



# Individual Income Tax – Ohio

Ohio's individual income tax can be traced back to 1912, when voters approved a constitutional amendment specifically 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 2008, total net collections exceeded \$9.8 billion. Of that amount, close to \$9.1 billion was directed to the General Revenue Fund, where it represents about 46.9 percent of general fund tax revenue.

Rates are currently being reduced as part of a five-year across-the-board reduction enacted by the General Assembly in 2005. Starting with the 2009 taxable year, rates will be 21 percent lower than they were in 2004.

During the 2008 taxable year, the income tax included nine brackets ranging from 0.618 percent on the first \$5,000 of taxable income to 6.24 percent on taxable income in excess of \$200,000. Individual taxpayers whose Ohio taxable income is less than or equal to \$10,000 are effectively exempt from the tax since they receive a full credit against the tax otherwise due.

This chapter includes twelve tables presenting information compiled from 2006 Ohio individual income tax returns (filed in 2007). The data shows that more than 5.3 million taxpayers filed tax returns, reporting total federal adjusted gross income of approximately \$339.4 billion. Approximately 1.3 million returns indicated no tax liability.

## 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.

Withholding responsibilities apply to employers who pay wages and salaries to employees who work in Ohio.

## 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.

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

1. Calculate **Ohio adjusted gross income** by applying Ohio additions and deductions to federal adjusted gross income, as reported on the federal Form 1040.
2. Calculate **Ohio taxable income** by subtracting personal and dependent exemptions from Ohio adjusted gross income. For 2008, each taxpayer received a personal exemption, and an exemption for each dependent, of \$1,500.
3. Apply tax rates to Ohio taxable income to calculate **gross tax liability**.
4. Calculate **net tax liability** by subtracting credits and grants from gross tax liability.

## Rates

(R.C. 5747.02)

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

The individual Ohio income tax rates for taxable year **2008** are shown below:

Taxable Income	Tax
Over But Not Over	
0 - \$5,000	0.618%
\$5,001 - 10,000	\$30.90, plus 1.236% of excess over \$5,000
10,001 - 15,000	\$92.70, plus 2.473% of excess over \$10,000
15,001 - 20,000	\$216.35, plus 3.091% of excess over \$15,000
20,001 - 40,000	\$370.90, plus 3.708% of excess over \$20,000
40,001 - 80,000	\$1,112.50, plus 4.327% of excess over \$40,000
80,001 - 100,000	\$2,843.30, plus 4.945% of excess over \$80,000
100,001 - 200,000	\$3,832.30, plus 5.741% of excess over \$100,000
over \$200,000	\$9,573.30, plus 6.24% of excess over \$200,000

Beginning in 2010, the Tax Commissioner will annually adjust each bracket for inflation each July, per R.C. 5747.02(A). Rates will not change as part of this adjustment. Division (B) of this same code section allows for rates to be temporarily adjusted downward in any year that the director of the Office



of Budget and Management certifies that a surplus exists in the Ohio Budget Stabilization (or "Rainy Day") Fund.

## 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

Major additions for individuals, to the extent not already included in FAGI, include:

- 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 Internal Revenue Code (I.R.C) sections 168(k) and 179.

### Major deductions for individuals

Major deductions for individuals, to the extent not excluded from FAGI, include:

- 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 2008 a \$1,500 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

All individual filers may claim a \$20 credit for each personal exemption claimed on their return. This credit is known as the Personal and Dependent Exemption Credit. A number of other credits are also available. They include, in alphabetical order:

**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.

**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.

**Displaced Worker 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.

**Joint Filing Credit** (R.C. 5747.05(G)(1)) – A husband and wife who file as "married filing jointly" 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 are claimed other than the resident, nonresident, part-year resident, and business credits.

**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.

**Lump Sum Distribution Credit** (R.C. 5747.05(D)) – Individual taxpayers 65 years of age or older 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. Taxpayers who claim this credit are barred from claiming future senior citizen credits.

**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. Taxpay-

ers who claim this credit may not claim a retirement income credit in future tax years unless this credit exceeds their tax due. If the credit exceeds their tax due that year, they may receive a reduced credit in subsequent tax years. A taxpayer may claim a credit in a future tax year if they receive another pension, retirement, or profit-sharing lump-sum distribution in one taxable year.

**Nonresident Credit** (R.C. 5747.05(A)) – Nonresidents 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.

**Political Contributions Credit** (R.C. 5747.29) – Individual and estate taxpayers may claim a credit for contributions made to the 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.

**Resident Credit** (R.C. 5747.05(B)) – Resident individuals and resident estates 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.

**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 per return if the taxpayer was 65 years of age on or before Dec. 31 of the taxable year. Estates may claim the credit if the decedent was 65 years or older at the date of death.

#### 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. 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 an Ohio income tax return if:

- the taxpayer was a full-year resident of one of the five listed states for the taxable year, 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 and revised in July 2008.

## Filing and Payment Dates

(R.C. 5747.07-5747.09)

### For Individuals, Estates and Trusts

**Annual return** – 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.

**Quarterly payments** – 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.

**Electronic filing** – Generally speaking, tax return preparers who file more than 75 original income tax returns, reports, or other tax payment documents in a calendar year that begins on or after Jan. 1, 2008, must begin filing electronically on Jan. 1, 2010.

#### 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 2008, 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 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).

These distributions were structured by House Bill 66, the fiscal year 2006-07 main operating budget bill, which continued a freeze on local government funds that had been in place, in some form, since fiscal year 2002.

H.B. 119, the fiscal year 2008-09 operating budget bill enacted in 2007, maintained this freeze through the end of calendar year 2007 and revised the formula and the revenue accounting associated with the local government funds. Starting in January 2008, all income tax revenue has been 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

**House Bill 562 – Capital Appropriations, 127th General Assembly (effective date Sept. 23, 2008; certain provisions effective on other dates).**

**Electronic filing** – Generally speaking, tax return preparers who file more than 75 original income tax returns, reports, or other tax payment documents in a calendar year that begins on or after Jan. 1, 2008, must begin filing electronically on Jan. 1, 2010.

**Exemptions** – The act exempts from the income tax:

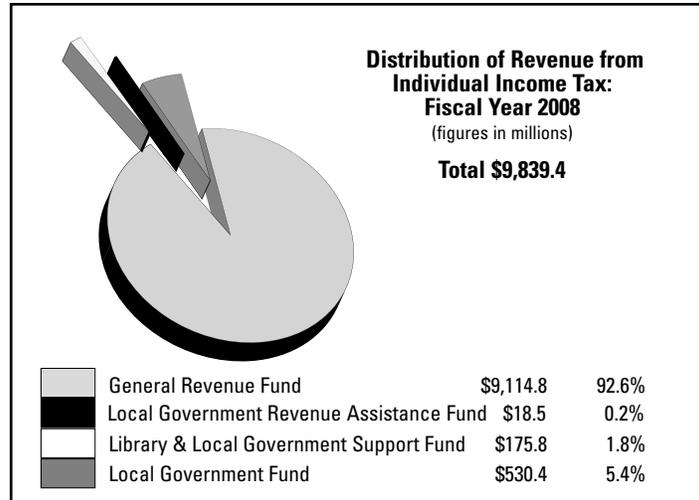
- grants received from the Military Injury Relief Fund.
- retired military personnel payments made to a surviving spouse or former spouse under the Survivor Benefit Plan.

**House Bill 554, 127th General Assembly (effective June 12, 2008).**

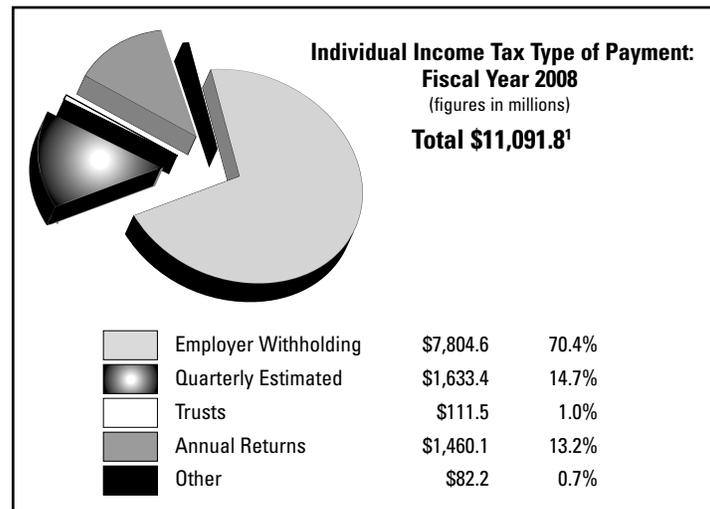
**Historic Building Rehabilitation Tax Credit changes** – This bill revised the Historic Building Rehabilitation Tax Credit enacted by the 126th General Assembly's House Bill 149. Among the changes:

- **Extension of the Credit** – The credit was extended for two additional years (fiscal years 2010 and 2011) and the fiscal year 2009 application period was eliminated.
- **Maximum Credit** – Under the act, the maximum credit that may be claimed by each taxpayer (or entity) each year is \$5 million. This limit applies only to credits awarded under the two additional application periods, not to credits awarded for the first application period from July 2007 through June 2008.
- **Additional Awards Available** – The bill reserved \$45 million of each additional year's total new credit awards for credit applications previously filed but not approved. To qualify for the reserve, an applicant must have filed a completed application as of March 1, 2008, and not have since withdrawn the application.
- **Refundability Limited** – The act limited the amount of a credit that may be refunded if a taxpayer claims the tax credit against the income tax or dealers in intangibles tax. It also limits the refundability of newly authorized credits to \$3 million (less any credit applied to reduce first-year tax liability); originally authorized credits, and any new corporation franchise tax credits, remain fully refundable.

**Chart 1**



**Chart 2**



<sup>1</sup> Includes \$1,241.9 million refunded back to taxpayers.

Source: Department of Taxation

**Chart 3**

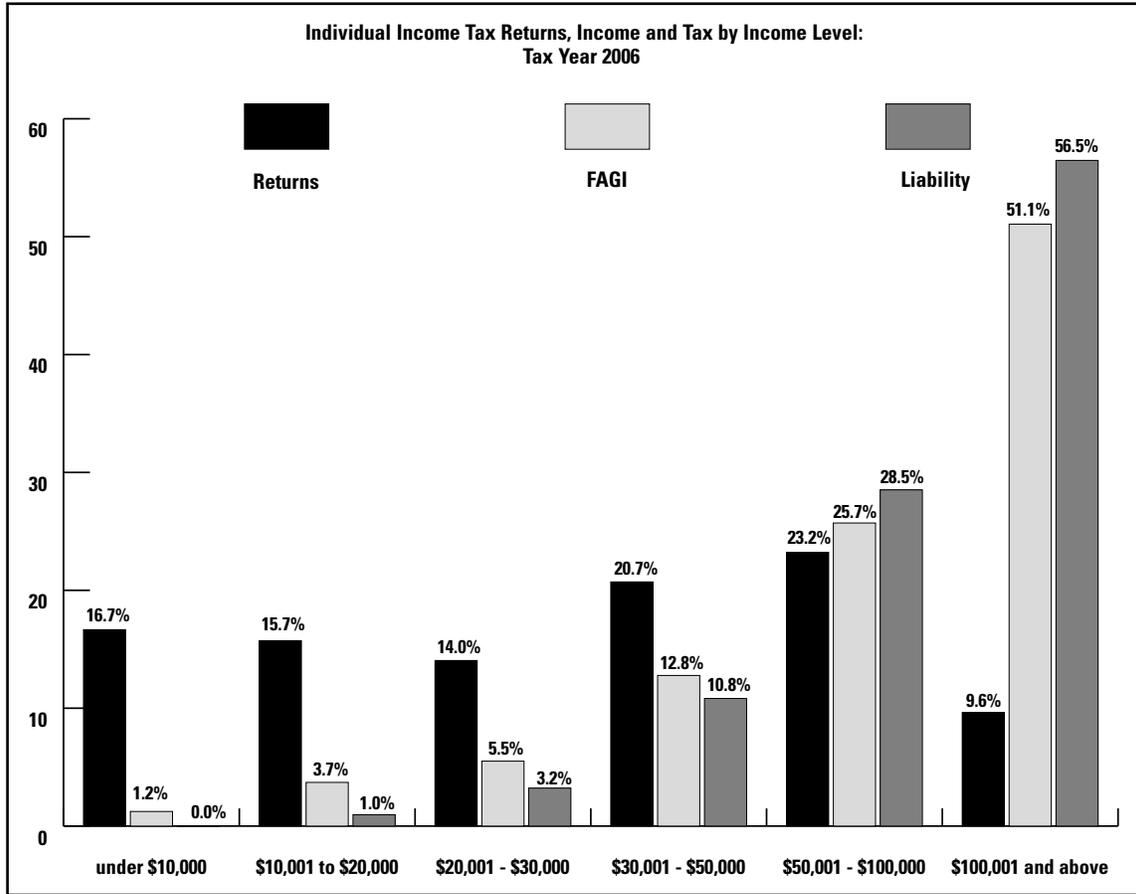


Table 1

2006 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	Value of Joint Filer Credit	Total Income	Tax Liability <sup>2</sup>
Under \$5,000	442,855	\$865,831,672	\$1,172,097,538	\$767,495,369	\$542,298,534	\$4,246,351	\$2,523	\$259,010	
\$5,001 - 10,000	448,276	3,340,830,367	3,224,678,557	895,640,126	2,348,480,010	18,821,382	2,964	87,798	
10,001 - 15,000	426,571	5,328,512,670	5,105,946,397	967,559,696	4,151,259,532	47,161,545	37,422	21,022,911	
15,001 - 20,000	414,712	7,249,288,383	6,955,295,979	979,140,737	5,985,739,510	96,423,232	398,981	66,722,763	
20,001 - 25,000	388,861	8,736,192,443	8,387,166,935	950,998,842	7,443,752,905	151,357,028	1,331,017	119,735,547	
25,001 - 30,000	362,329	9,955,634,090	9,536,752,544	903,869,399	8,638,926,306	207,441,527	2,782,433	174,637,918	
30,001 - 35,000	330,313	10,722,054,882	10,243,094,976	840,945,182	9,407,276,312	251,118,496	3,964,076	218,175,817	
35,001 - 40,000	296,398	11,099,897,920	10,588,671,937	777,994,145	9,814,783,470	281,138,660	5,912,985	247,623,692	
40,001 - 45,000	256,999	10,906,011,002	10,379,088,706	711,576,681	9,670,551,710	291,987,067	8,334,450	258,562,089	
45,001 - 50,000	224,125	10,637,071,034	10,093,661,647	657,941,310	9,438,665,510	300,468,550	11,194,160	265,403,506	
50,001 - 55,000	196,819	10,324,431,028	9,773,963,624	608,925,602	9,167,468,684	304,772,012	13,151,004	268,748,677	
55,001 - 60,000	175,396	10,076,767,952	9,536,281,876	563,747,802	8,974,808,543	309,694,522	12,345,514	275,333,416	
60,001 - 65,000	156,387	9,767,302,260	9,251,691,077	523,329,470	8,730,197,100	310,525,810	13,672,741	275,854,305	
65,001 - 70,000	141,088	9,516,785,209	9,018,287,554	490,674,640	8,529,328,515	311,214,470	15,291,854	275,587,151	
70,001 - 75,000	127,115	9,209,217,310	8,738,597,681	456,481,102	8,283,662,825	308,841,244	16,714,880	272,695,422	
75,001 - 80,000	113,801	8,814,476,276	8,388,499,601	419,291,200	7,970,541,834	303,019,670	16,276,036	268,021,595	
80,001 - 85,000	100,401	8,277,069,878	7,895,479,954	378,478,800	7,517,234,872	290,382,732	10,776,658	261,989,905	
85,001 - 90,000	88,209	7,713,406,305	7,375,948,372	340,363,800	7,035,707,078	277,158,333	9,469,370	251,074,722	
90,001 - 95,000	76,580	7,079,341,414	6,794,126,485	301,287,012	6,491,880,750	261,027,625	8,927,369	236,576,097	
95,001 - 100,000	66,509	6,480,393,024	6,227,850,638	266,699,282	5,961,755,229	244,150,077	8,367,504	221,457,861	
100,001 - 125,000	203,457	22,541,120,504	21,685,850,878	825,186,120	20,861,683,921	1,010,388,498	30,503,461	810,622,852	
125,001 - 150,000	94,676	12,902,804,308	12,444,813,301	388,156,502	12,057,359,571	564,642,060	18,751,075	503,432,622	
150,001 - 175,000	53,825	8,692,024,250	8,408,626,159	219,777,600	8,189,243,659	405,054,932	12,960,352	356,592,196	
175,001 - 200,000	34,041	6,353,078,171	6,167,940,214	139,367,400	6,026,766,022	310,116,636	9,626,182	269,274,498	
200,001 - 250,000	39,166	8,696,606,260	8,462,753,822	161,252,000	8,301,441,463	445,867,108	13,264,676	383,839,727	
250,001 - 300,000	21,043	5,741,218,072	5,606,430,866	87,346,000	5,521,636,824	312,248,330	7,578,962	263,175,866	
300,001 - 350,000	12,783	4,131,951,487	4,046,167,612	53,758,600	3,992,196,591	233,520,680	4,451,441	192,435,711	
350,001 - 400,000	8,897	3,324,639,652	3,264,398,769	36,892,800	3,227,545,605	193,400,175	2,979,748	156,283,653	
400,001 - 450,000	6,439	2,729,459,388	2,683,378,792	26,726,000	2,656,666,652	162,566,443	2,124,847	128,166,110	
450,001 - 500,000	5,244	2,486,593,711	2,442,498,273	21,736,200	2,421,252,623	149,774,220	1,680,073	118,965,578	
500,001 - 750,000	14,017	8,476,286,280	8,357,739,868	58,164,400	8,299,068,936	526,566,591	4,391,531	394,731,413	
750,001 - 1,000,000	5,865	5,045,468,334	4,986,415,568	23,972,200	4,962,458,781	323,156,950	1,755,212	218,921,982	
1,000,001 - 1,500,000	5,425	6,576,530,147	6,491,418,579	21,910,750	6,469,550,820	427,808,640	1,513,850	253,220,374	
1,500,001 - 2,000,000	2,530	4,359,667,596	4,304,758,605	9,774,800	4,295,479,811	286,309,417	663,662	152,101,340	
2,000,001 - 3,000,000	2,522	6,142,698,321	6,073,853,407	9,906,400	6,063,955,406	407,615,545	593,403	182,846,095	
3,000,001 - 4,000,000	1,302	4,500,748,953	4,441,969,466	5,049,800	4,436,949,666	299,693,744	299,139	117,524,496	
4,000,001 - 5,000,000	809	3,626,430,214	3,594,042,052	3,192,000	3,590,857,061	243,560,678	159,250	87,805,147	
5,000,001 - 10,000,000	1,613	11,255,841,540	11,118,396,984	6,165,600	11,112,231,389	756,123,548	329,192	203,703,606	
Over \$10,000,000	1,331	45,705,281,065	44,782,294,429	5,346,600	44,765,780,731	3,270,306,294	237,251	368,714,530	
<b>Total</b>	<b>5,348,729</b>	<b>\$339,388,963,374</b>	<b>\$328,050,929,725</b>	<b>\$14,906,121,969</b>	<b>\$313,356,444,763</b>	<b>\$14,899,670,823</b>	<b>\$272,817,250</b>	<b>\$9,141,927,994</b>	

1 As reported on returns due April 15, 2006.

2 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 \$5.2 billion.

**Table 2**

Comparison of 2005 and 2006 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		
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	
Under \$5,000	457,382	442,855	\$1,101,507,420	\$865,831,672	\$600,311,899	\$542,298,534	\$3,553	\$2,523	\$428,203	\$259,010	
\$5,001 - \$10,000	461,227	448,276	3,438,492,073	3,340,830,367	2,439,452,753	2,348,480,010	1,561	2,964	95,256	87,798	
\$10,001 - \$15,000	439,075	426,571	5,483,742,812	5,328,512,670	4,303,703,778	4,151,259,532	51,667	37,422	23,232,405	21,022,911	
\$15,001 - \$20,000	428,502	414,712	7,490,482,392	7,249,288,383	6,207,960,512	5,985,739,510	493,708	398,981	72,879,850	66,722,763	
\$20,001 - \$40,000	1,405,171	1,377,901	41,270,799,036	40,513,779,336	36,112,609,518	35,304,738,992	16,290,525	13,990,511	819,165,290	760,172,973	
\$40,001 - \$80,000	1,376,246	1,391,730	78,209,002,216	79,252,062,072	70,143,889,065	70,765,224,722	116,839,937	106,980,640	2,244,990,342	2,160,206,161	
\$80,001 - \$100,000	311,267	331,699	27,700,569,088	29,550,210,621	25,417,634,494	27,006,577,929	37,762,213	37,540,901	957,477,672	971,098,585	
\$100,001 - \$200,000	346,017	385,999	45,179,948,398	50,489,027,233	42,343,142,986	47,135,053,173	67,323,255	71,841,070	1,825,087,488	1,939,922,168	
over \$200,000	115,967	128,986	114,117,796,294	122,799,421,020	112,187,496,008	120,117,072,359	47,117,231	42,022,238	2,983,772,916	3,222,435,626	
<b>Total</b>	<b>5,340,854</b>	<b>5,348,729</b>	<b>\$323,992,339,729</b>	<b>\$339,388,963,374</b>	<b>\$299,756,201,012</b>	<b>\$313,356,444,763</b>	<b>\$285,883,651</b>	<b>\$272,817,250</b>	<b>\$8,937,129,422</b>	<b>\$9,141,927,994</b>	

**Table 3**

Comparison of 2005 and 2006 Individual Income Tax Returns with Tax Liability					
Income Level	Number of Returns with Tax Liability		Ohio Income Tax		
	2005	2006	2005	2006	
Under \$5,000	979	788	\$428,203	\$259,010	
\$5,001 - \$10,000	865	833	95,256	87,798	
\$10,001 - \$15,000	188,982	181,364	23,232,405	21,022,911	
\$15,001 - \$20,000	352,126	337,569	72,879,850	66,722,763	
\$20,001 - \$40,000	1,355,931	1,326,705	819,165,290	760,172,973	
\$40,001 - \$80,000	1,354,978	1,370,009	2,244,990,342	2,160,206,161	
\$80,001 - \$100,000	307,302	327,486	957,477,672	971,098,585	
\$100,001 - \$200,000	340,607	379,860	1,825,087,488	1,939,922,168	
over \$200,000	111,077	123,488	2,983,772,916	3,222,435,626	
	<b>4,012,847</b>	<b>4,048,102</b>	<b>\$8,937,129,422</b>	<b>\$9,141,927,994</b>	

Table 4

2006 Ohio Individual Income Tax Returns for All Filing Status Categories						
Income Level	Number of Returns	FAGI	Ohio Taxable Income	Joint Filer Credit	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000	442,855	\$865,831,672	\$542,298,534	\$2,523	\$259,010	0.03%
\$5,001 - \$10,000	448,276	3,340,830,367	2,348,480,010	2,964	87,798	0.00%
\$10,001 - \$15,000	426,571	5,328,512,670	4,151,259,532	37,422	21,022,911	0.39%
\$15,001 - \$20,000	414,712	7,249,288,383	5,985,739,510	398,981	66,722,763	0.92%
\$20,001 - \$40,000	1,377,901	40,513,779,336	35,304,738,992	13,990,511	760,172,973	1.88%
\$40,001 - \$80,000	1,391,730	79,252,062,072	70,765,224,722	106,980,640	2,160,206,161	2.73%
\$80,001 - \$100,000	331,699	29,550,210,621	27,006,577,929	37,540,901	971,098,585	3.29%
\$100,001 - \$200,000	385,999	50,489,027,233	47,135,053,173	71,841,070	1,939,922,168	3.84%
over \$200,000	128,986	122,799,421,020	120,117,072,359	42,022,238	3,222,435,626	2.62%
<b>Total</b>	<b>5,348,729</b>	<b>\$339,388,963,374</b>	<b>\$313,356,444,763</b>	<b>\$272,817,250</b>	<b>\$9,141,927,994</b>	<b>2.69%</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

2006 Ohio Individual Income Tax Returns Claiming Married Filing Joint Status					
Income Level	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000	19,548	-\$257,108,276	\$13,571,686	\$154,648	-0.06%
\$5,001 - \$10,000	36,034	278,653,740	118,790,519	30,004	0.01%
\$10,001 - \$15,000	59,951	758,715,015	463,624,306	515,758	0.07%
\$15,001 - \$20,000	79,527	1,396,563,906	988,312,198	4,669,272	0.33%
\$20,001 - \$40,000	340,415	10,281,123,150	8,108,786,420	136,645,781	1.33%
\$40,001 - \$80,000	731,902	43,737,342,550	38,022,222,221	1,109,984,187	2.54%
\$80,001 - \$100,000	262,691	23,439,879,059	21,288,470,783	757,217,331	3.23%
\$100,001 - \$200,000	322,919	42,292,512,395	39,417,791,901	1,613,933,914	3.82%
over \$200,000	108,916	100,598,003,303	98,317,438,484	2,701,096,987	2.69%
<b>Total</b>	<b>1,961,903</b>	<b>\$222,525,684,842</b>	<b>\$206,739,008,519</b>	<b>\$6,324,247,881</b>	<b>2.84%</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

2006 Ohio Individual Income Tax Returns Claiming Single Filing Status					
Income Level	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate <sup>1</sup>
Under \$5,000	417,994	\$1,112,518,646	\$522,058,562	\$93,288	0.01%
\$5,001 - \$10,000	404,681	3,004,285,301	2,187,606,728	51,499	0.00%
\$10,001 - \$15,000	353,690	4,404,567,101	3,550,301,314	19,449,164	0.44%
\$15,001 - \$20,000	310,759	5,420,715,003	4,619,341,264	56,597,953	1.04%
\$20,001 - \$40,000	868,517	25,043,179,323	22,472,835,435	508,086,012	2.03%
\$40,001 - \$80,000	490,576	26,317,104,465	24,119,740,482	765,641,497	2.91%
\$80,001 - \$100,000	47,940	4,243,373,999	3,927,924,915	144,290,072	3.40%
\$100,001 - \$200,000	46,070	6,024,103,126	5,622,073,451	232,838,175	3.87%
over \$200,000	16,342	17,578,152,411	17,237,328,143	411,479,191	2.34%
<b>Total</b>	<b>2,956,569</b>	<b>\$93,147,999,374</b>	<b>\$84,259,210,294</b>	<b>\$2,138,526,851</b>	<b>2.30%</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**

2006 Ohio Individual Income Tax Returns Claiming Married Filing Separate Status						
Income Level	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate <sup>1</sup>	
Under \$5,000	5,313	\$10,421,302	\$6,668,286	\$11,074	0.11%	
\$5,001 - \$10,000	7,561	57,891,326	42,082,763	6,295	0.01%	
\$10,001 - \$15,000	12,930	165,230,555	137,333,913	1,057,989	0.64%	
\$15,001 - \$20,000	24,426	432,009,474	378,086,048	5,455,538	1.26%	
\$20,001 - \$40,000	168,969	5,189,476,863	4,723,117,137	115,441,181	2.22%	
\$40,001 - \$80,000	169,253	9,197,659,982	8,623,305,544	284,581,850	3.09%	
\$80,001 - \$100,000	21,068	1,866,957,563	1,790,182,231	69,591,181	3.73%	
\$100,001 - \$200,000	17,010	2,172,411,712	2,095,187,821	93,150,079	4.29%	
over \$200,000	3,727	4,578,340,526	4,517,382,352	106,776,432	2.33%	
	<b>430,257</b>	<b>\$23,670,399,302</b>	<b>\$22,313,346,095</b>	<b>\$676,071,619</b>	<b>2.86%</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**

2006 Ohio Individual Income Tax Returns by Ohio Taxable Income Level					
Income Level	Number of Returns	\$20 Exemption Credit	Joint Filer Credit <sup>1</sup>	Ohio Income Tax	
Under \$5,000	442,855	\$10,961,882	\$2,523	\$259,010	
\$5,001 - \$10,000	448,276	12,794,161	2,964	87,798	
\$10,001 - \$15,000	426,571	13,821,698	37,422	21,022,911	
\$15,001 - \$20,000	414,712	13,988,323	398,981	66,722,763	
\$20,001 - \$40,000	1,377,901	49,625,859	13,990,511	760,172,973	
\$40,001 - \$80,000	1,391,730	63,313,785	106,980,640	2,160,206,161	
\$80,001 - \$100,000	331,699	18,383,214	37,540,901	971,098,585	
\$100,001 - \$200,000	385,999	22,464,118	71,841,070	1,939,922,168	
over \$200,000	128,986	7,588,165	42,022,238	3,222,435,626	
<b>Total</b>	<b>5,348,729</b>	<b>\$212,941,205</b>	<b>\$272,817,250</b>	<b>\$9,141,927,994</b>	

<sup>1</sup> Differs from other tables due to methodology of computation.

**Table 9**

2006 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	42	-\$815,142	\$897,066.0	\$24,649.0	-3.02%	
\$5,001 - \$10,000	60	475,038	744,268	14,855	3.13%	
\$10,001 - \$15,000	2,351	33,064,042	26,188,514	146,642	0.44%	
\$15,001 - \$20,000	16,000	286,027,697	221,538,625	1,563,326	0.55%	
\$20,001 - \$40,000	167,026	5,197,959,251	4,280,021,506	70,043,310	1.35%	
\$40,001 - \$80,000	536,271	32,506,992,359	28,837,253,375	832,279,261	2.56%	
\$80,001 - \$100,000	216,048	19,285,941,488	17,759,207,672	631,824,728	3.28%	
\$100,001 - \$200,000	258,005	33,563,517,902	31,587,677,092	1,292,821,834	3.85%	
over \$200,000	67,852	47,486,799,362	46,501,751,029	1,562,827,472	3.29%	
	<b>1,263,655</b>	<b>\$138,359,961,997</b>	<b>\$129,215,279,147</b>	<b>\$4,391,546,075</b>	<b>3.17%</b>	

<sup>1</sup> Differs from other tables due to methodology of computation.

**Table 10**

2006 Ohio Individual Income Tax Returns Claiming the Senior Citizen Credit, by Income Level						
Income Level	Number of Returns	FAGI	Ohio Taxable Income	Senior Citizen Credit	Retirement Income Credit <sup>1</sup>	Ohio Income Tax
Under \$5,000	22,012	\$1,197,854	\$18,911,863	\$1,100,008	\$719,556	\$3,549
\$5,001 - \$10,000	46,245	360,640,223	220,190,212	2,311,352	3,780,999	16,292
\$10,001 - \$15,000	75,590	951,450,867	679,128,589	3,778,682	9,562,349	490,797
\$15,001 - \$20,000	76,006	1,324,433,629	993,151,373	3,799,627	10,912,485	2,437,286
\$20,001 - \$40,000	186,142	5,384,672,236	3,937,269,154	9,304,853	28,444,083	46,386,518
\$40,001 - \$80,000	173,771	9,910,942,957	7,057,913,301	8,686,815	26,805,793	172,224,067
\$80,001 - \$100,000	38,750	3,443,146,666	2,598,397,658	1,936,949	5,863,016	82,714,150
\$100,001 - \$200,000	48,974	6,498,848,828	5,320,229,286	2,448,250	7,041,338	207,183,759
over \$200,000	21,667	28,419,393,443	27,559,159,182	1,083,206	2,531,921	590,960,155
	<b>689,157</b>	<b>\$56,294,726,703</b>	<b>\$48,384,350,617</b>	<b>\$34,449,742</b>	<b>\$95,661,540</b>	<b>\$1,102,416,572</b>

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

Table 11

2006 Ohio Individual Income Tax Returns: By County							
County	Number of Returns	FAGI	Ohio Income Tax	County	Number of Returns	FAGI	Ohio Income Tax
ADAMS	11,828	\$412,847,524	\$10,188,520	LORAIN	137,253	\$6,698,439,682	\$212,667,866
ALLEN	48,542	2,163,160,369	66,871,636	LUCAS	193,523	9,692,009,570	325,449,924
ASHLAND	23,891	1,000,215,290	27,933,070	MADISON	17,952	927,045,524	26,647,501
ASHTABULA	44,714	1,695,035,036	45,191,664	MAHONING	108,030	4,930,984,110	155,047,154
ATHENS	22,177	863,308,774	24,464,741	MARION	27,671	1,126,152,489	31,715,388
AUGLAIZE	22,160	1,028,867,246	30,911,720	MEDINA	80,876	4,733,818,290	164,687,253
BELMONT	30,008	1,175,682,618	30,851,757	MEIGS	8,881	313,880,749	7,822,706
BROWN	18,791	718,149,203	18,868,574	MERCER	20,228	854,358,954	24,654,468
BUTLER	160,052	8,571,951,784	285,903,973	MIAMI	48,752	2,343,073,647	73,968,878
CARROLL	12,639	499,312,590	13,829,411	MONROE	6,330	213,825,340	5,135,252
CHAMPAIGN	17,404	752,762,039	21,669,044	MONTGOMERY	244,690	12,277,059,806	403,229,536
CLARK	62,049	2,634,542,896	76,536,259	MORGAN	5,948	208,314,211	4,530,745
CLERMONT	87,929	4,755,838,957	159,628,030	MORROW	13,782	558,953,640	15,552,503
CLINTON	20,058	940,145,159	26,111,372	MUSKINGUM	38,181	1,497,149,966	42,933,679
COLUMBIANA	46,877	1,823,925,943	49,939,623	NOBLE	5,222	181,578,770	4,628,713
COSHOCTON	15,939	582,309,872	14,886,099	OTTAWA	20,904	999,540,952	30,666,837
CRAWFORD	21,328	780,927,112	20,226,629	PAULDING	9,021	368,828,513	10,194,557
CUYAHOGA	593,646	32,618,761,462	1,155,223,207	PERRY	14,408	526,606,728	13,880,813
DARKE	25,018	1,002,911,582	28,133,841	PICKAWAY	22,612	1,012,312,650	29,643,760
DEFIANCE	18,862	838,202,972	24,680,380	PIKE	11,504	412,598,590	10,476,049
DELAWARE	72,922	6,534,566,651	273,822,156	PORTAGE	70,772	3,456,128,491	111,617,140
ERIE	37,464	1,811,678,821	59,210,530	PREBLE	18,507	885,347,435	28,310,314
FAIRFIELD	62,820	3,228,414,387	103,646,218	PUTNAM	16,858	753,922,912	22,425,584
FAYETTE	12,991	491,313,774	13,323,309	RICHLAND	56,479	2,378,231,803	69,212,392
FRANKLIN	523,339	28,274,860,423	986,931,588	ROSS	31,957	1,297,348,559	36,887,206
FULTON	20,843	918,241,629	26,340,887	SANDUSKY	30,085	1,194,409,098	32,934,132
GALLIA	12,114	490,791,647	14,370,552	SCIOTO	27,337	1,053,762,597	28,627,013
GEAUGA	44,627	3,428,157,603	138,571,830	SENECA	26,884	1,031,772,171	28,095,016
GREENE	70,578	4,004,240,448	133,939,063	SHELBY	23,738	1,070,843,714	33,600,723
GUERNSEY	17,499	617,358,604	16,188,177	STARK	174,688	8,065,377,918	254,780,893
HAMILTON	376,236	24,206,417,037	924,002,038	SUMMIT	251,588	13,577,638,623	471,742,762
HANCOCK	33,849	1,688,396,283	55,415,211	TRUMBULL	99,441	4,353,386,272	130,551,009
HARDIN	13,246	511,417,635	13,776,853	TUSCARAWAS	44,082	1,754,856,404	50,239,611
HARRISON	6,691	462,682,179	5,806,547	UNION	21,318	1,195,121,837	40,395,218
HENRY	13,780	595,046,227	17,068,542	VAN WERT	14,251	570,242,990	15,641,334
HIGHLAND	18,492	669,247,441	17,432,361	VINTON	4,767	171,786,186	4,433,871
HOCKING	12,011	441,236,745	11,493,038	WARREN	90,995	6,351,969,759	238,825,128
HOLMES	13,994	557,477,095	16,067,913	WASHINGTON	27,451	1,164,021,652	33,014,350
HURON	29,223	1,191,551,262	33,519,617	WAYNE	52,456	2,429,030,767	76,645,499
JACKSON	13,573	502,714,329	13,596,754	WILLIAMS	18,257	744,296,422	21,093,947
JEFFERSON	30,176	1,236,107,241	34,933,240	WOOD	56,897	3,049,526,207	102,810,512
KNOX	25,485	1,133,266,685	33,641,819	WYANDOT	10,924	422,867,627	11,759,144
LAKE	114,703	5,769,128,899	185,386,831				
LAWRENCE	24,940	948,463,060	25,327,314	<b>COUNTY TOTAL</b>	<b>5,207,356</b>	<b>\$266,006,206,699</b>	<b>\$8,866,889,266</b>
LICKING	74,240	3,618,021,007	115,037,082	<b>OTHER<sup>1</sup></b>	<b>141,373</b>	<b>\$73,382,756,675</b>	<b>\$275,038,729</b>
LOGAN	22,108	968,129,535	28,813,867	<b>STATE TOTAL</b>	<b>5,348,729</b>	<b>\$339,388,963,374</b>	<b>\$9,141,927,994</b>

1 Includes non-resident returns.

Table 12

Rank of Counties by Average Income as Reported on 2006 Ohio Individual Income Tax Returns <sup>1</sup>							
County	FAGI	Percentage of State Average	Rank	County	FAGI	Percentage of State Average	Rank
ADAMS	\$34,904	55.02%	86	LOGAN	\$43,791	69.02%	40
ALLEN	44,563	70.24%	36	LORAIN	48,804	76.92%	22
ASHLAND	41,866	65.99%	48	LUCAS	50,082	78.94%	19
ASHTABULA	37,908	59.75%	73	MADISON	51,640	81.40%	15
ATHENS	38,928	61.36%	65	MAHONING	45,645	71.94%	32
AUGLAIZE	46,429	73.18%	29	MARION	40,698	64.15%	53
BELMONT	39,179	61.75%	64	MEDINA	58,532	92.26%	6
BROWN	38,218	60.24%	71	MEIGS	35,343	55.71%	83
BUTLER	53,557	84.42%	14	MERCER	42,236	66.57%	46
CARROLL	39,506	62.27%	62	MIAMI	48,061	75.75%	25
CHAMPAIGN	43,252	68.17%	42	MONROE	33,780	53.24%	88
CLARK	42,459	66.92%	44	MONTGOMERY	50,174	79.08%	18
CLERMONT	54,087	85.25%	10	MORGAN	35,023	55.20%	85
CLINTON	46,871	73.88%	28	MORROW	40,557	63.93%	55
COLUMBIANA	38,909	61.33%	66	MUSKINGUM	39,212	61.81%	63
COSHOCTON	36,534	57.58%	79	NOBLE	34,772	54.81%	87
CRAWFORD	36,615	57.71%	77	OTTAWA	47,816	75.37%	27
CUYAHOGA	54,946	86.61%	9	PAULDING	40,886	64.44%	50
DARKE	40,088	63.19%	57	PERRY	36,550	57.61%	78
DEFIANCE	44,439	70.04%	38	PICKAWAY	44,769	70.56%	34
DELAWARE	89,610	141.24%	1	PIKE	35,866	56.53%	82
ERIE	48,358	76.22%	24	PORTAGE	48,835	76.97%	21
FAIRFIELD	51,392	81.00%	16	PREBLE	47,839	75.40%	26
FAYETTE	37,820	59.61%	74	PUTNAM	44,722	70.49%	35
FRANKLIN	54,028	85.16%	11	RICHLAND	42,108	66.37%	47
FULTON	44,055	69.44%	39	ROSS	40,597	63.99%	54
GALLIA	40,514	63.86%	56	SANDUSKY	39,701	62.58%	61
GEAUGA	76,818	121.08%	2	SCIOTO	38,547	60.76%	69
GREENE	56,735	89.43%	7	SENECA	38,379	60.49%	70
GUERNSEY	35,280	55.61%	84	SHELBY	45,111	71.10%	33
HAMILTON	64,338	101.14%	5	STARK	46,170	72.77%	31
HANCOCK	49,880	78.62%	20	SUMMIT	53,968	85.06%	12
HARDIN	38,609	60.86%	68	TRUMBULL	43,779	69.00%	41
HARRISON	69,150	108.99%	4	TUSCARAWAS	39,809	62.75%	60
HENRY	43,182	68.06%	43	UNION	56,062	88.36%	8
HIGHLAND	36,191	57.04%	80	VAN WERT	40,014	63.07%	58
HOCKING	36,736	57.90%	76	VINTON	36,037	56.80%	81
HOLMES	39,837	62.79%	59	WARREN	69,806	110.03%	3
HURON	40,774	64.27%	51	WASHINGTON	42,404	66.84%	45
JACKSON	37,038	58.38%	75	WAYNE	46,306	72.99%	30
JEFFERSON	40,963	64.57%	49	WILLIAMS	40,768	64.26%	52
KNOX	44,468	70.09%	37	WOOD	53,597	84.48%	13
LAKE	50,296	79.28%	17	WYANDOT	38,710	61.01%	67
LAWRENCE	38,030	59.94%	72				
LICKING	48,734	76.81%	23	<b>TOTAL</b>	<b>\$63,444</b>	<b>100.00%</b>	

1 Includes only returns indicating a county of residence.