

SCHOOL DISTRICT INDIVIDUAL INCOME TAX

In 1981, the Ohio General Assembly granted school districts the authority to levy an income tax. Certain provisions of that law were repealed in 1983 so that no additional school districts could levy the tax. Any school district enacting the tax before August 3, 1983, could continue to levy the tax. Prior to the repeal, voters approved the tax in six school districts, one of which repealed the tax through voter referendum in 1986. In 1989, the General Assembly reinstated provisions of the original law allowing additional school districts to levy the tax. From 1989-1997, 120 districts passed income taxes (five subsequently expired), raising the total number to 120.

The school district income tax is imposed on the incomes of residents and estates of the school district. The Department of Taxation administers the tax. Collections are made through employer withholding, individual quarterly estimated payments, and annual returns. During fiscal year 1998, total gross collections for all districts were \$123.2 million, prior to deductions for administrative costs and refunds (see Table 47 on page 65).

TAX BASE (R.C. 5748.01):

For individuals, Ohio adjusted gross income for state income tax purposes less exemptions of \$950 for taxpayer and spouse and \$1,050 for each dependent in 1998, with those amounts going to \$1,050 for all exemptions in 1999. For estates, taxable income for state income tax purposes.

RATES (R.C. 5748.02):

Rates must be multiples of a quarter of one percent. The rate must be approved by a vote of the school district residents before implementation. (For tax year 1998, 120 school districts will levy the school district income tax.) The tax rates range from 0.25 percent to 1.75 percent, with only 14 above one percent.

SPECIAL PROVISION:

Senior Citizen Credit: 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.

TAXPAYER (R.C. 5748.01):

Every individual or every estate residing in a school district which imposes the school district income tax

FILING AND PAYMENT DATES (R.C. 5747.06 - 5747.09):

Individual Taxpayers:

1. Calendar year taxpayer files an annual return between January 1 and April 15.
2. Fiscal year taxpayer files before the 15th day of the fourth month after the end of the fiscal year.
3. Taxpayer must file a quarterly estimated return if the taxpayer expects to be under-withheld by more than \$300 for the combined school district and state of Ohio individual income taxes. Quarterly payments of the tax must be made on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

For Employers:

1. If the employer withholds on a quarterly basis for state income tax purposes, payment is due for both taxes within 30 days after the quarter ending March, June, September, and December.
2. If the employer withholds on a monthly or partial weekly basis for state purposes, remittances are made within ten banking days after the end of each month.

DISPOSITION OF REVENUE (R.C. 5747.03):

Collections are deposited into a School District Income Tax Fund to be distributed back to the school district less 1.5 percent retained for state administrative purposes. Distributions are made back to school districts on the last day of April, July, October and

January. Payments are for the net amount in each school districts' account after refunds and administrative fees as of the end of the prior calendar quarter.

OHIO REVISED CODE CITATIONS:

Chapters 5747 and 5748

**Table 47
School District Income Tax
Collections for Fiscal Years 1997 and 1998**

| All Districts | 1997 ^(a) | 1998 ^(b) |
|---|---------------------|---------------------|
| Individual Returns | \$33,692,500 | \$37,228,460 |
| Employer Withholding | <u>77,119,956</u> | <u>86,008,055</u> |
| Total Collections | \$110,812,456 | \$123,236,515 |
| Refunds and Administration | <u>(6,198,829)</u> | <u>(7,493,353)</u> |
| Net to School Districts | \$104,613,627 | \$115,743,162 |
| <p>(a) Includes collections for 119 school districts</p> <p>(b) Includes collections for 120 school districts</p> | | |

Table 48
Ohio School District Income Tax Levies
As of January 1998

| No. | County | School District | Rate | Year Tax Enacted | No. | County | School District | Rate | Year Tax Enacted |
|-----|------------|------------------------------|-------|------------------|-----|--|-------------------------------|-------|------------------|
| 1 | Allen | Spencerville LSD (5) | 1.00% | 1992 | 71 | Mercer | Celina CSD (c) | 1.00% | 1995 |
| 2 | Ashland | Loudonville-Perrysville EVSD | 0.50 | 1991 | 72 | Mercer | Coldwater EVSD | 0.50 | 1989 |
| 3 | Auglaize | Wapakoneta CSD | 0.75 | 1990 | 73 | Mercer | Fort Recovery LSD | 1.00 | 1990 |
| 4 | Auglaize | Waynesfield-Goshen LSD (4) | 1.00 | 1991 | 74 | Mercer | Parkway LSD (3) | 1.00 | 1995 |
| 5 | Belmont | Barnesville EVSD (3) | 0.50 | 1995 | 75 | Miami | Bradford EVSD | 1.75 | 1982 |
| 6 | Butler | Madison LSD | 0.50 | 1990 | 76 | Miami | Covington EVSD | 0.50 | 1993 |
| 7 | Butler | New Miami LSD | 1.00 | 1989 | 77 | Miami | Miami East LSD | 0.50 | 1991 |
| 8 | Champaign | Mechanicsburg EVSD | 0.50 | 1989 | 78 | Miami | Newton LSD | 1.00 | 1992 |
| 9 | Champaign | Triad LSD | 1.00 | 1996 | 79 | Miami | Piqua CSD | 0.50 | 1990 |
| 10 | Champaign | West Liberty-Salem LSD(a) | 1.50 | 1983 | 80 | Montgomery | New Lebanon LSD (3) | 0.75 | 1997 |
| 11 | Clark | Southeastern LSD | 1.00 | 1989 | 81 | Montgomery | Valley View LSD (d) | 1.25 | 1991 |
| 12 | Clermont | Clermont-Northeastern LSD | 1.00 | 1995 | 82 | Morrow | Highland LSD | 0.50 | 1991 |
| 13 | Clermont | Goshen LSD | 1.00 | 1990 | 83 | Morrow | Mt Gilead EVSD (2) | 0.75 | 1994 |
| 14 | Columbiana | Crestview LSD | 1.00 | 1989 | 84 | Morrow | Northmor LSD | 1.00 | 1992 |
| 15 | Columbiana | Salem CSD (3) | 1.00 | 1995 | 85 | Paulding | Antwerp LSD | 0.75 | 1990 |
| 16 | Columbiana | United LSD | 0.50 | 1991 | 86 | Paulding | Paulding EVSD | 1.00 | 1990 |
| 17 | Crawford | Buckeye Central LSD | 1.50 | 1989 | 87 | Paulding | Wayne Trace LSD (4) | 0.75 | 1991 |
| 18 | Darke | Ansonia LSD | 0.75 | 1991 | 88 | Pickaway | Teays Valley LSD | 0.75 | 1991 |
| 19 | Darke | Arcanum-Butler LSD | 0.75 | 1991 | 89 | Preble | C.R. Coblenz LSD | 1.00 | 1991 |
| 20 | Darke | Franklin-Monroe LSD | 0.75 | 1992 | 90 | Preble | Eaton CSD (1) | 0.75 | 1992 |
| 21 | Darke | Greenville CSD | 0.50 | 1989 | 91 | Preble | Preble Shawnee LSD | 1.00 | 1990 |
| 22 | Darke | Mississinawa Valley LSD | 0.50 | 1989 | 92 | Putnam | Columbus Grove LSD (3) | 0.75 | 1995 |
| 23 | Darke | Tri-Village LSD | 1.00 | 1990 | 93 | Putnam | Continental LSD | 1.00 | 1990 |
| 24 | Defiance | Central LSD | 0.75 | 1991 | 94 | Putnam | Leipsic LSD | 0.75 | 1991 |
| 25 | Defiance | Defiance CSD | 0.50 | 1991 | 95 | Putnam | Miller City-New Cleveland LSD | 1.25 | 1992 |
| 26 | Defiance | Hicksville EVSD | 0.75 | 1991 | 96 | Putnam | Ottawa-Glandorf LSD | 0.50 | 1992 |
| 27 | Delaware | Big Walnut LSD (2) | 0.75 | 1994 | 97 | Putnam | Pandora-Gilboa LSD (1) | 0.75 | 1993 |
| 28 | Delaware | Buckeye Valley LSD | 1.00 | 1992 | 98 | Richland | Plymouth LSD | 1.00 | 1990 |
| 29 | Fairfield | Bloom-Carroll LSD | 0.75 | 1996 | 99 | Ross | Union-Scioto LSD (2) | 0.50 | 1991 |
| 30 | Fairfield | Fairfield Union LSD | 0.75 | 1990 | 100 | Ross | Zane Trace LSD (3) | 0.50 | 1995 |
| 31 | Fairfield | Liberty Union-Thurston LSD | 1.25 | 1990 | 101 | Sandusky | Fremont CSD (1) | 0.75 | 1993 |
| 32 | Fairfield | Pickerington LSD | 1.00 | 1990 | 102 | Seneca | Bettsville LSD (1) | 1.00 | 1993 |
| 33 | Franklin | Canal Winchester LSD | 0.75 | 1990 | 103 | Seneca | New Riegel LSD | 0.75 | 1989 |
| 34 | Franklin | Reynoldsburg CSD | 0.50 | 1989 | 104 | Shelby | Anna LSD | 0.50 | 1982 |
| 35 | Fulton | Evergreen LSD | 0.75 | 1989 | 105 | Shelby | Fairlawn LSD | 0.75 | 1990 |
| 36 | Fulton | Gorham Fayette LSD | 1.00 | 1991 | 106 | Shelby | Fort Loramie LSD (2) | 0.75 | 1994 |
| 37 | Geauga | Berkshire LSD | 0.75 | 1992 | 107 | Shelby | Hardin-Houston LSD | 0.75 | 1990 |
| 38 | Greene | Cedar Cliff LSD | 1.00 | 1990 | 108 | Shelby | Russia LSD | 0.75 | 1991 |
| 39 | Greene | Fairborn CSD | 0.50 | 1989 | 109 | Stark | Massillon CSD (4) | 0.75 | 1997 |
| 40 | Greene | Greeneview LSD | 0.50 | 1990 | 110 | Union | Fairbanks LSD | 0.75 | 1989 |
| 41 | Greene | Xenia CSD (4) | 0.50 | 1997 | 111 | Union | North Union LSD | 1.00 | 1990 |
| 42 | Hamilton | Wyoming CSD | 1.25 | 1989 | 112 | Vinton | Vinton County LSD (2) | 0.50 | 1994 |
| 43 | Hancock | Arlington LSD | 1.25 | 1983 | 113 | Wayne | Northwestern LSD | 1.25 | 1989 |
| 44 | Hancock | Cory-Rawson LSD | 1.00 | 1991 | 114 | Williams | Edgerton LSD | 1.00 | 1991 |
| 45 | Hancock | Liberty-Benton LSD (5) | 0.75 | 1994 | 115 | Williams | Stryker LSD | 1.00 | 1990 |
| 46 | Hancock | McComb LSD | 1.00 | 1983 | 116 | Wood | Bowling Green CSD (5) | 0.50 | 1992 |
| 47 | Hancock | Vanlue LSD (3) | 1.25 | 1995 | 117 | Wood | Elmwood LSD (e) | 1.25 | 1991 |
| 48 | Hardin | Ada EVSD (5) | 0.75 | 1992 | 118 | Wood | Perrysburg EVSD | 0.50 | 1991 |
| 49 | Hardin | Hardin-Northern LSD | 1.00 | 1990 | 119 | Wyandot | Mohawk LSD (3) | 1.00 | 1995 |
| 50 | Hardin | Kenton CSD | 1.00 | 1995 | 120 | Wyandot | Upper Sandusky EVSD (2) | 0.50 | 1995 |
| 51 | Hardin | Ridgemont LSD | 1.00 | 1990 | | | | | |
| 52 | Hardin | Upper Scioto Valley LSD | 0.50 | 1995 | | | | | |
| 53 | Henry | Holgate LSD | 1.00 | 1991 | (a) | West Liberty Salem's 1.0% tax expires December 31, 1998 and its 0.50% tax is continuing. | | | |
| 54 | Henry | Liberty Center LSD | 1.00 | 1995 | (b) | Patrick Henry's 0.75% tax expires December 31, 2002 and its 1.0% tax is continuing. | | | |
| 55 | Henry | Patrick Henry LSD (b) | 1.75 | 1990 | (c) | Celina's 0.25% tax expires December 31, 2000 and its 0.75% tax expires December 31, 2002 | | | |
| 56 | Highland | Hillsboro CSD | 1.00 | 1991 | (d) | Valley View's 0.75% tax expires December 31, 2000 and its 0.50% tax expires December 31, 2001. | | | |
| 57 | Huron | New London LSD | 1.00 | 1990 | (e) | Elmwood's 0.50% tax expires December 31, 2000 and its 0.75% tax expires December 31, 2001. | | | |
| 58 | Huron | Norwalk CSD | 0.50 | 1991 | (1) | Expires December 31, 1998 | | | |
| 59 | Huron | South Central LSD | 1.25 | 1990 | (2) | Expires December 31, 1999 | | | |
| 60 | Huron | Western Reserve LSD | 1.25 | 1990 | (3) | Expires December 31, 2000 | | | |
| 61 | Knox | Centerburg LSD | 0.75 | 1989 | (4) | Expires December 31, 2001 | | | |
| 62 | Knox | Danville LSD | 0.50 | 1989 | (5) | Expires December 31, 2002 | | | |
| 63 | Licking | Licking Valley LSD | 1.00 | 1993 | | | | | |
| 64 | Licking | Newark CSD (5) | 1.00 | 1997 | | | | | |
| 65 | Licking | Northridge LSD (3) | 1.00 | 1997 | | | | | |
| 66 | Licking | Southwest Licking LSD | 0.75 | 1990 | | | | | |
| 67 | Logan | Riverside LSD (2) | 0.75 | 1994 | | | | | |
| 68 | Lorain | Oberlin CSD | 1.00 | 1990 | | | | | |
| 69 | Lorain | Wellington EVSD | 1.00 | 1990 | | | | | |
| 70 | Madison | Jefferson LSD (2) | 0.50 | 1994 | | | | | |