

Individual Income Tax - State

The Ohio individual income tax is the largest revenue producer for the state with total collections in Fiscal Year 2005 exceeding \$9.43 billion, or 45.1 percent of general revenues. Income tax revenue is split between state government, local governments, and libraries in proportions mandated by state law (see **Disposition of Revenue**). The Ohio Constitution requires that 50 percent of collections be returned to the county of origin.

The income tax has nine brackets covering ranges of taxable income and corresponding tax rates which progress from a minimum of .712 percent to a maximum rate of 7.185 percent for calendar year 2005. Calendar year 2005 is the first year of a reduction in rates that will be phased in over five years for a total reduction of 21 percent from 2004 rates (see **Recent Legislation**).

The Ohio income tax on individuals and estates was enacted in December 1971 and took effect January 1, 1972. An income tax on trusts was enacted in 2002 to help balance the state budget.

To facilitate compliance by the taxpayer and tax administration by the state, Ohio's income tax is linked closely to the federal income tax. The "starting point" for computing the Ohio income tax is federal adjusted gross income as defined in the Internal Revenue Code (I.R.C.). The "starting point" for estates and trusts is taxable income as defined in the I.R.C. Taxpayers make specified adjustments to income before applying Ohio tax rates to the remaining amount (Ohio taxable income) and determining tax liability. From this figure, certain credits may be subtracted to arrive at the final income tax due.

Under temporary law, subsequently made permanent, when the state declares a revenue surplus, statutory tax rates are reduced. There were such rate reductions from 1996-2000, but none from 2001-2005. In 2005, the personal exemption amount is \$1,350, up from \$1,300 in 2004. Each year the personal exemption amount is indexed for inflation.

This chapter includes twelve tables presenting information compiled from 2003 Ohio individual income tax returns (due by April 15, 2004). The data shows that 5,299,150 taxpayers filed tax returns, reporting total federal adjusted gross income of approximately \$266 billion, an average of roughly \$50,263 per return. Ohio taxpayers had a total tax liability of \$8,057 million for an average liability of \$1,520 per return.

Table 1 has detailed data categorized in 43 income levels.

Table 2 compares total returns filed for 2002 and 2003, grouped by major income levels.

Table 3 compares only taxable individual income tax returns for 2002 and 2003 with a tax liability.

Table 4 summarizes Table 1, combining major data into nine income levels.

Tables 5, 6, and 7 show nine income levels by filing status — married filing joint, single, and married filing separate.

Table 8 classifies returns and tax liability by Ohio taxable income rather than federal adjusted gross income.

Table 9 contains information on the joint filer credit for couples earning at least \$500 of qualifying Ohio adjusted gross income.

Table 10 provides information pertaining to the senior citizen credit.

Table 11 presents data by county. Cuyahoga County had the most returns, highest income, and highest tax liability. The ten most populous counties accounted for nearly 53 percent of all returns.

Table 12 presents average income per return by county. Delaware County had the highest average income at \$75,333, with Noble County the lowest at \$30,062.

Taxpayer (Ohio Revised Code 5747.01(N)):

A taxpayer is every person subject to the tax under R.C. 5747.02 which includes every individual and every estate residing in Ohio or earning or receiving income in Ohio. Ohio lottery proceeds are subject to state tax. Every resident trust and certain nonresident trusts earning income from Ohio sources are subject to the Ohio income tax.

Rates (R.C. 5747.02):

Ohio Taxable Income	2005 Tax Rate
0 — \$5,000	0.712% of Ohio taxable income
\$5,001 — \$10,000	\$35.60 + 1.424% of excess over \$5,000
\$10,001 — \$15,000	\$106.80 + 2.847% of excess over \$10,000
\$15,001 — \$20,000	\$249.15 + 3.559% of excess over \$15,000
\$20,001 — \$40,000	\$427.10 + 4.27% of excess over \$20,000
\$40,001 — \$80,000	\$1,281.10 + 4.983% of excess over \$40,000
\$80,001 — \$100,000	\$3,274.30 + 5.693% of excess over \$80,000
\$100,001 — \$200,000	\$4,412.90 + 6.61% of excess over \$100,000
\$200,001 — over	\$11,022.90 + 7.185% of excess over \$200,000

Tax Base (R.C. 5747.01):

The tax base is the amount of federal adjusted gross income (individuals) or taxable income (estates and trusts) as defined in the I.R.C., plus or minus the adjustments according to Ohio income tax law (see **General Computation of Tax Liability** on the following page).

General Computation of Tax Liability for the 2005 Individual Income Tax Return

Starting Point: Federal Adjusted Gross Income (FAGI), Plus or Minus:

Additions to the extent not included in FAGI:

1. Non-Ohio state or local government interest and dividends.
2. Pass-through entity add-back.
3. Income from an electing small business trust.
4. Reimbursement of college tuition expenses and fees deducted in a previous year (expires after taxable year 2005).
5. Losses from the sale of Ohio public obligations.
6. Non-medical withdrawals from an Ohio Medical Savings Account.
7. Reimbursement of expenses previously deducted.
8. Non-education expenditure from a college savings account.
9. Add-back of 5/6 of the depreciation adjustment for I.R.C. sections 168(k) and 179.
4. Disability and survivorship benefits.
5. Social security and some railroad retirement benefits.
6. Contributions to a college savings account.
7. Tuition expense paid to an Ohio-based institution (limited deduction).
8. Unsubsidized health insurance, long-term care insurance, and excess medical expense deduction.
9. Funds deposited into, and earnings on, an Ohio Medical Savings Account.
10. Grantor Trust Electing Small Business Trust losses.
11. Wage and salary expense not deducted due to the federal targeted jobs or work opportunity tax credits.
12. Interest income from Ohio public and Ohio purchase obligations and gains from the sale or other disposition of Ohio public obligations.
13. Refund or reimbursement of a prior year federal itemized deduction.
14. Repayment of income reported in a prior year.
15. Amount contributed to an individual development account.
16. 1/5 of the depreciation added back in each of the previous five years.

Deductions to the extent not excluded or deducted from FAGI:

1. Certain federal interest and dividends.
2. Reciprocity income (income tax paid to other states; see item 2., **Special Provisions**, in this chapter).
3. State or municipal income tax overpayments deducted on a prior year's federal income tax return.

= Ohio Adjusted Gross Income

Subtract: Exemption of \$1,350 per taxpayer and per dependent

= Ohio Taxable Income

Apply: Graduated rates of .712% to 7.185 % for 2005

= Tax before credits + Grants

Subtract the following credits:

1. Personal and dependency credit of \$20.
2. Retirement income credit.
3. Senior citizen credit.
4. Lump sum distribution credit.
5. Child and dependent care credit.
6. Lump sum retirement income credit.
7. Credit if Ohio taxable income is less than or equal to \$10,000.
8. Job training credit.
9. Political contributions credit.
10. Adoption credit.
11. Joint filing credit.
12. Resident credit.
13. Nonresident credit.
14. Business credits.

= Ohio Net Individual Income Tax Liability

Exemptions and Adjustments:

1. **Personal and Dependent Exemptions (R.C. 5747.025):** For 2005, a personal exemption is available for each taxpayer and each dependent in the amount of \$1,350. This exemption is adjusted annually based upon the gross domestic product deflator.
2. **Adjustments to Federal Adjusted Gross Income for Individuals:** For a complete listing and explanation of the adjustments to federal adjusted gross income, see form IT-1040, Ohio Income Tax Return Instructions.
3. **Adjustments to Federal Taxable Income for Estates and Trusts:** For a complete listing and explanation of the adjustments, see form IT-1041, Ohio Fiduciary Income Tax Return Instructions.

Personal Credits:

1. **Personal and Dependent Exemption Credit (R.C. 5747.022):**
Individual taxpayers are allowed to take a credit of \$20 against the Ohio income tax for each personal and dependent exemption.
2. **Retirement Income Credit (R.C. 5747.055):**
Individual and estate taxpayers, receiving retirement benefits, annuities, or distributions from a retirement or profit sharing plan which are included in Ohio adjusted gross income, are allowed a credit based on the amount of retirement income received during the taxable year. The maximum credit is \$200.
3. **Senior Citizen Credit (R.C. 5747.05(C)):**
Individual and estate taxpayers may claim a \$50 credit if the taxpayer was 65 years of age on or before December 31st of the taxable year.
4. **Lump Sum Retirement Credit (R.C. 5747.05(D)):**
Individual taxpayers over 65 years of age may claim this credit if they received a lump sum distribution from a pension, retirement or profit sharing plan. The calculation is based upon the expected remaining life years times the senior citizens credit amount.
5. **Child and Dependent Care Credit (R.C. 5747.054):**
Individual and estate taxpayers with an income of less than \$40,000 may claim this credit if they made payments that qualified for the federal child and dependent care credit on the federal income tax return.
6. **Lump Sum Retirement Income Credit (R.C. 5747.055(C),(D),(E)):**
Individual taxpayers may claim this credit if, on retirement, they received a lump sum distribution from a qualified pension, retirement, or profit sharing plan during one tax year.
7. **Low-Income Taxpayer Credit (R.C. 5747.056):**
Individual taxpayers whose Ohio taxable income is less than or equal to \$10,000 receive a full credit against the tax otherwise due.
8. **Job Training Credit (R.C. 5747.27):**
An individual taxpayer may claim a credit for training expenses incurred within 12 months of losing or leaving a job due to abolishment of position or shift. The maximum credit is 50 percent of the training expenses or \$500, whichever is lower.
9. **Political Contributions Credit (R.C. 5747.29):**

Individual and estate taxpayers may claim a credit for contributions made to campaign committees of candidates for Ohio state office. The maximum credit is \$50 for single, head of household, and married filing separate filers and \$100 for married filing joint filers.

10. **Adoption Credit (R.C. 5747.37):**
Individual taxpayers may claim a credit for adoption expenses up to a maximum of \$500 per child. Adoption of stepchildren does not qualify for this credit.
11. **Joint Filer Credit (R.C. 5747.05(G)(1)):**
A husband and wife who file a joint individual return are allowed a tax credit if each spouse has qualifying Ohio adjusted gross income of \$500 or more. Qualifying income does not include income from interest, dividends and distributions, royalties, rents, capital gains, and state or municipal income tax refunds. The maximum credit is \$650. The credit is a percentage of the tax after all credits (other than the resident, nonresident, part-year resident, and business credits).
12. **Resident Credit (R.C. 5747.05(B)):**
Resident individuals, resident estates, and trusts may calculate a tax credit if part or all of their income is taxed in another state. The calculation for trusts differs from that used for individuals and estates.
13. **Nonresident Credit (R.C. 5747.05(A)):**
Nonresident individuals and nonresident estates may calculate a credit if part of their income was not earned or received in Ohio. Ohio lottery winnings do not qualify for this credit.

Business Credits and Grants —

Note: *The following business credits apply to individuals, estates, and trusts. You can find additional explanation in the **Corporation Franchise Tax** chapter of this report. Note that only the Ohio Job Creation Credit and Pass-Through Entity Credit are refundable.*

1. Credit or grant for purchases of new manufacturing machinery and equipment (7.5 percent/13.5 percent credit) (R.C. 5747.31, 122.172, and 122.173).
2. Credit for new employees in an enterprise zone (R.C. 5709.66(B)).
3. Credit for eligible costs associated with a voluntary clean-up action (carryforward only through 2006) (R.C. 5747.32 and 122.16).
4. Credit for employers that establish on-site day care centers (carryforward expires in 2007) (R.C. 5747.35).
5. Credit for investment in a certified ethanol plant (R.C. 5747.75).
6. Credit for purchases of grape production property (R.C. 5747.28).
7. Export sales (credit carryforward only through 2004) (R.C. 5747.057).
8. Edison Center credit for research and development investors (R.C. 5747.33, 122.15, 122.151-154).
9. Enterprise zone day care and training credit (R.C. 5709.65(A)(4) and (A)(5)).
10. Refundable job creation credit (R.C. 5747.058).

11. Refundable pass-through entity credit (R.C. 5747.059).

estimated payments on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

Special Provisions

- Military pay is taxable for residents. Ohio residents pay Ohio income tax on military pay regardless of duty station (except for all pay earned while in a combat zone). If the taxpayer is not an Ohio resident, Ohio does not tax the military pay. Ohio will tax nonmilitary pay earned in Ohio that is included in federal adjusted gross income.
- Reciprocity state income (R.C. 5747.05(A)(3)) may affect filing of an Ohio return. Because of "reciprocity agreements" Ohio has with the border states of Indiana, Kentucky, West Virginia, Michigan, and Pennsylvania, an individual does not have to file a 2005 Ohio income tax return if:
 - The taxpayer was a full-year resident of one of the five listed states for 2005, and
 - The taxpayer's only source of income within Ohio was from wages, salaries, tips, or commissions.

Exception: The "reciprocity agreements" do not apply to nonresidents who directly or indirectly own at least 20 percent of the stock or other equity of pass-through entities (S corporations, partnerships, etc.) under the provisions of R.C. 5733.40(A)(7) and 5747.40. These nonresidents cannot use the "reciprocity agreements" in order to deduct, as non-Ohio income, any compensation received from such pass-through entities. Rather, 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. Ohio tax form IT-2023 is used for this purpose.

- Residency status affects the calculation of the Ohio income tax. Individual taxpayers who spend less than 120 days in Ohio and who have a permanent abode outside of Ohio for the entire year may declare themselves to be a nonresident of Ohio. Without jeopardizing their nonresidency status, the taxpayer can spend up to an additional 30 days in Ohio for specific reasons (attending a funeral, charity functions, doctor visits). Taxpayers claiming nonresidency status should attach a statement to their tax return setting forth the facts supporting nonresidency status.

Filing and Payment Dates (R.C. 5747.07-5747.09):

For Individuals, Estates and Trusts:

- An annual return is due between January 1 and April 15 for calendar year taxpayers without an extension. Fiscal year returns are due by the 15th day of the fourth month after the fiscal year end. The return reconciles the tax liability with the amount remitted through withholding by the employer or quarterly estimated payments by the taxpayer.
- Taxpayers must file quarterly declarations if they expect to be underwithheld by more than \$500. Such taxpayers must make

For Employers:

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 year ending 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 year ending 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 year ending 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 EFT.

Disposition of Revenue:

- In FY 2005, 4.9 percent or \$458.0 million was distributed to the Library and Local Government Support Fund, 3.4 percent or \$324.9 million to the Local Government Fund, 0.5 percent or \$46.4 million to the Local Government Revenue Assistance Fund, and 91.2 percent or \$8,598.9 million was distributed to the General Revenue Fund. This distribution was structured by House Bill 95, 125th General Assembly, the FY 2004-2005 biennium budget bill, which continued a freeze on local government funds that began in 2002. For each month of FY 2005, the Local Government Fund and Local Government Revenue Assistance Fund received the same amount they received for the corresponding month of the July 2003 - June 2004 period. An uncodified provision of H.B. 66, the FY 2006-2007 biennium budget bill, froze FY 2006 and FY 2007 local government fund distributions at FY 2005 levels.
- 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 General Revenue Fund allocations to education, Local Government Fund distributions, and local property tax relief (12.5 percent property tax rollback and homestead exemption).

Administration:

The Department of Taxation administers the Ohio income tax on individuals, estates, and trusts.

Ohio Revised Code Citations:

Chapter 5747.

Recent Legislation

Amended Substitute House Bill 66, 126th General Assembly (FY 2006-2007 biennium budget bill, effective June 30, 2005). R.C. 5747.01, 5747.02(A) and (B):

Reduced the rate for all tax brackets for tax year 2005 by 4.2 percent. Reduces rates by an additional 4.2 percent (from tax year 2004 rates) in each of the tax years from 2006-2009 for a total reduction in rates of 21 percent. Also made permanent the tax on trust income.

R.C. 5747.056:

Created a low-income taxpayer credit for taxable years beginning in 2005 and thereafter. Taxpayers having Ohio taxable income of \$10,000 or less receive a nonrefundable credit equal to the amount of tax otherwise due. While such taxpayers still have to file the Ohio income tax return, they will owe no Ohio income tax.

R.C. 122.172, 122.173 and 5733.33:

Converted the manufacturers' new machinery and equipment business credit to a nonrefundable grant, effective for taxable years ending after June 30, 2005. Qualifying taxpayers must file the "notice of intent" letter with the Ohio Department of Development and must attach the "grant request form" to the income tax return. Also changed the last day of the purchase period from December 31, 2015 to June 30, 2005. Changed the last day of the installation period from December 31, 2016 to June 30, 2006.

R.C. 5747.113:

Created a military injury relief fund and allowed taxpayers to contribute a portion of their income tax refund to this fund. The fund is administered by the Ohio Department of Job and Family Services.

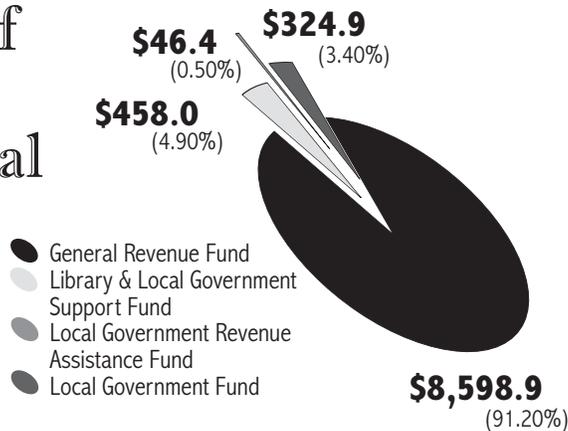
Sub. H.B. 2, 126th General Assembly (effective June 2, 2005).

R.C. 5747.026(A)-(D):

Expanded existing extensions to file and pay individual and school district income taxes to members of the Ohio National Guard and members of a reserve component of the U.S. Armed Forces who are called to active duty for any reason.

Distribution of Revenue from Individual Income Tax

Fiscal Year 2005
(figures in millions)



Total \$9,434.5 million*

*Includes Attorney General collections and political party contributions which amount to \$6.3 million.

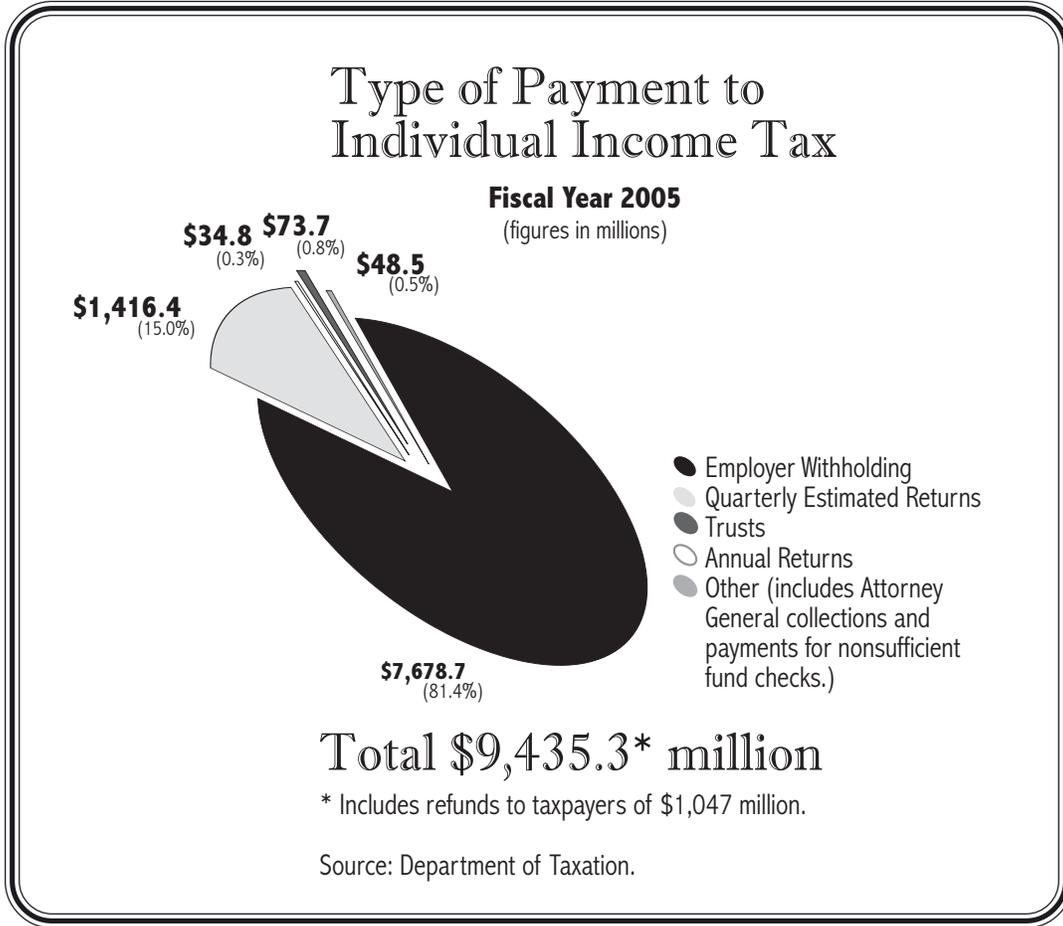


Exhibit - State Individual Income Tax 2003 Individual Income Tax Returns, Income and Tax, by Income Level

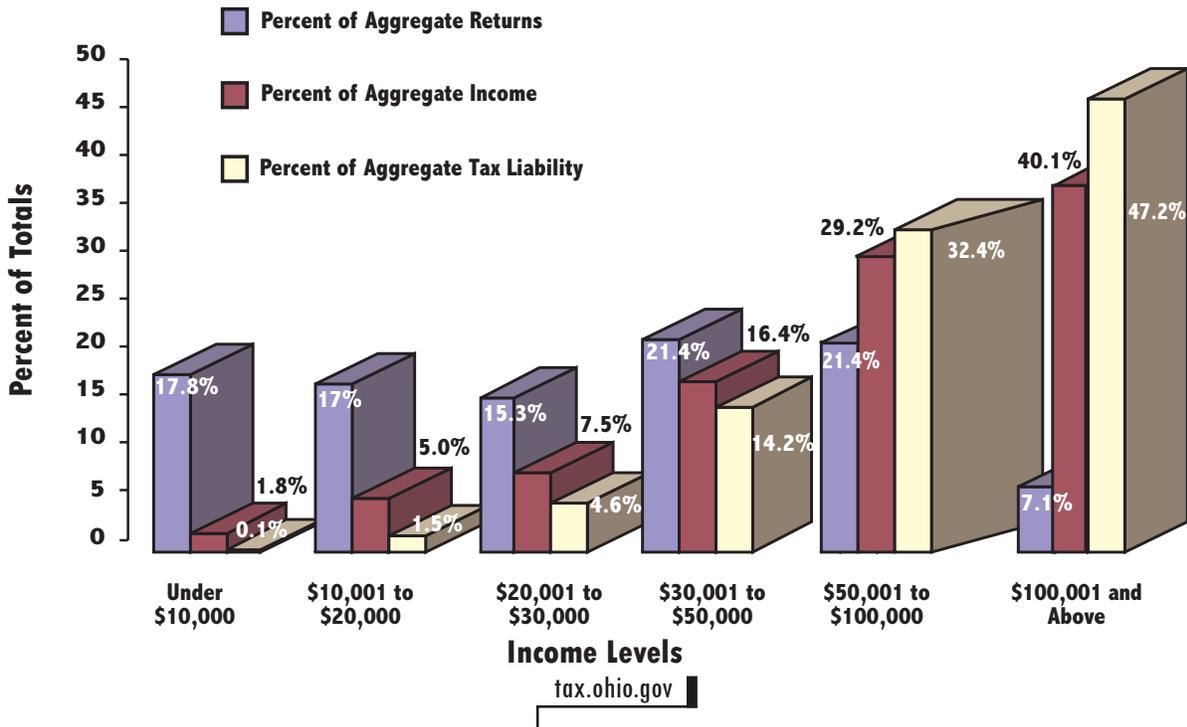


Table 1
2003 Ohio Individual Income Tax Returns, by Income Level *

Income Level (Federal Adjusted Gross Income)	Number of Returns	Federal Adjusted Gross Income	Ohio Adjusted Gross Income	Reported Value Personal Exemptions	Ohio Taxable Income	Tax Before Credits	Joint Filer Credit	Tax Liability after all Tax Credits
0	60,900	\$35,698,990	\$36,203,021	\$84,930,718	\$1,110,074	\$13,000	\$0	\$9,772
\$1,000	96,156	145,281,115	144,413,803	136,881,723	25,943,751	199,218	422	15,877
2,000	103,252	258,921,474	256,191,674	150,854,284	114,267,862	836,743	507	15,975
3,000	105,965	370,944,850	366,097,603	160,850,174	209,738,160	1,570,113	395	20,261
4,000	107,661	484,636,937	476,754,548	169,505,402	309,523,272	2,323,570	799	352,321
5,000	99,181	544,988,964	534,159,085	162,937,738	372,646,355	2,793,380	600	810,934
6,000	95,110	617,936,251	604,457,469	163,094,373	442,408,173	3,446,451	809	1,292,104
7,000	95,776	718,215,395	701,149,992	171,149,741	530,923,593	4,594,351	927	2,052,054
8,000	91,738	779,826,760	760,890,733	168,587,126	593,234,376	5,594,107	4,222	2,716,567
9,000	91,839	872,618,734	848,387,099	173,820,890	675,253,249	6,767,441	5,111	3,464,175
10,000	92,916	975,693,620	947,613,109	186,548,454	761,656,694	7,973,481	6,303	4,149,550
11,000	90,346	1,039,081,310	1,008,264,916	180,087,998	828,665,079	9,270,197	12,153	5,164,524
12,000	89,320	1,116,526,513	1,083,521,524	179,979,676	904,078,160	11,176,033	17,992	6,638,700
13,000	89,738	1,211,631,608	1,176,639,033	182,489,386	994,600,084	13,481,221	31,804	8,366,883
14,000	90,815	1,317,140,259	1,278,307,756	187,740,597	1,090,969,076	16,018,345	47,727	10,279,492
15,000	90,069	1,396,296,338	1,355,721,286	187,481,410	1,168,608,420	18,351,090	69,337	12,063,339
16,000	89,999	1,485,076,739	1,441,475,819	188,768,250	1,253,054,055	20,936,198	94,549	14,177,718
17,000	90,011	1,575,393,091	1,530,138,500	190,959,467	1,339,482,530	23,792,895	127,184	16,643,164
18,000	88,982	1,646,118,944	1,600,567,773	190,386,010	1,410,450,153	26,529,003	169,944	19,156,557
19,000	88,166	1,719,334,392	1,672,241,491	191,159,496	1,481,365,907	29,288,221	222,304	21,837,574
20,000	216,111	4,590,797,768	4,464,934,350	473,552,617	3,992,027,073	85,176,445	847,519	67,089,922
22,500	205,862	4,888,144,018	4,734,179,716	456,721,326	4,297,954,913	101,373,599	1,294,054	83,814,245
25,000	197,336	5,179,107,544	5,031,613,451	441,927,232	4,590,142,494	117,625,306	1,837,685	100,081,383
27,500	190,708	5,482,141,599	5,319,658,636	429,424,157	4,890,605,666	133,727,821	2,230,983	115,906,262
30,000	179,044	5,594,303,314	5,420,421,533	410,446,732	5,010,319,277	144,119,372	2,510,936	126,629,855
32,500	169,379	5,713,508,759	5,536,758,537	394,825,046	5,142,221,619	154,177,143	3,014,367	136,603,443
35,000	156,795	5,681,691,011	5,497,023,653	373,123,733	5,122,146,155	158,840,664	3,667,257	141,364,616
37,500	145,330	5,629,193,892	5,437,781,600	361,232,688	5,076,772,441	161,867,790	4,482,470	143,901,638
40,000	135,333	5,580,235,131	5,391,913,657	348,583,042	5,043,492,392	164,949,601	5,320,669	147,019,608
42,500	125,049	5,468,415,928	5,275,903,930	332,827,785	4,943,286,481	165,984,257	6,153,954	147,694,557
45,000	115,289	5,330,638,813	5,141,156,806	317,086,518	4,824,234,806	166,380,051	7,012,115	147,692,042
47,500	107,911	5,259,666,346	5,066,672,400	304,362,410	4,762,644,999	168,389,515	8,009,875	148,989,688
50,000	193,424	10,144,821,252	9,762,614,049	564,777,744	9,198,610,439	335,902,200	16,789,146	297,329,617
55,000	169,757	9,732,566,694	9,380,115,083	517,540,867	8,862,817,529	335,648,859	15,286,671	299,632,282
60,000	149,453	9,332,441,822	8,975,621,122	474,607,524	8,501,253,447	331,717,413	16,821,131	295,143,018
65,000	132,329	8,925,040,209	8,603,257,825	433,695,271	8,169,725,275	327,041,276	18,144,137	290,068,518
70,000	116,321	8,427,181,501	8,130,403,352	391,418,833	7,739,156,255	316,477,415	18,922,340	279,934,210
75,000	101,079	7,826,342,590	7,560,826,415	349,922,566	7,211,034,643	300,280,743	17,064,854	266,817,438
80,000	158,888	13,460,154,725	13,039,555,369	566,353,496	12,473,886,274	333,032,974	19,197,467	484,335,060
90,000	111,877	10,592,190,822	10,285,509,573	410,849,573	9,874,807,434	438,597,288	15,078,426	398,944,271
100,000	219,584	26,057,261,769	25,391,911,385	821,506,995	24,570,426,869	1,196,812,294	39,632,671	1,075,545,825
150,000	63,433	10,859,183,176	10,639,456,366	240,616,185	10,398,888,484	572,556,510	17,330,486	501,270,603
200,000 & above	90,918	68,263,240,745	68,286,756,038	342,238,570	67,944,597,920	4,779,080,067	28,383,794	2,231,590,702
STATE TOTALS	5,299,150	\$266,349,631,712	\$260,217,241,080	\$3,167,412,807	\$247,148,349,071	\$11,394,733,661	\$269,846,096	\$8,056,626,344

* As reported on returns due April 15, 2004.



Table 2
Comparison of 2002 and 2003 Individual Income Tax Returns

Income Level (Federal Adjusted Gross Income)	Number of Returns		Federal Adjusted Gross Income		Ohio Taxable Income		Joint Filer Credit		Ohio Income Tax	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
0 - \$5,000	482,836	473,934	\$1,318,332,047	\$1,295,483,366	\$694,461,710	\$660,583,119	\$513	\$2,123	\$407,502	\$414,206
\$5,001 - 10,000	473,756	473,644	3,532,257,496	3,533,586,104	2,658,659,345	2,614,465,746	7,447	11,669	10,533,093	10,335,834
10,001 - 15,000	454,255	453,135	5,677,870,563	5,660,073,310	4,656,717,679	4,579,969,093	123,340	115,979	35,501,213	34,599,149
15,001 - 20,000	450,461	447,227	7,877,645,673	7,827,219,504	6,764,278,535	6,652,961,065	705,173	683,318	85,857,468	83,878,352
20,001 - 40,000	1,479,290	1,460,565	43,224,278,875	42,758,887,905	38,787,534,770	38,122,184,638	20,969,571	19,885,271	934,350,689	915,391,364
40,001 - 80,000	1,364,432	1,345,945	76,966,910,556	76,047,350,286	70,363,212,477	69,256,076,466	137,784,588	129,524,892	2,351,299,864	2,320,320,978
80,001 - 100,000	250,499	270,765	22,239,978,125	24,052,345,547	20,691,101,406	22,348,195,671	31,786,491	34,275,893	816,505,913	883,279,331
100,001 - 200,000	262,292	283,017	34,248,208,389	36,916,444,945	32,425,978,491	34,969,315,353	52,668,271	56,963,157	1,458,579,646	1,576,816,428
200,001 & above	87,006	90,918	61,563,185,262	68,263,240,745	60,936,064,964	67,944,597,920	27,206,706	28,383,794	2,141,462,311	2,231,590,702
Total	5,304,827	5,299,150	\$256,648,666,986	\$266,349,631,712	\$237,978,009,377	\$247,148,349,071	\$271,252,100	\$269,846,096	\$7,834,492,699	\$8,056,626,344

Table 3
Comparison of 2002 and 2003 Individual Income
Tax Returns with Tax Liability

Income Level (Federal Adjusted Gross Income)	Number of Returns with Tax Liability		Ohio Income Tax	
	2002	2003	2002	2003
0 - \$5,000	85,601	79,960	\$407,502	\$414,206
\$5,001 - 10,000	322,957	319,321	10,533,093	10,335,834
10,001 - 15,000	349,917	343,004	35,501,213	34,599,149
15,001 - 20,000	394,712	386,633	85,852,468	83,878,352
20,001 - 40,000	1,451,064	1,428,286	934,350,689	915,391,364
40,001 - 80,000	1,350,654	1,331,366	2,351,299,864	2,320,320,978
80,001 - 100,000	247,948	267,948	816,505,913	883,279,331
100,001 - 200,000	258,981	279,175	1,458,579,646	1,576,816,428
200,001 & above	84,000	87,532	2,141,462,311	2,231,590,702
Total	4,545,834	4,523,225	\$7,834,492,699	\$8,056,626,344

Table 4
2003 Ohio Individual Income Tax Returns for All Filing Status Categories

Income Level (Federal Adjusted Gross Income)	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Joint Filer Credit	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	473,934	\$1,295,483,366	\$660,583,119	\$2,123	\$414,206	0.03%
\$5,001 - 10,000	473,644	3,533,586,104	2,614,465,746	11,669	10,335,834	0.29%
10,001 - 15,000	453,135	5,660,073,310	4,579,969,093	115,979	34,599,149	0.61%
15,001 - 20,000	447,227	7,822,219,504	6,652,961,065	683,318	83,878,352	1.07%
20,001 - 40,000	1,460,565	42,758,887,905	38,122,184,638	19,885,271	915,391,364	2.14%
40,001 - 80,000	1,345,945	76,047,350,286	69,256,076,466	129,524,892	2,320,320,978	3.05%
80,001 - 100,000	270,765	24,052,345,547	22,348,195,671	34,275,893	883,279,331	3.67%
100,001 - 200,000	283,017	36,916,444,945	34,969,315,353	56,963,157	1,576,816,428	4.27%
200,001 & above	90,918	68,263,240,745	67,944,597,920	28,383,794	2,231,590,702	3.27%
Total	5,299,150	\$266,349,631,712	\$247,148,349,071	\$269,846,096	\$8,056,626,344	3.02%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

Table 5
2003 Ohio Individual Income Tax Returns Claiming Married Filing Joint Status

Income Level (Federal Adjusted Gross Income)	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	17,211	\$51,356,400	\$11,666,156	\$31,700	0.06%
\$5,001 - 10,000	41,309	322,291,894	171,430,431	143,489	0.04%
10,001 - 15,000	73,395	928,733,144	634,602,604	1,498,945	0.16%
15,001 - 20,000	94,458	1,657,168,278	1,258,638,792	7,406,532	0.45%
20,001 - 40,000	389,770	11,741,125,675	9,698,958,570	189,081,627	1.61%
40,001 - 80,000	781,592	46,154,944,155	41,191,026,786	1,330,090,636	2.88%
80,001 - 100,000	222,512	19,788,234,113	18,288,363,824	716,344,179	3.62%
100,001 - 200,000	242,369	31,651,353,520	29,932,097,220	1,344,172,979	4.25%
200,001 & above	77,319	53,704,282,562	53,437,126,151	1,893,098,952	3.53%
Total	1,939,935	\$165,999,489,741	\$154,623,910,534	\$5,481,869,039	3.30%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

Table 6
2003 Ohio Individual Income Tax Returns
Claiming Single Filing Status

Income Level (Federal Adjusted Gross Income)	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	451,133	\$1,228,677,494	\$640,513,752	\$372,899	0.03%
\$5,001 - 10,000	423,379	3,142,200,341	2,389,281,800	9,895,112	0.31%
10,001 - 15,000	361,156	4,491,724,806	3,739,076,358	30,874,576	0.69%
15,001 - 20,000	318,482	5,558,928,184	4,852,619,931	67,649,548	1.22%
20,001 - 40,000	854,427	24,453,765,834	22,362,083,169	563,205,687	2.30%
40,001 - 80,000	403,465	21,292,933,756	19,903,114,549	695,011,151	3.26%
80,001 - 100,000	32,520	2,874,790,563	2,714,818,044	109,564,566	3.81%
100,001 - 200,000	29,352	3,819,036,726	3,627,461,510	163,902,601	4.29%
200,001 & above	10,792	11,992,624,085	11,953,316,533	251,118,929	2.09%
Total	2,884,706	\$78,854,681,789	\$72,182,285,646	\$1,891,595,069	2.40%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

Table 7
2003 Ohio Individual Income Tax Returns
Claiming Married Separate Filing Status

Income Level (Federal Adjusted Gross Income)	Number of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	5,589	\$15,449,471	\$8,403,210	\$9,609	0.06%
\$5,001 - 10,000	8,957	69,093,870	53,753,515	297,233	0.43%
10,001 - 15,000	18,583	239,615,358	206,290,132	2,225,629	0.93%
15,001 - 20,000	34,286	606,123,045	541,702,342	8,822,271	1.46%
20,001 - 40,000	216,368	6,563,996,394	6,061,142,900	163,104,051	2.48%
40,001 - 80,000	160,888	8,599,472,373	8,161,935,133	295,219,189	3.43%
80,001 - 100,000	15,733	1,389,320,872	1,345,013,803	57,370,586	4.13%
100,001 - 200,000	11,295	1,446,054,698	1,409,756,624	68,740,848	4.75%
200,001 & above	2,806	2,566,334,098	2,554,155,235	87,372,822	3.40%
Total	474,505	\$21,495,460,179	\$20,342,152,894	\$683,162,238	3.18%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

Table 8
2003 Ohio Individual Income Tax Returns by Ohio Taxable
Income Level

Income Level (Ohio Taxable Income)	Number of Returns*	\$20 Exemption Credit	Joint Filer Credit	Ohio Income Tax
0 - \$5,000	695,413	\$13,601,923	\$384	\$1,404,531
\$5,001 - 10,000	495,097	13,186,501	47,805	16,486,301
10,001 - 15,000	464,769	13,241,557	485,792	53,345,442
15,001 - 20,000	452,271	15,678,314	1,879,244	117,506,027
20,001 - 40,000	1,429,311	53,301,477	30,743,031	1,064,779,215
40,001 - 80,000	1,212,197	58,968,626	128,822,580	2,362,330,553
80,001 - 100,000	223,703	12,834,062	29,044,277	804,338,267
100,001 - 200,000	240,576	14,377,940	51,872,994	1,448,196,646
200,001 & above	<u>85,813</u>	<u>5,174,640</u>	<u>26,949,989</u>	<u>2,188,239,362</u>
Total	5,299,150	\$200,365,040	\$269,846,096	\$8,056,626,344

*Differs from other tables due to methodology of computation.

Table 9
2003 Ohio Individual Income Tax Returns Claiming
the Joint Filer Credit

Income Level (Federal Adjusted Gross Income)	Number of Returns Claiming Credit*	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax
0 - \$5,000	89	\$393,399	\$792,147	\$11,519
\$5,001 - 10,000	1,612	13,781,573	11,499,393	50,307
10,001 - 15,000	9,298	121,349,196	92,958,086	481,377
15,001 - 20,000	25,358	454,189,363	364,071,424	2,685,239
20,001 - 40,000	204,868	6,324,907,542	5,359,097,157	100,436,040
40,001 - 80,000	584,947	35,002,829,830	31,695,493,814	1,012,432,399
80,001 - 100,000	181,847	16,169,612,335	15,093,657,886	592,009,042
100,001 - 200,000	185,871	24,032,453,081	22,889,476,306	1,031,976,058
200,001 & above	<u>44,710</u>	<u>24,962,355,372</u>	<u>24,779,752,875</u>	<u>1,061,292,603</u>
Total	1,238,600	\$107,081,871,691	\$100,286,799,088	\$3,801,374,584

* Differs from other tables due to methodology of computation.

Table 10
2003 Ohio Individual Income Tax Returns Claiming
the Senior Citizen Credit

Income Level (Federal Adjusted Gross Income)	Number of Returns Claiming Credit	Federal Adjusted Gross Income	Ohio Taxable Income	Senior Citizen Credit	Retirement Income Credit*	Ohio Income Tax
0 - \$5,000	17,390	\$60,839,568	\$32,313,591	\$868,953	\$746,591	\$4,112
\$5,001 - 10,000	59,347	464,739,910	340,396,000	2,966,750	5,283,491	57,991
10,001 - 15,000	84,943	1,063,789,218	835,309,970	4,246,853	11,234,410	945,717
15,001 - 20,000	82,679	1,440,008,248	1,165,350,576	4,133,338	12,193,421	4,024,758
20,001 - 40,000	172,482	4,914,968,019	3,851,020,402	8,623,137	26,646,705	54,427,698
40,001 - 80,000	127,722	7,189,556,000	5,347,686,095	6,386,021	19,401,609	145,681,560
80,001 - 100,000	23,088	2,047,953,807	1,593,940,281	1,154,387	3,321,351	56,078,857
100,001 - 200,000	28,290	3,755,793,669	3,142,017,216	1,414,365	3,760,191	134,176,522
200,001 & above	12,598	13,002,021,870	12,820,453,284	629,862	1,363,801	339,810,083
Total	608,539	\$33,939,670,309	\$29,128,487,415	\$30,423,666	\$83,951,570	\$735,207,298

* This represents only the amount of the retirement income credit taken by senior citizen credit claimants.
The total amount of the retirement income credit reported on the tax returns is \$125.0 million.



Table 11
2003 Ohio Individual Income Tax Returns, by County

County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax	County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax
ADAMS	12,290	\$376,353,227	\$9,884,020	MADISON	17,774	\$755,602,616	\$24,756,254
ALLEN	48,568	1,900,735,488	61,130,472	MAHONING	110,284	4,312,535,362	140,383,892
ASHLAND	23,587	876,908,818	26,562,034	MARION	28,068	1,026,924,798	31,002,877
ASHTABULA	45,097	1,503,070,976	41,794,606	MEDINA	78,028	3,939,062,916	142,468,096
ATHENS	22,376	766,519,877	22,906,774	MEIGS	8,712	269,177,133	6,988,341
AUGLAIZE	22,055	865,541,961	27,152,886	MERCER	20,170	746,933,060	22,958,552
BELMONT	29,551	984,887,057	27,279,052	MIAMI	48,332	2,064,243,224	69,514,133
BROWN	18,101	626,116,377	17,486,535	MONROE	6,307	195,825,099	5,026,116
BUTLER	155,593	7,306,638,704	255,456,980	MONTGOMERY	247,346	10,734,829,035	365,348,909
CARROLL	12,665	431,899,530	12,136,156	MORGAN	6,306	193,473,077	4,769,189
CHAMPAIGN	17,397	671,267,940	20,519,751	MORROW	13,624	494,492,449	14,363,772
CLARK	62,858	2,374,485,424	72,940,776	MUSKINGUM	39,075	1,356,696,048	40,990,369
CLERMONT	86,605	4,091,931,132	143,087,066	NOBLE	5,216	156,800,852	4,058,733
CLINTON	20,136	756,323,494	23,162,636	OTTAWA	20,984	883,503,933	28,777,783
COLUMBIANA	47,168	1,609,872,092	46,192,742	PAULDING	9,195	331,538,189	9,659,924
COSHOCTON	16,257	535,862,649	14,835,509	PERRY	14,645	473,678,335	12,900,633
CRAWFORD	21,975	728,053,085	20,176,047	PICKAWAY	21,847	864,505,166	26,406,040
CUYAHOGA	603,402	27,866,697,017	1,008,489,798	PIKE	11,441	373,887,713	10,198,392
DARKE	25,514	911,524,655	27,482,351	PORTAGE	69,820	2,979,484,954	100,253,240
DEFIANCE	19,039	758,155,639	23,578,029	PREBLE	18,020	672,867,112	19,544,728
DELAWARE	67,031	5,049,673,260	222,066,708	PUTNAM	17,311	688,822,228	21,802,850
ERIE	37,926	1,609,132,845	54,913,550	RICHLAND	57,468	2,173,944,092	68,055,174
FAIRFIELD	60,199	2,747,444,142	93,762,064	ROSS	32,149	1,165,199,453	34,663,604
FAYETTE	13,132	436,314,191	12,362,098	SANDUSKY	30,371	1,091,104,431	32,165,607
FRANKLIN	515,332	24,046,958,382	873,980,431	SCIOTO	27,759	938,121,262	26,814,423
FULTON	20,713	819,363,491	25,220,558	SENECA	26,971	941,617,195	27,182,340
GALLIA	12,573	445,480,555	13,505,971	SHELBY	23,542	914,773,796	29,218,119
GEAUGA	43,013	2,807,981,901	120,988,026	STARK	174,122	7,000,287,430	229,605,681
GREENE	67,981	3,516,073,973	129,606,419	SUMMIT	250,538	11,582,619,446	418,257,823
GUERNSEY	17,724	558,709,709	15,481,817	TRUMBULL	102,017	3,881,698,304	120,478,485
HAMILTON	381,803	19,758,448,506	768,274,515	TUSCARAWAS	44,011	1,544,866,878	45,998,334
HANCOCK	34,188	1,490,380,436	50,913,676	UNION	20,391	992,656,283	34,684,623
HARDIN	13,438	466,336,128	13,177,498	VAN WERT	14,156	493,991,882	13,718,362
HARRISON	6,742	205,248,678	5,302,857	VINTON	4,609	145,943,381	4,008,516
HENRY	13,970	530,303,459	15,799,353	WARREN	83,687	4,895,579,178	188,931,533
HIGHLAND	17,291	574,928,433	16,437,689	WASHINGTON	26,703	972,237,593	28,651,142
HOCKING	12,316	406,712,149	11,221,950	WAYNE	52,157	2,021,247,318	63,696,882
HOLMES	13,838	494,345,148	15,435,103	WILLIAMS	18,732	700,799,399	21,527,802
HURON	29,435	1,098,424,624	33,788,552	WOOD	55,892	2,627,712,724	94,368,288
JACKSON	13,786	450,613,196	12,647,531	WYANDOT	11,374	392,367,523	11,326,256
JEFFERSON	31,034	1,087,522,768	31,427,165				
KNOX	24,917	942,360,904	28,526,373				
LAKE	113,417	4,971,678,871	168,813,082	88-COUNTY			
LAWRENCE	24,418	793,149,869	21,213,534	TOTAL	5,192,896	\$227,505,110,654	\$7,870,035,929
LICKING	72,608	3,116,195,227	103,646,683	OTHER (a)	106,466	\$38,844,521,058	\$186,591,959
LOGAN	21,993	866,339,441	27,378,432	STATE TOTAL (b)	5,299,362	\$266,349,631,712	\$8,056,627,888
LORAIN	134,719	5,734,241,319	190,418,496				
LUCAS	197,786	8,546,253,042	295,945,764				

(a) Includes returns from out-of-state filers and returns not indicating county of residence.

(b) Differs from other tables due to methodology of computation.

Table 12
Rank of Counties by Average Income as Reported on 2003
Ohio Individual Income Tax Returns*

County	Average Federal Adjusted Gross Income	Percent of State Average	Rank	County	Average Federal Adjusted Gross Income	Percent of State Average	Rank
ADAMS	\$30,623	69.90%	86	LORAIN	\$42,564	97.16%	22
ALLEN	39,136	89.33%	33	LUCAS	43,210	98.63%	18
ASHLAND	37,178	84.86%	47	MADISON	42,512	97.03%	23
ASHTABULA	33,330	76.08%	70	MAHONING	39,104	89.26%	34
ATHENS	34,256	78.19%	66	MARION	36,587	83.51%	49
AUGLAIZE	39,245	89.58%	32	MEDINA	50,483	115.23%	6
BELMONT	33,328	76.07%	71	MEIGS	30,897	70.52%	84
BROWN	34,590	78.95%	64	MERCER	37,032	84.53%	48
BUTLER	46,960	107.19%	10	MIAMI	42,710	97.49%	20
CARROLL	34,102	77.84%	68	MONROE	31,049	70.87%	83
CHAMPAIGN	38,585	88.07%	37	MONTGOMERY	43,400	99.06%	17
CLARK	37,775	86.22%	42	MORGAN	30,681	70.03%	85
CLERMONT	47,248	107.85%	8	MORROW	36,296	82.85%	51
CLINTON	37,561	85.73%	43	MUSKINGUM	34,720	79.25%	62
COLUMBIANA	34,131	77.90%	67	NOBLE	30,062	68.62%	88
COSHOCTON	32,962	75.24%	76	OTTAWA	42,104	96.10%	25
CRAWFORD	33,131	75.62%	74	PAULDING	36,056	82.30%	53
CUYAHOGA	46,183	105.41%	13	PERRY	32,344	73.83%	80
DARKE	35,726	81.55%	55	PICKAWAY	39,571	90.32%	29
DEFIANCE	39,821	90.89%	27	PIKE	32,680	74.59%	78
DELAWARE	75,333	171.95%	1	PORTAGE	42,674	97.40%	21
ERIE	42,428	96.84%	24	PREBLE	37,340	85.23%	45
FAIRFIELD	45,639	104.17%	14	PUTNAM	39,791	90.82%	28
FAYETTE	33,225	75.84%	73	RICHLAND	37,829	86.35%	40
FRANKLIN	46,663	106.51%	11	ROSS	36,244	82.73%	52
FULTON	39,558	90.29%	30	SANDUSKY	35,926	82.00%	54
GALLIA	35,432	80.87%	57	SCIOTO	33,795	77.14%	69
GEAUGA	65,282	149.01%	2	SENECA	34,912	79.69%	60
GREENE	51,721	118.06%	5	SHELBY	38,857	88.69%	35
GUERNSEY	31,523	71.95%	82	STARK	40,203	91.77%	26
HAMILTON	51,750	118.12%	4	SUMMIT	46,231	105.52%	12
HANCOCK	43,594	99.50%	16	TRUMBULL	38,050	86.85%	38
HARDIN	34,703	79.21%	63	TUSCARAWAS	35,102	80.12%	58
HARRISON	30,443	69.49%	87	UNION	48,681	111.12%	7
HENRY	37,960	86.65%	39	VAN WERT	34,896	79.65%	61
HIGHLAND	33,250	75.89%	72	VINTON	31,665	72.28%	81
HOCKING	33,023	75.38%	75	WARREN	58,499	133.53%	3
HOLMES	35,724	81.54%	56	WASHINGTON	36,409	83.11%	50
HURON	37,317	85.18%	46	WAYNE	38,753	88.46%	36
JACKSON	32,686	74.61%	77	WILLIAMS	37,412	85.39%	44
JEFFERSON	35,043	79.99%	59	WOOD	47,014	107.31%	9
KNOX	37,820	86.33%	41	WYANDOT	34,497	78.74%	65
LAKE	43,835	100.06%	15				
LAWRENCE	32,482	74.14%	79				
LICKING	42,918	97.96%	19				
LOGAN	39,392	89.91%	31				
				88-COUNTY			
				TOTAL	\$43,811	100.00%	

* Includes only returns indicating a county of residence.