



Greetings from the Tax Commissioner



The Ohio Department of Taxation (ODT) is pleased to provide you with the 2005 edition of **Ohio's Taxes – A Brief Summary of Major State and Local Taxes in Ohio**.

This publication is a valuable and handy reference that offers a quick look at the key information regarding state and local taxes in Ohio. It provides the rates, revenues, rules, distributions, and other important provisions of all the principal taxes in Ohio.

Fiscal Year 2005 saw fundamental changes to the tax structure in Ohio, particularly as it regards business taxes. House Bill 66, the biennium budget bill for fiscal years 2006-2007, enacted comprehensive tax reform by lowering income and sales taxes, phasing out two business taxes, and creating the new commercial activity tax (CAT). More information on these changes can be found in **Ohio's Taxes – Introduction** and in the respective tax chapters.

Ohio continued its participation in the Streamlined Sales Tax Project (SSTP) during 2005. The state is now an associate member of the system, but pending changes in the sourcing of delivery sales, will assume full membership in early 2008. The SSTP is a multi-state initiative to make sales tax laws, rules, and systems more uniform across states. Thus, in making it easier for retail vendors to voluntarily collect state sales taxes, Ohio and other member states will recoup what is currently hundreds of millions in lost revenue each year.

This edition of **Ohio's Taxes** also contains a brief explanation of the state's taxing districts. The section **Tax Brief-Ohio Taxing Districts** outlines the political subdivisions of the state and the taxing powers of each.

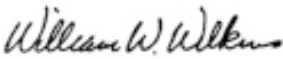
Tax laws will always change, but not ODT's commitment to delivering quality customer service. This remains one of our guiding principles. Our staff is dedicated to helping those taxpayers who are trying to do the right thing, but also remains

committed to ensuring that all taxpayers comply with the tax laws and pay their fair share.

Our mission is to provide quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law. Our motto is our commitment to CARE about the quality of service by performing it in a Courteous, Accurate, Responsive, and Equitable manner. I pledge that this department will treat all taxpayers fairly while administering the tax system that raises the revenues necessary to provide the services needed by all Ohioans.

We hope you find this publication serves your needs for information about our tax system at both the state and local levels. We will always do our best to serve the citizens of Ohio.

Sincerely,



William W. Wilkins
Tax Commissioner