64, section 757.170). This credit is based on the expenses incurred by the owner or qualified lessee of an historic building to rehabilitate such a building. The credit, if approved by the Ohio Development Services Agency, equals 25 percent of the owner's or qualified lessee's "qualified rehabilitation expenditures" paid or incurred during the 24- or 60-month rehabilitation period. The historic preservation tax credit is both refundable and nonrefundable. If the credit claimed exceeds tax liability and a refund is to be issued, up to three million dollars may be claimed as a refundable credit. The remaining credit, if any, may be carried forward for up to five years and used as a nonrefundable credit against future tax liability.

Job creation credit (R.C. 122.17, 5725.32, 5726.50, 5729.032, 5736.50, 5747.058, 5751.50). The Ohio Tax Credit Authority may award taxpayers a refundable credit according to an agreement pursuant to R.C. 122.17 to foster job creation and capital investment in the state. The credit equals a designated percentage of the amount by which the Ohio employee payroll paid by the employer to employees at a project site or to home-based employees exceeds the employers baseline payrollamount, established by Ohio employee payroll for the 12 months preceding the JCTC agreement. The exact percentage of the credit is established by agreement between the taxpayer and the Tax Credit Authority. The credit is permitted for a period of up to 15 years.

Job retention credit (R.C. 122.171, 5726.50, 5747.058, 5751.50). Previously, the Ohio Tax Credit Authority could award a refundable tax credit if a project had retained at least 500 full-time jobs and minimum annual retained payroll of at least $20 million, or minimum annual retained payroll of $35 million with no required job retention threshold; and a fixed asset investment of at least $5 million. Currently, the Ohio Tax Credit Authority may award a nonrefundable credit to an eligible business that retains at least 500 full-time jobs,or has an annual payroll of at least $35 million and invests at least $50 million in fixed-assets for manufacturing operations or invests at least $20 million in fixed assets for significant corporate administrative functions. The amount and term of the credit, determined by agreement with the Ohio Tax Credit Authority, equals an agreed upon percentage of Ohio employee payroll. The nonrefundable credit may be carried forward for up to three years.

Motion picture production credit (R.C. 122.85, 5726.55, 5747.66, 5751.54). This refundable credit can be claimed against FIT, CAT, or individual income tax liability based on awards from the Development Services Agency for motion picture production work performed in Ohio. Productions with budgets that exceed $300,000 may qualify for the credits, which are based on 35 percent of payroll expenditures for Ohio resident cast and crew and 25 percent of other eligible production expenses. The value of each credit may not exceed $5 million per production, and the total credits to be issued are capped at $40 million for fiscal biennium, beginning on or after July 1, 2011.

New markets tax credit (R.C. 5725.33, 5726.54, 5729.16). This credit is a nonrefundable tax credit with a four-year carry forward for financial institutions and insurance companies that invest in "community development entities," as defined by the federal New Markets Tax Credit program. To qualify, a taxpayer must first qualify for the federal credit program by holding an equity investment in a qualified community development entity. The Ohio Development Services Agency may issue a maximum of $10 million worth of credits each fiscal year.

Research expense credit (R.C. 5726.56, 5733.351, 5751.51). This nonrefundable credit equals 7 percent of the amount by which the taxpayer's "qualified research expenses" (as defined in Internal Revenue Code section 41) in Ohio during the taxable year exceed the taxpayer's average annual qualified research expenses in Ohio for the three preceding years.

Research and development loan payments credit (R.C. 5751.52). The amount of this nonrefundable credit equals the borrower's qualified research and development loan payments during the calendar year that immediately precedes the report year. The payments include principal and interest on a loan made to the borrower from Ohio's research and development fund administered by the Ohio Development Services Agency.

Unused net operating losses credit (R.C. 5751.53). Beginning in calendar year 2010, qualifying taxpayers may claim a nonrefundable tax credit equal to 8 percent of the taxpayer's franchise tax net operating loss carry forwards and other deferred tax items against the commercial activity tax. This credit is limited to taxpayers that elected to claim the credit by filing with the Tax Commissioner before July 1, 2006.

Venture capital credit (R.C. 150.07, 5725.19, 5726.53, 5727.241, 5729.08, 5747.80). The Ohio Venture Capital Authority has the authority to issue refundable tax credits to its creditors. The credits are redeemable in the event of losses on loans to the authority

Recent State Legislation Affecting Ohio's Taxation Laws

The legislative power of the State of Ohio is vested in the Ohio General Assembly and the people of the State of Ohio who retain the right to enact laws and to approve or disapprove of laws enacted by the Ohio General Assembly. One power of the Ohio General Assembly and of the people of the State of Ohio is the taxing power. The taxing power is the power to levy and collect taxes to raise revenues to fund the expenses of the State of Ohio including its debts. The taxing power is limited by the Ohio and the U.S. Constitutions. Each General Assembly meets during a two-year period commonly referred to as a biennium. The biennium is divided into two annual sessions. Bills introduced during the first session carry to the second session. However, bills not enacted by the end of the second session "die" and do not carry over to the next General Assembly. Each General Assembly is designated a sequential number. The current one is the 132nd General Assembly.

H.B. 18 authorizes local elected officers that have levied a hotel lodging excise tax, or a designee of such officers, to simultaneously hold the position of officer or member of the board of trustees of a convention and visitors' bureau without constituting incompatible offices and to require upon request that country auditors, municipal fiscal officers, and their employees share lodging tax return information with the directors of convention and visitors' bureaus operating in their counties.

H.B. 24 enacts an enumeration of the purposes for which a school district may use revenue from a school safety and security tax levy; enacts a property tax exemption for qualifying real property owned by certain nonprofit institutions where the institution's primary purpose is to acquire, develop, lease or otherwise provide suitable housing to individuals with developmental disabilities and the institution receives at least a portion of its funding from one or more county boards of developmental disabilities to assist in the institution's primary purpose; modifies the property tax exemption for veterans' organizations to include the property of certain 501(c)(4) veterans' organizations and enacts a qualification that such property must be used primarily for meetings, administration, or providing nonprofit programs and support services to past or present members of the U.S. armed forces and their families; enacts corrective changes to the motor vehicle fuel tax, modifies the requirement for dealers in aviation fuel to register and file monthly reports with the tax commissioner; and codifies an income tax deduction for eligible subsidized health insurance premiums.

H.B. 69 authorizes subdivisions to remove territory from existing joint economic development zones; modifies the procedures by which resolutions proposing the levy of property taxes are submitted to electors; requires reimbursement of certain township fire and emergency medical service levy revenue foregone because of the creation of a municipal tax increment financing district; authorizes townships to enter into enterprise zone agreements with retail businesses with approval of the affected school district; authorizes county and transit authorities to levy piggyback sales taxes in increments of 0.25%; and increases appropriations to the Medicaid Local Sales Tax Transition Fund.

H.B. 118 prohibits the dismissal of a property tax complaint for failure to correctly identify the property owner and requires the board of revision to exercise due diligence to ensure the correct property owner is notified if a complaint fails to accurately identify the owner of the property that is the subject of the complaint.

H.B. 122 authorizes municipal corporations to levy a single property tax for fire and police services.

H.B. 124 authorizes boards of county commissioners to propose as a single ballot question a bond levy for the permanent improvements to a criminal justice facility and a levy for the acquisition, construction, enlargement, renovation, maintenance, and financing of permanent improvements to such a criminal justice facility or to pay for operating expenses of the facility and other criminal justice services.

H.B. 133 exempts from the use tax equipment stored, used, or otherwise consumed in Ohio by an out-of-state disaster business during a disaster response period during which the business conducts qualifying disaster work; authorizes an income tax deduction for compensation paid to a qualifying employee to the extent such compensation is for disaster work conducted in this state during a disaster response period pursuant to a qualifying solicitation received by the employee's employer, compensation paid to a qualifying employee to the extent such compensation is for disaster work conducted in this state by the employee during the disaster response period on critical infrastructure owned or used by the employee's employer, and income received by an out-of-state disaster business for disaster work conducted in this state during a disaster response period, or, if the out-of-state disaster business is a pass-through entity, a taxpayer's distributive share of the pass-through entity's income from the business conducting disaster work in this state during a disaster response period, if, in either case, the disaster work is conducted pursuant to a qualifying solicitation received by the business, modifies the calculation of the interest penalty imposed for the underpayment or nonpayment of estimated state income taxes, authorizes an exclusion from Commercial Activity Tax gross receipts any receipts realized by an out-of-state disaster business from disaster work conducted in this state during a disaster response period pursuant to a qualifying solicitation received by the business.

H.B. 292 requires a county in which a qualifying athletic complex is located to enter into an agreement to provide a property tax exemption for those facilities in exchange for service payments; authorizes an appeal of a decision of the Board of Tax Appeals to be made directly to the Ohio Supreme Court if the decision involves a final determination of the Tax Commissioner or municipal income tax review board; modifies the deadline by which manufactured and mobile homeowners may apply for the homestead exemption from December 31 of the year for which the exemption is sought to December 31 of the year before the year for which the exemption is sought; modifies the test for determining an individual's state of residence for purposes of Ohio's income tax.

H.B. 430 modifies the language governing the sales and use tax exemption for certain kinds of property used in the production of oil and gas.

S.B. 8 authorizes a nonrefundable tax credit for insurance companies making loans to or investments in special purpose "rural business growth funds" that invest in small businesses having substantial operations in counties with a population of less than 200,000; authorizes a pass-through entity ("PTE") investor who is paid wages or guaranteed payments by a professional employer organization hired by the PTE to claim the business income deduction; exempts corrective eyeglasses and contact lenses from the sales and use tax beginning July 1, 2019; changes the manner in which a county with an authorized tourism development district may divert certain county revenues to fund tourism development or capital projects in the district; and during fiscal years 2018 and 2019 increases the payments that certain school districts will receive as reimbursement for their loss of tangible personal property tax revenue.

S.B. 9 authorizes a three-day sales tax "holiday" during which sales of clothing and school supplies are exempt from sales and use taxes.

S.B. 22 expressly incorporates changes to the Internal Revenue Code since March 30, 2017 into Ohio law and to allow tax deductible contributions to Ohio 529 plans for qualified K-12 education expenses.

S.B. 66 reduces the criminal penalty for the first conviction for an employer's failure to remit state income taxes withheld from an employee to a fine of not less than $100 nor more than $1,000 or imprisonment for not more than 60 days, or both.

S.B. 226 authorizes a permanent sales tax holiday for clothes and school supplies.

S.B. 239 authorizes municipal corporations eligible to designate a tourism development district to designate more than one district.

S.B. 299 credits additional amounts of the Local Government Fund to fund public safety services in areas that experienced a 30% or more decrease in the taxable value of certain power plants between 2016 and 2017, to phase out the payments over ten years, and to increase the appropriation to the Local Government Fund.

Recent Ohio Appellate Decisions

Accel v. Testa 152 Ohio St.3d 262, 2017-Ohio-8798. The Court concluded that purchases of materials used in creating gift sets fell under the manufacturing exemption as assembly items and not packaging items, allowing an exemption for the purchase of such items. Additionally, the Court following the reasoning of the BTA in determining the meaning of "permanent employee," excepting such employees from the imposition of tax on temporary employment services.

Adams v. Testa 152 Ohio St.3d 207, 2017-Ohio-8853. The Court concluded that the Journal Entry issued yearly by the Tax Commissioner, which affects approximately 1/3 of the counties each year, is a final determination of the Tax Commissioner. In making the determination, the Court opened the Board of Tax Appeals as a tribunal for which appeals by affected taxpayers can be heard. Prior to this finding, the Board of Tax Appeals had concluded that the Auditor's application of the Journal Entry was a ministerial item, and the Journal Entry itself could only be challenged under the Tax Commissioner's rule-making authority.

Dana Corp. v. Testa 152 Ohio St.3d 602, 2018-Ohio-1561. The Court reversed the determination of Board of Tax Appeals, which had affirmed the determination of the Tax Commissioner, that Dana had sought an "amortizable amount" greater than that permitted by law. The corporation had net operating losses that would have been carried forward under the corporate franchise tax, which was phased out when the General Assembly instituted the Commercial Activities Tax. To account for such net operating loss benefits, the General Assembly permitted a credit against the new tax. The issue in the appeal was not whether the corporation could take a credit, but how much credit should be allowed. The corporation filed for protection under the Bankruptcy Laws, and reorganized during relevant years, and the effect of that reorganization was in issue. Because of the reorganization, the Tax Commissioner audited the taxpayer, first slightly reducing the amortizable credit. That slight reduction was accepted by the taxpayer. The Commissioner then significantly reduced the credit, relying upon the percentage reduction of federal net operating losses that had been realized through the bankruptcy. The Court agreed with the taxpayer that the bankruptcy should not have affected the amortizable credit. The Court ultimately concluded that the amortizable credit was properly calculated at the time of the change to the CAT and should not be adjusted outside the procedure set for the in Division (D) of R.C. 5751.53.

Appendix

The Tax Analysis Division is tasked with the creation of the tables and charts within the Annual Report. Much of the state tax data comes from either the state's financial accounting system to show revenue from the various taxes (Ohio Administrative Knowledge System, or OAKS) or from the Department of Taxation's State Taxation Accounting and Revenue System (STARS) and other departmental databases to obtain tax return specific information. Local taxes that are administered by the state (such as the School District Income Tax, Resort Area Tax and the Municipal Income Tax for Electric Light and Local Exchange Telephone Companies) are also compiled from departmental and state records. Taxes that are purely locally administered and collected are compiled from surveys and reports filed by the local entities with the department.

Some of these tables and charts are produced only for the Annual Report. Others are produced as part of the Tax Analysis Division's Tax Data Series of statistical reports. These can be found at http://www.tax.ohio.gov/Researcher/other_tax_statistics.aspx with some going back several years. We encourage you to review the data we provide for your personal and professional curiosity.

Alcoholic Beverage Taxes

Table 1
Alcoholic Beverage Taxes: Fiscal Year 2018, Tax Liability and Credits
(dollars in millions)

Type of Beverage	Gross Tax Liability	Credits and Discounts	Net Tax Liability
Beer and Malt Beverages	$ 42.9	$ 1.1	$ 41.7
Wine	$ 14.5	$ 0.4	$ 14.0
Total	**$ 57.3**	**$ 1.6**	**$ 55.8**

Source: Ohio Department of Taxation

Table 2
Alcoholic Beverage Taxes: Fiscal Years 2016-2018
Gross Liability by Product (dollars in millions)

	Fiscal Year		
Type of Beverage	2016	2017	2018
Beer	$ 45.5	$ 44.2	$ 42.9
Wine 14% or less Alcohol	$ 6.0	$ 6.1	$ 6.4
Wine > 14-21% Alcohol	$ 1.7	$ 1.6	$ 1.8
Mixed Beverages	$ 3.3	$ 4.0	$ 4.2
Vermouth	$ 0.1	$ 0.1	$ 0.1
Sparkling Wine	$ 1.2	$ 1.3	$ 1.5
Cider	$ 0.5	$ 0.4	$ 0.4
Total	**$ 58.4**	**$ 57.7**	**$ 57.3**

Source: Ohio Department of Taxation

Cigarette and Other Tobacco Products Tax

Table 3
Cigarette Tax: Receipts, Fiscal Years 2014-2018
(dollars in millions)

Fiscal Year	Gross Stamp Tax	Discount	Net Tax Collected
2014	$ 771.6	$ 13.9	$ 757.7
2015	$ 765.1	$ 13.8	$ 751.4
2016	$ 963.1	$ 17.3	$ 945.7
2017	$ 930.7	$ 16.8	$ 913.9
2018	$ 887.4	$ 16.0	$ 871.4

Source: Ohio Department of Taxation

Table 4
Other Tobacco Products Tax: Fiscal Years 2014-2018
Receipts (dollars in millions)

Fiscal Year	Gross Tax	Discount	Net Tax Collected
2014	$ 58.5	$ 1.5	$ 57.0
2015	$ 63.8	$ 1.6	$ 62.2
2016	$ 64.9	$ 1.6	$ 63.3
2017	$ 65.3	$ 0.9	$ 64.4
2018	$ 76.3	$ 1.9	$ 74.4

Source: Office of Budget and Management and the Ohio Department of Taxation

Commercial Activity Tax

Table 5

Commercial Activity Tax: Fiscal Year 2018, Number of Returns and Reported Financial Data, by Industrial Classification [1] (dollars in thousands)

Industrial Sector	NAICS Code Ranges	Number of Filers	Taxable Gross Receipts	Exclusion [2,3]	Net Taxable Gross Receipts	Tax at 0.26% Rate	Annual Minimum Tax [4]	Tax at 0.26% rate plus Minimum Tax, before all credits [3]	Non-refundable Tax Credits [5]	Refundable Tax Credits [5]	Total Tax Due: 0.26% Tax and Minimum Tax, after all credits
Agriculture, Forestry, and Fishing	111100-115310	7,400	$ 7,671,784	$ 3,603,127	$ 4,068,657	$ 10,580	$ 2,627	$ 13,208	$ 15	$ -	$ 13,172
Mining	211110-213110	808	$ 11,349,168	$ 434,832	$ 10,914,336	$ 28,374	$ 649	$ 29,024	$ 257	$ 182	$ 28,578
Utilities (excluding telecommunications)	221100-221300	202	$ 16,915,576	$ 151,970	$ 16,763,606	$ 43,585	$ 249	$ 43,834	$ 161	$ -	$ 43,672
Construction	236110-238900	16,569	$ 48,454,431	$ 9,821,272	$ 38,633,159	$ 100,438	$ 12,044	$ 112,482	$ 648	$ 244	$ 111,642
Manufacturing	311110-339900	16,652	$ 213,276,111	$ 11,607,885	$ 201,668,225	$ 524,340	$ 17,590	$ 541,930	$ 79,680	$ 52,219	$ 422,630
Wholesale Trade	423100-425120	9,238	$ 95,151,379	$ 6,396,572	$ 88,754,807	$ 230,732	$ 9,920	$ 240,652	$ 3,521	$ 12,385	$ 225,941
Retail Trade	441110-454390	18,606	$ 155,002,453	$ 11,424,574	$ 143,577,878	$ 373,302	$ 12,996	$ 386,298	$ 1,346	$ 9,821	$ 375,060
Transportation and Warehousing	481000-493100	4,853	$ 22,310,776	$ 2,951,954	$ 19,358,822	$ 50,348	$ 3,600	$ 53,948	$ 541	$ 391	$ 53,301
Information (including telecommunications)	511110-519100	1,704	$ 34,238,808	$ 1,047,149	$ 33,191,659	$ 86,272	$ 1,442	$ 87,714	$ 6,787	$ 5,812	$ 75,275
Finance and Insurance	522110-525990	5,692	$ 17,335,511	$ 2,650,196	$ 14,685,315	$ 38,270	$ 2,789	$ 41,060	$ 4,606	$ 4,751	$ 35,470
Real Estate, and Rental & Leasing of Property	531110-533110	15,411	$ 24,922,541	$ 7,830,659	$ 17,091,882	$ 44,431	$ 7,114	$ 51,545	$ 43	$ 408	$ 51,043
Professional, Scientific and Technical Services	541110-541990	15,950	$ 42,842,289	$ 8,570,022	$ 34,272,267	$ 89,038	$ 9,520	$ 98,558	$ 3,205	$ 4,477	$ 92,085
Management of Companies (Holding Companies)	551111-551112	900	$ 42,051,455	$ 690,551	$ 41,360,904	$ 107,442	$ 1,424	$ 108,866	$ 4,922	$ 10,481	$ 94,408
Administrative & Support Services, and Waste Management & Remediation Services	561110-562000	4,414	$ 13,619,431	$ 2,514,923	$ 11,104,509	$ 28,872	$ 2,859	$ 31,731	$ 551	$ 1,366	$ 29,833
Education, Health Care and Social Assistance	611000-624410	11,554	$ 28,305,108	$ 7,319,008	$ 20,986,101	$ 54,562	$ 7,644	$ 62,206	$ 14	$ 1,521	$ 60,644
Arts, Entertainment, and Recreation	711100-713900	1,904	$ 5,330,630	$ 1,008,843	$ 4,321,787	$ 11,233	$ 903	$ 12,136	$ -	$ 5,396	$ 6,733
Accommodation and Food Services	721110-722515	10,401	$ 22,109,449	$ 6,337,917	$ 15,771,532	$ 41,013	$ 5,996	$ 47,009	$ 871	$ 248	$ 46,662
Other Services	811110-813000	8,862	$ 10,021,690	$ 4,518,953	$ 5,502,737	$ 14,306	$ 3,629	$ 17,935	$ 39	$ 2,051	$ 15,818
Unclassified	n/a	5,755	$ 5,894,613	$ 2,644,463	$ 3,250,150	$ 8,453	$ 2,329	$ 10,782	$ -	$ -	$ 10,744
TOTAL		**156,875**	**$ 816,803,203**	**$ 91,524,871**	**$ 725,278,332**	**$ 1,885,591**	**$ 105,326**	**$ 1,990,917**	**$ 107,208**	**$ 111,754**	**$ 1,792,711**

[1] The total tax liability shown in this table does not match actual commercial activity tax revenues in fiscal year 2018. The table reflects reported tax liability, not actual payments made. The table reflects information from quarterly returns for the quarterly obligation periods July 1, 2017 to June 30, 2018, encompassing fiscal year 2018. The quarterly CAT returns for these time periods are due in November 2017, February 2018, May 2018, and August 2018, respectively. Also included in this table are annual returns based on calendar year 2017, due in May 2018. The table includes tax returns received by the Department of Taxation on or after July 1, 2017 to on or before September 30, 2018, any original or amended returns filed after September 30, 2018 are not reflected in this table.

[2] For each filer, the entire annual exclusion of $1,000,000 may be taken on the first quarter return, up to the amount of total gross receipts. Any unused exclusion is carried forward to subsequent quarters.

[3] Two fields, "Exclusion", and "Tax at 0.26% rate plus Minimum Tax, before all credits", do not exist as lines on CAT returns. Each of these fields was, therefore, calculated. The "Exclusion" field was calculated by subtracting "Net Taxable Gross Receipts" from "Taxable Gross Receipts" for each filer. The "Tax at 0.26% rate plus Minimum Tax, before all credits", field was calculated by summing "Tax at 0.26% Rate", and "Annual Minimum Tax" for each filer.

[4] The annual minimum tax is $150 for filers with more than $150,000 but less than or equal to $1 million taxable gross receipts in the previous calendar year. The annual minimum tax is $800 for filers with more than $1 million but less than or equal to $2 million taxable gross receipts in the previous calendar year. The annual minimum tax is $2,100 for filers with more than $2 million but less than or equal to $4 million taxable gross receipts in the previous calendar year. The annual minimum tax is $2,600 for filers with more than $4 million taxable gross receipts in the previous calendar year. All taxpayers (annual taxpayers and quarterly taxpayers alike) are required to pay the annual minimum tax. In general, persons with annual gross receipts of $150,000 or less are not subject to the commercial activity tax.

[5] Nonrefundable credits and refundable credits listed on this table were filed according to the time schedule described in Footnote 1, and were reviewed and verified by the Department of Taxation, Commercial Activities Tax Division, as of September 30, 2018. Any credits filed, reviewed, or verified after September 30, 2018 are not reflected in this table.

Source: Ohio Department of Taxation

Commercial Activity Tax (con't)

Table 6
Commercial Activity Tax: Fiscal Year 2018, Number of Returns and Reported Financial Data, by Size of Taxable Gross Receipts [1] (dollars in thousands)

Size Range of Taxable Gross Receipts [2]	Number of Filers	Taxable Gross Receipts	Exclusion [3,4]	Net Taxable Gross Receipts	Tax at 0.26% Rate	Annual Minimum Tax [5]	Tax at 0.26% rate plus Minimum Tax, before all credits [4]	Non-refundable Tax Credits [6]	Refundable Tax Credits [6]	Total Tax Due: 0.26% Tax and Minimum Tax, after all credits
Less than $1,000,000	103,419	$ 40,274,044	$ 39,032,392	$ 1,241,652	$ 3,222	$ 16,437	$ 19,659	$ 1,242	$ 10,502	$ 8,681
$1,000,000 - $1,999,999	21,019	$ 30,189,736	$ 20,401,969	$ 9,787,767	$ 25,433	$ 17,148	$ 42,580	$ 674	$ 2,041	$ 40,420
$2,000,000 - $2,999,999	8,925	$ 21,758,615	$ 9,006,161	$ 12,752,454	$ 33,156	$ 15,812	$ 48,968	$ 312	$ 565	$ 48,198
$3,000,000 - $3,999,999	4,849	$ 16,823,761	$ 4,811,053	$ 12,012,708	$ 31,223	$ 9,963	$ 41,186	$ 672	$ 815	$ 40,084
$4,000,000 - $4,999,999	3,090	$ 13,791,483	$ 3,020,251	$ 10,771,232	$ 28,006	$ 7,235	$ 35,240	$ 414	$ 935	$ 34,080
$5,000,000 - $9,999,999	6,772	$ 47,092,954	$ 6,652,326	$ 40,440,628	$ 105,135	$ 16,723	$ 121,858	$ 4,054	$ 1,528	$ 119,123
$10,000,000 - $24,999,999	4,754	$ 73,371,806	$ 4,681,880	$ 68,689,926	$ 178,525	$ 11,881	$ 190,406	$ 5,101	$ 6,150	$ 182,363
$25,000,000 - $49,999,999	1,913	$ 66,527,546	$ 1,861,676	$ 64,665,869	$ 168,113	$ 4,747	$ 172,860	$ 13,540	$ 8,486	$ 162,073
$50,000,000 - $99,999,999	1,034	$ 71,573,279	$ 1,018,000	$ 70,555,279	$ 183,379	$ 2,601	$ 185,980	$ 2,981	$ 15,994	$ 167,214
$100,000,000 - $499,999,999	931	$ 189,619,472	$ 870,162	$ 188,749,309	$ 490,664	$ 2,343	$ 493,007	$ 16,849	$ 18,402	$ 459,005
$500,000,000 - $999,999,999	102	$ 71,907,758	$ 103,000	$ 71,804,758	$ 186,905	$ 265	$ 187,171	$ 11,572	$ 8,595	$ 167,003
$1 billion and above	67	$ 173,872,749	$ 66,000	$ 173,806,749	$ 451,830	$ 172	$ 452,002	$ 49,796	$ 37,741	$ 364,466
TOTAL	**156,875**	**$ 816,803,203**	**$ 91,524,871**	**$ 725,278,332**	**$ 1,885,591**	**$ 105,326**	**$ 1,990,917**	**$ 107,208**	**$ 111,754**	**$ 1,792,711**

[1] The total tax liability shown in this table does not match actual commercial activity tax revenues in fiscal year 2018. The table reflects reported tax liability, not actual payments made. The table reflects information from quarterly returns for the quarterly obligation periods July 1, 2017 to June 30, 2018, encompassing fiscal year 2018. The quarterly CAT returns for these time periods are due in November 2017, February 2018, May 2018, and August 2018, respectively. Also included in this table are annual returns based on calendar year 2017, due in May 2018. The table includes tax returns received by the Department of Taxation on or after July 1, 2017 to on or before September 30, 2018, any original or amended returns filed after September 30, 2018 are not reflected in this table.

[2] These categories reflect aggregate taxable gross receipts (before exclusion) as reported by taxpayers on returns that were filed according to the time schedule described in Footnote 1. For example, a taxpayer whose taxable gross receipts for the four quarterly obligation periods in fiscal year 2018 were $5 million, $6 million, $4 million, and $7 million, would have total fiscal year 2018 taxable gross receipts of $22 million, and thereby would be included in the $10 - $25 million Size Range of Taxable Gross Receipts.

[3] For each filer, the entire annual exclusion of $1,000,000 may be taken on the first quarter return, up to the amount of total gross receipts. Any unused exclusion is carried forward to subsequent quarters.

[4] Two fields, "Exclusion", and "Tax at 0.26% rate plus Minimum Tax, before all credits", do not exist as lines on CAT returns. Each of these fields was, therefore, calculated. The "Exclusion" field was calculated by subtracting "Net Taxable Gross Receipts" from "Taxable Gross Receipts" for each filer. The "Tax at 0.26% rate plus Minimum Tax, before all credits", field was calculated by summing "Tax at 0.26% Rate", and "Annual Minimum Tax" for each filer.

[5] The annual minimum tax is $150 for filers with more than $150,000 but less than or equal to $1 million taxable gross receipts in the previous calendar year. The annual minimum tax is $800 for filers with more than $1 million but less than or equal to $2 million taxable gross receipts in the previous calendar year. The annual minimum tax is $2,100 for filers with more than $2 million but less than or equal to $4 million taxable gross receipts in the previous calendar year. The annual minimum tax is $2,600 for filers with more than $4 million taxable gross receipts in the previous calendar year. All taxpayers (annual taxpayers and quarterly taxpayers alike) are required to pay the annual minimum tax. In general, persons with annual gross receipts of $150,000 or less are not subject to the commercial activity tax.

[6] Nonrefundable credits and refundable credits listed on this table were filed according to the time schedule described in Footnote 1, and were reviewed and verified by the Department of Taxation, Commercial Activities Tax Division, as of September 30, 2018. Any credits filed, reviewed, or verified after September 30, 2018 are not reflected in this table.

Source: Ohio Department of Taxation

Financial Institutions Tax

Table 7
Financial Institution Tax: Tax Years 2014-2017 Tax Return Summary (dollars in millions)

	2014	2015	2016	2017
Number of filers	501	482	453	479
Total Equity Capital	$ 1,781,531.1	$ 1,872,645.3	$ 1,986,562.0	$ 2,111,611.4
REIT Deduction	$ (12,959.4)	$ (9,680.7)	$ (6,476.3)	$ (820.3)
Adjusted Total Equity Capital	$ 1,768,571.6	$ 1,862,964.6	$ 1,980,085.6	$ 2,110,791.1
Total Ohio Gross Receipts	$ 23,654.4	$ 23,713.7	$ 23,528.8	$ 24,463.4
Total Gross Receipts Everywhere	$ 985,317.4	$ 1,017,623.6	$ 1,052,629.9	$ 1,104,704.4
Apportionment Factor	2.40%	2.33%	2.24%	2.21%
Total Ohio Equity Capital	**$ 42,149.3**	**$ 44,655.9**	**$ 44,692.7**	**$ 48,234.4**
Total Tax Liability	$ 208.9	$ 221.0	$ 221.7	$ 233.3
Total Nonrefundable Credits [1]	$ (25.0)	$ (16.5)	$ (5.2)	$ (14.8)
Total Refundable Credits	$ (10.1)	$ (6.7)	$ (28.1)	$ (22.2)
Total Tax Liability After Credits	**$ 173.8**	**$ 197.7**	**$ 188.4**	**$ 196.3**

[1] Non-Refundable Credits reflect the amounts allowed
Source: Ohio Department of Taxation

Table 8
Financial Institutions Tax: Tax Year 2017 Tax Return Summary (dollars in millions)

	Tier 1 Above $1,300,000,000	Tier 2 $200,000,001-$1,300,000,000	Tier 3 Under $200,000,000	Total
Number of filers	10	24	445	479
Total Equity Capital	$ 1,129,230.3	$ 414,533.5	$ 567,847.6	$ 2,111,611.4
REIT Deduction	$ (755.6)	$ -	$ (64.8)	$ (820.3)
Adjusted Total Equity Capital	$ 1,128,474.7	$ 414,533.5	$ 567,782.9	$ 2,110,791.1
Total Ohio Gross Receipts	$ 14,341.0	$ 5,495.0	$ 4,627.4	$ 24,463.4
Total Gross Receipts Everywhere	$ 573,721.5	$ 248,354.0	$ 282,628.9	$ 1,104,704.4
Apportionment Factor	2.50%	2.21%	1.64%	2.21%
Total Ohio Equity Capital	**$ 29,047.4**	**$ 9,961.2**	**$ 9,225.8**	**$ 48,234.4**
Total Tax Liability	$ 100.1	$ 59.0	$ 74.2	$ 233.3
Total Nonrefundable Credits [1]	$ (13.5)	$ (0.3)	$ (1.1)	$ (14.8)
Total Refundable Credits	$ (20.4)	$ (1.1)	$ (0.6)	$ (22.2)
Total Tax Liability After Credits	**$ 66.2**	**$ 57.6**	**$ 72.4**	**$ 196.3**

[1] Non-Refundable Credits reflect the amounts allowed
Source: Ohio Department of Taxation

Gross Casino Revenue Tax

Table 9
Gross Casino Revenue Tax: Fiscal Year 2018 Distributions to Counties and Cities

County		Distributions	County		Distributions	County		Distributions
Adams	$	330,553	Hamilton [3]	$	9,614,670	Noble	$	169,947
Allen	$	1,229,206	Hancock	$	899,854	Ottawa	$	482,212
Ashland	$	636,507	Hardin	$	373,097	Paulding	$	223,771
Ashtabula	$	1,164,191	Harrison	$	181,334	Perry	$	426,576
Athens	$	786,577	Henry	$	326,436	Pickaway	$	683,834
Auglaize	$	544,171	Highland	$	510,359	Pike	$	334,461
Belmont	$	812,801	Hocking	$	336,672	Portage	$	1,922,302
Brown	$	518,631	Holmes	$	521,366	Preble	$	489,001
Butler	$	4,489,028	Huron	$	693,550	Putnam	$	403,521
Carroll	$	327,409	Jackson	$	385,498	Richland	$	1,435,323
Champaign	$	460,023	Jefferson	$	790,369	Ross	$	914,580
Clark	$	1,598,524	Knox	$	722,950	Sandusky	$	703,531
Clermont	$	2,412,569	Lake	$	2,717,186	Scioto	$	902,290
Clinton	$	497,501	Lawrence	$	720,307	Seneca	$	656,421
Columbiana	$	1,228,330	Licking	$	2,047,022	Shelby	$	577,336
Coshocton	$	434,102	Logan	$	536,381	Stark [7]	$	4,429,578
Crawford	$	498,266	Lorain	$	3,639,877	Summit [8]	$	6,413,552
Cuyahoga [1]	$	14,820,961	Lucas [4]	$	5,126,489	Trumbull	$	2,390,156
Darke	$	613,593	Madison	$	517,088	Tuscarawas	$	1,096,181
Defiance	$	452,739	Mahoning [5]	$	2,728,386	Union	$	661,995
Delaware	$	2,343,491	Marion	$	771,963	Van Wert	$	336,064
Erie	$	890,242	Medina	$	2,106,309	Vinton	$	153,840
Fairfield	$	1,817,215	Meigs	$	274,238	Warren	$	2,699,767
Fayette	$	340,478	Mercer	$	485,273	Washington	$	718,540
Franklin [2]	$	15,089,017	Miami	$	1,243,396	Wayne	$	1,380,572
Fulton	$	503,728	Monroe	$	167,780	Williams	$	438,482
Gallia	$	355,997	Montgomery [6]	$	6,304,098	Wood	$	1,545,899
Geauga	$	1,115,580	Morgan	$	175,354	Wyandot	$	262,153
Greene	$	1,961,124	Morrow	$	415,572			
Guernsey	$	463,576	Muskingum	$	1,021,450	**Total**	**$**	**137,942,339**

[1] Includes $7,410,481 in distributions for the most populated city: Cleveland
[2] Includes $7,544,509 in distributions for the most populated city: Columbus
[3] Includes $4,807,335 in distributions for the most populated city: Cincinnati
[4] Includes $2,563,244 in distributions for the most populated city: Toledo
[5] Includes $1,364,193 in distributions for the most populated city: Youngstown
[6] Includes $3,152,049 in distributions for the most populated city: Dayton
[7] Includes $2,214,789 in distributions for the most populated city: Canton
[8] Includes $3,206,776 in distributions for the most populated city: Akron

Source: Ohio Department of Taxation

Horse Racing Tax

Table 10
Horse Racing Tax: Fiscal Year 2018 Amounts Wagered and Tax Levied, by Wager and Event Type

Type of Wager	Thoroughbred Meets	Commercial Harness Racing Meets	County Agricultural Societies	Quarter Horse Meets	Off-Track Parlors
Straight Wagering	$ 19,580,633	$ 28,983,239	$ 1,010,787	$ 9,605	$ 758,087
Exotic Wagering	$ 36,247,843	$ 69,786,558	$ 1,494,503	$ 8,097	$ 1,644,130
Total Pari-Mutuel Wagering	$ 55,828,476	$ 98,769,797	$ 2,505,289	$ 17,702	$ 2,402,217
Major Capital Improvement Abatement [1]	$ 144,773	$ 361,601	$ -	$ 126	$ -
Minor Capital Improvement Abatement [2]	$ -	$ 63,557	$ -	$ -	$ -
Net Tax Levied	**$ 1,700,267**	**$ 3,038,687**	**$ 101,800**	**$ 334**	**$ 399,494**

[1] ORC 3769.20

[2] ORC 3769.08 (J)(1)

Source: Ohio Department of Taxation

Individual Income Tax

Table 11

Individual Income Tax: Tax Returns, by Income Level, Tax Year 2016 [1]

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Adjusted Gross Income	Value of Personal Exemptions	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Tax Before Credits: Business Income	Tax Before Credits: Nonbusiness Income	Value of Joint Filer Credit	Total Income Tax Liability [2]
Under $5,000	395,980	$ (9,614,050,021)	$ (9,661,788,180)	$ 670,163,750	*	$ 628,979,084	*	$ 4,949,249	$ 12,469	$ 1,181,101
$5,000-$10,000	384,161	$ 2,882,902,274	$ 2,573,429,765	$ 871,136,750	*	$ 1,868,194,192	*	$ 11,073,871	$ 1,416	$ 210,329
$10,000-$15,000	388,471	$ 4,863,521,043	$ 4,300,133,641	$ 1,232,331,750	*	$ 3,247,234,526	*	$ 24,977,897	$ 3,238	$ 10,597,261
$15,000-$20,000	370,146	$ 6,465,062,872	$ 5,808,821,264	$ 1,326,001,250	*	$ 4,627,831,282	*	$ 48,765,679	$ 45,887	$ 27,589,561
$20,000-$25,000	353,700	$ 7,951,389,609	$ 7,148,135,177	$ 1,313,438,000	*	$ 5,955,215,258	*	$ 80,003,967	$ 199,994	$ 48,352,202
$25,000-$30,000	337,207	$ 9,267,881,662	$ 8,348,932,922	$ 1,281,876,250	*	$ 7,173,051,967	*	$ 115,537,229	$ 529,556	$ 80,143,538
$30,000-$35,000	313,221	$ 10,166,574,914	$ 9,202,641,345	$ 1,208,638,250	*	$ 8,083,660,861	*	$ 147,557,357	$ 995,287	$ 114,651,010
$35,000-$40,000	282,577	$ 10,584,288,413	$ 9,562,249,370	$ 1,105,733,250	*	$ 8,537,752,307	*	$ 169,424,647	$ 1,696,514	$ 142,972,977
$40,000-$45,000	253,472	$ 10,761,360,308	$ 9,653,230,863	$ 931,527,125	*	$ 8,803,107,126	*	$ 185,740,152	$ 2,732,299	$ 163,800,902
$45,000-$50,000	229,079	$ 10,871,472,385	$ 9,742,207,287	$ 856,557,000	*	$ 8,953,587,616	*	$ 199,027,436	$ 3,858,946	$ 178,770,654
$50,000-$55,000	203,434	$ 10,671,060,873	$ 9,512,568,948	$ 786,492,000	*	$ 8,783,682,188	*	$ 204,484,029	$ 5,087,692	$ 184,352,735
$55,000-$60,000	182,090	$ 10,462,180,824	$ 9,263,017,917	$ 729,260,500	*	$ 8,593,771,156	*	$ 207,906,693	$ 5,481,503	$ 187,608,915
$60,000-$65,000	162,361	$ 10,139,396,063	$ 8,958,401,098	$ 672,497,250	*	$ 8,332,991,824	*	$ 208,066,498	$ 6,008,396	$ 187,666,575
$65,000-$70,000	146,296	$ 9,869,309,085	$ 8,703,603,509	$ 628,654,750	*	$ 8,117,135,697	*	$ 208,337,610	$ 6,997,705	$ 187,221,361
$70,000-$75,000	133,445	$ 9,669,694,228	$ 8,538,041,792	$ 591,333,750	*	$ 7,984,514,294	*	$ 209,910,122	$ 7,996,860	$ 188,000,715
$75,000-$80,000	122,096	$ 9,457,824,643	$ 8,337,911,834	$ 560,170,000	*	$ 7,814,086,141	*	$ 209,577,411	$ 8,722,169	$ 187,436,724
$80,000-$85,000	111,501	$ 9,194,826,639	$ 8,110,206,753	$ 483,435,500	*	$ 7,659,919,068	*	$ 209,452,930	$ 6,901,727	$ 189,020,476
$85,000-$90,000	102,560	$ 8,970,220,641	$ 7,910,119,992	$ 452,075,750	*	$ 7,489,394,509	*	$ 208,162,873	$ 6,331,373	$ 188,466,520
$90,000-$95,000	93,894	$ 8,681,643,827	$ 7,683,414,108	$ 421,528,000	*	$ 7,290,938,011	*	$ 206,480,869	$ 6,512,171	$ 187,020,856
$95,000-$100,000	85,886	$ 8,370,420,539	$ 7,407,094,577	$ 390,518,250	*	$ 7,043,052,558	*	$ 203,235,791	$ 6,563,448	$ 184,019,629
$100,000-$125,000	308,291	$ 34,298,079,966	$ 30,437,211,124	$ 1,468,454,000	*	$ 29,067,813,181	*	$ 881,335,449	$ 29,354,989	$ 800,255,546
$125,000-$150,000	163,599	$ 22,288,223,293	$ 19,567,360,958	$ 810,230,000	$ 942,371	$ 18,824,308,902	$ 28,272	$ 618,968,303	$ 21,217,174	$ 557,529,232
$150,000-$175,000	97,072	$ 15,678,322,911	$ 13,525,836,237	$ 493,032,750	$ 3,078,313	$ 13,081,838,570	$ 92,354	$ 455,809,932	$ 15,947,716	$ 403,620,872
$175,000-$200,000	61,465	$ 11,470,529,211	$ 9,701,789,250	$ 315,536,250	$ 4,859,456	$ 9,429,079,158	$ 145,784	$ 342,133,536	$ 11,785,887	$ 298,163,187
$200,000-$250,000	71,324	$ 15,843,648,773	$ 13,094,663,019	$ 370,233,750	$ 12,215,256	$ 12,774,320,862	$ 366,462	$ 483,864,311	$ 16,217,415	$ 412,807,110
$250,000-$300,000	37,660	$ 10,262,579,800	$ 8,116,803,664	$ 197,019,250	$ 52,514,087	$ 7,891,301,008	$ 1,575,431	$ 314,132,005	$ 9,862,696	$ 260,612,780
$300,000-$350,000	22,614	$ 7,307,074,983	$ 5,708,691,303	$ 117,891,000	$ 173,705,673	$ 5,426,098,297	$ 5,211,184	$ 223,872,944	$ 6,563,148	$ 182,916,278
$350,000-$400,000	15,026	$ 5,616,195,523	$ 4,318,520,325	$ 77,140,750	$ 273,227,796	$ 4,000,759,503	$ 8,196,830	$ 169,048,971	$ 4,230,482	$ 138,326,597
$400,000-$450,000	11,097	$ 4,700,493,936	$ 3,683,723,589	$ 57,220,000	$ 342,541,042	$ 3,289,802,789	$ 10,276,217	$ 141,740,908	$ 3,147,369	$ 115,289,543
$450,000-$500,000	8,296	$ 3,930,438,495	$ 3,105,016,308	$ 42,903,750	$ 368,339,482	$ 2,696,559,791	$ 11,050,183	$ 117,889,064	$ 2,313,975	$ 95,068,450
$500,000-$750,000	22,601	$ 13,641,951,121	$ 11,045,460,648	$ 117,259,750	$ 2,069,596,692	$ 8,867,116,035	$ 62,087,856	$ 397,843,735	$ 6,957,379	$ 321,455,318
$750,000-$1,000,000	9,662	$ 8,322,582,083	$ 6,939,369,231	$ 49,568,250	$ 2,032,336,918	$ 4,868,446,580	$ 60,970,092	$ 224,380,425	$ 3,009,656	$ 176,355,415
$1,000,000-$1,500,00	8,280	$ 10,033,841,494	$ 8,699,992,892	$ 41,365,500	$ 3,201,153,868	$ 5,479,050,678	$ 96,034,609	$ 257,571,600	$ 2,402,338	$ 190,984,026
$1,500,000-$2,000,00	3,617	$ 6,241,996,782	$ 5,671,660,455	$ 17,454,000	$ 2,298,879,717	$ 3,369,106,586	$ 68,966,388	$ 161,027,872	$ 992,769	$ 103,922,631
$2,000,000-$3,000,00	3,635	$ 8,823,823,543	$ 8,198,692,372	$ 17,493,000	$ 3,431,648,124	$ 4,763,541,768	$ 102,949,463	$ 230,402,735	$ 939,900	$ 137,246,756
$3,000,000-$4,000,00	1,663	$ 5,721,860,225	$ 5,441,230,877	$ 7,958,750	$ 2,395,469,592	$ 3,037,823,189	$ 71,864,081	$ 148,287,165	$ 402,350	$ 72,900,492
$4,000,000-$5,000,00	1,013	$ 4,527,783,936	$ 4,348,953,340	$ 4,650,250	$ 1,796,171,837	$ 2,548,132,951	$ 53,885,150	$ 125,133,741	$ 241,150	$ 51,386,422
$5,000,000-$10,000,0	2,074	$ 14,357,992,469	$ 13,951,254,168	$ 9,899,500	$ 5,819,717,128	$ 8,121,785,934	$ 174,591,518	$ 401,297,085	$ 436,547	$ 133,208,289
Over $10,000,000	1,819	$ 66,369,107,539	$ 65,569,234,903	$ 8,730,750	$ 29,185,432,838	$ 36,419,156,164	$ 875,562,985	$ 1,815,760,806	$ 367,250	$ 266,483,922
Total	**5,502,385**	**$ 429,123,506,904**	**$ 382,227,838,645**	**$ 20,737,410,375**	**$ 53,461,830,190**	**$ 320,944,141,611**	**$ 1,603,854,859**	**$ 10,573,172,896**	**$ 213,068,840**	**$ 7,357,616,906**

[1] As reported on returns due April 18, 2017

[2] This represents tax liability after all tax credits. Although the joint filer credit is presented in this table, it is not the largest income tax credit. The combined resident and nonresident tax credits account for the largest amount of credit value, totalling $4.3 billion.

Source: Ohio Department of Taxation

Individual Income Tax (con't)

Table 12
Individual Income Tax: Comparison of Tax Year 2015 and 2016 IT-1040 Tax Returns

Income Level	Number of Returns 2015	Number of Returns 2016	Federal Adjusted Gross Income 2015	Federal Adjusted Gross Income 2016	Ohio Taxable Income 2015	Ohio Taxable Income 2016	Joint Filer Credit 2015	Joint Filer Credit 2016	Ohio Income Tax Liability 2015	Ohio Income Tax Liability 2016
Under $5,000	355,356	395,980	$ (565,346,948)	$ (9,614,050,021)	$ 698,389,211	$ 628,979,084	$ 8,990	$ 12,469	$ 3,085,248	$ 1,181,101
$5,001-$10,000	387,434	384,161	$ 2,907,193,031	$ 2,882,902,274	$ 1,899,199,588	$ 1,868,194,192	$ 1,949	$ 1,416	$ 146,579	$ 210,329
$10,001-$15,000	391,258	388,471	$ 4,900,747,957	$ 4,863,521,043	$ 3,321,980,198	$ 3,247,234,526	$ 6,763	$ 3,238	$ 11,134,442	$ 10,597,261
$15,001-$20,000	371,065	370,146	$ 6,481,506,392	$ 6,465,062,872	$ 4,707,782,584	$ 4,627,831,282	$ 66,126	$ 45,887	$ 28,327,602	$ 27,589,561
$20,001-$40,000	1,251,660	1,286,705	$ 36,897,314,068	$ 37,970,134,598	$ 29,162,319,781	$ 29,749,680,393	$ 4,060,369	$ 3,421,351	$ 379,134,156	$ 386,119,727
$40,001-$80,000	1,394,805	1,432,273	$ 79,836,831,851	$ 81,902,298,409	$ 66,441,239,545	$ 67,382,876,042	$ 49,897,153	$ 46,885,570	$ 1,441,850,192	$ 1,464,858,581
$80,001-$100,000	386,665	393,841	$ 34,569,189,268	$ 35,217,111,646	$ 29,438,050,221	$ 29,483,304,146	$ 26,938,651	$ 26,308,719	$ 746,512,078	$ 748,527,481
$100,001-$200,000	610,351	630,427	$ 80,969,820,993	$ 83,735,155,381	$ 69,873,044,251	$ 70,411,919,951	$ 78,808,624	$ 78,305,766	$ 2,036,689,363	$ 2,059,568,837
$200,000 & above	207,846	220,381	$ 173,180,416,582	$ 185,701,370,702	$ 160,551,724,559	$ 167,005,952,185	$ 58,705,850	$ 58,084,424	$ 2,670,261,033	$ 2,658,964,029
Total	**5,356,440**	**5,502,385**	**$ 419,177,673,194**	**$ 429,123,506,904**	**$ 366,093,729,938**	**$ 374,405,971,801**	**$ 218,494,476**	**$ 213,068,840**	**$ 7,317,140,693**	**$ 7,357,616,906**

Source: Ohio Department of Taxation

Table 13
Individual Income Tax: Comparison of Taxable Year 2015 and 2016, IT-1040 Returns with Tax Liability

Income Level	Number of Returns 2015	Number of Returns 2016	Ohio Income Tax Liability 2015	Ohio Income Tax Liability 2016
Under $5,000	423	380	$ 3,085,248	$ 1,181,101
$5,001-$10,000	408	318	$ 146,579	$ 210,329
$10,001-$15,000	131,145	126,899	$ 11,134,442	$ 10,597,261
$15,001-$20,000	193,887	190,763	$ 28,327,602	$ 27,589,561
$20,001-$40,000	987,693	1,003,510	$ 379,134,156	$ 386,119,727
$40,001-$80,000	1,327,329	1,347,719	$ 1,441,850,192	$ 1,464,858,581
$80,001-$100,000	374,355	374,206	$ 746,512,078	$ 748,527,481
$100,001-$200,000	591,803	591,650	$ 2,036,689,363	$ 2,059,568,837
$200,000 & above	192,226	192,935	$ 2,670,261,033	$ 2,658,964,029
Total	**3,799,269**	**3,828,380**	**$ 7,317,140,693**	**$ 7,357,616,906**

Source: Ohio Department of Taxation

Individual Income Tax (con't)

Table 14
Individual Income Tax: Taxable Year 2016 IT-1040 Returns for All Filing Categories, by Income Level

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Joint Filer Credit	Ohio Income Tax	Effective Tax Rate [1]
Under $5,000	395,980	$ (9,614,050,021)	$ -	$ 628,979,084	$ 12,469	$ 1,181,101	-0.01%
$5,001-$10,000	384,161	$ 2,882,902,274	$ -	$ 1,868,194,192	$ 1,416	$ 210,329	0.01%
$10,001-$15,000	388,471	$ 4,863,521,043	$ -	$ 3,247,234,526	$ 3,238	$ 10,597,261	0.22%
$15,001-$20,000	370,146	$ 6,465,062,872	$ -	$ 4,627,831,282	$ 45,887	$ 27,589,561	0.43%
$20,001-$40,000	1,286,705	$ 37,970,134,598	$ -	$ 29,749,680,393	$ 3,421,351	$ 386,119,727	1.02%
$40,001-$80,000	1,432,273	$ 81,902,298,409	$ -	$ 67,382,876,042	$ 46,885,570	$ 1,464,858,581	1.79%
$80,001-$100,000	393,841	$ 35,217,111,646	$ -	$ 29,483,304,146	$ 26,308,719	$ 748,527,481	2.13%
$100,001-$200,000	630,427	$ 83,735,155,381	$ 8,880,140	$ 70,403,039,811	$ 78,305,766	$ 2,059,568,837	2.46%
$200,000 & above	220,381	$ 185,701,370,702	$ 53,452,950,050	$ 113,553,002,135	$ 58,084,424	$ 2,658,964,029	1.43%
Total	**5,502,385**	**$ 429,123,506,904**	**$ 53,461,830,190**	**$ 320,944,141,611**	**$ 213,068,840**	**$ 7,357,616,906**	**1.71%**

[1] Ohio income tax divided by federal adjusted gross income. Resident and non-resident tax credits have been subtracted in calculating income tax liability, but federal adjusted gross income includes all resident and non-resident income.
Source: Ohio Department of Taxation

Table 15
Individual Income Tax: Taxable Year 2016 IT-1040 Returns Claiming Married Filing Joint Status, by Income Level

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Ohio Income Tax Liability	Effective Tax Rate [1]
Under $5,000	33,771	$ (7,372,477,245)	$ -	$ 37,976,669	$ 918,163	-0.01%
$5,001-$10,000	28,152	$ 216,881,961	$ -	$ 47,002,367	$ 110,025	0.05%
$10,001-$15,000	42,961	$ 544,347,120	$ -	$ 215,338,391	$ 66,672	0.01%
$15,001-$20,000	53,759	$ 941,444,365	$ -	$ 472,998,579	$ 607,401	0.06%
$20,001-$40,000	252,054	$ 7,613,750,307	$ -	$ 4,618,210,002	$ 32,372,509	0.43%
$40,001-$80,000	572,202	$ 34,542,100,835	$ -	$ 25,855,739,387	$ 519,139,422	1.50%
$80,001-$100,000	273,611	$ 24,558,381,052	$ -	$ 20,029,346,059	$ 498,715,418	2.03%
$100,001-$200,000	514,187	$ 68,764,316,438	$ -	$ 57,566,248,206	$ 1,679,871,921	2.44%
$200,000 & above	188,664	$ 152,063,994,990	$ 43,804,932,477	$ 92,317,529,276	$ 2,286,939,582	1.50%
Total	**1,959,361**	**$ 281,872,739,823**	**$ 43,804,932,477**	**$ 201,160,388,936**	**$ 5,018,741,113**	**1.78%**

[1] Ohio income tax divided by federal adjusted gross income. Resident and non-resident tax credits have been subtracted in calculating income tax liability, but federal adjusted gross income includes all resident and non-resident income.
Source: Ohio Department of Taxation

Table 16
Individual Income Tax: Taxable Year 2016 IT-1040 Returns Claiming Single Filing Status, by Income Level

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Ohio Income Tax Liability	Effective Tax Rate [1]
Under $5,000	356,503	$ (1,233,238,099)	$ -	$ 583,928,058	$ 225,395	-0.02%
$5,001-$10,000	350,537	$ 2,624,116,511	$ -	$ 1,801,049,209	$ 98,307	0.00%
$10,001-$15,000	338,224	$ 4,227,565,860	$ -	$ 2,974,865,069	$ 10,331,923	0.24%
$15,001-$20,000	305,407	$ 5,328,865,055	$ -	$ 4,011,027,136	$ 25,743,093	0.48%
$20,001-$40,000	940,387	$ 27,427,260,233	$ -	$ 22,682,179,137	$ 313,189,733	1.14%
$40,001-$80,000	698,799	$ 38,323,482,789	$ -	$ 33,451,253,505	$ 755,879,133	1.97%
$80,001-$100,000	91,431	$ 8,101,567,036	$ -	$ 7,096,251,713	$ 184,367,395	2.28%
$100,001-$200,000	90,292	$ 11,710,140,716	$ -	$ 9,867,921,753	$ 286,168,846	2.44%
$200,000 & above	27,057	$ 26,216,538,007	$ 7,051,790,024	$ 16,650,920,505	$ 312,109,269	1.19%
Total	**3,198,637**	**$ 122,726,298,108**	**$ 7,051,790,024**	**$ 99,119,396,085**	**$ 1,888,113,094**	**1.54%**

[1] Ohio income tax divided by federal adjusted gross income. Resident and non-resident tax credits have been subtracted in calculating income tax liability, but federal adjusted gross income includes all resident and non-resident income.
Source: Ohio Department of Taxation

Individual Income Tax (con't)

Table 17

Individual Income Tax: Taxable Year 2016 IT-1040 Returns Claiming Married Filing Separate Status, by Income Level

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Ohio Income Tax Liability	Effective Tax Rate [1]
Under $5,000	5,706	$ (1,008,334,677)	$ -	$ 7,074,357	$ 37,543	0.00%
$5,001-$10,000	5,472	$ 41,903,802	$ -	$ 20,142,616	$ 1,997	0.00%
$10,001-$15,000	7,286	$ 91,608,063	$ -	$ 57,031,066	$ 198,666	0.22%
$15,001-$20,000	10,980	$ 194,753,452	$ -	$ 143,805,567	$ 1,239,067	0.64%
$20,001-$40,000	94,264	$ 2,929,124,058	$ -	$ 2,449,291,254	$ 40,557,485	1.38%
$40,001-$80,000	161,272	$ 9,036,714,785	$ -	$ 8,075,883,150	$ 189,840,026	2.10%
$80,001-$100,000	28,799	$ 2,557,163,558	$ -	$ 2,357,706,374	$ 65,444,668	2.56%
$100,001-$200,000	25,948	$ 3,260,698,227	$ 8,880,140	$ 2,968,869,852	$ 93,528,070	2.87%
$200,000 & above	4,660	$ 7,420,837,705	$ 2,596,227,549	$ 4,584,552,354	$ 59,915,178	0.81%
Total	**344,387**	**$ 24,524,468,973**	**$ 2,605,107,689**	**$ 20,664,356,590**	**$ 450,762,700**	**1.84%**

[1] Ohio income tax divided by federal adjusted gross income. Resident and non-resident tax credits have been subtracted in calculating income tax liability, but federal adjusted gross income includes all resident and non-resident income.

Source: Ohio Department of Taxation

Table 18

Individual Income Tax: Taxable Year 2016 IT-1040 Returns, by Ohio Income Tax Base Level [1]

Income Level	Number of Returns	$20 Exemption Credit	Joint Filer Credit	Ohio Income Tax Liability
Under $5,000	818,148	$ 23,581,600	$ 11	$ 230
$5,001-$10,000	461,385	$ 11,690,880	$ 758	$ 15,789
$10,001-$15,000	410,581	$ 12,346,620	$ 127,778	$ 21,009,311
$15,001-$20,000	385,813	$ 12,553,440	$ 499,533	$ 42,210,872
$20,001-$40,000	1,225,498	$ 22,848,340	$ 10,880,145	$ 546,966,741
$40,001-$80,000	1,247,124	$ -	$ 56,261,331	$ 1,626,105,458
$80,001-$100,000	316,626	$ -	$ 23,203,766	$ 752,646,763
$100,001-$200,000	472,436	$ -	$ 71,092,485	$ 1,890,779,868
$200,000 & above	164,774	$ -	$ 51,003,033	$ 2,477,881,875
Total	**5,502,385**	**$ 83,020,880**	**$ 213,068,840**	**$ 7,357,616,906**

[1] Ohio Income Tax Base = Ohio Adjusted Gross Income less personal and dependent exemptions

Source: Ohio Department of Taxation

Individual Income Tax (con't)

Table 19

Individual Income Tax: Taxable Year 2016 IT-1040 Returns Claiming the Joint Filer Credit, by Income Level

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Ohio Income Tax Liability	Effective Tax Rate [1]
Under $5,000	41	$ (20,862,943)	$ -	$ 18,304,276	$ 551,529	-2.64%
$5,001-$10,000	12	$ 93,564	$ -	$ 2,176,470	$ 80,578	86.12%
$10,001-$15,000	208	$ 2,968,487	$ -	$ 2,607,731	$ 10,962	0.37%
$15,001-$20,000	3,456	$ 62,243,053	$ -	$ 44,156,730	$ 116,413	0.19%
$20,001-$40,000	72,482	$ 2,342,727,592	$ -	$ 1,711,117,235	$ 12,770,582	0.55%
$40,001-$80,000	349,978	$ 21,622,736,792	$ -	$ 17,535,793,604	$ 348,372,066	1.61%
$80,001-$100,000	204,310	$ 18,365,146,612	$ -	$ 15,835,065,422	$ 394,916,294	2.15%
$100,001-$200,000	395,427	$ 52,687,358,157	$ -	$ 46,903,104,796	$ 1,375,998,843	2.61%
$200,000 & above	120,255	$ 76,061,202,959	$ 21,798,556,769	$ 46,031,419,236	$ 1,380,184,835	1.81%
Total	**1,146,169**	**$ 171,123,614,273**	**$ 21,798,556,769**	**$ 128,083,745,500**	**$ 3,513,002,102**	**2.05%**

[1] Ohio income tax divided by federal adjusted gross income. Resident and non-resident tax credits have been subtracted in calculating income tax liability, but federal adjusted gross income includes all resident and non-resident income.

Source: Ohio Department of Taxation

Table 20

Individual Income Tax: Taxable Year 2016 IT-1040 Returns Claiming the Senior Citizen Credit, by Income Level

Income Level	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Business Income	Ohio Taxable Nonbusiness Income	Senior Citizen Credit	Retirement Income Credit	Ohio Income Tax Liability
Under $5,000	47,063	$ (4,004,736,635)	$ -	$ 14,202,904	$ 2,353,125	$ 1,888,926	$ 23,879
$5,001-$10,000	50,618	$ 388,849,253	$ -	$ 171,337,609	$ 2,530,813	$ 4,577,861	$ 8,527
$10,001-$15,000	73,690	$ 929,061,119	$ -	$ 554,450,451	$ 3,684,350	$ 9,773,566	$ 90,749
$15,001-$20,000	68,763	$ 1,196,844,660	$ -	$ 764,846,719	$ 3,438,150	$ 10,019,422	$ 603,359
$20,001-$40,000	208,560	$ 6,110,047,253	$ -	$ 3,872,121,658	$ 10,427,790	$ 31,831,651	$ 19,880,808
$40,001-$80,000	268,878	$ 15,590,181,543	$ -	$ 10,138,211,412	$ 13,443,830	$ 41,547,780	$ 163,094,030
$80,001-$100,000	79,798	$ 7,130,655,893	$ -	$ 4,821,031,514	$ 3,989,860	$ 12,336,035	$ 103,781,583
$100,001-$200,000	65,961	$ 7,943,457,309	$ 1,362,173	$ 4,485,980,938	$ 3,297,989	$ 9,840,820	$ 102,750,207
$200,000 & above	5,178	$ 1,419,215,003	$ 41,665,482	$ 179,587,268	$ 258,900	$ 514,535	$ 4,070,166
Total	**868,509**	**$ 36,703,575,398**	**$ 43,027,655**	**$ 25,001,770,473**	**$ 43,424,807**	**$ 122,330,596**	**$ 394,303,308**

Source: Ohio Department of Taxation

Individual Income Tax (con't)

Table 21
Individual Income Tax: Taxable Year 2016 IT-1040 Returns, by County

County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax Liability	County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax Liability
Adams	10,579	$ 466,605,100	$ 8,242,265	Lucas	188,119	$ 10,514,266,644	$ 226,046,323
Allen	46,741	$ 2,453,502,457	$ 49,351,062	Madison	18,853	$ 1,123,034,620	$ 23,486,135
Ashland	23,987	$ 1,151,570,971	$ 21,599,959	Mahoning	104,829	$ 5,464,868,519	$ 108,596,139
Ashtabula	41,909	$ 1,861,005,024	$ 33,332,962	Marion	26,324	$ 1,217,885,868	$ 22,468,505
Athens	21,950	$ 1,058,781,888	$ 20,815,609	Medina	89,131	$ 6,361,942,319	$ 149,545,648
Auglaize	22,051	$ 1,278,092,862	$ 27,387,042	Meigs	8,658	$ 380,030,948	$ 6,895,107
Belmont	29,140	$ 1,566,070,207	$ 31,230,558	Mercer	20,593	$ 1,123,263,864	$ 21,073,393
Brown	18,077	$ 829,355,672	$ 15,142,893	Miami	49,651	$ 2,936,311,245	$ 60,964,778
Butler	168,298	$ 10,589,129,018	$ 239,173,015	Monroe	6,274	$ 326,700,647	$ 5,782,976
Carroll	12,064	$ 592,908,575	$ 10,538,007	Montgomery	238,726	$ 13,464,431,631	$ 278,509,564
Champaign	17,196	$ 842,619,542	$ 15,930,067	Morgan	5,640	$ 228,401,386	$ 3,973,550
Clark	59,265	$ 2,909,272,178	$ 53,696,820	Morrow	14,856	$ 741,856,034	$ 14,322,210
Clermont	93,847	$ 6,097,639,723	$ 139,506,572	Muskingum	37,808	$ 1,812,952,885	$ 35,805,026
Clinton	19,347	$ 1,036,791,078	$ 18,881,368	Noble	5,350	$ 262,303,725	$ 4,685,805
Columbiana	44,842	$ 2,079,975,105	$ 39,081,774	Ottawa	20,854	$ 1,217,751,352	$ 24,541,985
Coshocton	15,667	$ 683,282,296	$ 12,045,457	Paulding	8,615	$ 396,226,059	$ 6,665,300
Crawford	19,547	$ 844,031,766	$ 14,263,148	Perry	14,401	$ 667,421,518	$ 12,684,201
Cuyahoga	576,826	$ 36,660,662,573	$ 844,436,604	Pickaway	23,910	$ 1,301,459,192	$ 26,815,653
Darke	24,307	$ 1,132,321,679	$ 20,674,506	Pike	11,261	$ 508,540,532	$ 9,445,246
Defiance	18,394	$ 945,365,976	$ 17,727,908	Portage	73,255	$ 4,279,071,274	$ 92,615,975
Delaware	91,459	$ 9,783,015,499	$ 265,464,057	Preble	17,815	$ 845,810,789	$ 15,356,373
Erie	37,140	$ 2,087,905,793	$ 43,215,633	Putnam	16,826	$ 975,243,264	$ 18,963,249
Fairfield	67,984	$ 4,172,128,898	$ 91,858,759	Richland	54,325	$ 2,580,636,276	$ 48,463,834
Fayette	12,887	$ 574,563,915	$ 9,969,770	Ross	31,434	$ 1,516,787,669	$ 29,064,592
Franklin	593,606	$ 38,092,679,687	$ 893,554,788	Sandusky	28,787	$ 1,392,458,489	$ 25,776,609
Fulton	20,472	$ 1,112,825,717	$ 21,270,980	Scioto	26,380	$ 1,268,572,636	$ 24,367,536
Gallia	11,318	$ 595,201,106	$ 12,109,335	Seneca	25,648	$ 1,181,979,172	$ 21,344,211
Geauga	45,656	$ 4,221,786,075	$ 105,002,688	Shelby	23,253	$ 1,313,822,737	$ 27,753,889
Greene	73,204	$ 4,967,060,576	$ 105,679,645	Stark	175,397	$ 9,540,341,256	$ 196,880,797
Guernsey	17,020	$ 785,732,284	$ 14,005,465	Summit	255,447	$ 16,335,760,338	$ 376,128,035
Hamilton	379,909	$ 28,065,060,180	$ 689,612,149	Trumbull	94,362	$ 4,465,112,006	$ 80,547,813
Hancock	35,680	$ 2,172,955,028	$ 47,980,371	Tuscarawas	42,787	$ 2,143,571,652	$ 39,642,670
Hardin	12,761	$ 575,454,010	$ 10,320,919	Union	24,699	$ 1,820,531,128	$ 43,749,822
Harrison	6,311	$ 316,060,400	$ 5,678,528	Van Wert	13,555	$ 649,450,159	$ 11,552,698
Henry	13,514	$ 722,253,970	$ 13,570,152	Vinton	4,412	$ 187,602,444	$ 3,224,115
Highland	17,184	$ 736,987,494	$ 12,728,075	Warren	104,864	$ 9,102,804,637	$ 233,986,797
Hocking	11,828	$ 535,349,613	$ 9,862,812	Washington	27,093	$ 1,373,027,429	$ 26,976,563
Holmes	16,515	$ 845,334,611	$ 13,416,785	Wayne	51,974	$ 2,787,944,374	$ 53,199,956
Huron	27,934	$ 1,338,944,982	$ 24,768,689	Williams	17,618	$ 832,073,554	$ 15,136,184
Jackson	12,747	$ 559,636,408	$ 10,714,969	Wood	60,024	$ 3,752,628,070	$ 81,946,694
Jefferson	28,314	$ 1,348,773,765	$ 24,812,814	Wyandot	10,697	$ 540,682,087	$ 9,788,084
Knox	26,188	$ 1,376,122,318	$ 27,277,424				
Lake	117,925	$ 7,067,943,873	$ 153,177,664	**County total**	**5,302,729**	**$ 321,415,413,918**	**$ 7,085,848,762**
Lawrence	23,916	$ 1,131,178,420	$ 21,566,118				
Licking	78,210	$ 4,643,686,660	$ 99,963,914	Other [1]	199,656	$ 107,708,092,986	$ 271,768,144
Logan	21,894	$ 1,116,629,811	$ 21,797,435				
Lorain	142,614	$ 8,455,598,707	$ 184,637,189	**State total**	**5,502,385**	**$ 429,123,506,904**	**$ 7,357,616,906**

[1] Includes non-resident returns
Source: Ohio Department of Taxation

Kilowatt-Hour Tax

Table 22
Kilowatt-Hour Tax: Fiscal Year 2018 Tax Liability, by Tier and Self-Assessors

Distributions to End-Users			Self-Assessor	Total
Tier 1 : < 2,000 Kwh	**Tier 2: 2,001-15,000 Kwh**	**Tier 3: > 15,001 Kwh**	**Taxpayers**	**Tax Liability**
$ 229,853,504	$ 65,704,013	$ 162,599,243	$ 58,578,016	$ 516,734,776

Source: Ohio Department of Taxation

Motor Vehicle Fuel Tax

Table 23

Motor Vehicle Fuel Tax: Calendar Year 2017, Distributions to Local Governments, by County

County Name	County	Townships	Municipalities	Total	County Name	County	Townships	Municipalities	Total
Adams	$ 2,389,285	$ 1,330,451	$ 282,338	$ 4,002,074	Logan	$ 2,389,285	$ 1,508,442	$ 826,148	$ 4,723,875
Allen	$ 2,389,285	$ 1,181,429	$ 1,688,682	$ 5,259,395	Lorain	$ 2,389,285	$ 1,619,003	$ 7,848,241	$ 11,856,528
Ashland	$ 2,389,285	$ 1,330,451	$ 932,131	$ 4,651,866	Lucas	$ 2,389,285	$ 1,241,983	$ 10,601,866	$ 14,233,134
Ashtabula	$ 2,389,285	$ 2,401,853	$ 1,644,176	$ 6,435,314	Madison	$ 2,389,285	$ 1,241,754	$ 694,212	$ 4,325,251
Athens	$ 2,389,285	$ 1,251,929	$ 590,725	$ 4,231,939	Mahoning	$ 2,389,285	$ 1,638,974	$ 3,180,213	$ 7,208,472
Auglaize	$ 2,389,285	$ 1,241,754	$ 1,114,827	$ 4,745,866	Marion	$ 2,389,285	$ 1,334,651	$ 1,190,064	$ 4,913,999
Belmont	$ 2,389,285	$ 1,457,027	$ 1,099,519	$ 4,945,831	Medina	$ 2,389,285	$ 1,597,641	$ 3,157,084	$ 7,144,009
Brown	$ 2,389,285	$ 1,419,151	$ 468,019	$ 4,276,455	Meigs	$ 2,389,285	$ 1,064,361	$ 201,830	$ 3,655,475
Butler	$ 2,389,285	$ 1,752,334	$ 6,422,227	$ 10,563,845	Mercer	$ 2,389,285	$ 1,271,796	$ 890,803	$ 4,551,884
Carroll	$ 2,389,285	$ 1,248,296	$ 186,135	$ 3,823,716	Miami	$ 2,389,285	$ 1,069,555	$ 2,445,771	$ 5,904,610
Champaign	$ 2,389,285	$ 1,064,361	$ 608,664	$ 4,062,310	Monroe	$ 2,389,285	$ 1,596,541	$ 143,931	$ 4,129,757
Clark	$ 2,389,285	$ 1,035,600	$ 2,132,078	$ 5,556,963	Montgomery	$ 2,389,285	$ 1,167,211	$ 13,823,052	$ 17,379,547
Clermont	$ 2,389,285	$ 1,793,114	$ 813,755	$ 4,996,154	Morgan	$ 2,389,285	$ 1,241,754	$ 105,195	$ 3,736,234
Clinton	$ 2,389,285	$ 1,153,057	$ 707,239	$ 4,249,581	Morrow	$ 2,389,285	$ 1,419,148	$ 248,109	$ 4,056,541
Columbiana	$ 2,389,285	$ 1,645,151	$ 1,547,464	$ 5,581,900	Muskingum	$ 2,389,285	$ 2,252,177	$ 1,119,941	$ 5,761,403
Coshocton	$ 2,389,285	$ 1,951,328	$ 531,795	$ 4,872,407	Noble	$ 2,389,285	$ 1,330,451	$ 101,016	$ 3,820,751
Crawford	$ 2,389,285	$ 1,419,148	$ 977,779	$ 4,786,211	Ottawa	$ 2,389,285	$ 1,064,361	$ 587,764	$ 4,041,410
Cuyahoga	$ 2,389,285	$ 193,592	$ 36,953,210	$ 39,536,086	Paulding	$ 2,389,285	$ 1,064,361	$ 309,049	$ 3,762,695
Darke	$ 2,389,285	$ 1,780,669	$ 948,883	$ 5,118,836	Perry	$ 2,389,285	$ 1,241,754	$ 410,024	$ 4,041,063
Defiance	$ 2,389,285	$ 1,064,361	$ 761,743	$ 4,215,389	Pickaway	$ 2,389,285	$ 1,332,397	$ 802,741	$ 4,524,422
Delaware	$ 2,389,285	$ 1,880,288	$ 1,886,239	$ 6,155,813	Pike	$ 2,389,285	$ 1,241,754	$ 221,044	$ 3,852,083
Erie	$ 2,389,285	$ 828,820	$ 1,713,047	$ 4,931,152	Portage	$ 2,389,285	$ 1,645,308	$ 2,370,120	$ 6,404,713
Fairfield	$ 2,389,285	$ 1,308,971	$ 2,349,862	$ 6,048,118	Preble	$ 2,389,285	$ 1,064,361	$ 662,136	$ 4,115,781
Fayette	$ 2,389,285	$ 886,967	$ 532,927	$ 3,809,179	Putnam	$ 2,389,285	$ 1,330,451	$ 663,106	$ 4,382,842
Franklin	$ 2,389,285	$ 1,635,092	$ 37,879,198	$ 41,903,575	Richland	$ 2,389,285	$ 1,645,722	$ 2,514,958	$ 6,549,965
Fulton	$ 2,389,285	$ 1,075,432	$ 807,095	$ 4,271,812	Ross	$ 2,389,285	$ 1,450,494	$ 946,155	$ 4,785,934
Gallia	$ 2,389,285	$ 1,331,002	$ 158,059	$ 3,878,346	Sandusky	$ 2,389,285	$ 1,075,886	$ 1,015,971	$ 4,481,142
Geauga	$ 2,389,285	$ 1,548,199	$ 984,625	$ 4,922,109	Scioto	$ 2,389,285	$ 1,448,891	$ 670,154	$ 4,508,330
Greene	$ 2,389,285	$ 1,099,042	$ 4,127,751	$ 7,616,078	Seneca	$ 2,389,285	$ 1,330,451	$ 1,247,895	$ 4,967,631
Guernsey	$ 2,389,285	$ 1,685,238	$ 516,431	$ 4,590,954	Shelby	$ 2,389,285	$ 1,241,754	$ 1,051,608	$ 4,682,647
Hamilton	$ 2,389,285	$ 2,014,305	$ 16,801,943	$ 21,205,533	Stark	$ 2,389,285	$ 2,385,462	$ 5,763,850	$ 10,538,596
Hancock	$ 2,389,285	$ 1,520,006	$ 1,768,349	$ 5,677,639	Summit	$ 2,389,285	$ 972,009	$ 14,999,722	$ 18,361,015
Hardin	$ 2,389,285	$ 1,330,451	$ 566,328	$ 4,286,064	Trumbull	$ 2,389,285	$ 2,296,189	$ 3,326,081	$ 8,011,555
Harrison	$ 2,389,285	$ 1,330,451	$ 271,209	$ 3,990,944	Tuscarawas	$ 2,389,285	$ 1,959,940	$ 2,112,507	$ 6,461,731
Henry	$ 2,389,285	$ 1,153,057	$ 552,722	$ 4,095,064	Union	$ 2,389,285	$ 1,243,170	$ 884,798	$ 4,517,253
Highland	$ 2,389,285	$ 1,511,710	$ 468,705	$ 4,369,699	Van Wert	$ 2,389,285	$ 1,064,361	$ 518,547	$ 3,972,192
Hocking	$ 2,389,285	$ 984,154	$ 291,936	$ 3,665,375	Vinton	$ 2,389,285	$ 1,064,361	$ 105,982	$ 3,559,628
Holmes	$ 2,389,285	$ 1,241,754	$ 185,918	$ 3,816,956	Warren	$ 2,389,285	$ 1,366,742	$ 3,431,351	$ 7,187,378
Huron	$ 2,389,285	$ 1,685,238	$ 1,369,429	$ 5,443,952	Washington	$ 2,389,285	$ 1,961,761	$ 840,810	$ 5,191,856
Jackson	$ 2,389,285	$ 1,064,361	$ 477,511	$ 3,931,156	Wayne	$ 2,389,285	$ 1,439,674	$ 1,963,922	$ 5,792,881
Jefferson	$ 2,389,285	$ 1,253,797	$ 1,246,257	$ 4,889,338	Williams	$ 2,389,285	$ 1,064,361	$ 744,303	$ 4,197,948
Knox	$ 2,389,285	$ 1,962,056	$ 736,385	$ 5,087,726	Wood	$ 2,389,285	$ 1,775,769	$ 2,686,865	$ 6,851,919
Lake	$ 2,389,285	$ 590,372	$ 6,057,380	$ 9,037,036	Wyandot	$ 2,389,285	$ 1,153,057	$ 526,949	$ 4,069,291
Lawrence	$ 2,389,285	$ 1,280,239	$ 687,537	$ 4,357,061					
Licking	$ 2,389,285	$ 2,268,721	$ 3,292,303	$ 7,950,309	**Total**	**$ 210,257,060**	**$ 122,705,018**	**$ 244,096,422**	**$ 577,058,499**

Source: Ohio Department of Taxation

Motor Vehicle Fuel Tax (con't)

Table 24
Motor Vehicle Fuel Tax: Fiscal Years 2014-2018, Gross Taxable Gallons by Fuel Type

	2014	2015	2016	2017	2018
Gasoline	4,947,722,865	5,064,778,689	5,125,979,101	5,182,193,327	5,198,968,505
Diesel	1,564,749,514	1,602,376,815	1,605,571,945	1,647,913,273	1,755,542,786
Special Fuels [1]	6,648,367	11,508,854	9,060,984	7,770,856	9,173,838
Total	**6,519,120,746**	**6,678,664,358**	**6,740,612,030**	**6,837,877,456**	**6,963,685,129**

[1] Includes kerosene, biodiesel, and propane fuel used to operate motor vehicles on public highways and waterways

Source: Ohio Department of Taxation

Natural Gas Distribution Tax

Table 25
Natural Gas Tax: Fiscal Year 2018 Tax Liability Distributions (dollars in millions)

Mcf per Month Distributed to End Users				
First 100 Mcf	**101 to 2,000 Mcf**	**2,001 or more Mcf**	**To Flex Customers**	**Distributed**
$ 56.4	$ 8.1	$ 3.4	$ 4.7	$ 72.6

Source: Ohio Department of Taxation

Petroleum Activity Tax

Table 26
Petroleum Activity Tax: Fiscal Year 2018, Tax Return Summary (dollars in millions)

Total Gross Receipts	Number of Filers	Total Gross Receipts	Gross Receipts Highway	Gross Receipts Non-Highway	Non-refundable Credits	Refundable Credits	Total Tax Due After Credits
Less than $100,000	73	$ 642,942	$ 353,088	$ 289,854	$ -	$ -	$ 4,178
$100,000 - $499,999	27	$ 6,557,697	$ 2,625,407	$ 3,932,290	$ -	$ -	$ 42,630
$500,000 - $1,999,999	29	$ 35,142,493	$ 24,798,627	$ 10,343,866	$ -	$ -	$ 228,421
$2,000,000 - $4,999,999	11	$ 29,186,755	$ 16,543,987	$ 12,642,768	$ -	$ -	$ 189,715
$5,000,000 - $9,999,999	12	$ 89,462,688	$ 39,837,093	$ 49,625,595	$ -	$ -	$ 581,509
$10,000,000 - $99,999,999	27	$ 818,027,262	$ 510,857,092	$ 307,170,170	$ 142,345	$ -	$ 5,174,835
$100 million or more	9	$ 11,645,860,894	$ 10,548,252,956	$ 1,097,607,938	$ 3,806,185	$ 3,252,350	$ 68,639,560
Total	**188**	**$12,624,880,731**	**$ 11,143,268,250**	**$1,481,612,481**	**$3,948,530**	**$3,252,350**	**$74,860,848**

Source: Ohio Department of Taxation

Public Utility Excise Tax (con't)

Table 27

Public Utility Excise Tax: Tax Years 2013-2017, Taxes Levied by Class of Utility (dollars in millions)

Class of Utility	Number of Taxpayers	Tax Rate	2013	2014	2015	2016	2017
Natural Gas	33	4.75%	$ 93.6	$ 104.7	$ 104.0	$ 93.0	$ 107.2
Waterworks	9	4.75%	$ 2.5	$ 4.4	$ 4.3	$ 4.5	$ 4.7
Pipeline	24	6.75%	$ 0.8	$ 1.1	$ 1.5	$ 1.1	$ 3.1
Other '	5	4.75%	$ 1.8	$ 2.0	$ 1.9	$ 1.8	$ 1.7
Totals	**71**		**$ 98.7**	**$ 112.2**	**$ 111.7**	**$ 100.4**	**$ 116.7**

' Includes water transportation and heating

Source: Treasurer of State and the Ohio Department of Taxation

Sales & Use Tax

Table 28
State and Permissive (Local) Sales and Use Tax: Fiscal Year 2018 Collections by Industrial Classification

Industrial Classification and Subsector	North American Industry Classification (NAICs) codes	Number of Business Entities [1]	State Sales and Use Tax Collections	Permissive Sales and Use Tax Collections	Total (State and Permissive) Tax Collections
Agriculture, Forestry, and Fishing	111100-115310	1,278	$ 10,115,941	$ 2,257,075	$ 12,373,016
Mining	211110-213110	220	$ 13,387,136	$ 2,786,643	$ 16,173,779
Utilities (excluding telecommunications)	221100-221300	162	$ 91,948,632	$ 24,103,421	$ 116,052,053
Construction	236110-238900	3,265	$ 78,920,076	$ 19,315,990	$ 98,236,066
Manufacturing	311110-339900	13,972	$ 398,862,472	$ 95,195,208	$ 494,057,680
Wholesale Trade	423100-425120	6,128	$ 348,693,412	$ 85,221,419	$ 433,914,831
Retail Trade:					
Motor Vehicle and Parts Dealers [2]	441110-441300	5,258	$ 389,960,969	$ 94,704,273	$ 484,665,242
Furniture and Home Furnishings Stores	442110-442299	3,193	$ 177,206,687	$ 44,085,723	$ 221,292,410
Electronic and Appliance Stores	443111-443142	2,307	$ 323,277,147	$ 81,794,436	$ 405,071,583
Building Material and Garden Equipment & Supplies	444110-444200	6,106	$ 782,447,718	$ 184,515,794	$ 966,963,512
Food and Beverage Stores	445110-445310	6,672	$ 456,206,848	$ 110,244,275	$ 566,451,122
Health and Personal Care Stores	446110-446190	6,515	$ 181,949,298	$ 45,432,040	$ 227,381,338
Gasoline Stations	447100	1,400	$ 155,719,789	$ 37,528,654	$ 193,248,442
Clothing and Clothing Accessories Stores	448110-448320	5,313	$ 348,956,314	$ 88,866,893	$ 437,823,208
Sporting Goods, Hobby, Book, and Music Stores	451110-451220	5,237	$ 162,126,980	$ 39,486,412	$ 201,613,392
General Merchandise Stores	452110-452900	4,505	$ 1,058,566,875	$ 251,893,865	$ 1,310,460,740
Miscellaneous Store Retailers	453110-453990	21,836	$ 652,524,446	$ 161,669,088	$ 814,193,534
Nonstore Retailers	454110-454390	8,312	$ 336,397,434	$ 81,198,787	$ 417,596,221
Transportation and Warehousing	481000-493100	2,288	$ 36,337,746	$ 8,712,861	$ 45,050,607
Information (including telecommunications)	511110-519100	3,537	$ 642,717,770	$ 160,993,009	$ 803,710,779
Finance and Insurance	522110-525990	587	$ 119,942,392	$ 33,925,844	$ 153,868,236
Real Estate, and Rental & Leasing of Property	531110-533110	4,151	$ 279,380,731	$ 70,339,343	$ 349,720,074
Professional, Scientific and Technical Services	541110-541990	8,902	$ 214,949,232	$ 54,394,090	$ 269,343,322
Management of Companies (Holding Companies)	551111-551112	113	$ 21,253,559	$ 5,448,138	$ 26,701,697
Administrative & Support Services, and Waste Management & Remediation Services	561110-562000	11,573	$ 354,323,832	$ 88,640,075	$ 442,963,908
Education, Health Care and Social Assistance	611000-624410	4,095	$ 28,694,973	$ 7,115,670	$ 35,810,643
Arts, Entertainment, and Recreation	711100-713900	4,754	$ 66,280,835	$ 15,401,905	$ 81,682,740
Accommodation and Food Services	721110-722515	20,262	$ 814,294,551	$ 204,446,296	$ 1,018,740,848
Other Services	811110-812990	21,076	$ 278,212,640	$ 67,316,653	$ 345,529,293
Unclassified	n/a	10,993	$ 32,257,540	$ 10,127,592	$ 42,385,132
SUBTOTAL		**194,010**	**$ 8,855,913,976**	**$ 2,177,161,472**	**$ 11,033,075,447**

Collections from Clerks of Court [2]	State Sales & Use Tax Collections	Permissive Sales & Use Tax Collections	Total (State and Permissive) Sales & Use Tax Collections
Collections from sales of motor vehicles	$ 1,438,268,584	$ 334,780,100	$ 1,773,048,684
Collections from sales of watercraft	$ 17,288,464	$ 3,863,596	$ 21,152,060
SUBTOTAL OF COLLECTIONS FROM CLERKS OF COURT	**$ 1,455,557,048**	**$ 338,643,696**	**$ 1,794,200,744**
TOTAL	**$ 10,311,471,024**	**$ 2,515,805,168**	**$ 12,827,276,192**

[1] Indicates the number of separate legal entities (not the number of separate locations) that filed and remitted sales or use tax at any time during the July 2017 through June 2018 period.
[2] Tax Collections from automobile and watercraft sales are listed separately and are not assigned an industrial category. Such taxes are collected by the county clerks of court and then remitted to the state.

Source: Ohio Department of Taxation

Sales & Use Tax (con't)

Table 29
State and Permissive (Local) Sales and Use Tax: Fiscal Year 2018,
Number of Accounts by Type and Payment Schedule

	Payment Schedule			
Account Type	**Semi-Annual**	**Monthly**	**Quarterly**	**Total**
Vendor's	78,177	85,290	0	163,467
Master (accounts issued by the state)	761	4,525	0	5,286
Transient	35,008	14,408	0	49,416
Consumer's	0	4,452	16,823	21,275
Direct Pay	0	297	88	385
Out of State	7,494	12,777	0	20,271
Streamlined Sales and Streamlined Use [1]	0	1,700	0	1,700
Totals	**121,440**	**123,449**	**16,911**	**261,800**

[1] A subset of total collections attributed to Ohio's membership in Streamlined Sales Tax are remitted under Streamlined Sales and Streamlined Use accounts. The remainder of total collections attributed to Ohio's membership in Streamlined Sales Tax are remitted under other account types.

Source: Ohio Department of Taxation

Table 30
State and Permissive (Local) Sales and Use Tax: Fiscal Years 2014-2018 [1,2]
Collections Attributed to Membership in Streamlined Sales Tax

Fiscal Year	**Collections**
2014	$ 69,861,947
2015	$ 66,992,782
2016	$ 79,343,428
2017	$ 90,830,134
2018	$ 95,193,055

[1] The State of Ohio became an associate member of Streamlined Sales Tax on October 1, 2005, and became a full member on January 1, 2014.

[2] Total collections attributed to Ohio's membership in Streamlined Sales Tax are remitted under a variety of account types. Collections from all known accounts associated with Streamlined Sales Tax are summarized here. However, taxpayers may remit sales and use tax due to Ohio's membership with Streamlined Sales Tax without notifying the Deprtment of Taxation of this distinction.

Source: Ohio Department of Taxation

Wireless 9-1-1 Charge

Table 31
Wireless 9-1-1 Fee: Calendar Year 2017 Distributions to Counties

County		Total	County		Total
Adams	$	90,000	Logan	$	97,934
Allen	$	228,858	Lorain	$	615,538
Ashland	$	104,182	Lucas	$	948,174
Ashtabula	$	216,515	Madison	$	90,000
Athens	$	106,792	Mahoning	$	513,233
Auglaize	$	98,821	Marion	$	139,815
Belmont	$	131,075	Medina	$	349,589
Brown	$	90,000	Meigs	$	90,000
Butler	$	716,485	Mercer	$	90,000
Carroll	$	90,000	Miami	$	203,079
Champaign	$	90,000	Monroe	$	90,000
Clark	$	278,102	Montgomery	$	1,197,228
Clermont	$	382,893	Morgan	$	90,000
Clinton	$	95,966	Morrow	$	90,000
Columbiana	$	210,417	Muskingum	$	176,447
Coshocton	$	90,000	Noble	$	90,000
Crawford	$	92,528	Ottawa	$	91,556
Cuyahoga	$	2,841,552	Paulding	$	90,000
Darke	$	102,620	Perry	$	90,000
Defiance	$	90,000	Pickaway	$	108,076
Delaware	$	602,464	Pike	$	90,000
Erie	$	162,184	Portage	$	306,712
Fairfield	$	292,661	Preble	$	90,000
Fayette	$	90,000	Putnam	$	90,000
Franklin	$	2,492,425	Richland	$	247,081
Fulton	$	91,575	Ross	$	148,107
Gallia	$	90,000	Sandusky	$	122,882
Geauga	$	177,273	Scioto	$	139,324
Greene	$	309,512	Seneca	$	115,981
Guernsey	$	90,476	Shelby	$	99,191
Hamilton	$	2,245,169	Stark	$	799,808
Hancock	$	164,443	Summit	$	1,180,419
Hardin	$	90,000	Trumbull	$	417,792
Harrison	$	90,000	Tuscarawas	$	183,049
Henry	$	90,000	Union	$	123,473
Highland	$	90,199	Van Wert	$	90,000
Hocking	$	90,000	Vinton	$	90,000
Holmes	$	90,000	Warren	$	435,272
Huron	$	128,329	Washington	$	128,742
Jackson	$	90,000	Wayne	$	216,172
Jefferson	$	131,231	Williams	$	90,000
Knox	$	120,177	Wood	$	250,434
Lake	$	480,106	Wyandot	$	90,000
Lawrence	$	115,910			
Licking	$	333,249	**Total**	**$**	**25,689,296**

Source: Ohio Department of Taxation

Local Government Fund

Table 32

Local Government Fund: Calender Year 2017 Distributions to Counties and Municipalities, by County

County	County	Municipalities	Total	County	County	Municipalities	Total
Adams	$ 750,000	$ 55	$ 750,055	Logan	$ 1,036,927	$ 7,622	$ 1,044,549
Allen	$ 2,603,602	$ 20,415	$ 2,624,017	Lorain	$ 9,234,983	$ 72,261	$ 9,307,244
Ashland	$ 1,214,299	$ 10,646	$ 1,224,945	Lucas	$ 14,027,739	$ 227,510	$ 14,255,249
Ashtabula	$ 2,300,974	$ 15,083	$ 2,316,056	Madison	$ 824,846	$ 5,006	$ 829,851
Athens	$ 1,171,696	$ 9,134	$ 1,180,831	Mahoning	$ 5,732,230	$ 47,961	$ 5,780,191
Auglaize	$ 1,314,158	$ 11,336	$ 1,325,493	Marion	$ 1,517,160	$ 12,847	$ 1,530,007
Belmont	$ 1,624,214	$ 1,517	$ 1,625,731	Medina	$ 3,903,570	$ 20,609	$ 3,924,179
Brown	$ 750,000	$ 1,065	$ 751,065	Meigs	$ 686,137	$ 647	$ 686,784
Butler	$ 8,273,758	$ 72,178	$ 8,345,937	Mercer	$ 1,064,750	$ 4,541	$ 1,069,291
Carroll	$ 750,000	$ 991	$ 750,991	Miami	$ 2,933,719	$ 27,348	$ 2,961,066
Champaign	$ 825,382	$ 5,585	$ 830,967	Monroe	$ 440,232	$ 374	$ 440,606
Clark	$ 3,257,658	$ 33,520	$ 3,291,179	Montgomery	$ 17,828,681	$ 256,802	$ 18,085,483
Clermont	$ 2,494,617	$ 3,440	$ 2,498,057	Morgan	$ 442,257	$ 605	$ 442,862
Clinton	$ 924,156	$ 3,998	$ 928,154	Morrow	$ 750,000	$ 1,349	$ 751,349
Columbiana (1)	$ 2,354,287	$ 12,482	$ 2,366,769	Muskingum	$ 1,746,752	$ 14,005	$ 1,760,757
Coshocton	$ 821,409	$ 3,751	$ 825,159	Noble	$ 401,561	$ -	$ 401,561
Crawford	$ 1,203,047	$ 8,837	$ 1,211,884	Ottawa	$ 955,086	$ 4,082	$ 959,168
Cuyahoga	$ 61,444,891	$ 841,996	$ 62,286,886	Paulding	$ 713,525	$ 126	$ 713,651
Darke	$ 1,360,303	$ 6,647	$ 1,366,950	Perry	$ 750,000	$ 1,225	$ 751,225
Defiance	$ 1,023,208	$ 7,277	$ 1,030,485	Pickaway	$ 1,049,588	$ 5,466	$ 1,055,054
Delaware	$ 2,770,674	$ 13,797	$ 2,784,471	Pike	$ 750,000	$ 1,117	$ 751,117
Erie	$ 2,134,002	$ 11,329	$ 2,145,332	Portage	$ 3,572,591	$ 30,187	$ 3,602,778
Fairfield	$ 2,855,246	$ 16,756	$ 2,872,002	Preble	$ 865,993	$ 4,615	$ 870,608
Fayette	$ 750,000	$ 4,131	$ 754,131	Putnam	$ 831,980	$ 3,855	$ 835,835
Franklin	$ 42,283,517	$ 665,111	$ 42,948,628	Richland	$ 3,487,100	$ 35,758	$ 3,522,858
Fulton	$ 1,131,647	$ 10,203	$ 1,141,850	Ross	$ 1,629,053	$ 10,657	$ 1,639,710
Gallia	$ 750,000	$ 1,859	$ 751,859	Sandusky	$ 1,638,180	$ 11,665	$ 1,649,845
Geauga	$ 1,564,563	$ 7,051	$ 1,571,614	Scioto	$ 1,454,900	$ 7,468	$ 1,462,368
Greene	$ 4,642,155	$ 17,647	$ 4,659,802	Seneca	$ 1,562,209	$ 13,777	$ 1,575,986
Guernsey	$ 851,843	$ 3,943	$ 855,785	Shelby	$ 1,370,636	$ 14,659	$ 1,385,295
Hamilton	$ 29,234,101	$ 436,674	$ 29,670,775	Stark	$ 8,925,124	$ 84,472	$ 9,009,596
Hancock	$ 2,235,810	$ 15,799	$ 2,251,608	Summit	$ 19,479,477	$ 225,069	$ 19,704,547
Hardin	$ 750,000	$ 4,025	$ 754,025	Trumbull	$ 5,199,350	$ 34,433	$ 5,233,784
Harrison	$ 593,998	$ 941	$ 594,939	Tuscarawas	$ 2,463,318	$ 13,362	$ 2,476,680
Henry	$ 750,000	$ 3,806	$ 753,806	Union	$ 879,086	$ 5,150	$ 884,236
Highland	$ 785,067	$ 4,519	$ 789,586	Van Wert	$ 750,000	$ 5,750	$ 755,750
Hocking	$ 750,000	$ 2,577	$ 752,577	Vinton	$ 356,348	$ -	$ 356,348
Holmes	$ 750,000	$ 921	$ 750,921	Warren	$ 3,890,851	$ 27,660	$ 3,918,510
Huron	$ 1,546,916	$ 16,365	$ 1,563,280	Washington	$ 1,341,313	$ 8,792	$ 1,350,105
Jackson	$ 750,000	$ -	$ 750,000	Wayne	$ 2,820,488	$ 17,414	$ 2,837,902
Jefferson	$ 2,219,645	$ 13,604	$ 2,233,250	Williams	$ 1,105,218	$ 9,689	$ 1,114,907
Knox	$ 1,138,888	$ 8,075	$ 1,146,963	Wood	$ 3,221,085	$ 31,274	$ 3,252,359
Lake	$ 9,674,247	$ 85,037	$ 9,759,284	Wyandot	$ 750,000	$ 3,782	$ 753,782
Lawrence	$ 1,077,437	$ 2,555	$ 1,079,991				
Licking	$ 3,763,357	$ 23,183	$ 3,786,540	**Total**	**$ 346,598,816**	**$ 3,750,852**	**$ 350,349,668**

1 Includes $1.2 million redirected from Columbiana county to its fiscal agent

Source: Ohio Department of Taxation

Public Library Fund

Table 33
Public Library Fund: Calendar Year 2017 Distributions to Counties

County	Amount	County	Amount	County	Amount
Adams	$ 835,756	Hamilton	$ 38,303,279	Noble	$ 393,001
Allen	$ 3,457,529	Hancock	$ 2,463,570	Ottawa	$ 1,297,680
Ashland	$ 1,616,940	Hardin	$ 967,794	Paulding	$ 620,349
Ashtabula	$ 3,136,201	Harrison	$ 557,788	Perry	$ 1,026,500
Athens	$ 1,859,191	Henry	$ 899,536	Pickaway	$ 1,571,575
Auglaize	$ 1,468,993	Highland	$ 1,198,828	Pike	$ 815,365
Belmont	$ 2,229,968	Hocking	$ 843,372	Portage	$ 4,626,136
Brown	$ 1,197,111	Holmes	$ 1,117,629	Preble	$ 1,274,935
Butler	$ 9,912,700	Huron	$ 1,832,491	Putnam	$ 1,062,032
Carroll	$ 864,696	Jackson	$ 999,140	Richland	$ 4,126,072
Champaign	$ 1,142,359	Jefferson	$ 2,406,901	Ross	$ 2,251,093
Clark	$ 4,530,803	Knox	$ 1,623,749	Sandusky	$ 1,939,246
Clermont	$ 5,181,085	Lake	$ 7,272,671	Scioto	$ 2,477,945
Clinton	$ 1,226,318	Lawrence	$ 1,941,540	Seneca	$ 1,893,150
Columbiana	$ 3,412,141	Licking	$ 4,325,773	Shelby	$ 1,486,946
Coshocton	$ 1,145,171	Logan	$ 1,370,241	Stark	$ 12,304,976
Crawford	$ 1,492,589	Lorain	$ 8,722,770	Summit	$ 17,688,160
Cuyahoga	$ 52,219,277	Lucas	$ 15,282,995	Trumbull	$ 7,099,334
Darke	$ 1,676,049	Madison	$ 1,225,190	Tuscarawas	$ 2,731,107
Defiance	$ 1,231,307	Mahoning	$ 8,278,222	Union	$ 1,203,139
Delaware	$ 3,179,514	Marion	$ 2,034,315	Van Wert	$ 939,804
Erie	$ 2,598,776	Medina	$ 4,360,431	Vinton	$ 368,953
Fairfield	$ 3,725,428	Meigs	$ 725,070	Warren	$ 4,515,373
Fayette	$ 874,256	Mercer	$ 1,268,185	Washington	$ 1,958,625
Franklin	$ 34,832,646	Miami	$ 3,124,950	Wayne	$ 3,510,566
Fulton	$ 1,288,545	Monroe	$ 467,943	Williams	$ 1,211,273
Gallia	$ 980,470	Montgomery	$ 19,431,256	Wood	$ 4,096,278
Geauga	$ 3,188,382	Morgan	$ 441,982	Wyandot	$ 707,165
Greene	$ 4,556,309	Morrow	$ 933,678		
Guernsey	$ 1,235,086	Muskingum	$ 2,620,725	**Total**	**$ 378,534,386**

Figures are after distributions to the Ohio Library For The Blind and the Ohio Public Library Information Network.
Source: Ohio Department of Taxation

Tangible Property Tax Replacement Fund

Table 34
Tangible Personal Property Tax: Fiscal Year 2018 Replacement Payments to Local Governments and Schools by Home County

County	To Local Governments	To School and Joint Vocational Districts	Total	County	To Local Governments	To School and Joint Vocational Districts	Total
Adams	$ 228,304	$ 3,010,201	$ 3,238,506	Logan	$ 600,332	$ 1,234,025	$ 1,834,356
Allen	$ 1,928,310	$ 3,077,187	$ 5,005,496	Lorain	$ 212,122	$ 1,861,010	$ 2,073,133
Ashland	$ 8,890	$ 897,583	$ 906,473	Lucas	$ 41,574	$ 11,071,744	$ 11,113,318
Ashtabula	$ 1,059,604	$ 2,414,976	$ 3,474,580	Madison	$ 458	$ 381,698	$ 382,156
Athens	$ -	$ 99,678	$ 99,678	Mahoning	$ 246,548	$ 947,684	$ 1,194,232
Auglaize	$ 312,071	$ 1,178,875	$ 1,490,946	Marion	$ 544,753	$ 606,392	$ 1,151,146
Belmont	$ 229,689	$ 49,919	$ 279,609	Medina	$ 79,210	$ 1,762,568	$ 1,841,778
Brown	$ -	$ -	$ -	Meigs	$ 20,566	$ 49,268	$ 69,834
Butler	$ 104,722	$ 5,122,025	$ 5,226,747	Mercer	$ 1,503	$ 197,863	$ 199,367
Carroll	$ -	$ 28,660	$ 28,660	Miami	$ 103,332	$ 1,443,589	$ 1,546,921
Champaign	$ 133,336	$ 642,471	$ 775,807	Monroe	$ 99,633	$ -	$ 99,633
Clark	$ 1,902	$ 253,372	$ 255,274	Montgomery	$ 725,975	$ 7,870,213	$ 8,596,189
Clermont	$ 934,546	$ 6,666,664	$ 7,601,210	Morgan	$ 53,274	$ -	$ 53,274
Clinton	$ 230,384	$ 75,022	$ 305,407	Morrow	$ 19,940	$ 16,893	$ 36,833
Columbiana	$ 19,243	$ 498,792	$ 518,035	Muskingum	$ 61,836	$ 318,603	$ 380,439
Coshocton	$ 121,580	$ -	$ 121,580	Noble	$ 10,329	$ -	$ 10,329
Crawford	$ 104,306	$ 1,180,152	$ 1,284,458	Ottawa	$ 618,976	$ 3,953,237	$ 4,572,212
Cuyahoga	$ 3,193,179	$ 25,432,023	$ 28,625,202	Paulding	$ 18,601	$ 52,023	$ 70,624
Darke	$ 2,064	$ -	$ 2,064	Perry	$ 29,426	$ -	$ 29,426
Defiance	$ 123,506	$ 527,469	$ 650,975	Pickaway	$ 38,100	$ 5,208	$ 43,308
Delaware	$ -	$ 194,871	$ 194,871	Pike	$ 565,247	$ 265,712	$ 830,958
Erie	$ 103,339	$ 4,323,139	$ 4,426,478	Portage	$ 213,058	$ 1,733,477	$ 1,946,535
Fairfield	$ -	$ 5,312	$ 5,312	Preble	$ 75,835	$ 257,441	$ 333,275
Fayette	$ 29,916	$ 126,004	$ 155,920	Putnam	$ 20,565	$ 318,660	$ 339,225
Franklin [1]	$ 1,670,846	$ 11,844,507	$ 13,515,353	Richland	$ 963,024	$ 3,486,316	$ 4,449,339
Fulton	$ 139,600	$ 2,091,484	$ 2,231,083	Ross	$ 85,787	$ 1,969,702	$ 2,055,489
Gallia	$ 82,117	$ 8,515	$ 90,632	Sandusky	$ 37,649	$ 909,164	$ 946,813
Geauga	$ 120,629	$ 1,862,930	$ 1,983,559	Scioto	$ 161,524	$ 17,423	$ 178,947
Greene	$ 18,714	$ 746,393	$ 765,107	Seneca	$ 125,083	$ 730,080	$ 855,163
Guernsey	$ 286,505	$ 445,784	$ 732,288	Shelby	$ 1,313,601	$ 1,509,679	$ 2,823,280
Hamilton	$ 3,294,138	$ 29,206,991	$ 32,501,128	Stark	$ 466,754	$ 4,794,309	$ 5,261,064
Hancock	$ 328,849	$ 4,000,663	$ 4,329,512	Summit	$ 659,068	$ 7,588,880	$ 8,247,948
Hardin	$ 38,947	$ 115,085	$ 154,032	Trumbull	$ 997,748	$ 5,607,181	$ 6,604,929
Harrison	$ 14,906	$ 26,801	$ 41,707	Tuscarawas	$ 322,763	$ 1,244,758	$ 1,567,520
Henry	$ 220,219	$ 1,141,821	$ 1,362,040	Union	$ 1,732,893	$ 5,337,704	$ 7,070,598
Highland	$ 7,091	$ -	$ 7,091	Van Wert	$ -	$ 133,530	$ 133,530
Hocking	$ -	$ 9,882	$ 9,882	Vinton	$ 2,970	$ 2,999	$ 5,969
Holmes	$ 170,531	$ 26,594	$ 197,126	Warren	$ 173,035	$ 6,269,890	$ 6,442,925
Huron	$ 13,312	$ 773,697	$ 787,010	Washington	$ 805,781	$ 2,136,408	$ 2,942,189
Jackson	$ 8,782	$ 52,697	$ 61,479	Wayne	$ 150,846	$ 3,793,767	$ 3,944,613
Jefferson	$ 1,275,422	$ 646,889	$ 1,922,311	Williams	$ 43,542	$ 1,123,367	$ 1,166,908
Knox	$ 4,519	$ 504,134	$ 508,653	Wood	$ 393,108	$ 4,385,800	$ 4,778,908
Lake	$ 967,588	$ 12,453,386	$ 13,420,974	Wyandot	$ 16,329	$ 25,496	$ 41,825
Lawrence	$ 4,336	$ 5,703	$ 10,040				
Licking	$ 98,676	$ 1,506,252	$ 1,604,928	**Total**	**$ 30,487,316**	**$ 208,688,363**	**$ 239,175,678**

[1]Excludes $318,467 in payments to the city of Columbus pursuant to ORC 5709.93 to be distributed directly to the municipality and deposited into a special fund
Source: Ohio Department of Taxation

Alcoholic Beverage Tax - County

Table 35
Permissive County Alcoholic Beverage Tax:
Fiscal Years 2016-2018, Tax Liability (dollars in millions)

Beverage	2016	2017	2018
Beer	$ 4.2	$ 4.1	$ 3.9
Wine	$ 1.3	$ 1.3	$ 1.4
Total	**$ 5.5**	**$ 5.4**	**$ 5.3**

Note: Amounts represent tax liability as opposed to tax payments reported on Table 1 of Permissive Alcoholic Beverage Tax section.

Source: Ohio Department of Taxation

Cigarette Tax - County

Table 36
Cuyahoga County Cigarette Tax Receipts:
Fiscal Years 2014-2018 (dollars in millions)

Fiscal Year	Gross Tax	Discount	Net Tax Collected
2014	$ 18.4	$ 0.3	$ 18.1
2015	$ 19.7	$ 0.4	$ 19.4
2016	$ 22.7	$ 0.4	$ 22.3
2017	$ 17.9	$ 0.3	$ 17.6
2018	$ 16.7	$ 0.3	$ 16.5

Note: Amounts represent cigarette tax stamps sold to wholesalers.

Source: Ohio Department of Taxation

Individual Income Tax – School District

Table 37		
School District Income Tax: Fiscal Year 2087 Distributions to Schools		
Annual Returns: Individual SD-100 Collections	$	85,485,318
Estimated Payments: Individual SD-100 ES Collections	$	37,925,383
Withholding: W/H SD-101 Collections	$	317,718,933
Withholding: W/H SD-141 Collections	$	528,897
Assessments Collections	$	23,717,141
Assessments Withholding Collections	$	479,203
Certified Collections	$	10,202,802
Withholding Certified Collections	$	1,031,994
Amnesty	$	158,250
Total Gross Collections	**$**	**477,247,919**
Less Refunds	$	27,300,208
Less Administrative Fee	$	6,749,216
Total Net Collections	**$**	**443,198,495**
Interest earned	$	945,754
Expired Levy Adjustments Received	$	156,943
Less Expired Levy Adjustments Forwarded	$	245,937
Distribution	**$**	**444,055,254**

*Represents collections received in Fiscal Year 2018

Source: Ohio Department of Taxation

Municipal Income Tax

Table 38
Municipal Income Tax: Calendar Year 2016 Collections, Aggregated by County

County	City Collections	Number of Cities	Village Collections	Number of Villages	Total Collections	Total Number of Taxing Municipalities
Adams	-	-	$ 810,067	2	$ 810,067	2
Allen	$ 21,594,150	2	$ 4,189,741	6	$ 25,783,890	8
Ashland	$ 9,792,890	1	$ 1,261,938	3	$ 11,054,829	4
Ashtabula	$ 12,701,333	3	$ 4,046,183	6	$ 16,747,516	9
Athens	$ 14,065,021	2	-	-	$ 14,065,021	2
Auglaize	$ 7,297,130	2	$ 8,611,660	6	$ 15,908,790	8
Belmont	$ 3,744,956	3	$ 1,102,926	2	$ 4,847,882	5
Brown	-	-	$ 2,880,284	5	$ 2,880,284	5
Butler	$ 89,456,053	5	$ 9,070,978	2	$ 98,527,030	7
Carroll	-	-	$ 1,338,508	3	$ 1,338,508	3
Champaign	$ 5,622,376	1	$ 945,036	4	$ 6,567,412	5
Clark	$ 34,233,821	2	$ 664,887	3	$ 34,898,708	5
Clermont	$ 3,544,312	1	$ 2,930,956	5	$ 6,475,268	6
Clinton	$ 5,557,008	1	$ 317,121	2	$ 5,874,129	3
Columbiana	$ 12,368,694	4	$ 2,544,513	5	$ 14,913,207	9
Coshocton	$ 6,422,703	1	$ 482,933	2	$ 6,905,636	3
Crawford	$ 11,718,398	2	$ 1,803,369	4	$ 13,521,768	6
Cuyahoga	$ 992,198,511	38	$ 73,312,637	18	$ 1,065,511,148	56
Darke	$ 7,570,710	1	$ 3,798,061	7	$ 11,368,772	8
Defiance	$ 9,958,469	1	$ 1,366,758	3	$ 11,325,227	4
Delaware	$ 24,975,316	1	$ 9,955,406	4	$ 34,930,722	5
Erie	$ 17,862,456	3	$ 485,959	1	$ 18,348,415	4
Fairfield	$ 26,446,018	2	$ 2,338,088	9	$ 28,784,106	11
Fayette	$ 7,674,762	1	$ 334,305	2	$ 8,009,067	3
Franklin	$ 1,193,382,037	13	$ 57,443,315	10	$ 1,250,825,352	23
Fulton	$ 3,999,460	1	$ 7,889,049	6	$ 11,888,509	7
Gallia	$ 1,615,676	1	$ 327,606	1	$ 1,943,282	2
Geauga	-	-	$ 10,989,595	4	$ 10,989,595	4
Greene	$ 24,749,999	2	$ 2,444,354	3	$ 27,194,353	5
Guernsey	$ 8,081,454	1	$ 376,593	1	$ 8,458,047	2
Hamilton	$ 559,627,021	19	$ 38,120,573	13	$ 597,747,594	32
Hancock	$ 25,077,745	1	$ 1,148,883	3	$ 26,226,628	4
Hardin	$ 3,414,950	1	$ 2,623,659	8	$ 6,038,609	9
Harrison	-	-	$ 1,716,458	6	$ 1,716,458	6
Henry	$ 4,906,696	1	$ 1,204,561	7	$ 6,111,257	8
Highland	$ 5,306,636	2	$ 475,914	1	$ 5,782,551	3
Hocking	$ 4,176,871	1	-	-	$ 4,176,871	1
Holmes	-	-	$ 2,379,477	2	$ 2,379,477	2
Huron	$ 15,134,123	3	$ 1,545,272	4	$ 16,679,395	7
Jackson	$ 1,355,110	1	$ 112,070	1	$ 1,467,180	2
Jefferson	$ 12,562,331	2	$ 2,400,632	6	$ 14,962,963	8
Knox	$ 11,261,723	1	$ 2,176,732	4	$ 13,438,455	5
Lake	$ 93,687,017	9	$ 4,044,975	7	$ 97,731,992	16
Lawrence	$ 2,283,344	1	$ 264,535	1	$ 2,547,879	2
Licking	$ 33,462,595	3	$ 7,691,534	4	$ 41,154,129	7
Logan	$ 5,806,850	1	$ 1,600,490	10	$ 7,407,339	11
Lorain	$ 101,580,998	8	$ 8,271,216	5	$ 109,852,215	13
Lucas	$ 216,750,580	4	$ 13,110,138	4	$ 229,860,718	8
Madison	$ 5,778,806	1	$ 5,451,206	4	$ 11,230,012	5
Mahoning	$ 51,258,423	4	$ 2,235,331	2	$ 53,493,754	6
Marion	$ 15,695,334	1	$ 123,953	2	$ 15,819,287	3
Medina	$ 39,380,950	3	$ 2,635,288	2	$ 42,016,238	5
Meigs	-	-	$ 606,789	2	$ 606,789	2
Mercer	$ 6,181,383	1	$ 4,526,123	4	$ 10,707,506	5
Miami	$ 36,311,993	3	$ 2,805,376	5	$ 39,117,368	8

Municipal Income Tax (con't)

Table 38 (con't)
Municipal Income Tax: Calendar Year 2016 Collections, Aggregated by County

County	City Collections	Number of Cities	Village Collections	Number of Villages	Total Collections	Total Number of Taxing Municipalities
Monroe	-	-	$ 451,471	1	$ 451,471	1
Montgomery	$ 277,898,765	14	$ 5,808,772	5	$ 283,707,537	19
Morgan	-	-	$ 513,278	2	$ 513,278	2
Morrow	-	-	$ 1,974,573	2	$ 1,974,573	2
Muskingum	$ 17,831,234	1	$ 1,725,575	4	$ 19,556,809	5
Ottawa	$ 2,770,724	1	$ 2,426,007	4	$ 5,196,731	5
Paulding	-	-	$ 8,751,877	5	$ 8,751,877	5
Perry	$ 1,011,132	1	$ 686,766	2	$ 1,697,898	3
Pickaway	$ 6,812,108	1	$ 2,020,773	3	$ 8,832,881	4
Pike	$ 1,632,843	1	$ 512,787	1	$ 2,145,630	2
Portage	$ 50,035,594	4	$ 2,787,783	5	$ 52,823,376	9
Preble	$ 4,537,565	1	$ 1,898,698	6	$ 6,436,262	7
Putnam	-	-	$ 6,836,279	10	$ 6,836,279	10
Richland	$ 34,193,140	2	$ 8,059,866	5	$ 42,253,006	7
Ross	$ 14,485,410	1	$ 32,949	1	$ 14,518,359	2
Sandusky	$ 14,144,676	2	$ 721,745	1	$ 14,866,421	3
Scioto	$ 12,978,440	1	$ 1,712,439	1	$ 14,690,879	2
Seneca	$ 13,978,815	2	$ 527,962	3	$ 14,506,777	5
Shelby	$ 19,773,057	1	$ 4,698,707	5	$ 24,471,763	6
Stark	$ 89,042,695	5	$ 8,389,648	8	$ 97,432,343	13
Summit	$ 294,912,035	13	$ 22,614,278	9	$ 317,526,312	22
Trumbull	$ 30,201,222	4	$ 8,423,006	3	$ 38,624,227	7
Tuscarawas	$ 17,700,828	3	$ 6,438,866	13	$ 24,139,694	16
Union	$ 17,456,251	1	$ 706,577	2	$ 18,162,827	3
Van Wert	$ 6,891,376	1	$ 480,063	5	$ 7,371,439	6
Warren	$ 56,515,733	4	$ 3,534,860	6	$ 60,050,593	10
Washington	$ 12,057,268	2	$ 296,493	1	$ 12,353,761	3
Wayne	$ 27,136,326	3	$ 3,624,090	10	$ 30,760,415	13
Williams	$ 7,515,137	1	$ 5,295,252	6	$ 12,810,389	7
Wood	$ 50,221,351	4	$ 3,794,068	15	$ 54,015,419	19
Wyandot	$ 3,291,704	1	$ 1,678,003	3	$ 4,969,707	4
Totals	**$ 4,892,660,619**	**241**	**$ 438,757,521**	**383**	**$ 5,331,418,140**	**624**

122 municipalities did not submit calendar year 2016 data. For these municipalities, revenues from the previous year were used.

Source: Ohio Department of Taxation

Municipal Income Tax (con't)

Table 39

Municipal Income Tax: Fiscal Year 2018 Municipal Net Profit Distributions (dollars in millions)

		Distributions
Municipal net profits distributions	$	6.9
Total number of municipalities receiving distributions [1]		557

[1] These municipalities also received distributions for JEDDs and JEDZs.

Source: Department of Taxation Records

Property Tax – Public Utility Property

Table 40

Public Utility Property Tax: Tax Years 2013-2017 Taxes Levied (dollars in millions)

Tax Year	Total
2013	$ 934.6
2014	$ 1,013.2
2015	$ 1,103.2
2016	$ 1,253.4
2017	$ 1,328.1

Source: Ohio Department of Taxation

Property Tax – Public Utility Property (con't)

Table 41

Property Tax, Public Utility: Tax Year 2017 Assessed Value and Taxes Levied, by County (dollars in thousands)

County	Taxable Value	Taxes Levied and Charged	County	Taxable Value	Taxes Levied and Charged
Adams	$ 117,310	$ 5,626	Logan	$ 43,657	$ 2,797
Allen	$ 157,941	$ 9,899	Lorain	$ 336,335	$ 30,819
Ashland	$ 87,613	$ 6,502	Lucas	$ 353,793	$ 38,520
Ashtabula	$ 127,596	$ 9,978	Madison	$ 59,865	$ 3,828
Athens	$ 150,018	$ 11,134	Mahoning	$ 277,426	$ 23,767
Auglaize	$ 35,228	$ 2,171	Marion	$ 98,425	$ 6,410
Belmont	$ 285,910	$ 18,002	Medina	$ 160,150	$ 15,439
Brown	$ 44,087	$ 2,258	Meigs	$ 71,810	$ 3,632
Butler	$ 482,983	$ 38,038	Mercer	$ 32,118	$ 1,858
Carroll	$ 165,086	$ 8,523	Miami	$ 79,238	$ 5,792
Champaign	$ 33,186	$ 2,421	Monroe	$ 292,523	$ 14,735
Clark	$ 131,056	$ 10,632	Montgomery	$ 428,302	$ 48,817
Clermont	$ 261,395	$ 20,690	Morgan	$ 64,788	$ 3,652
Clinton	$ 73,196	$ 3,765	Morrow	$ 49,046	$ 2,869
Columbiana	$ 199,237	$ 11,792	Muskingum	$ 272,489	$ 16,190
Coshocton	$ 101,764	$ 5,915	Noble	$ 197,578	$ 9,587
Crawford	$ 38,333	$ 3,097	Ottawa	$ 130,551	$ 7,874
Cuyahoga	$ 1,153,892	$ 137,030	Paulding	$ 46,339	$ 2,608
Darke	$ 71,614	$ 3,925	Perry	$ 123,428	$ 7,762
Defiance	$ 106,324	$ 7,345	Pickaway	$ 168,689	$ 10,010
Delaware	$ 350,498	$ 30,010	Pike	$ 77,517	$ 3,823
Erie	$ 106,317	$ 9,995	Portage	$ 145,031	$ 13,869
Fairfield	$ 242,810	$ 19,118	Preble	$ 45,195	$ 2,667
Fayette	$ 96,065	$ 4,969	Putnam	$ 56,887	$ 2,997
Franklin	$ 1,032,175	$ 118,496	Richland	$ 150,443	$ 12,890
Fulton	$ 52,908	$ 4,112	Ross	$ 122,952	$ 7,982
Gallia	$ 281,635	$ 11,944	Sandusky	$ 99,965	$ 6,437
Geauga	$ 111,484	$ 11,498	Scioto	$ 141,644	$ 8,619
Greene	$ 127,161	$ 10,843	Seneca	$ 103,444	$ 7,448
Guernsey	$ 146,313	$ 8,651	Shelby	$ 44,314	$ 2,671
Hamilton	$ 1,009,996	$ 108,229	Stark	$ 504,816	$ 43,213
Hancock	$ 120,644	$ 7,349	Summit	$ 483,320	$ 47,073
Hardin	$ 37,103	$ 2,199	Trumbull	$ 189,156	$ 15,352
Harrison	$ 174,853	$ 11,652	Tuscarawas	$ 162,343	$ 10,484
Henry	$ 35,781	$ 2,729	Union	$ 138,469	$ 11,458
Highland	$ 50,498	$ 2,423	Van Wert	$ 61,560	$ 3,760
Hocking	$ 87,962	$ 5,068	Vinton	$ 129,351	$ 5,845
Holmes	$ 52,238	$ 2,945	Warren	$ 354,093	$ 30,356
Huron	$ 49,271	$ 3,143	Washington	$ 314,653	$ 18,364
Jackson	$ 76,210	$ 3,224	Wayne	$ 114,972	$ 8,895
Jefferson	$ 386,244	$ 22,986	Williams	$ 35,063	$ 2,615
Knox	$ 81,564	$ 5,545	Wood	$ 165,720	$ 13,161
Lake	$ 346,036	$ 32,911	Wyandot	$ 24,067	$ 1,377
Lawrence	$ 331,685	$ 11,918			
Licking	$ 263,182	$ 19,086	**Total**	**$ 16,425,927**	**$ 1,328,108**

Source: Ohio Department of Taxation

Property Tax – Public Utility Property (con't)

Table 42
Property Tax, Public Utility: Tax Years 2013-2017 Assessed Values, by Class of Utility (dollars in thousands)

Class of Utility	Number of Taxpayers [1]	Assessed Values 2013	2014	2015	2016	2017
Electric	32	$ 8,284,131	$ 9,075,235	$ 9,983,051	$ 11,187,639	$ 11,489,571
Natural Gas	31	$ 1,113,365	$ 1,223,953	$ 1,371,450	$ 1,499,034	$ 1,664,783
Pipeline	21	$ 1,579,146	$ 1,621,004	$ 1,783,250	$ 2,282,700	$ 2,480,881
Rural Electric	27	$ 509,056	$ 515,077	$ 529,877	$ 555,376	$ 577,012
Water Works[2]	10	$ 162,165	$ 185,027	$ 181,246	$ 198,386	$ 190,730
Lease/rental[3]	14	$ 32,181	$ 29,293	$ 26,057	$ 21,832	$ 13,474
Other [2]	18	$ 3,291	$ 4,272	$ 3,744	$ 4,676	$ 6,459
Total	**153**	**$ 11,683,335**	**$ 12,653,862**	**$ 13,878,676**	**$ 15,749,642**	**$ 16,422,909**

1 Only companies with taxable property.

2 Water transportation, heating and energy.

3 Consists of tangible personal property leased by or rented to a public utility taxpayer.

Source: Ohio Department of Taxation

Property Tax – Real Property

Table 43

Real Property Tax: Tax Year 2017 Taxable Values, Effective Tax Rates, Taxes Charged [1] and Property Tax Relief, by County (dollars in thousands)

County	Class 1 Taxable Value	Class 2 Taxable Value	Total Taxable Value	Class 1 Effective Rate	Class 2 Effective Rate	Taxes Charged	Non-business credit	Owner-Occupied credit	Homestead Exemption Reduction	Net Taxes Charged	Net Effective Tax Rate
Adams	$ 336,165	$ 100,934	$ 437,099	42.67	46.39	$ 19,028	$ 1,361	$ 77	$ 657	$ 16,932	38.74
Allen	$ 1,413,775	$ 422,666	$ 1,836,442	51.09	57.85	$ 96,673	$ 6,694	$ 1,065	$ 2,995	$ 85,918	46.78
Ashland	$ 840,336	$ 155,707	$ 996,044	48.09	58.80	$ 49,568	$ 3,904	$ 633	$ 1,630	$ 43,401	43.57
Ashtabula	$ 1,430,059	$ 331,749	$ 1,761,808	53.15	62.96	$ 96,892	$ 6,618	$ 930	$ 3,752	$ 85,592	48.58
Athens	$ 758,573	$ 217,925	$ 976,498	53.99	55.09	$ 52,963	$ 3,637	$ 502	$ 1,536	$ 47,288	48.43
Auglaize	$ 903,004	$ 153,647	$ 1,056,651	43.53	53.87	$ 47,584	$ 3,662	$ 544	$ 1,057	$ 42,320	40.05
Belmont	$ 932,737	$ 515,565	$ 1,448,303	44.07	49.93	$ 66,848	$ 3,693	$ 589	$ 2,120	$ 60,446	41.74
Brown	$ 701,380	$ 64,124	$ 765,503	38.96	44.39	$ 30,174	$ 2,677	$ 254	$ 1,025	$ 26,218	34.25
Butler	$ 5,996,839	$ 1,593,828	$ 7,590,666	58.93	66.99	$ 460,176	$ 34,053	$ 6,865	$ 10,024	$ 409,233	53.91
Carroll	$ 524,410	$ 211,153	$ 735,563	42.50	40.77	$ 30,898	$ 2,100	$ 249	$ 765	$ 27,785	37.77
Champaign	$ 756,260	$ 88,200	$ 844,460	46.52	65.20	$ 40,928	$ 3,159	$ 388	$ 1,222	$ 36,159	42.82
Clark	$ 1,800,660	$ 436,540	$ 2,237,200	60.36	69.64	$ 139,083	$ 10,160	$ 1,682	$ 5,557	$ 121,684	54.39
Clermont	$ 3,682,962	$ 744,262	$ 4,427,224	58.59	68.44	$ 266,742	$ 21,210	$ 4,348	$ 5,455	$ 235,729	53.25
Clinton	$ 757,949	$ 161,461	$ 919,410	40.54	48.66	$ 38,582	$ 2,992	$ 401	$ 895	$ 34,294	37.30
Columbiana	$ 1,362,588	$ 278,312	$ 1,640,900	45.18	48.48	$ 75,048	$ 5,957	$ 910	$ 3,206	$ 64,976	39.60
Coshocton	$ 536,433	$ 125,672	$ 662,104	46.13	53.31	$ 31,444	$ 2,168	$ 265	$ 1,073	$ 27,938	42.20
Crawford	$ 595,333	$ 86,390	$ 681,723	53.31	69.44	$ 37,737	$ 2,883	$ 303	$ 1,731	$ 32,819	48.14
Cuyahoga	$ 18,822,629	$ 7,769,730	$ 26,592,358	90.93	96.18	$ 2,458,893	$ 150,844	$ 29,893	$ 61,959	$ 2,216,198	83.34
Darke	$ 1,048,494	$ 144,912	$ 1,193,406	42.05	49.55	$ 51,272	$ 4,183	$ 528	$ 1,564	$ 44,997	37.70
Defiance	$ 697,262	$ 119,585	$ 816,847	46.24	55.46	$ 38,876	$ 2,875	$ 421	$ 1,243	$ 34,337	42.04
Delaware	$ 6,627,985	$ 849,587	$ 7,477,572	68.03	75.41	$ 514,979	$ 42,032	$ 8,823	$ 4,815	$ 459,309	61.42
Erie	$ 1,535,708	$ 424,203	$ 1,959,911	55.09	69.52	$ 114,095	$ 7,357	$ 1,182	$ 3,044	$ 102,512	52.30
Fairfield	$ 2,926,359	$ 512,340	$ 3,438,699	55.71	57.24	$ 192,361	$ 14,702	$ 2,651	$ 3,745	$ 171,262	49.80
Fayette	$ 572,586	$ 134,394	$ 706,980	43.76	46.18	$ 31,261	$ 2,360	$ 234	$ 801	$ 27,866	39.42
Franklin	$ 20,424,400	$ 8,685,920	$ 29,110,320	75.68	86.14	$ 2,293,971	$ 149,204	$ 31,343	$ 32,645	$ 2,080,780	71.48
Fulton	$ 834,755	$ 137,011	$ 971,766	53.84	69.50	$ 54,465	$ 3,984	$ 559	$ 1,341	$ 48,581	49.99
Gallia	$ 408,465	$ 128,152	$ 536,617	41.10	41.69	$ 22,131	$ 1,635	$ 166	$ 832	$ 19,499	36.34
Geauga	$ 2,729,612	$ 337,549	$ 3,067,162	65.75	74.55	$ 204,633	$ 15,731	$ 2,929	$ 3,923	$ 182,049	59.35
Greene	$ 3,190,208	$ 777,308	$ 3,967,516	68.22	72.26	$ 273,812	$ 19,288	$ 2,863	$ 6,317	$ 245,345	61.84
Guernsey	$ 543,023	$ 201,359	$ 744,381	48.46	52.53	$ 36,893	$ 2,317	$ 255	$ 1,204	$ 33,116	44.49
Hamilton	$ 13,546,868	$ 4,774,990	$ 18,321,858	71.77	84.95	$ 1,377,879	$ 91,285	$ 18,131	$ 24,788	$ 1,243,674	67.88
Hancock	$ 1,471,256	$ 332,508	$ 1,803,764	43.30	56.16	$ 82,382	$ 5,849	$ 993	$ 1,698	$ 73,843	40.94
Hardin	$ 547,147	$ 62,849	$ 609,996	44.06	50.54	$ 27,283	$ 2,266	$ 230	$ 804	$ 23,984	39.32
Harrison	$ 253,730	$ 227,861	$ 481,591	44.74	59.96	$ 25,013	$ 989	$ 99	$ 569	$ 23,356	48.50
Henry	$ 641,379	$ 66,909	$ 708,288	51.54	70.28	$ 37,757	$ 2,798	$ 301	$ 941	$ 33,717	47.60
Highland	$ 677,006	$ 75,771	$ 752,777	39.28	43.35	$ 29,878	$ 2,579	$ 251	$ 1,016	$ 26,031	34.58
Hocking	$ 499,521	$ 50,736	$ 550,257	44.64	47.75	$ 24,722	$ 2,189	$ 308	$ 812	$ 21,414	38.92
Holmes	$ 802,278	$ 179,132	$ 981,410	42.57	46.06	$ 42,399	$ 3,297	$ 383	$ 622	$ 38,097	38.82
Huron	$ 933,528	$ 152,716	$ 1,086,244	44.00	51.32	$ 48,912	$ 3,676	$ 535	$ 1,485	$ 43,216	39.78
Jackson	$ 410,209	$ 87,604	$ 497,813	40.57	43.91	$ 20,487	$ 1,578	$ 165	$ 793	$ 17,952	36.06
Jefferson	$ 752,184	$ 239,035	$ 991,220	43.61	51.74	$ 45,171	$ 2,883	$ 408	$ 2,194	$ 39,686	40.04
Knox	$ 1,164,019	$ 129,899	$ 1,293,918	49.88	56.74	$ 65,434	$ 5,388	$ 754	$ 1,691	$ 57,600	44.52
Lake	$ 4,368,399	$ 1,130,013	$ 5,498,411	71.29	78.34	$ 399,959	$ 27,790	$ 5,512	$ 10,896	$ 355,761	64.70
Lawrence	$ 796,233	$ 115,454	$ 911,687	35.17	38.01	$ 32,395	$ 2,556	$ 373	$ 1,648	$ 27,818	30.51
Licking	$ 3,414,704	$ 710,755	$ 4,125,458	57.56	59.81	$ 239,063	$ 16,966	$ 3,086	$ 5,464	$ 213,546	51.76

Property Tax – Real Property (con't)

Table 43 (con't)

Real Property Tax: Tax Year 2017 Taxable Values, Effective Tax Rates, Taxes Charged [1] and Property Tax Relief, by County (dollars in thousands)

County	Class 1 Taxable Value	Class 2 Taxable Value	Total Taxable Value	Class 1 Effective Rate	Class 2 Effective Rate	Taxes Charged	Non-business credit	Owner-Occupied credit	Homestead Exemption Reduction	Net Taxes Charged	Net Effective Tax Rate
Logan	$ 1,012,340	$ 179,840	$ 1,192,180	44.03	51.62	$ 53,856	$ 4,058	$ 420	$ 1,102	$ 48,276	40.49
Lorain	$ 5,244,982	$ 1,139,371	$ 6,384,353	66.45	72.66	$ 431,302	$ 32,148	$ 6,123	$ 11,969	$ 381,062	59.69
Lucas	$ 5,034,294	$ 1,867,742	$ 6,902,036	83.72	93.75	$ 596,563	$ 37,236	$ 7,389	$ 18,991	$ 532,946	77.22
Madison	$ 962,821	$ 135,049	$ 1,097,870	43.69	55.68	$ 49,585	$ 3,720	$ 573	$ 950	$ 44,342	40.39
Mahoning	$ 2,965,516	$ 941,364	$ 3,906,879	64.76	71.83	$ 259,679	$ 17,613	$ 3,450	$ 11,088	$ 227,529	58.24
Marion	$ 907,240	$ 181,707	$ 1,088,946	42.86	51.15	$ 48,182	$ 3,763	$ 543	$ 1,662	$ 42,214	38.77
Medina	$ 4,096,977	$ 804,374	$ 4,901,350	57.72	60.86	$ 285,435	$ 21,761	$ 4,380	$ 6,247	$ 253,047	51.63
Meigs	$ 267,691	$ 48,742	$ 316,433	41.06	49.04	$ 13,383	$ 1,009	$ 120	$ 659	$ 11,595	36.64
Mercer	$ 971,278	$ 103,692	$ 1,074,970	45.48	51.59	$ 49,527	$ 4,151	$ 536	$ 988	$ 43,852	40.79
Miami	$ 1,826,286	$ 391,659	$ 2,217,945	49.34	58.10	$ 112,872	$ 8,373	$ 1,507	$ 3,257	$ 99,734	44.97
Monroe	$ 265,251	$ 157,074	$ 422,325	34.15	48.52	$ 16,680	$ 846	$ 74	$ 328	$ 15,432	36.54
Montgomery	$ 7,051,890	$ 2,051,309	$ 9,103,200	86.84	98.52	$ 814,451	$ 55,856	$ 11,198	$ 29,050	$ 718,346	78.91
Morgan	$ 225,316	$ 26,141	$ 251,456	37.09	46.01	$ 9,559	$ 801	$ 75	$ 391	$ 8,291	32.97
Morrow	$ 709,973	$ 57,801	$ 767,774	47.29	52.61	$ 36,615	$ 2,761	$ 330	$ 954	$ 32,569	42.42
Muskingum	$ 1,144,079	$ 359,433	$ 1,503,511	43.99	46.59	$ 67,077	$ 4,814	$ 695	$ 2,292	$ 59,277	39.43
Noble	$ 229,756	$ 102,854	$ 332,610	36.63	42.06	$ 12,743	$ 842	$ 85	$ 293	$ 11,523	34.64
Ottawa	$ 1,472,884	$ 250,690	$ 1,723,573	41.79	44.82	$ 72,784	$ 5,660	$ 510	$ 1,498	$ 65,116	37.78
Paulding	$ 414,629	$ 35,000	$ 449,629	43.20	53.18	$ 19,771	$ 1,636	$ 149	$ 616	$ 17,371	38.63
Perry	$ 530,403	$ 60,043	$ 590,447	45.16	48.23	$ 26,850	$ 2,099	$ 334	$ 952	$ 23,465	39.74
Pickaway	$ 1,106,419	$ 131,034	$ 1,237,453	45.20	57.94	$ 57,597	$ 4,837	$ 717	$ 1,364	$ 50,679	40.95
Pike	$ 397,165	$ 48,055	$ 445,220	38.91	51.09	$ 17,908	$ 1,405	$ 194	$ 793	$ 15,517	34.85
Portage	$ 2,627,109	$ 715,375	$ 3,342,485	60.07	64.42	$ 203,905	$ 14,795	$ 2,635	$ 5,076	$ 181,399	54.27
Preble	$ 784,544	$ 88,644	$ 873,188	45.37	51.12	$ 40,126	$ 3,174	$ 451	$ 1,308	$ 35,194	40.30
Putnam	$ 803,826	$ 68,585	$ 872,411	40.35	44.52	$ 35,488	$ 2,873	$ 429	$ 774	$ 31,413	36.01
Richland	$ 1,555,493	$ 344,748	$ 1,900,241	60.21	76.89	$ 120,170	$ 8,508	$ 1,498	$ 5,033	$ 105,131	55.33
Ross	$ 1,027,045	$ 196,542	$ 1,223,586	47.68	58.15	$ 60,404	$ 4,213	$ 633	$ 2,189	$ 53,370	43.62
Sandusky	$ 986,158	$ 211,944	$ 1,198,102	49.08	54.69	$ 59,995	$ 4,285	$ 613	$ 1,866	$ 53,232	44.43
Scioto	$ 795,048	$ 150,567	$ 945,616	47.81	54.65	$ 46,237	$ 3,201	$ 545	$ 2,418	$ 40,072	42.38
Seneca	$ 915,656	$ 126,894	$ 1,042,550	47.32	65.73	$ 51,671	$ 3,740	$ 509	$ 1,643	$ 45,779	43.91
Shelby	$ 922,728	$ 201,416	$ 1,124,143	42.97	51.65	$ 50,055	$ 3,771	$ 561	$ 1,132	$ 44,592	39.67
Stark	$ 5,453,726	$ 1,462,335	$ 6,916,061	59.23	65.72	$ 419,140	$ 30,617	$ 5,754	$ 14,793	$ 367,975	53.21
Summit	$ 9,346,630	$ 2,558,303	$ 11,904,933	68.52	77.36	$ 838,356	$ 60,672	$ 12,195	$ 21,421	$ 744,068	62.50
Trumbull	$ 2,506,258	$ 631,237	$ 3,137,495	63.63	67.70	$ 202,203	$ 15,152	$ 2,389	$ 9,924	$ 174,738	55.69
Tuscarawas	$ 1,416,908	$ 337,074	$ 1,753,983	48.42	54.77	$ 87,071	$ 5,929	$ 957	$ 2,690	$ 77,495	44.18
Union	$ 1,408,947	$ 221,075	$ 1,630,021	57.52	75.71	$ 97,775	$ 8,533	$ 1,409	$ 1,149	$ 86,684	53.18
Van Wert	$ 581,205	$ 65,270	$ 646,475	40.08	60.84	$ 27,267	$ 2,343	$ 267	$ 797	$ 23,860	36.91
Vinton	$ 158,100	$ 13,497	$ 171,597	44.62	49.42	$ 7,721	$ 581	$ 66	$ 454	$ 6,621	38.58
Warren	$ 5,233,504	$ 932,162	$ 6,165,666	59.96	64.46	$ 373,882	$ 30,098	$ 6,202	$ 6,135	$ 331,447	53.76
Washington	$ 922,048	$ 247,855	$ 1,169,903	41.65	47.33	$ 50,130	$ 3,538	$ 546	$ 1,686	$ 44,360	37.92
Wayne	$ 1,920,795	$ 435,367	$ 2,356,162	51.56	68.34	$ 128,797	$ 9,162	$ 1,487	$ 3,252	$ 114,896	48.76
Williams	$ 634,478	$ 130,662	$ 765,140	51.19	61.73	$ 40,546	$ 2,893	$ 375	$ 1,299	$ 35,979	47.02
Wood	$ 2,378,552	$ 709,932	$ 3,088,484	58.85	72.89	$ 191,731	$ 12,613	$ 1,910	$ 3,664	$ 173,543	56.19
Wyandot	$ 476,855	$ 55,098	$ 531,953	37.87	44.43	$ 20,506	$ 1,572	$ 164	$ 550	$ 18,220	34.25
Statewide Total/Average	**$ 193,662,208**	**$ 53,223,971**	**$ 246,886,179**	**64.51**	**76.64**	**$ 16,572,340**	**$ 1,153,180**	**$ 214,378**	**$ 408,253**	**$ 14,796,529**	**59.93**

[1] Taxes charged in tax year 2017 and collected or reimbursed in calendar year 2018

Source: Ohio Department of Taxation

Property Tax – Real Property (con't)

Table 44

Real Property Tax: Taxable Values, Taxes Charged, Average Tax Rates and Tax Relief, Tax Years 2012-2017

	Tax Year					
	2012	2013	2014	2015	2016	2017
Total Assessed Value	$ 225,256,753,218	$ 226,381,891,791	$ 230,422,584,611	$ 234,353,495,743	$ 238,258,556,773	$ 246,886,179,262
Class I	$ 174,973,816,712	$ 176,119,657,612	$ 179,955,524,967	$ 183,586,965,174	$ 186,381,298,184	$ 193,662,208,379
Class II	$ 50,282,936,506	$ 50,262,234,179	$ 50,467,059,644	$ 50,766,530,569	$ 51,877,258,589	$ 53,223,970,883
Total Taxes Charged [1]	$ 14,761,417,298	$ 15,154,803,677	$ 15,481,360,814	$ 15,700,155,752	$ 16,180,476,196	$ 16,572,340,138
Class I	$ 11,084,164,366	$ 11,391,519,184	$ 11,646,691,090	$ 11,841,297,489	$ 12,174,577,652	$ 12,493,208,505
Class II	$ 3,677,252,932	$ 3,763,284,493	$ 3,834,669,724	$ 3,858,858,263	$ 4,005,898,544	$ 4,079,131,634
Average Effective Tax Rate [2]	65.53	66.94	67.19	66.99	67.91	67.13
Class I	63.35	64.68	64.72	64.50	65.32	64.51
Class II	73.13	74.87	75.98	76.01	77.22	76.64
Nonbusiness Credit [3]	$ 1,114,953,759	$ 1,124,457,342	$ 1,133,920,620	$ 1,138,067,859	$ 1,141,590,642	$ 1,153,180,151
Owner-Occupied Credit [3]	$ 212,690,754	$ 213,130,155	$ 210,960,402	$ 210,998,585	$ 211,111,896	$ 214,378,250
Homestead Exemption Reduction [3]	$ 424,656,425	$ 447,001,069	$ 438,617,066	$ 428,386,856	$ 423,329,751	$ 408,252,641
Net Taxes Collectible	$ 13,009,116,360	$ 13,370,215,111	$ 13,697,862,727	$ 13,922,702,453	$ 14,404,443,906	$ 14,796,529,097

[1] Net taxes charged after application of percentage reduction required by O.R.C. 319.301
[2] Taxes charged divided by value of taxable property

[3] These figures are after applicable credits and homestead exemption. The data also exclude those taxpayers that filed late for the tax reduction and exclude the administrative fees associated with this program.

Source: Ohio Department of Taxation

Resort Area Gross Receipts Tax

Table 45

Resort Area Tax: Fiscal Years 2014-2018 Distributions by District

Fiscal Year	Kelly's Island	Put-in-Bay Village	Put-in-Bay Township	City of Canton	Total
2014	$ 143,297	$ 735,381	$ 293,698	N/A	$ 1,172,376
2015	$ 136,867	$ 820,164	$ 298,213	N/A	$ 1,255,244
2016	$ 146,833	$ 714,514	$ 321,572	N/A	$ 1,182,920
2017	$ 117,026	$ 695,829	$ 383,936	N/A	$ 1,196,791
2018	$ 163,228	$ 632,143	$ 350,528	$ 38,138	$ 1,184,037

Source: Ohio Department of Taxation

Sales and Use Tax – Counties and Transit Authorities

Table 46
Permissive (Local) Sales and Use Tax: Calendar Years 2015-2017 Collections, by County

County		2015		2016		2017	Initial Enactment	Tax Rate Dec. 31, 2017		Effective Date of Current Rate
Adams	$	4,116,507	$	4,303,565	$	4,071,060	Jun 1, 1991	1.50	%	April 2006
Allen	$	16,873,866	$	17,400,531	$	17,159,862	May 1, 1970	1.00	%	June 1987
Ashland	$	7,736,334	$	8,115,915	$	8,375,968	Mar 1, 1971	1.25	%	Jan 1998
Ashtabula	$	10,821,914	$	10,830,875	$	10,496,045	Apr 1, 1977	1.00	%	July 1985
Athens	$	8,372,286	$	8,499,543	$	8,490,094	Feb 1, 1982	1.25	%	Jan 1994
Auglaize	$	8,890,987	$	8,869,170	$	9,236,565	Nov 1, 1973	1.50	%	June 1996
Belmont	$	18,976,374	$	17,042,372	$	18,557,272	May 1, 1985	1.50	%	Jan 1995
Brown	$	5,333,140	$	5,634,188	$	5,462,723	Aug 1, 1979	1.50	%	Oct 2010
Butler	$	41,394,470	$	44,065,247	$	43,646,413	Jun 1, 1985	0.75	%	Jan 2008
Carroll	$	3,349,253	$	2,785,746	$	2,841,451	Sep 1, 1985	1.00	%	July 2006
Champaign	$	5,558,745	$	5,590,425	$	5,580,466	Jan 1, 1986	1.50	%	July 2003
Clark	$	25,014,911	$	25,740,903	$	25,138,403	Nov 1, 1972	1.50	%	Jan 2008
Clermont	$	26,361,050	$	27,902,043	$	28,090,216	Aug 1, 1979	1.00	%	Oct 1983
Clinton	$	8,624,907	$	8,559,440	$	6,233,915	May 1, 1972	1.00	%	Oct 2016
Columbiana	$	16,846,129	$	16,445,805	$	16,360,203	Aug 1, 1985	1.50	%	April 2007
Coshocton	$	5,908,648	$	5,748,867	$	5,479,248	Jun 1, 1971	1.50	%	Jan 2006
Crawford	$	5,894,876	$	5,954,077	$	5,957,418	May 1, 1978	1.50	%	July 1994
Cuyahoga	$	257,779,440	$	276,542,774	$	262,685,621	Sep 1, 1969	1.25	%	Oct 2007
Darke	$	8,640,042	$	8,902,243	$	8,918,826	Jul 1, 1975	1.50	%	Oct 2005
Defiance	$	5,733,557	$	5,892,395	$	6,027,375	Feb 1, 1987	1.00	%	Feb 1987
Delaware	$	51,867,177	$	55,870,953	$	56,991,456	Jan 1, 1972	1.25	%	Oct 1996
Erie	$	15,639,360	$	16,012,916	$	16,098,410	Mar 1, 1977	1.00	%	Oct 2014
Fairfield	$	20,524,858	$	21,091,935	$	21,549,710	Sep 1, 1981	1.00	%	Jan 2010
Fayette	$	8,363,190	$	9,258,682	$	8,393,857	Mar 1, 1983	1.50	%	Jan 2008
Franklin	$	288,203,613	$	303,922,061	$	299,906,406	Sep 1, 1985	1.25	%	Jan 2014
Fulton	$	7,722,450	$	7,813,124	$	7,920,577	May 1, 1972	1.50	%	Jan 2010
Gallia	$	4,980,566	$	5,064,046	$	4,942,331	Dec 1, 1981	1.25	%	Feb 1995
Geauga	$	14,201,029	$	14,471,728	$	14,962,815	Aug 1, 1987	1.00	%	Feb 2004
Greene	$	25,613,181	$	27,049,970	$	27,070,277	Mar 1, 1971	1.00	%	Feb 1987
Guernsey	$	9,603,657	$	8,346,665	$	8,442,456	Feb 1, 1971	1.50	%	Aug 1993
Hamilton	$	182,812,124	$	202,750,242	$	199,341,397	Jun 1, 1970	1.25	%	April 2015
Hancock	$	14,331,460	$	14,959,903	$	14,757,662	Feb 1, 1979	1.00	%	Jan 2010
Hardin	$	4,368,605	$	4,453,443	$	4,884,772	Oct 1, 1985	1.50	%	Jan 2005
Harrison	$	4,923,070	$	3,942,807	$	3,389,137	Dec 1, 1985	1.50	%	June 1994
Henry	$	4,035,878	$	4,140,525	$	4,320,169	Mar 1, 1972	1.50	%	April 2007
Highland	$	6,548,897	$	6,893,269	$	6,787,097	May 1, 1979	1.50	%	July 2005
Hocking	$	4,066,166	$	4,288,806	$	4,441,609	Apr 1, 1979	1.50	%	Oct 2017
Holmes	$	7,207,424	$	7,548,318	$	9,247,741	Jul 1, 1977	1.25	%	April 2017
Huron	$	10,019,599	$	9,948,350	$	10,446,536	Feb 1, 1978	1.50	%	Jan 1996
Jackson	$	5,539,327	$	5,705,599	$	5,598,687	Apr 1, 1982	1.50	%	Jan 1998
Jefferson	$	13,906,062	$	12,524,407	$	13,100,949	Jun 1, 1973	1.50	%	Nov 1994
Knox	$	6,980,530	$	7,052,694	$	7,152,998	May 1, 1971	1.00	%	Feb 1994
Lake	$	35,744,258	$	37,026,202	$	36,764,360	Jul 1, 1969	1.00	%	April 2012
Lawrence	$	9,046,073	$	9,198,890	$	8,885,252	Jun 1, 1986	1.50	%	June 1998
Licking	$	32,780,686	$	35,499,283	$	36,754,002	Feb 1, 1971	1.50	%	Jan 2006

Sales and Use Tax – Counties and Transit Authorities (con't)

Table 46 (con't)
Permissive (Local) Sales and Use Tax: Calendar Years 2014-2016 Collections, by County

County	2015	2016	2017	Initial Enactment	Tax Rate Dec. 31, 2017	Effective Date of Current Rate
Logan	$ 9,312,911	$ 10,755,735	$ 11,044,106	Jan 1, 1974	1.50 %	July 1997
Lorain	$ 29,169,467	$ 29,649,092	$ 35,948,564	Jul 1, 1985	1.00 %	April 2017
Lucas	$ 97,978,604	$ 106,254,245	$ 103,169,059	Feb 1, 1971	1.50 %	April 2015
Madison	$ 6,320,725	$ 6,745,683	$ 6,656,116	Mar 1, 1983	1.25 %	July 1999
Mahoning	$ 39,984,654	$ 43,791,827	$ 43,019,378	Apr 1, 1980	1.25 %	April 2015
Marion	$ 12,328,051	$ 12,341,504	$ 12,287,916	Sep 1, 1985	1.50 %	April 2014
Medina	$ 24,923,254	$ 25,735,607	$ 26,232,112	Apr 1, 1971	1.00 %	Oct 2007
Meigs	$ 2,650,874	$ 2,725,614	$ 2,568,381	Feb 1, 1987	1.50 %	Oct 2012
Mercer	$ 7,689,662	$ 8,183,220	$ 8,392,895	Nov 1, 1971	1.50 %	April 2008
Miami	$ 17,321,802	$ 18,013,539	$ 18,163,942	Dec 1, 1986	1.25 %	Oct 2009
Monroe	$ 6,844,456	$ 3,215,930	$ 4,840,768	Oct 1, 1986	1.50 %	Jan 2010
Montgomery	$ 78,695,964	$ 83,580,671	$ 80,032,985	Jan 1, 1971	1.00 %	July 1989
Morgan	$ 1,742,097	$ 1,747,752	$ 1,974,545	Feb 1, 1972	1.50 %	April 1990
Morrow	$ 3,902,984	$ 3,959,551	$ 3,961,663	Jul 1, 1971	1.50 %	July 1995
Muskingum	$ 19,295,167	$ 19,939,240	$ 19,849,614	May 1, 1971	1.50 %	April 1993
Noble	$ 2,323,512	$ 1,562,233	$ 2,054,649	Jan 1, 1971	1.50 %	Feb 1995
Ottawa	$ 8,613,077	$ 8,170,537	$ 8,164,020	Oct 1, 1973	1.25 %	July 2010
Paulding	$ 1,951,263	$ 2,125,040	$ 2,099,270	Apr 1, 1984	1.50 %	Nov 1991
Perry	$ 4,093,271	$ 4,102,568	$ 4,045,348	Mar 1, 1971	1.50 %	April 2010
Pickaway	$ 8,211,873	$ 8,714,639	$ 9,625,227	Oct 1, 1983	1.50 %	Dec 2001
Pike	$ 4,716,659	$ 5,068,831	$ 5,073,287	May 1, 1988	1.50 %	Jan 2006
Portage	$ 20,840,534	$ 25,835,560	$ 26,386,078	Apr 1, 1971	1.25 %	Jan 2016
Preble	$ 5,579,574	$ 5,862,518	$ 5,731,734	Nov 1, 1979	1.50 %	May 1994
Putnam	$ 4,314,653	$ 4,317,059	$ 4,607,929	Jan 1, 1974	1.25 %	Jan 2014
Richland	$ 23,446,736	$ 24,686,495	$ 22,590,379	Jun 1, 1979	1.25 %	July 2016
Ross	$ 15,594,642	$ 16,074,286	$ 15,684,391	Jan 1, 1980	1.50 %	Oct 1993
Sandusky	$ 11,269,091	$ 11,342,952	$ 11,545,519	Aug 1, 1979	1.50 %	Oct 2010
Scioto	$ 12,238,294	$ 12,629,944	$ 12,129,457	May 1, 1979	1.50 %	May 2001
Seneca	$ 8,675,367	$ 8,670,683	$ 8,681,790	Oct 1, 1983	1.50 %	Aug. 2003
Shelby	$ 9,910,435	$ 10,175,145	$ 9,995,976	Feb 1, 1971	1.50 %	April 2008
Stark	$ 28,700,995	$ 29,382,664	$ 29,626,821	Jan 1, 1987	0.50 %	April 2012
Summit	$ 44,713,963	$ 46,460,368	$ 46,381,444	Feb 1, 1973	0.50 %	Nov 1995
Trumbull	$ 25,811,929	$ 26,560,134	$ 26,248,752	Jun 1, 1985	1.00 %	July 2005
Tuscarawas	$ 13,072,600	$ 12,895,245	$ 13,220,072	Apr 1, 1971	1.00 %	July 1998
Union	$ 13,920,386	$ 12,963,934	$ 14,558,593	Apr 1, 1989	1.25 %	July 2008
Van Wert	$ 4,450,659	$ 4,499,842	$ 4,616,363	Mar 1, 1972	1.50 %	Mar 1991
Vinton	$ 1,419,254	$ 1,403,740	$ 1,344,481	May 1, 1985	1.50 %	Mar 1992
Warren	$ 36,952,384	$ 39,155,088	$ 40,310,488	Jan 1, 1972	1.00 %	Jan 1992
Washington	$ 13,826,648	$ 13,011,592	$ 13,074,189	Oct 1, 1983	1.50 %	Jan 1990
Wayne	$ 11,617,230	$ 11,657,214	$ 11,724,656	Mar 1, 1971	0.75 %	Jan 1992
Williams	$ 5,778,736	$ 5,971,710	$ 6,024,574	Dec 1, 1977	1.50 %	Oct 2003
Wood	$ 20,358,674	$ 20,916,811	$ 21,738,825	Jun 1, 1971	1.00 %	Nov 1987
Wyandot	$ 3,878,602	$ 3,964,904	$ 4,402,833	Feb 1, 1985	1.50 %	Oct 2005
Total	**$ 2,005,698,387**	**$ 2,104,481,888**	**$ 2,090,788,992**			

Note: These figures represent permissive sales tax collections for the calendar year net of the 1.0% administration fee. Distributions to the counties and transit authorities occur two months following the collection month.

Source: Ohio Department of Taxation

Sales and Use Tax – Counties and Transit Authorities (con't)

Table 47

Permissive (Local) Sales Tax: Calendar Years 2015-2017 Transit Authority Collections

Transit Authority	2015	2016	2017	Initial Enactment	Tax Rate Dec. 31, 2017	Effective Date of Current Rate
Greater Cleveland Regional	$ 205,958,010	$ 220,914,498	$ 209,807,276	Oct 1, 1975	1.00 %	Oct 1975
Central Ohio Regional	$ 124,068,001	$ 131,328,582	$ 129,707,993	Sep 1, 1980	0.50 %	Jan 2008
Laketran	$ 8,890,398	$ 9,291,442	$ 9,176,757	Aug 1, 1988	0.25 %	Aug 1988
Western Reserve	$ 8,549,177	$ 8,757,792	$ 8,602,305	Apr 1, 2009	0.25 %	April 2009
Miami Valley Regional	$ 39,293,987	$ 41,737,284	$ 39,958,916	Jul 1, 1980	0.50 %	July 1980
Portage Area Regional	$ 5,205,431	$ 5,279,023	$ 5,274,893	Feb 1, 2002	0.25 %	Feb 2002
Stark Area Regional	$ 14,381,968	$ 14,680,377	$ 14,806,061	Jul 1 1997	0.25 %	July 1997
Metro Regional	$ 44,525,509	$ 46,316,454	$ 46,109,141	Feb 1 1991	0.50 %	July 2008
Transit Authority Total	**$ 450,872,480**	**$ 478,305,452**	**$ 463,443,342**			

Note: These figures represent permissive sales tax collections for the calendar year net of the 1.0% administration fee. Distributions to the counties and transit authorities occur two months following the collection month.

Source: Ohio Department of Taxation

Business Tax Credit

Table 48

Business Tax Credits: Fiscal Year 2018

	Tax Credited		Value of Credits
Refundable Credits			
Job Creation Tax Credit	CAT, FIT, PIT/PTE, PAT	$	102,358,504
Motion Picture Tax Credit	CAT, FIT, PIT/PTE	$	15,838,717
Refundable Historic Preservation Tax Credit	CAT, FIT, PIT/PTE	$	23,350,538
Financial Insututions Tax Credit	PIT/PTE	$	5,527,115
Subtotal		$	147,074,874
Non-Refundable Credits			
Non-Refundable Job Retention Tax Credit	CAT, FIT, PIT/PTE, PAT	$	42,201,092
InvestOhio Small Business Investment Tax Credit	CAT, FIT, PIT/PTE	$	2,264,070
Ohio Qualified R & D Investment Expenses Tax Credit	CAT, FIT	$	36,981,608
Subtotal		$	81,446,770
Other Credits Subtotal [1]		$	38,306,835
Total of Refundable and Non-Refundable Credits		**$**	**266,828,479**

[1] Other Credits Subtotal includes credits for which the number of taxpayers was fewer than ten. These credits include Refundable Job Retention Tax Credit, Refundable Credit for Venture Capital Loan Loss, and the following non-refundable credits, Non-Refundable Historic Preservation Tax Credit, New Markets Tax Credit, Credit for R&D Loan Payments, Credit for Unused Net Operating Losses Under CFT, Technology Investment Credit, Credit for Eligible New Employees in an Enterprise Zone, and Credit for Enterprise Zone Day-Care and Training.

Source: Ohio Department of Taxation

Index of Charts and Tables

This index provides a by-chapter listing of the charts and tables contained in the Annual Report, organized by the major section in which the chapter is found.

Year in Review

Responsibilities

Alcoholic Beverages Taxes

Cigarette and Other Tobacco Products Tax

Commercial Activity Tax

Financial Institutions Tax

Gross Casino Revenue Tax

Horse Racing Tax

Individual Income Tax

Individual Income Tax – School District

Lodging Tax

Municipal Income Tax for Electric Light and Local Exchange Telephone Companies

Property Tax – Real Property

Resort Area Gross Receipts

Sales and Use Taxes – County & Transit Authority

Data Appendix

Alcoholic Beverage Tax

Cigarette and Other Tobacco Products Tax

Commercial Activity Tax

Financial Institutions Tax

Gross Casino Revenue Tax

Horse Racing Tax

Individual Income Tax

Property Tax – Real

Resort Area Gross Receipts Tax

Sales and Use Tax – Counties and Transit Authorities

Business Tax Credits