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 $24.7 billion in net collections during the period of this report. Ohio's 2004 fiscal year was the period from July 1, 2003 through June 30, 2004. A breakdown of the collections from these taxes is shown in Table 3 (page 13) 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 or 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 in Table 3 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 reported 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 $22.1 billion during the fiscal year. This was an increase of about $1.6 billion from the previous fiscal year. Receipts from locally-collected taxes were nearly $2.7 billion in the 2003 calendar year, or a reduction of about $210.3 million from 2002. Table 4 (page 14) shows state General Revenue Fund revenues for Fiscal Year 2004.

Excluding federal aid, total revenue amounted to approximately $18.5 billion. As Table 4 shows, the largest single revenue source was the individual income tax, with approximately $7.7 billion distributed to the General Revenue Fund. The sales tax was the second largest revenue source, with over $7.5 billion going to the General Revenue Fund. Income tax revenue increased 3.7 percent, and sales tax collections went up 17.7 percent from the 2003 to 2004 fiscal years. The growth in sales tax collections was mostly due to the 1.0 percent increase in the tax rate beginning July 1, 2003.

The chart (page 15) at the end of this chapter shows the collections of the four largest taxes over the last ten 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 utility excise taxes have grown very little and, except for a recent recovery in corporation franchise tax revenue, 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 com-panies. The kilowatt-hour tax generated $538.0 million in revenue in 2004, but $199 million of this amount was distributed directly to schools and local governments, leaving $339 million for the General Revenue Fund.

Revenue from taxes administered by the Department of Taxation comprised 93.5 percent of the total General Revenue Fund in FY 2004 (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 (page 16) 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 42.5 percent of the General Revenue Fund in FY 2004. The total revenue from all state tax sources amounted to approximately $21.9 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 (**tax.ohio.gov**).

Table 3
Collections For Taxes Administered By Ohio Tax Commissioner[a]

State-Collected Taxes	Gross Tax Collections FY 2003	Gross Tax Collections FY 2004	Net Tax Collections (b) FY 2003	Net Tax Collections (b) FY 2004	Percent Change 03-04
State Sales and Use	$6,761,516,331	$7,881,510,929	$6,701,433,006	$7,834,694,656	16.91%
Local Sales and Use	1,401,017,977	1,473,267,799	1,401,017,977	1,473,267,799	5.16
Resort Area Excise	715,125	867,010	715,125	867,010	21.24
State Individual Income	9,307,639,047	9,596,789,435	8,256,528,391	8,531,225,265	3.33
Municipal Income Tax for Electric Light Companies	15,417,358	12,063,844	15,417,358	12,063,844	-21.75
Corporation Franchise	1,015,027,341	1,060,594,780	808,257,071	870,585,374	7.71
Motor Vehicle Fuel	1,473,441,294	1,556,625,290	1,456,148,291	1,536,921,031	5.55
Public Utility Excise	258,831,809	275,811,703	255,506,074	263,335,658	3.06
Kilowatt-Hour Excise	541,959,228	538,407,183	539,448,630	538,044,462	-0.26
Natural Gas Consumption	83,748,187	76,392,409	83,690,824	76,318,465	-8.81
Cigarette Excise (c)	601,019,521	557,569,867	599,942,531	557,542,803	-7.07
Local Cigarette Excise (f)	7,555,593	8,876,679	4,523,667	4,359,108	-3.64
Dealers in Intangibles	38,736,266	40,636,916	38,711,817	40,636,916	4.97
Motor Fuel Use	71,632,445	72,634,227	71,432,336	72,274,428	1.18
Alcoholic Beverage Excise (d)	57,521,179	57,396,031	57,339,773	57,233,641	-0.19
Replacement Tire Fee	7,102,725	7,033,672	7,059,848	7,014,156	-0.65
Local Alcoholic Beverage (d) (f)	5,997,769	5,667,297	5,997,769	5,667,297	-5.51
Horse Racing	15,709,179	15,918,870	15,509,069	15,918,870	2.64
Severance	7,478,501	7,529,634	7,455,015	7,529,634	1.00
School District Income	156,418,642	169,972,590	144,229,668	158,478,482	9.88
Total	**$21,828,485,516**	**$23,415,566,168**	**$20,470,364,237**	**$22,063,978,901**	**7.78%**

Locally-Collected Taxes	Tax Collections CY 2002	Tax Collections CY 2003	Percent Change 02-03
Tangible Personal Property	$1,768,343,517	$1,637,418,361	-7.40%
Public Utility Property (e)	746,058,859	751,787,109	0.77
Estate	375,411,087	290,298,945	-22.67
Total	**$2,889,813,463**	**$2,679,504,415**	**-7.28%**

(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) The cigarette tax increased from $.24 per pack to $.55, effective July1, 2002. Also includes other tobacco products tax.
(d) Excludes tax on liquor since it is administered by the Department of Commerce, Division of Liquor Control.
(e) Includes only tangible personal property taxes levied for collection the following year.
(f) Collected for Cuyahoga County.

Table 4
General Revenue Fund Sources
Fiscal Year 2004 (excluding federal aid)

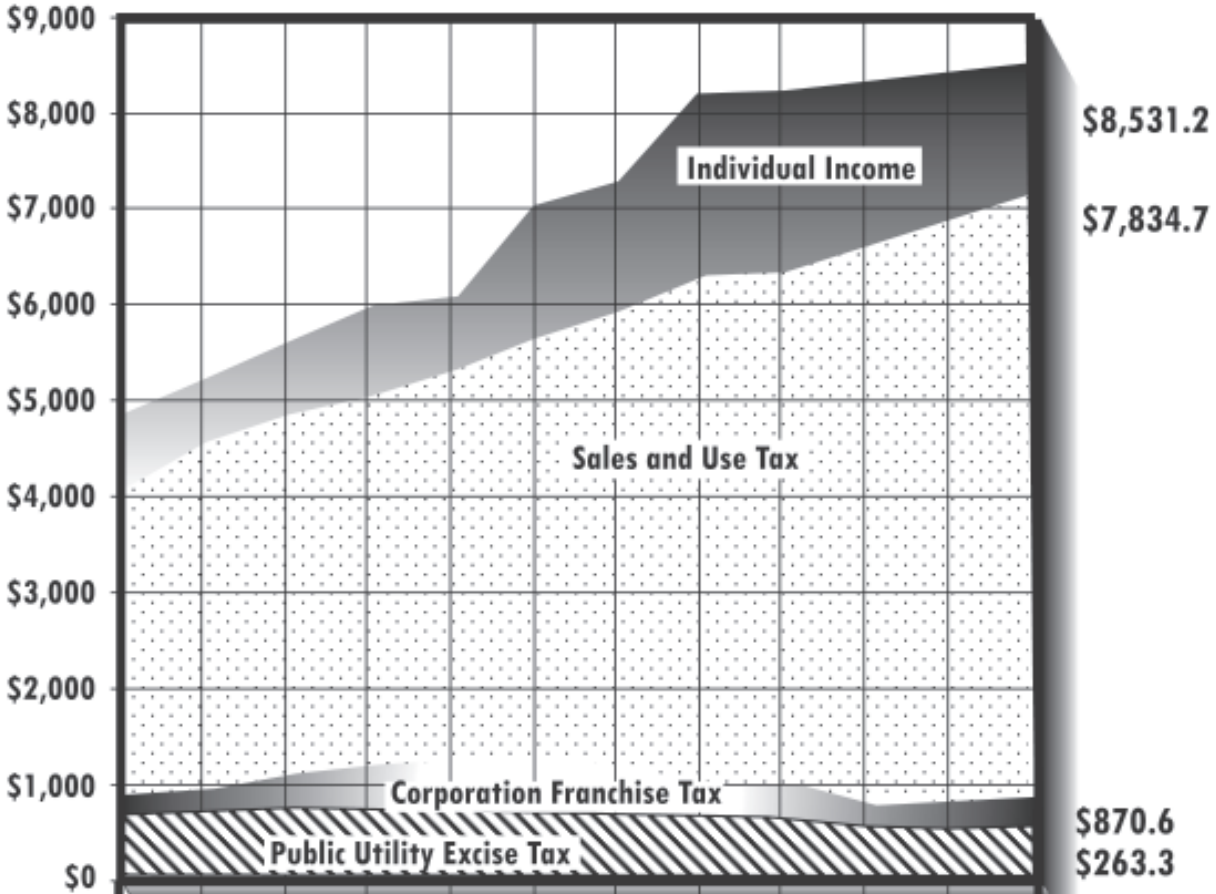
Revenue Source	Collections
Individual Income Tax	$7,696,894,548
Sales and Use Tax	7,530,589,935
Corporation Franchise Tax	809,171,806
Public Utility Excise Tax	226,445,512
Kilowatt-Hour Excise Tax	338,961,216
Cigarette Tax	557,531,741
Alcoholic Beverage Taxes (including liquor gallonage)	87,325,190
Total	17,246,919,948
Miscellaneous:	
Domestic Insurance Tax	165,901,761
Estate Tax	64,242,394
Foreign Insurance Tax	230,514,649
Dealers in Intangibles Tax	10,744,114
Total	471,402,918
Non-Tax Revenue:	
Earnings on Investment	17,966,445
Liquor Profits	118,000,000
Miscellaneous*	629,891,936
Total	765,858,381
GRAND TOTAL	**$18,484,181,248**

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 and Kilowatt-Hour Taxes, Fiscal Years 1994 — 2004

(figures in millions)



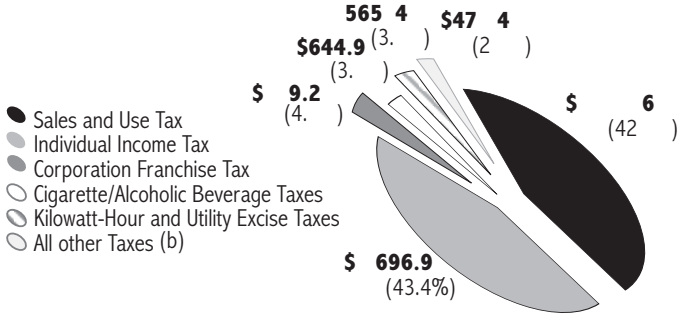
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Individual Income Tax	$5,088.8	$5,457.4	$5,884.8	$6,018.5	$6,946.2	$7,173.8	$8,084.6	$8,119.3	$8,157.1	$8,256.5	$8,531.2
Sales and Use Tax*	4,468.1	4,742.5	4,981.1	5,223.0	5,535.1	5,827.4	6,214.0	6,237.1	6,435.0	6,701.4	7,834.7
Corporation Franchise Tax	953.6	1,112.0	1,181.7	1,220.3	1,268.7	1,150.3	1,029.9	937.0	774.4	808.3	870.6
Public Utility Excise Tax	640.0	707.3	653.5	672.9	708.0	670.6	675.3	674.3	300.0	255.5	263.3
Kilowatt-Hour Tax**	—	—	—	—	—	—	—	38.0	569.2	539.4	538.0

* Temporary two-year rate increase from 5% to 6% effective July 1, 2003.

** Replaced the public utility excise tax on electric and rural electric companies, effective May 1, 2001.

General Revenue Fund Tax Sources

Fiscal Year 2004
(figures in millions)

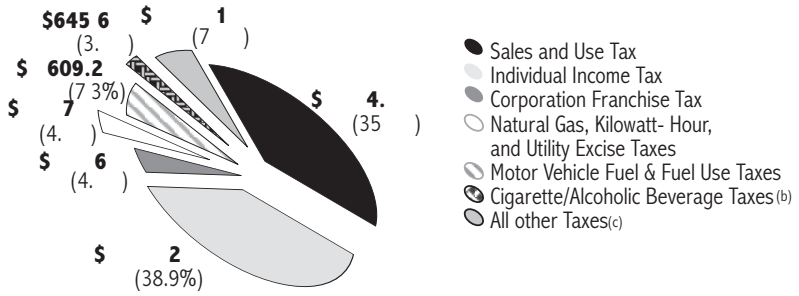


Total $17,718.3 million[a]

(a) 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 2004
(figures in millions)



Total $21,920.2 million[a]

(a) Figures may not add due to rounding.
(b) Includes tax on liquor of approximately $30.9 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.