

## Revenue From Taxes Administered By The Tax Commissioner

The Tax Commissioner's primary responsibility is the administration of state and some local taxes, which yielded nearly \$23.4 billion in net collections during the period of this report. Ohio's 2003 fiscal year was the period from July 1, 2002 through June 30, 2003. A breakdown of the collections from these taxes is shown in Table 3 for both state-collected taxes, on a fiscal year basis, and locally-collected taxes, based on the calendar year.

It should be noted, however, that taxes imposed by one level of government may be collected by another, and that taxes collected by one level of government may be shared with another. For this reason, the tax collection figures attributed to state or local governments in the table do not necessarily indicate amounts available for expenditure by either the state and local governments. In addition, some state taxes (specifically, the foreign and domestic insurance taxes, motor vehicle license tax and liquor gallonage tax) are not administered by the Tax Commissioner but by other state agencies.

Figures for both gross and net tax collections from state-collected taxes are shown in Table 3. Gross collections are equal to total taxes collected, including taxes which were later refunded. Net tax collections are equal to gross collections, less all refunds.

*The source for the state-collected taxes is the Office of Budget and Management for both gross and net collections. These figures will differ from data shown elsewhere in this report, which generally represent taxes administered as shown on returns filed during the fiscal year, rather than actual collections during the fiscal year.*

The state-collected taxes administered by the Tax Commissioner yielded net tax collections of approximately \$20.5 billion during the fiscal year. This was an increase of about \$924.2 million from the previous fiscal year. Receipts from locally-collected taxes were nearly \$2.9 billion in the 2002 calendar year, or a reduction of about \$21.7 million from 2001.

Table 4 shows state General Revenue Fund revenues for Fiscal Year 2003. Excluding federal aid, total revenue amounted to approximately \$17.4 billion. As the table shows, the largest single revenue source was the individual income tax, with more than \$7.4 billion distributed to the

General Revenue Fund. The sales tax was the second largest revenue source, with nearly \$6.4 billion going to the General Revenue Fund. Income tax revenue increased 1.0 percent, and sales tax collections went up approximately 6.0 percent from the 2002 to 2003 fiscal years.

The chart at the end of this chapter shows the collections of the four largest taxes over the last 10 years. During this period, the individual income and sales taxes have shown continuous growth. On the other hand, revenues from the corporation franchise and public utilities taxes have grown very little and, except for a \$33.9 million increase in corporation franchise revenue in 2003, have actually declined in the past five years. However, the decrease in public utility excise tax revenue is partially offset by the creation of the kilowatt-hour tax in May 2001, which replaced the excise tax for electric and rural electric companies. The kilowatt-hour tax generated \$539.4 million in revenue in 2003, but this in itself was a decrease of about \$29.8 million from 2002.

Revenue from taxes administered by the Department of Taxation comprised 91.5 percent of the total General Revenue Fund in FY 2003 (this percentage excludes foreign and domestic insurance taxes, which are administered by the Department of Insurance, and the tax on liquor gallonage, which is administered by the Department of Commerce).

The first pie chart at the end of this chapter illustrates the General Revenue Fund tax sources for the fiscal year. The largest source, individual income tax, accounted for approximately 42.7 percent in FY 2002. The total revenue from all state tax sources amounted to approximately \$20.4 billion. The second pie chart shows the taxes that comprise this total.

Further information on most of these taxes is contained in other Department of Taxation publications. Many of these publications are available in hard copy by contacting the Tax Analysis Division, at (614) 466-3960, or they can be viewed at the Department of Taxation's web site, ([www.ohio.gov/tax](http://www.ohio.gov/tax)).

**Table 3**  
**Collections For Taxes Administered By Ohio Tax Commissioner<sup>(a)</sup>**

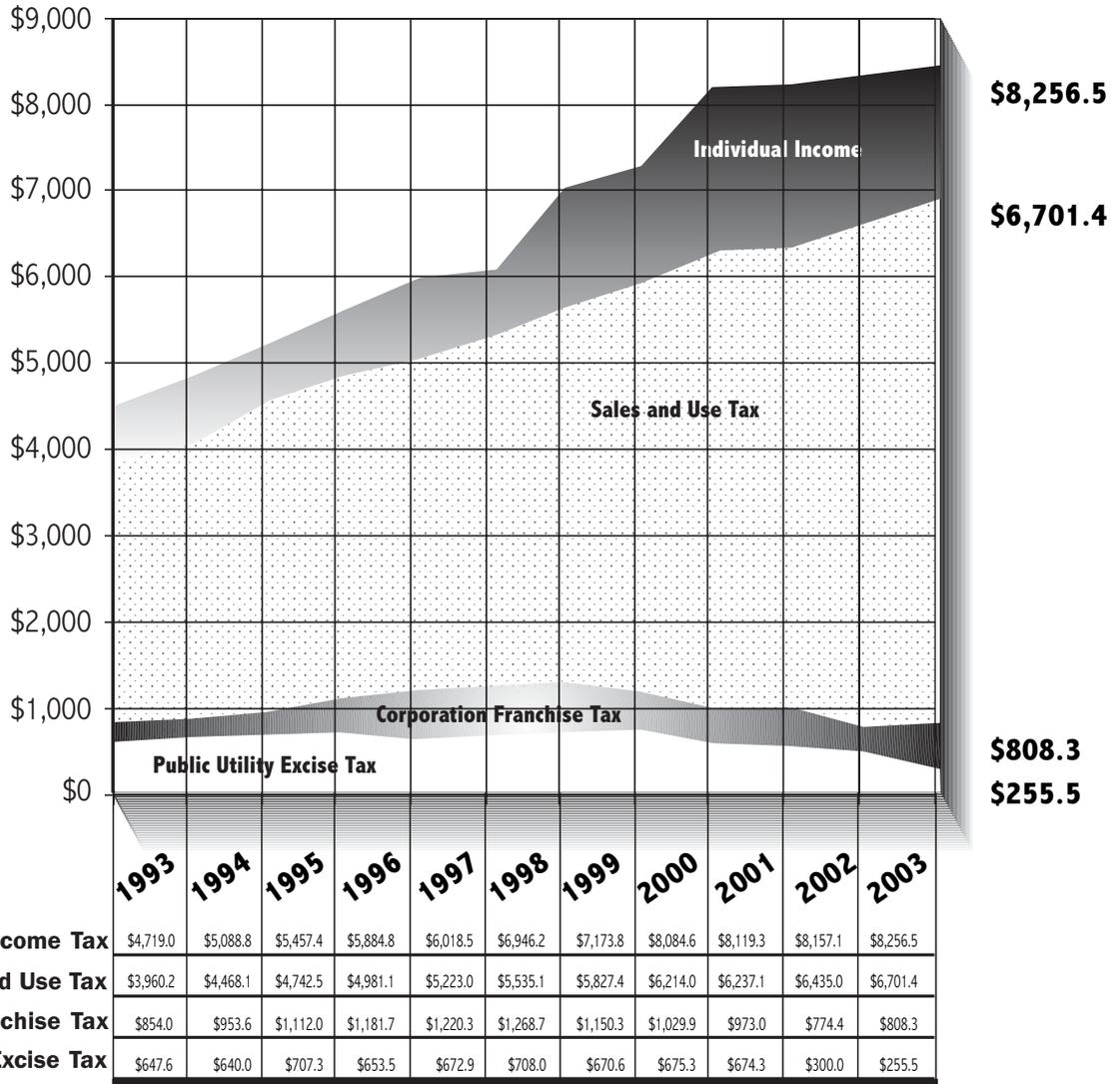
State-Collected Taxes	Gross Tax Collections		Net Tax Collections (b)		Percent Change
	FY 2002	FY 2003	FY 2002	FY 2003	02-03
State Sales and Use	\$6,391,476,764	\$6,761,516,331	\$6,343,538,289	\$6,701,433,006	5.64%
Local Sales and Use	1,348,123,199	1,401,017,977	1,348,123,199	1,401,017,977	3.92%
Resort Area Excise	665,407	715,125	665,407	715,125	7.47%
State Individual Income	9,129,611,672	9,307,639,047	8,157,146,924	8,256,528,391	1.22%
Municipal Income Tax for					
Electric Light Companies (c)	0	15,417,358	0	15,417,358	—
Corporation Franchise	1,011,443,330	1,015,027,341	774,367,410	808,257,071	4.38%
Motor Vehicle Fuel	1,405,209,386	1,473,441,294	1,383,330,324	1,456,148,291	5.26%
Public Utility Excise	323,947,903	258,831,809	299,950,367	255,506,074	-14.82%
Kilowatt-Hour Excise	569,196,249	541,959,228	569,189,093	539,448,630	-5.23%
Natural Gas Consumption (d)	55,937,597	83,748,187	55,937,597	83,690,824	49.61%
Cigarette Excise (e)	281,729,758	601,019,521	281,293,723	599,942,531	113.28% (d)
Local Cigarette Excise	4,850,475	7,555,593	4,850,475	4,523,667	-6.74%
Dealers in Intangibles	18,498,916	38,736,266	18,498,916	38,711,817	109.27% (d)
Motor Fuel Use	69,720,661	71,632,445	69,371,398	71,432,336	2.97%
Alcoholic Beverage Excise (f)	56,516,040	57,521,179	56,446,131	57,339,773	1.58%
Replacement Tire Fee	6,304,162	7,102,725	6,304,162	7,059,848	11.99%
Local Alcoholic Beverage (f)	6,196,901	5,997,769	6,196,901	5,997,769	-3.21%
Horse Racing	17,411,384	15,709,179	17,411,384	15,509,069	-10.93%
Severance	8,034,540	7,478,501	8,025,167	7,455,015	-7.10%
School District Income	<u>154,144,052</u>	<u>156,418,642</u>	<u>145,529,302</u>	<u>144,229,668</u>	<u>-0.89%</u>
<b>Total State-Collected Taxes</b>	<b>\$20,859,018,396</b>	<b>\$21,828,485,516</b>	<b>\$19,546,176,169</b>	<b>\$20,470,364,237</b>	<b>4.73%</b>
<b>Tax Collections</b>					
<b>Locally-Collected Taxes</b>	<b>CY 2001</b>	<b>CY 2002</b>			<b>Percent Change</b>
Tangible Personal Property	\$1,802,487,778	\$1,768,343,517			-1.89%
Public Utility Property (g)	715,307,242	746,058,859			4.30%
Estate	<u>375,411,087</u>	<u>357,110,953</u>			-4.87%
<b>Total Locally-Collected Taxes</b>	<b>\$2,893,206,107</b>	<b>\$2,871,513,329</b>			<b>-0.75%</b>

(a) Sources: For state-collected taxes, Office of Budget and Management. For locally-collected taxes, Department of Taxation.  
(b) Gross tax collections less refunds.  
(c) This tax began in taxable year 2002 with payments beginning in fiscal year 2003.  
(d) The cigarette tax increased from \$.24 per pack to \$.55, effective July 1, 2002; collections also include inventory floor tax of approximately \$32 million. Dealers in intangibles collections include first-time payments from qualifying dealers, effective January 1, 2003, of approximately \$24.3 million.  
(e) Includes other tobacco products tax.  
(f) Excludes tax on liquor since it is administered by the Department of Commerce, Division of Liquor Control.  
(g) Includes only tangible personal property taxes levied for collection the following year.

**Table 4**  
**General Revenue Fund Sources**  
**Fiscal Year 2003 (excluding federal aid)**

<b>Revenue Source</b>	<b>Collections</b>
Individual Income Tax	\$7,420,664,632
Sales and Use Tax	6,397,945,455
Corporation Franchise Tax	747,195,828
Public Utility Excise Tax	218,678,072
Kilowatt-Hour Excise Tax	339,852,637
Cigarette Tax	599,940,665
Alcoholic Beverage Taxes (including liquor gallonage)	<u>86,311,038</u>
<b>Total</b>	<b>15,810,588,327</b>
Miscellaneous:	
Domestic Insurance Tax	160,125,622
Estate Tax	100,811,368
Foreign Insurance Tax	216,351,430
Horse Racing Tax	0
Dealers in Intangibles Tax	<u>29,999,716</u>
<b>Total</b>	<b>507,288,135</b>
Non-Tax Revenue:	
Earnings on Investment	14,245,698
Liquor Profits	115,000,000
Miscellaneous*	<u>940,483,555</u>
<b>Total</b>	<b><u>1,069,729,253</u></b>
<b>Total</b>	<b>\$17,387,605,716</b>
NOTE: All amounts are after refunds.	
* Includes certain transfers into the General Revenue Fund, licenses and fees, and other income.	

**Chart**  
**Revenue Collections: Sales and Use, Individual Income, Corporation Franchise, and Public Utility Excise Taxes, Fiscal Years 1993 – 2003**  
 (figures are in millions)

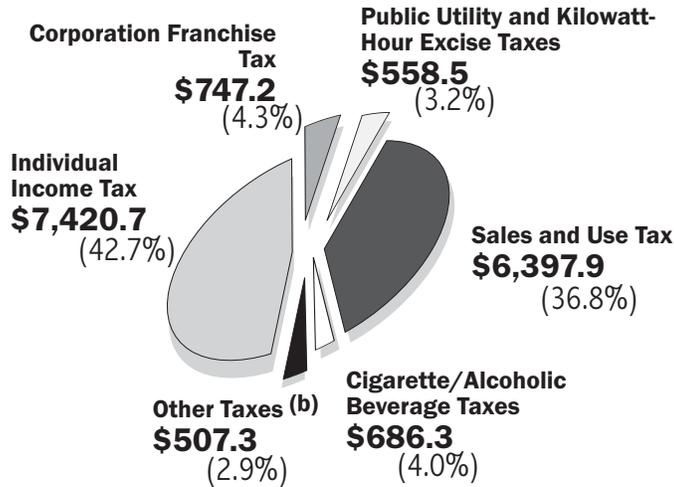


### General Revenue Fund Tax Sources

Fiscal Year 2003

(figures in millions)

**Total: \$17,387.6 million<sup>(a)</sup>**



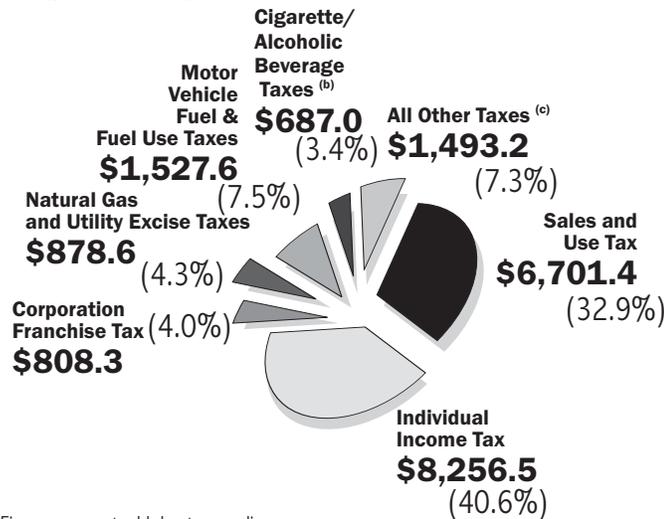
(a) Excludes non-tax revenue of \$1,069.7 million. Figures may not add due to rounding.  
 (b) This figure is comprised of the following state tax revenue sources: domestic insurance, foreign insurance, estate, and dealers in intangibles taxes.

### All State Tax Sources

Fiscal Year 2003

(figures in millions)

**Total: \$20,352.7 million<sup>(a)</sup>**



(a) Figures may not add due to rounding.  
 (b) Includes tax on liquor of approximately \$19.2 million which is administered by the Department of Commerce, Division of Liquor Control.  
 (c) This figure is comprised of the following state tax revenue sources: motor vehicle license, dealers in intangibles, estate, horse racing, foreign insurance, domestic insurance, severance and replacement tire fee. It excludes all locally-imposed taxes, such as permissive sales and use and local alcohol and cigarette taxes.