

# Individual Income Tax – State

The roots of Ohio's individual income tax can be traced back to 1912, when voters approved a constitutional amendment authorizing the General Assembly to levy such a tax. Legislative action did not follow until December 1971, when the tax was enacted effective Jan. 1, 1972 for individuals and estates. In 2002, the General Assembly expanded the income tax to include trusts.

The individual income tax is currently state government's largest source of revenue. During Fiscal Year 2007, total collections exceeded \$9.7 billion. Of that amount, close to \$8.9 billion was directed to the general revenue fund, representing about 43.5 percent of revenue.

Rates are currently being reduced as part of a five year across-the-board reduction in income tax rates enacted by the General Assembly in 2005. When the reduction is completed, rates will be 21 percent lower than they were in 2004.

During 2007, the income tax included nine brackets ranging from 0.649 percent on the first \$5,000 of taxable income to 6.555 percent on any taxable income over \$200,000. Individual taxpayers whose Ohio taxable income is less than or equal to \$10,000 receive a full credit against the tax otherwise due.

This chapter includes twelve tables presenting information compiled from 2005 Ohio individual income tax returns (filed in 2006). The data shows that about 5.3 million taxpayers filed tax returns, reporting total federal adjusted gross income of approximately \$324 billion, an average of roughly \$60,663 per return. Ohio taxpayers had a total tax liability of more than \$8.9 billion and an average liability of \$1,673 per return. The median income tax liability on 2005 returns was \$619, an amount that includes about 1.3 million returns for which no tax was due.

## General Computation of Tax Liability:

To facilitate compliance and administration, 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. The "starting point" for estates and trusts is taxable income as defined in the Internal Revenue Code.

Calculating net liability for the tax can be condensed to four steps, as follows:

1. Calculate **Ohio adjusted gross income (OAGI)** by applying Ohio additions and deductions to federal adjusted gross income (FAGI):  
**FAGI + additions – deductions = OAGI**
2. Calculate **Ohio taxable income** by subtracting personal and dependency exemptions from Ohio adjusted gross income (OAGI). For 2007, each taxpayer received

a personal exemption, and an exemption for each dependent, of \$1,450:

**OAGI – exemptions = Ohio taxable income**

3. Apply tax rates to Ohio taxable income to calculate **gross tax liability**.

**Gross tax liability = Ohio taxable income × tax rates**

4. Calculate **net tax liability** by subtracting credits and grants from gross tax liability.

**Net tax liability = Gross liability – credits and grants**

## Taxpayer (Ohio Revised Code 5747.01(N))

The state individual income tax applies to every individual and every estate residing in Ohio or earning or receiving income in Ohio. Every resident trust and certain nonresident trusts earning income from Ohio sources are subject to the Ohio income tax.

## Tax Base (R.C. 5747.01)

The tax base is federal adjusted gross income (for individuals) or taxable income (for estates and trusts), plus or minus adjustments according to Ohio income tax law.

## Rates (R.C. 5747.02)

Ohio's individual income tax rates are undergoing a five-year, across-the-board reduction. When complete for the 2009 taxable year, rates will be 21 percent lower than in 2004.

The individual Ohio income tax rates for taxable year **2007** are shown below:

Taxable Income		Tax
Over	But Not Over	
\$0	- \$5,000	0.649% of Ohio taxable income
\$5,001	- \$10,000	\$32.45, plus 1.299% of excess over \$5,000
\$10,001	- \$15,000	\$97.40, plus 2.598% of excess over \$10,000
\$15,001	- \$20,000	\$227.30, plus 3.247% of excess over \$15,000
\$20,001	- \$40,000	\$389.65, plus 3.895% of excess over \$20,000
\$40,001	- \$80,000	\$1,168.65, plus 4.546% of excess over \$40,000
\$80,001	- \$100,000	\$2,987.05, plus 5.194% of excess over \$80,000
\$100,001	- \$200,000	\$4,025.85, plus 6.031% of excess over \$100,000
	over \$200,000	\$10,056.85, plus 6.555% of excess over \$200,000.

## Additions, Deductions and Exemptions

The starting point for the Ohio individual income tax is federal adjusted gross income (FAGI). Additions and deductions are applied to FAGI in order to arrive at Ohio adjusted gross income (OAGI).

### Major additions for individuals (to the extent not included in FAGI):

- Non-Ohio state or local government interest and dividends.
- Pass-through entity add back.
- Income from an electing small business trust.
- Losses from the sale of Ohio public obligations.
- Non-medical withdrawals from an Ohio Medical Savings Account.
- Reimbursement of expenses previously deducted.
- Non-education expenditure from a college savings account.
- Add back of five-sixths of the depreciation adjustment for I.R.C. sections 168(k) and 179.

### Major deductions for individuals (to the extent not excluded from FAGI):

- Certain federal interest and dividends.
- Reciprocity income (income tax paid to other states (for details, see **Special Provisions**)).
- State or municipal income tax overpayments deducted on a prior year's federal income tax return.
- Disability and survivorship benefits.
- Social security and some railroad retirement benefits.
- Contributions to a college savings account administered by the Ohio Tuition Trust Authority.
- Certain payments to members of the Ohio National Guard.
- Unsubsidized health insurance, long-term care insurance, and excess medical expense deduction.
- Funds deposited into, and earnings on, an Ohio Medical Savings Account.
- Grantor Trust Electing Small Business Trust losses.
- Wage and salary expense not deducted due to the federal targeted jobs or work opportunity tax credits.
- Interest income from Ohio public and Ohio purchase obligations and gains from the sale or other disposition of Ohio public obligations.
- Refund or reimbursement of a prior year federal itemized deduction.
- Repayment of income reported in a prior year.
- Amount contributed to an individual development account.
- One fifth of the depreciation added back in each of the previous five years.

- Military pay received while the resident service member is stationed outside Ohio.
- Qualified organ donation expenses.

For a complete listing and explanation of the adjustments to federal adjusted gross income, see form IT 1040, Ohio Income Tax Return and Instructions.

### Personal and Dependent Exemptions (R.C. 5747.025):

For 2007, a \$1,450 personal exemption was available for each taxpayer and for each dependent of the taxpayer. The amount of this exemption, which is subtracted from Ohio adjusted gross income before tax rates are applied, is adjusted annually based upon the gross domestic product deflator.

### 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 and Instructions.

## Credits

### Personal Credits:

**Personal and Dependent Exemption Credit (R.C. 5747.022)** – Individual taxpayers may take a credit of \$20 against Ohio income tax liability for each personal and dependent exemption.

**Retirement Income Credit (R.C. 5747.055)** – Individual and estate taxpayers receiving retirement benefits, annuities, or distributions from a retirement or profit sharing plan that 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.

**Senior Citizen Credit (R.C. 5747.05(C))** – Individuals may claim a \$50 credit if the taxpayer was 65 years of age on or before Dec. 31st of the taxable year. Estates may claim the credit if the decedent was 65 years or older at the date of death.

**Lump Sum Distribution 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 citizen credit amount.

**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.

**Lump Sum Retirement 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.

**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.

**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.

**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 offices. The maximum credit is \$50 for single, head of household, and married filing separate filers and \$100 for married filing joint filers.

**Adoption Credit** (R.C. 5747.37) – Individual taxpayers may claim a credit for adoption expenses up to a maximum of \$1,500 per child. Adoption of stepchildren does not qualify for this credit.

**Joint Filer Credit** (R.C. 5747.05(G)(1)) – A husband and wife who file a “married filing jointly” 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).

**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.

**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:**

The following business credits apply to individuals, estates, and trusts. A lengthier description of each appears in the **Corporation Franchise Tax** chapter of this report. These tax credits may only be applied against the particular tax for which the taxpayer is liable. Also, the only refundable tax credits on this list are the Ohio job creation credit, the pass-through entity credit, and the historic building rehabilitation credit:

- 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).
- Credit for new employees in an enterprise zone (R.C. 5709.66(B)).
- Credit for eligible costs associated with a voluntary clean-up action (carry forward only through 2006) (R.C. 5747.32 and 122.16).

- Credit for employers that establish on-site day care centers (carry forward expires in 2007) (R.C. 5747.35).
- Credit for investment in a certified ethanol plant (R.C. 5747.75).
- Credit for purchases of grape production property (R.C. 5747.28).
- Export sales (credit carry forward only through 2004) (R.C. 5747.057).
- Edison Center credit for research and development investors (R.C. 5747.33, 122.15, 122.151-154).
- Enterprise zone day care and training credit (R.C. 5709.65 (A)(4) and (A)(5)).
- Refundable job creation credit (R.C. 5747.058).
- Refundable pass-through entity credit (R.C. 5747.059).
- Refundable historic building rehabilitation credit (R.C. 5747.76).

## **Special Provisions**

### **Military pay:**

Military pay received while the service member is stationed in Ohio is taxable for residents. 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:**

Reciprocity state income agreements (R.C. 5747.05(A)(3)) may affect filing of an Ohio return. Because of reciprocity agreements Ohio has with bordering states (Indiana, Kentucky, West Virginia, Michigan, and Pennsylvania), an individual does not have to file a 2007 Ohio income tax return if:

- The taxpayer was a full-year resident of one of the five listed states for 2007, and
- The taxpayer’s only source of income within Ohio was from wages, salaries, tips, or commissions generally received from employers unrelated to the taxpayer.

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., see R.C. 5733.40(A)(7)). 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 to compute this credit.

### **Residency:**

Residency status affects the calculation of the Ohio income tax. Individual taxpayers who have no more than 182 contact periods in Ohio and who have an abode outside of Ohio for the entire year may, under certain circumstances, declare themselves to be a nonresident

of Ohio. For details, see information release IT 2007-08 – “Personal Income Tax: Residency Guidelines - Tax Imposed on Resident and Nonresident Individuals for Post-2006 Taxable Years,” issued in December 2007.

#### Revenue surpluses:

By law, when the state declares a revenue surplus, statutory tax rates are reduced. As a result of this provision, rates were temporarily reduced from 1996 through 2000.

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

##### For Individuals, Estates and Trusts:

- The annual income tax return is due by April 15 for calendar year taxpayers without an extension. Fiscal year returns are due by the 15th day of the fourth month after the end of the fiscal year.
- Taxpayers must file quarterly declarations if they expect their tax to be underwithheld by more than \$500. Such taxpayers must make estimated payments by April 15, June 15, and Sept. 15 of the current year and by Jan. 15 of the next year.

##### 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 12 months ending on 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 12 months ending on 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 12 months ending on 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

During Fiscal Year 2007, 91.5 percent of revenue from the state income tax – or \$8,885.3 million – was distributed to the General Revenue Fund. The rest was distributed to the Library and Local Government Support Fund (4.7 percent or \$458.0 million), the Local Government Fund (3.3 percent or \$324.9 million) and Local Government Revenue Assistance Fund (0.5 percent or \$46.4 million). This distribution was structured by House Bill 66, the FY 2006-2007 biennium budget bill, which continued a freeze on local government funds that had been in place, in some form, since Fiscal Year 2002. For each month of FY 2007, the Local Government Fund and Local Government Revenue Assistance Fund received the same amount they received for the corresponding month of the July 2004 - June 2005 period.

In H.B. 119, the FY 2008-2009 biennial budget bill enacted in 2007, the General Assembly revised the formula

and the revenue accounting associated with the local government funds. Starting in January, 2008, all income tax revenue will be directed to the General Revenue Fund. For details on the local government fund changes, see the **Local Government Funds** chapter.

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 (the 10 percent and 2.5 percent property tax rollbacks and the homestead exemption for senior citizen homeowners and certain disabled homeowners).

#### Administration

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

#### Ohio Revised Code Citations

Chapter 5747.

#### Recent Legislation

**Substitute House Bill 149, 126th General Assembly (effective July 1, 2007).**

**R.C. 5747.76** – Provided for a credit for expenses incurred in rehabilitating an historic building. Effective for taxable years beginning July 1, 2007 and thereafter.

**Sub. H.B. 73, 126th General Assembly (effective January 1, 2007).**

**R.C. 5747.24 and R.C. 5748.01** – Beginning Jan. 1, 2007, military members who receive military income from active duty service when they are stationed outside Ohio can exclude such income from Ohio and school district income tax.

Beginning Jan. 1, 2007, each individual who has no more than 182 contact periods in Ohio and who has an abode outside the state for the entire year is presumed to be a full-year nonresident if the individual timely submits an affidavit stating that he or she is not domiciled in Ohio. Previously, the threshold was 120 contact periods, and an individual had to submit an affidavit only upon request of the Tax Commissioner.

**Amended Sub. H.B. 530, 126th General Assembly (effective March 30, 2006).**

**R.C. 5747.01(A)(22) and R.C. 5747.01(A)(23)** – Provided for a deduction for certain payments made to members of the Ohio National Guard. Effective for taxable years ending after March 30, 2006.

**Amended Substitute H.B. 66, 126th General Assembly (FY 2006-2007 biennium budget bill, effective June 30, 2005).**

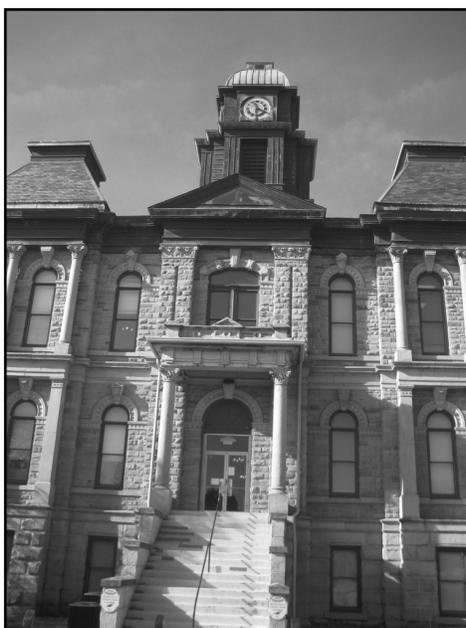
**R.C. 5747.01, 5747.02(A) and (B)** – Reduced the rate for all tax brackets for taxable year 2005 by 4.2 percent. Reduced rates by an additional 4.2 percent (from taxable year 2004 rates) in each of the taxable years from 2006-2009 for a total 21 percent reduction in rates. Also made permanent the income tax on trust income.

**R.C. 5747.056** – Created a 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.

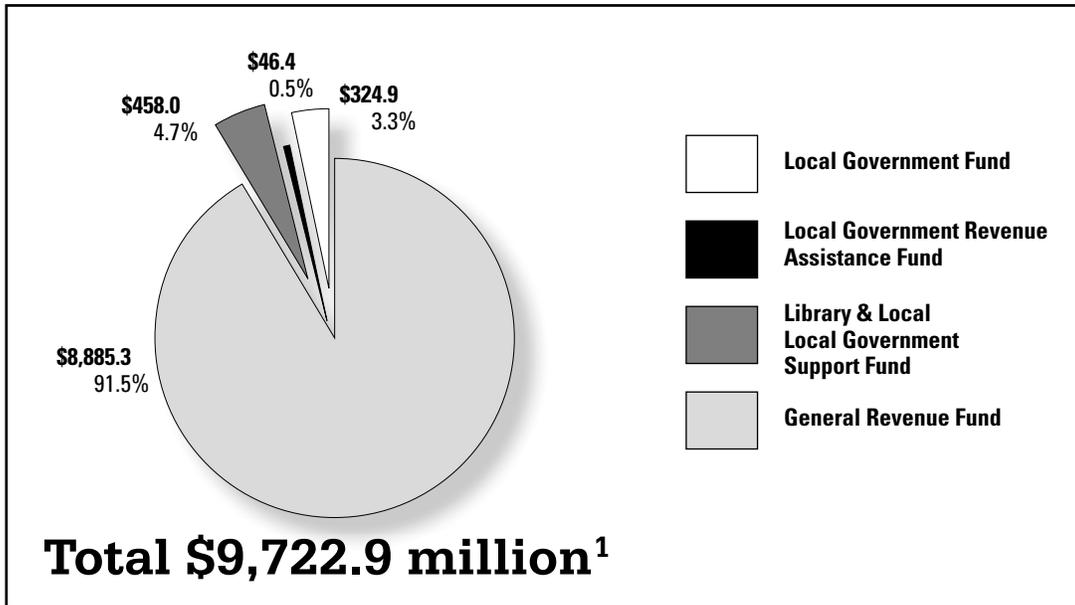
**R.C. 122.172, 122.173, and 5733.33** – Converted the manufacturers' new machinery and equipment business credit to a nonrefundable grant, effective for taxable

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 Dec. 31, 2015 to June 30, 2005. Changed the last day of the installation period from Dec. 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 Ohio Department of Job and Family Services administers the fund.

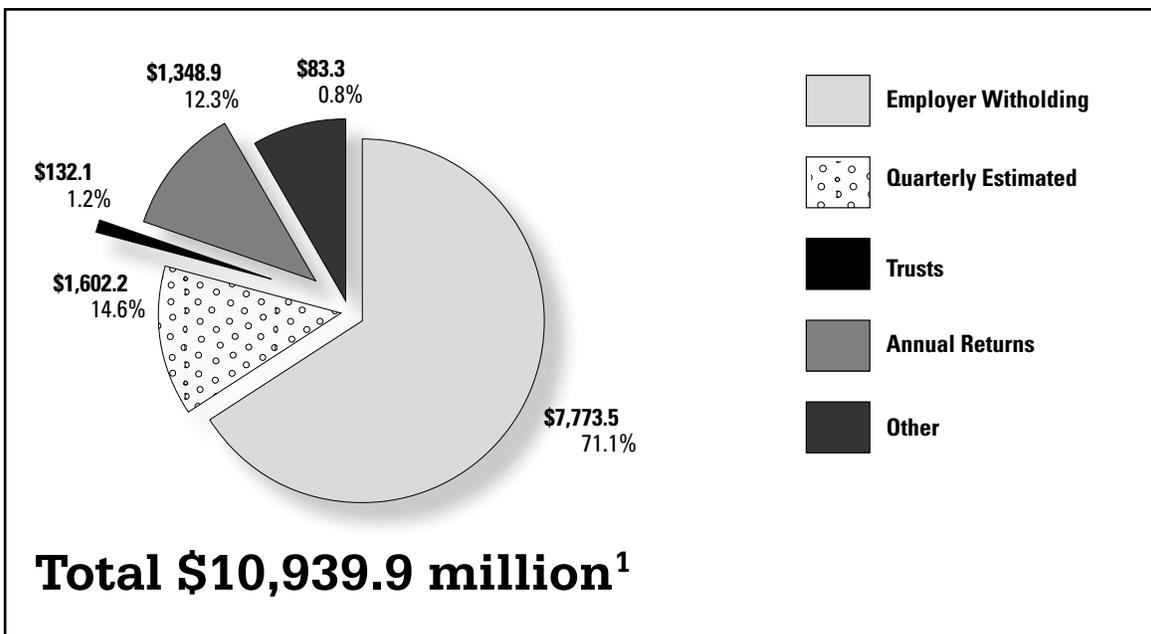


**Chart 1**  
**Distribution of Revenue from Individual Income Tax:**  
**Fiscal Year 2007**  
 (figures in millions)



<sup>1</sup> Includes Attorney General collections and political party contributions which amount to \$8.3 million.

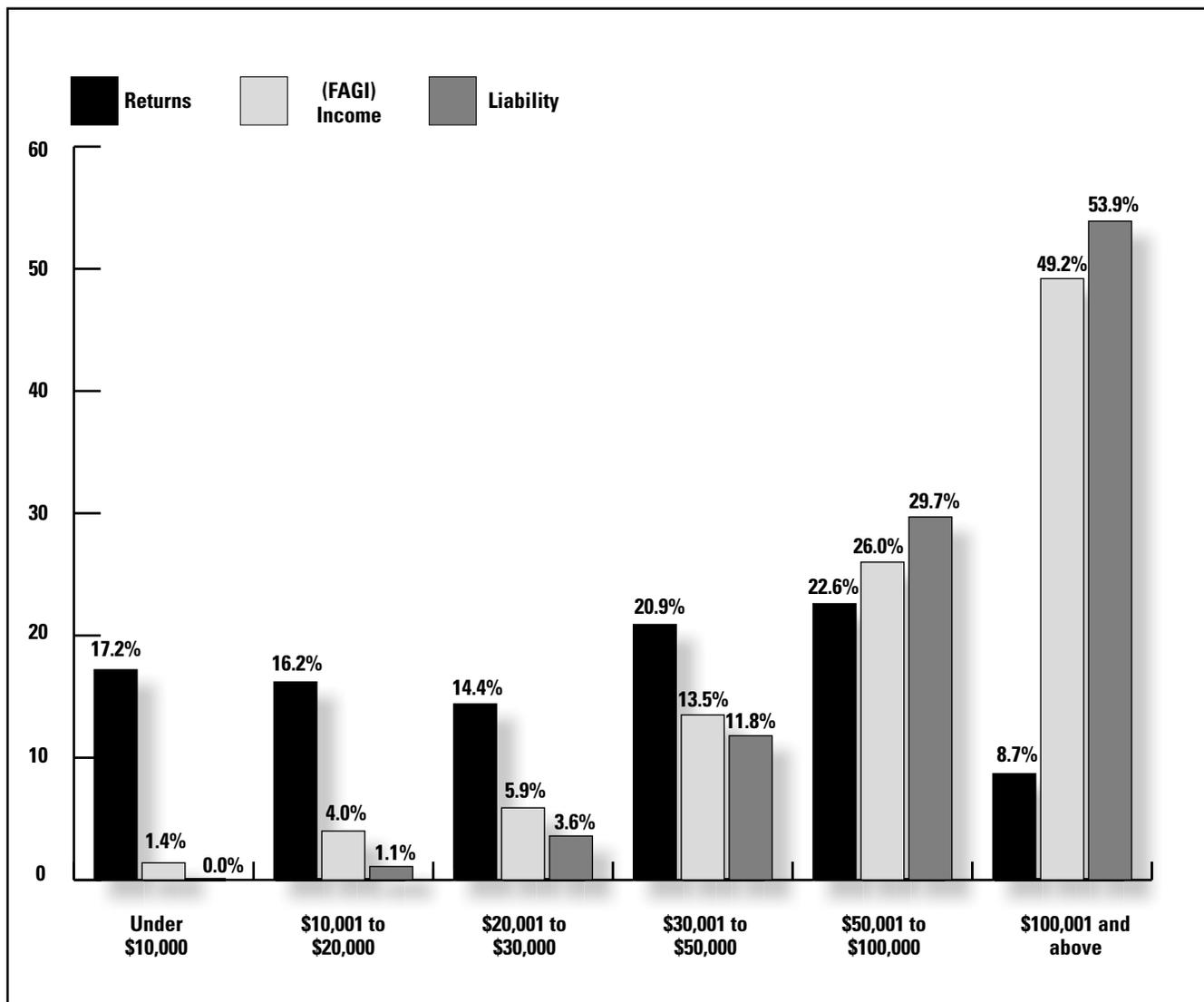
**Chart 2**  
**Individual Income Tax Type of Payment:**  
**Fiscal Year 2007**  
 (figures in millions)



<sup>1</sup> Includes \$1,215.8 million refunded back to taxpayers.

Source: Department of Taxation

**Chart 3**  
**Individual Income Tax Returns**  
**Income and Tax**  
**by Income Level:**  
**Tax Year 2005**



**Table 1  
2005 Ohio Individual Income Tax Returns:  
By Income Level<sup>1</sup>**

Income Level	Number of Returns	FAGI	OAGI	Reported Value of Personal Exemptions	Ohio Taxable Income	Tax Before Credits	Joint Filer Credit	Tax Liability after all Credits <sup>2</sup>
Under \$5,000	457,382	\$1,101,507,420	\$1,233,235,914	\$936,921,566	\$600,311,899	\$6,408,160	\$3,553	\$428,203
\$5,001 - 10,000	461,227	3,438,492,073	3,310,190,221	1,072,778,393	2,439,452,753	20,468,549	1,561	95,256
10,001 - 15,000	439,075	5,483,742,812	5,249,460,612	986,900,670	4,303,703,778	51,407,480	51,667	23,232,405
15,001 - 20,000	428,502	7,490,482,392	7,177,133,489	1,062,521,136	6,207,960,512	104,911,166	493,708	72,879,850
20,001 - 25,000	398,430	8,950,769,516	8,591,426,363	943,053,807	7,656,160,831	163,310,679	1,623,018	130,224,666
25,001 - 30,000	370,141	10,169,158,940	9,749,119,207	895,914,429	8,861,214,571	223,096,146	3,250,067	189,148,733
30,001 - 35,000	337,949	10,968,610,234	10,497,648,435	835,327,639	9,667,118,707	270,347,501	4,607,362	236,054,819
35,001 - 40,000	298,651	11,182,260,446	10,689,178,258	785,526,790	9,928,145,409	297,714,508	6,810,078	263,737,073
40,001 - 45,000	257,626	10,933,291,055	10,424,847,855	701,666,532	9,728,689,585	307,362,942	9,416,943	273,028,309
45,001 - 50,000	223,362	10,599,518,826	10,090,629,878	646,330,407	9,447,138,671	314,639,747	12,517,515	278,798,370
50,001 - 55,000	195,014	10,229,584,308	9,715,224,483	592,920,499	9,124,917,416	317,762,422	14,581,000	280,730,881
55,001 - 60,000	173,187	9,949,101,850	9,450,805,467	549,484,998	8,903,328,239	321,658,212	13,586,824	287,008,110
60,001 - 65,000	154,736	9,664,708,639	9,183,317,472	512,041,825	8,673,246,416	323,048,117	15,052,299	287,334,309
65,001 - 70,000	138,421	9,338,184,388	8,882,980,514	475,116,395	8,410,705,072	321,273,870	16,600,532	285,009,180
70,001 - 75,000	124,264	9,003,496,308	8,581,013,959	438,924,218	8,143,539,281	317,936,352	17,969,307	281,084,477
75,001 - 80,000	109,646	8,491,116,841	8,110,489,254	397,304,021	7,714,354,406	306,833,891	17,115,918	271,996,706
80,001 - 85,000	95,819	7,899,603,974	7,566,846,009	356,001,357	7,211,830,855	291,796,994	11,162,518	263,829,364
85,001 - 90,000	83,273	7,281,412,481	6,987,841,875	315,925,456	6,672,722,185	275,147,676	9,628,290	249,940,443
90,001 - 95,000	71,897	6,646,408,696	6,392,965,961	279,862,802	6,119,770,482	267,192,161	8,930,809	233,400,979
95,001 - 100,000	60,278	5,873,143,337	5,654,832,586	236,103,872	5,419,319,966	232,116,009	8,040,596	210,306,886
100,001 - 125,000	183,625	20,346,644,201	19,647,833,957	728,122,451	18,821,108,556	853,968,087	29,172,013	770,795,945
125,001 - 150,000	85,096	11,597,336,517	11,216,380,804	338,238,004	10,878,642,090	533,339,896	17,535,960	474,764,685
150,001 - 175,000	47,291	7,637,067,156	7,408,479,105	188,740,606	7,219,901,132	373,771,692	11,885,325	328,509,990
175,001 - 200,000	30,005	5,598,900,524	5,443,327,045	119,801,700	5,323,491,207	286,226,181	8,729,956	251,017,369
200,001 - 250,000	34,630	7,694,889,789	7,499,738,633	138,948,952	7,362,683,015	413,839,820	11,838,676	354,725,638
250,001 - 300,000	18,514	5,050,358,416	4,940,937,249	75,377,871	4,865,281,164	287,818,964	6,536,521	241,169,963
300,001 - 350,000	11,486	3,712,444,930	3,642,822,431	46,110,520	3,596,443,997	220,307,145	3,823,425	181,044,149
350,001 - 400,000	7,926	2,960,470,323	2,910,078,479	31,900,509	2,878,212,855	180,699,299	2,596,523	145,732,807
400,001 - 450,000	6,150	2,607,782,937	2,570,856,697	24,486,435	2,546,261,112	162,397,421	1,989,106	129,466,969
450,001 - 500,000	4,695	2,223,758,991	2,194,717,075	18,986,350	2,175,324,142	140,632,837	1,525,700	110,374,110
500,001 - 750,000	12,705	7,669,839,526	7,570,274,084	50,994,900	7,518,794,067	487,820,575	3,863,565	369,240,065
750,001 - 1,000,000	5,448	4,677,275,764	4,622,015,441	21,269,261	4,600,782,114	312,326,044	1,524,197	202,709,903
1,000,001 - 1,500,000	4,857	5,895,689,283	5,823,088,769	18,612,450	5,802,425,412	400,661,239	1,273,100	235,153,480
1,500,001 - 2,000,000	2,309	3,983,278,375	3,939,236,256	8,658,901	3,947,879,775	274,490,100	560,950	140,583,022
2,000,001 - 3,000,000	2,349	5,727,905,232	5,669,061,733	9,031,850	5,660,028,900	398,534,336	530,350	174,103,177
3,000,001 - 4,000,000	1,212	4,170,803,065	4,133,337,355	4,546,800	4,125,520,815	292,385,895	266,501	109,111,955
4,000,001 - 5,000,000	756	3,369,808,050	3,325,272,166	2,775,600	3,318,583,566	236,198,035	146,250	100,136,565
5,000,001 - 10,000,000	1,522	10,573,431,368	10,480,297,707	5,787,450	10,474,511,604	746,957,031	281,451	198,750,159
Over \$10,000,001	1,408	49,800,050,245	43,337,607,576	5,344,801	43,314,803,470	3,110,463,678	10,360,915	301,471,156
	<b>5,340,854</b>	<b>\$323,932,339,729</b>	<b>\$313,914,350,373</b>	<b>\$14,838,362,139</b>	<b>\$299,756,201,012</b>	<b>\$14,447,270,855</b>	<b>\$285,883,651</b>	<b>\$8,937,129,422</b>

<sup>1</sup> As reported on returns due April 15, 2005.

<sup>2</sup> This represents tax liability after all tax credits. Although the joint filer credit is presented in this table, it is not the largest income tax credit. The combined resident and nonresident tax credits account for the largest amount of credit value, totalling \$4.9 billion.

**Table 2**  
**Comparison of 2004 and 2005 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	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Under \$5,000	458,881	457,382	\$1,267,923,334	\$1,101,507,420	\$629,513,171	\$600,311,899	\$1,108	\$3,553	\$361,433	\$428,203
\$5,001 - 10,000	469,928	461,227	3,499,452,223	3,438,492,073	2,556,068,963	2,439,452,753	10,419	1,561	10,095,278	95,256
10,001 - 15,000	445,059	439,075	5,559,572,345	5,483,742,812	4,460,706,409	4,303,703,778	104,068	51,667	33,380,862	23,232,405
15,001 - 20,000	434,644	428,502	7,599,814,888	7,490,482,392	6,415,060,698	6,207,960,512	621,690	493,708	80,368,688	72,879,850
20,001 - 40,000	1,422,143	1,405,171	41,757,388,415	41,270,799,036	36,997,120,307	36,112,609,518	18,301,621	16,290,525	885,219,746	819,165,290
40,001 - 80,000	1,363,078	1,376,246	77,297,088,675	78,209,002,216	69,978,258,658	70,143,889,065	125,457,639	116,839,937	2,345,712,016	2,244,990,342
80,001 - 100,000	293,684	311,267	26,109,351,027	27,700,569,088	24,135,652,558	25,417,634,494	37,336,545	37,762,213	953,310,408	957,477,672
100,001 - 200,000	313,529	346,017	40,876,517,963	45,179,948,398	38,580,306,977	42,343,142,986	63,637,318	67,323,255	1,739,447,290	1,825,087,488
\$200,001 & above	102,916	115,967	89,482,522,489	114,117,796,294	89,058,464,533	112,187,496,008	32,655,652	47,117,231	2,759,539,737	2,993,772,916
<b>Total</b>	<b>5,302,862</b>	<b>5,340,854</b>	<b>\$293,449,631,359</b>	<b>\$323,992,339,729</b>	<b>\$272,811,152,274</b>	<b>\$299,756,201,012</b>	<b>\$278,126,060</b>	<b>\$285,883,651</b>	<b>\$8,807,435,458</b>	<b>\$8,937,129,422</b>

**Table 3**  
**Comparison of 2004 and 2005 Individual Income Tax Returns with Tax Liability**

Income Level (Federal Adjusted Gross Income)	Number of Returns with Tax Liability		Ohio Income Tax	
	2004	2005	2004	2005
Under \$5,000	75,204	979	\$361,433	\$428,203
\$5,001 - 10,000	317,278	865	10,095,278	95,256
10,001 - 15,000	335,200	188,982	33,380,862	23,232,405
15,001 - 20,000	373,730	352,126	80,368,688	72,879,850
20,001 - 40,000	1,388,362	1,355,931	885,219,746	819,165,290
40,001 - 80,000	1,348,234	1,354,978	2,345,712,016	2,244,990,342
80,001 - 100,000	290,669	307,302	953,310,408	957,477,672
100,001 - 200,000	309,388	340,607	1,739,447,290	1,825,087,488
\$200,001 & above	99,111	111,077	2,759,539,737	2,993,772,916
<b>Total</b>	<b>4,537,176</b>	<b>4,012,847</b>	<b>\$8,807,435,458</b>	<b>\$8,937,129,422</b>

**Table 4**  
**2005 Ohio Individual Income Tax Returns for All Filing Status Categories**

Income Level (Federal Adjusted Gross Income)			Number of Returns	FAGI	Ohio Taxable Income	Joint Filer Credit	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000			457,382	\$1,101,507,420	\$600,311,899	\$3,553	\$428,203	0.04%
\$5,001	-	10,000	461,227	3,438,492,073	2,439,452,753	1,561	95,256	0.00%
10,001	-	15,000	439,075	5,483,742,812	4,303,703,778	51,667	23,232,405	0.42%
15,001	-	20,000	428,502	7,490,482,392	6,207,960,512	493,708	72,879,850	0.97%
20,001	-	40,000	1,405,171	41,270,799,036	36,112,609,518	16,290,525	819,165,290	1.98%
40,001	-	80,000	1,376,246	78,209,002,216	70,143,889,065	116,839,937	2,244,990,342	2.87%
80,001	-	100,000	311,267	27,700,569,088	25,417,634,494	37,762,213	957,477,672	3.46%
100,001	-	200,000	346,017	45,179,948,398	42,343,142,986	67,323,255	1,825,087,488	4.04%
\$200,001 & above			115,967	114,117,796,294	112,187,496,008	47,117,231	2,993,772,916	2.62%
<b>Total</b>			<b>5,340,854</b>	<b>\$323,992,339,729</b>	<b>\$299,756,201,012</b>	<b>\$285,883,651</b>	<b>\$8,937,129,422</b>	<b>2.76%</b>

<sup>1</sup> 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**  
**2005 Ohio Individual Income Tax Returns Claiming Married Filing Joint Status**

Income Level (Federal Adjusted Gross Income)			Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000			19,663	-\$44,611,986	\$24,785,972	\$294,763	-0.66%
\$5,001	-	10,000	38,463	298,383,647	134,286,502	40,154	0.01%
10,001	-	15,000	65,196	825,160,096	521,853,883	682,578	0.08%
15,001	-	20,000	87,181	1,530,437,801	1,101,058,807	5,589,197	0.37%
20,001	-	40,000	360,978	10,895,027,125	8,689,237,926	156,629,980	1.44%
40,001	-	80,000	754,574	44,951,585,489	39,333,978,034	1,207,463,313	2.69%
80,001	-	100,000	251,811	22,438,151,104	20,476,235,465	763,952,972	3.40%
100,001	-	200,000	292,916	38,290,821,988	35,836,400,633	1,538,756,078	4.02%
\$200,000 & above			98,126	92,295,634,515	90,760,918,499	2,506,138,050	2.72%
<b>Total</b>			<b>1,968,908</b>	<b>\$211,480,589,779</b>	<b>\$196,878,755,720</b>	<b>\$6,179,547,086</b>	<b>2.92%</b>

<sup>1</sup> 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**  
**2005 Ohio Individual Income Tax Returns**  
**Claiming Single Filing Status**

Income Level (Federal Adjusted Gross Income)	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000	432,600	\$1,167,124,965	\$564,179,945	\$128,003	0.01%
\$5,001 - 10,000	414,722	3,078,537,726	2,259,950,612	52,944	0.00%
10,001 - 15,000	359,424	4,473,189,792	3,626,076,292	21,220,183	0.47%
15,001 - 20,000	314,001	5,476,656,276	4,681,484,489	60,788,611	1.11%
20,001 - 40,000	859,877	24,728,084,418	22,261,795,280	530,081,776	2.14%
40,001 - 80,000	457,212	24,379,300,955	22,450,235,193	748,701,020	3.07%
80,001 - 100,000	40,893	3,619,147,082	3,361,359,410	129,277,344	3.57%
100,001 - 200,000	38,416	5,002,418,229	4,683,668,070	201,368,373	4.03%
\$200,001 & above	14,207	16,712,327,633	16,387,017,814	376,625,219	2.25%
<b>Total</b>	<b>2,931,352</b>	<b>\$88,636,787,076</b>	<b>\$80,275,767,106</b>	<b>\$2,068,243,473</b>	<b>2.33%</b>

<sup>1</sup> 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**  
**2005 Ohio Individual Income Tax Returns**  
**Claiming Married Separate Filing Status**

Income Level (Federal Adjusted Gross Income)	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000	5,119	-\$21,005,559	\$11,345,982	\$5,437	-0.03%
\$5,001 - 10,000	8,042	61,570,700	45,215,639	2,158	0.00%
10,001 - 15,000	14,455	185,392,924	155,773,603	1,329,644	0.72%
15,001 - 20,000	27,320	483,388,315	425,417,216	6,502,041	1.35%
20,001 - 40,000	184,316	5,647,687,493	5,161,576,312	132,453,534	2.35%
40,001 - 80,000	164,460	8,878,115,771	8,359,675,838	288,826,009	3.25%
80,001 - 100,000	18,563	1,643,270,902	1,580,039,618	64,247,356	3.91%
100,001 - 200,000	14,685	1,886,708,181	1,823,074,282	84,963,038	4.50%
\$200,001 & above	3,634	5,109,834,146	5,039,559,695	111,009,647	2.17%
<b>Total</b>	<b>440,594</b>	<b>\$23,874,962,873</b>	<b>\$22,601,678,185</b>	<b>\$689,338,863</b>	<b>2.89%</b>

<sup>1</sup> 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**  
**2005 Ohio Individual Income Tax Returns**  
**By Ohio Taxable Income Level**

Income Level (Ohio Taxable Income)			Number of Returns <sup>1</sup>	\$20 Exemption Credit	Joint Filer Credit	Ohio Income Tax
Under \$5,000			457,382	\$13,881,229	\$3,553	\$428,203
\$5,001	-	10,000	461,227	15,893,175	1,561	95,256
10,001	-	15,000	439,075	14,625,053	51,667	23,232,405
15,001	-	20,000	428,502	15,749,879	493,708	72,879,850
20,001	-	40,000	1,405,171	50,980,005	16,290,525	819,165,290
40,001	-	80,000	1,376,246	63,983,288	116,839,937	2,244,990,342
80,001	-	100,000	311,267	17,621,994	37,762,213	957,477,672
100,001	-	200,000	346,017	20,414,516	67,323,255	1,825,087,488
\$200,001 & above			115,967	17,013,572	47,117,231	2,993,772,916
<b>Total</b>			<b>5,340,854</b>	<b>\$230,162,711</b>	<b>\$285,883,651</b>	<b>\$8,937,129,422</b>

1 Differs from other tables due to methodology of computation.

**Table 9**  
**2005 Ohio Individual Income Tax Returns**  
**Claiming the Joint Filer Credit: By Income Level**

Income Level			Number of Returns <sup>1</sup>	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate
Under \$5,000			49	-\$174,832	\$1,046,156.0	\$24,142.4	-13.81%
\$5,001	-	10,000	57	437,507	664,066	12,142	2.78%
10,001	-	15,000	2,999	41,918,277	33,628,543	207,901	0.50%
15,001	-	20,000	18,982	340,331,566	267,502,065	1,919,766	0.56%
20,001	-	40,000	181,757	5,641,642,666	4,682,043,586	81,623,714	1.45%
40,001	-	80,000	556,382	33,616,623,817	29,990,119,515	910,454,010	2.71%
80,001	-	100,000	207,633	18,504,930,380	17,102,955,945	638,884,431	3.45%
100,001	-	200,000	230,741	29,918,585,865	28,264,088,180	1,217,120,941	4.07%
\$200,001 & above			58,709	41,542,055,919	40,779,384,130	1,412,308,318	3.40%
<b>Total</b>			<b>1,257,309</b>	<b>\$129,606,351,165</b>	<b>\$121,121,432,186</b>	<b>\$4,262,555,364</b>	<b>3.29%</b>

1 Differs from other tables due to methodology of computation.

**Table 10**  
**2005 Ohio Individual Income Tax Returns Claiming the Senior Citizen Credit: By Income Level**

Income Level (Federal Adjusted Gross Income)			Number of Returns	FAGI	Ohio Taxable Income	Senior Citizen Credit	Retirement Income Credit <sup>1</sup>	Ohio Income Tax
Under \$5,000			22,922	-\$4,763,163	\$35,751,111	\$1,144,637	\$735,678	\$18,545
\$5,001	-	10,000	51,199	399,702,902	253,368,516	2,558,446	4,203,575	12,667
10,001	-	15,000	80,570	1,011,861,445	734,305,197	4,026,557	10,232,035	622,027
15,001	-	20,000	80,278	1,398,762,586	1,061,878,109	4,012,236	11,677,965	2,948,294
20,001	-	40,000	183,303	5,274,227,626	3,903,230,184	9,167,781	28,208,148	49,889,146
40,001	-	80,000	156,859	8,902,129,587	6,386,377,499	7,840,004	24,031,729	164,315,565
80,001	-	100,000	32,129	2,854,825,002	2,165,388,874	1,605,882	4,761,460	72,329,803
100,001	-	200,000	40,418	5,379,900,252	4,425,001,435	2,020,004	5,697,202	179,812,592
\$200,001 & above			18,761	25,842,243,984	25,169,619,446	937,887	2,154,716	515,509,186
<b>Total</b>			<b>666,439</b>	<b>\$51,058,890,221</b>	<b>\$44,134,920,372</b>	<b>\$33,313,434</b>	<b>\$91,702,508</b>	<b>\$985,457,825</b>

<sup>1</sup> This represents only the amount of the retirement income credit taken by senior citizen credit claimants (those 65 and older).



**Table 11**  
**2005 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	11,931	\$401,561,625	\$9,789,143	LORAIN	136,264	\$6,360,611,972	\$208,518,735
ALLEN	48,424	2,123,070,989	68,554,790	LUCAS	194,825	9,237,951,996	315,039,364
ASHLAND	23,699	944,351,980	27,962,165	MADISON	17,893	836,060,684	27,046,779
ASHTABULA	45,170	1,676,643,187	47,972,987	MAHONING	109,125	4,753,809,703	153,423,801
ATHENS	22,156	825,784,575	24,206,711	MARION	27,695	1,082,928,235	31,625,295
AUGLAIZE	22,021	992,369,781	31,937,596	MEDINA	80,087	4,539,193,885	164,129,385
BELMONT	29,823	1,087,424,855	30,132,266	MEIGS	8,795	294,926,351	7,490,531
BROWN	18,987	705,548,387	19,537,066	MERCER	20,088	803,649,227	23,835,884
BUTLER	159,035	8,143,349,212	280,232,713	MIAMI	48,691	2,277,137,680	75,408,784
CARROLL	12,539	547,955,356	14,901,035	MONROE	6,226	199,410,568	4,874,912
CHAMPAIGN	17,357	720,653,026	21,457,301	MONTGOMERY	246,577	11,636,271,943	385,039,412
CLARK	62,406	2,571,373,600	77,652,712	MORGAN	6,000	205,210,731	4,563,038
CLERMONT	87,184	4,514,706,451	156,741,815	MORROW	13,705	530,845,675	15,117,384
CLINTON	19,895	833,194,968	25,121,946	MUSKINGUM	38,120	1,464,242,068	44,119,582
COLUMBIANA	47,002	1,754,509,766	50,098,951	NOBLE	5,160	172,509,867	4,516,940
COSHOCTON	15,911	562,097,133	14,915,214	OTTAWA	20,947	945,908,876	29,577,035
CRAWFORD	21,594	756,873,619	20,231,445	PAULDING	9,077	354,910,694	10,258,154
CUYAHOGA	598,093	31,252,644,497	1,131,883,926	PERRY	14,319	499,287,345	13,454,708
DARKE	24,973	949,019,161	27,083,519	PICKAWAY	22,390	973,718,734	30,108,630
DEFIANCE	19,017	811,179,875	24,896,577	PIKE	11,448	399,480,541	10,681,179
DELAWARE	71,005	6,051,255,224	262,367,821	PORTAGE	70,387	3,311,442,326	110,542,933
ERIE	37,598	1,680,909,299	55,107,863	PREBLE	18,257	740,551,258	21,175,660
FAIRFIELD	62,183	3,061,070,957	101,606,682	PUTNAM	16,935	708,887,758	21,424,714
FAYETTE	12,995	469,828,710	13,064,775	RICHLAND	56,699	2,306,229,712	70,527,790
FRANKLIN	519,826	26,818,116,597	966,125,956	ROSS	31,916	1,243,129,862	36,292,222
FULTON	20,948	937,295,370	27,311,483	SANDUSKY	29,919	1,131,587,164	31,929,576
GALLIA	12,181	458,418,264	13,455,931	SCIOTO	27,230	1,002,976,020	28,051,608
GEAUGA	43,586	3,136,802,899	130,534,091	SENECA	26,732	991,369,443	28,135,986
GREENE	69,849	3,714,562,101	125,722,849	SHELBY	23,543	998,900,467	31,777,501
GUERNSEY	17,497	593,676,414	16,114,200	STARK	173,681	7,717,984,442	251,548,317
HAMILTON	378,329	22,738,168,237	879,743,505	SUMMIT	251,736	12,896,846,496	459,052,483
HANCOCK	33,639	1,617,626,397	55,067,832	TRUMBULL	100,168	4,141,749,673	126,273,990
HARDIN	13,254	492,275,027	13,676,229	TUSCARAWAS	43,862	1,689,422,910	50,040,089
HARRISON	6,609	263,943,469	7,641,570	UNION	20,865	1,120,127,414	38,843,298
HENRY	13,792	568,002,353	16,279,738	VAN WERT	14,325	543,309,560	15,023,491
HIGHLAND	18,365	649,625,961	17,812,293	VINTON	4,766	163,935,491	4,345,221
HOCKING	12,047	420,793,484	11,127,499	WARREN	88,436	5,808,350,148	222,649,036
HOLMES	13,766	541,350,449	16,092,257	WASHINGTON	27,341	1,091,569,155	31,518,872
HURON	29,187	1,148,763,041	33,422,152	WAYNE	52,193	2,302,946,908	71,575,789
JACKSON	13,583	489,319,319	13,746,427	WILLIAMS	18,176	737,750,320	22,640,915
JEFFERSON	30,214	1,157,261,762	32,680,450	WOOD	56,412	2,836,757,354	97,360,777
KNOX	25,350	1,052,963,110	31,616,647	WYANDOT	10,979	404,639,962	11,269,574
LAKE	114,474	5,554,786,238	186,685,367				
LAWRENCE	24,637	886,154,965	23,958,350	<b>COUNTY TOTAL</b>	<b>5,199,429</b>	<b>\$252,509,493,886</b>	<b>\$8,638,204,305</b>
LICKING	73,471	3,454,240,458	112,947,310	<b>OTHER<sup>1</sup></b>	<b>141,425</b>	<b>\$71,482,845,843</b>	<b>\$298,925,117</b>
LOGAN	21,837	919,441,120	28,155,776	<b>STATE TOTAL</b>	<b>5,340,854</b>	<b>\$323,992,339,729</b>	<b>\$8,937,129,422</b>

1 Includes non-resident returns.

**Table 12**  
**Rank of Counties By Average Income As Reported On 2005 Ohio**  
**Individual Income Tax Returns<sup>1</sup>**

County	Average Federal Adjusted Gross Income	Percentage of State Average	Rank	County	Average Federal Adjusted Gross Income	Percentage of State Average	Rank
ADAMS	\$33,657	55.48%	85	LOGAN	\$42,105	69.41%	36
ALLEN	43,843	72.27%	30	LORAIN	46,679	76.95%	23
ASHLAND	39,848	65.69%	50	LUCAS	47,417	78.16%	17
ASHTABULA	37,119	61.19%	68	MADISON	46,726	77.02%	22
ATHENS	37,271	61.44%	65	MAHONING	43,563	71.81%	32
AUGLAIZE	45,065	74.29%	25	MARION	39,102	64.46%	53
BELMONT	36,463	60.11%	72	MEDINA	56,678	93.43%	5
BROWN	37,160	61.26%	66	MEIGS	33,533	55.28%	86
BUTLER	51,205	84.41%	12	MERCER	40,006	65.95%	47
CARROLL	43,700	72.04%	31	MIAMI	46,767	77.09%	21
CHAMPAIGN	41,519	68.44%	40	MONROE	32,029	52.80%	88
CLARK	41,204	67.92%	42	MONTGOMERY	47,191	77.79%	18
CLERMONT	51,784	85.36%	9	MORGAN	34,202	56.38%	83
CLINTON	41,880	69.04%	37	MORROW	38,734	63.85%	56
COLUMBIANA	37,328	61.53%	64	MUSKINGUM	38,411	63.32%	58
COSHOCTON	35,328	58.24%	77	NOBLE	33,432	55.11%	87
CRAWFORD	35,050	57.78%	78	OTTAWA	45,157	74.44%	24
CUYAHOGA	52,254	86.14%	8	PAULDING	39,100	64.45%	54
DARKE	38,002	62.64%	60	PERRY	34,869	57.48%	81
DEFIANCE	42,656	70.32%	34	PICKAWAY	43,489	71.69%	33
DELAWARE	85,223	140.49%	1	PIKE	34,895	57.52%	80
ERIE	44,707	73.70%	27	PORTAGE	47,046	77.55%	19
FAIRFIELD	49,227	81.15%	14	PREBLE	40,563	66.87%	46
FAYETTE	36,155	59.60%	73	PUTNAM	41,859	69.00%	38
FRANKLIN	51,591	85.04%	10	RICHLAND	40,675	67.05%	44
FULTON	44,744	73.76%	26	ROSS	38,950	64.21%	55
GALLIA	37,634	62.04%	63	SANDUSKY	37,822	62.35%	62
GEAUGA	71,968	118.64%	2	SCIOTO	36,833	60.72%	71
GREENE	53,180	87.66%	7	SENECA	37,085	61.13%	69
GUERNSEY	33,930	55.93%	84	SHELBY	42,429	69.94%	35
HAMILTON	60,102	99.07%	4	STARK	44,438	73.25%	28
HANCOCK	48,088	79.27%	16	SUMMIT	51,232	84.45%	11
HARDIN	37,142	61.23%	67	TRUMBULL	41,348	68.16%	41
HARRISON	39,937	65.83%	48	TUSCARAWAS	38,517	63.49%	57
HENRY	41,183	67.89%	43	UNION	53,685	88.50%	6
HIGHLAND	35,373	58.31%	76	VAN WERT	37,927	62.52%	61
HOCKING	34,929	57.58%	79	VINTON	34,397	56.70%	82
HOLMES	39,325	64.83%	52	WARREN	65,679	108.27%	3
HURON	39,359	64.88%	51	WASHINGTON	39,924	65.81%	49
JACKSON	36,024	59.38%	74	WAYNE	44,124	72.74%	29
JEFFERSON	38,302	63.14%	59	WILLIAMS	40,589	66.91%	45
KNOX	41,537	68.47%	39	WOOD	50,286	82.89%	13
LAKE	48,524	79.99%	15	WYANDOT	36,856	60.75%	70
LAWRENCE	35,968	59.29%	75				
LICKING	47,015	77.50%	20				
				<b>TOTAL</b>	<b>\$60,663</b>	<b>100.00%</b>	

<sup>1</sup> Includes only returns indicating a county of residence.