



Revenue From Taxes Administered by the Tax Commissioner

The Tax Commissioner's primary responsibility is the administration of most state and some local taxes. These taxes yielded approximately \$23.1 billion in net collections during the period of this report, Ohio's 2010 fiscal year, which is the period from July 1, 2009 through June 30, 2010. A breakdown of the collections from these taxes is shown in Table 1 for both state-collected taxes, represented by fiscal year, and locally-collected taxes, on a calendar year basis.

Readers of Table 1 should keep in mind that taxes imposed by one level of government may be collected by another, and that taxes collected by one level of government may be shared with another. For this reason, the tax collection figures attributed to state or local governments in the table do not necessarily indicate amounts available for expenditure by either the state or local governments. In addition, some state taxes are not administered by the Tax Commissioner, but by other state agencies. Thus, collections for these other taxes – including the foreign and domestic insurance taxes, motor vehicle license tax, and liquor gallonage tax – are not shown in Table 1.

The state-collected taxes administered by the Tax Commissioner yielded net tax collections of approximately \$22.1 billion during the fiscal year. This was a decrease of nearly \$1.0 billion from the previous fiscal year, or about 4 percent. Receipts from locally-collected taxes were approximately \$1.0 billion in the 2009 calendar year, a decrease of about \$556 million from the prior year, or about 36.6 percent.

Table 2 shows state General Revenue Fund revenue sources for fiscal year 2010. Excluding federal aid, total revenue amounted to approximately \$18 billion. Of this total, tax revenue represented \$16.2 billion, a steep decline from 2009, when tax revenues were \$17.1 billion.

As the second table shows, the largest single revenue source for the general fund was the individual income tax, with approximately \$7.2 billion distributed to the fund. The sales tax was the second largest revenue source, contributing more than \$7.1 billion. From the 2009 to the 2010 fiscal years, income tax revenue declined by approximately 5.0 percent, and sales tax collections declined by 0.5 percent.

Ohio's other major taxes have experienced quite disparate patterns, largely due to tax law changes.

Corporation franchise tax revenues actually declined earlier this decade, followed by a robust recovery; however, a scheduled five-year phase-out for most of this tax began in tax year 2006, ensuring revenue decline through 2010.

Beginning in fiscal year 2008, the cigarette tax became the third-largest tax source for the General Revenue Fund. This is because the cigarette tax rate has increased several times in recent years: from 24 cents per pack to 55 cents per pack beginning in fiscal year 2003; and from 55 cents per pack to \$1.25 per pack beginning in fiscal year 2006.

Public utility excise tax revenue has declined substantially from its pre-2002 levels, but this was partially offset by the creation of the kilowatt-hour tax in May 2001. This tax replaced the excise tax for electric and rural electric companies. The kilowatt-hour tax generated \$518.4 million in revenue in fiscal year 2009, of which only \$156.3 million was deposited into the General Revenue Fund. The remaining \$362.1 million was distributed to schools and local governments.

Revenue from taxes administered by the Department of Taxation comprised 97.2 percent of total General Revenue Fund taxes in fiscal year 2010. Most of the remaining 2.8 percent is comprised of foreign and domestic insurance taxes, which are administered by the Ohio Department of Insurance.

The first pie chart at the end of this chapter illustrates the General Revenue Fund tax sources for the fiscal year. The largest source, individual income tax, accounted for approximately 44.6 percent of tax revenue into the general fund for fiscal year 2010.

The total revenue from all state tax sources amounted to approximately \$21.4 billion. The second pie chart shows the taxes that comprise this total.

Further statistical information on most of these taxes is contained in other Department of Taxation publications. Some of these are available at the Department of Taxation's Web site (tax.ohio.gov); others can be obtained by contacting the Tax Analysis Division at (614) 466-3960.

Table 1

Collections For Taxes Administered by Ohio Tax Commissioner					
This table shows both gross and net tax collections for both state-collected and locally-collected taxes. For state-collected taxes, "gross tax collections" are equal to total taxes collected, including taxes which were later refunded. Net tax collections are equal to gross collections, less all refunds. Note: because the data for state-collected taxes is from the state accounting system contained within the Ohio Administrative Knowledge System (OAKS), the figures here will differ from data shown elsewhere in this report. Other tables in this report frequently represent taxes reported as shown on returns filed during the fiscal year, rather than actual collections during the fiscal year. For locally-collected taxes, collections are shown on a calendar year, rather than a fiscal year, basis.					
State-Collected Taxes	Gross Tax Collections		Net Tax Collections		Percent Change, 09-10
	FY 2009	FY 2010	FY 2009	FY 2010	
State Sales and Use	\$7,404,725,635	\$7,340,487,909	\$7,328,389,011	\$7,253,496,856	-1.02%
Local Sales and Use	1,719,949,296	1,702,636,671	1,719,949,296	1,702,636,671	-1.01%
Resort Area Excise	801,280	805,536	801,280	805,536	0.53%
State Personal Income	9,678,732,542	9,021,472,737	8,323,352,397	7,886,802,018	-5.24%
Municipal Income Tax for Electric Light Companies	28,357,693	19,231,944	28,357,693	19,231,944	-32.18%
School District Income	333,259,282	325,944,977	310,668,145	301,922,821	-2.82%
Corporation Franchise ¹	710,875,661	367,982,261	521,363,407	142,317,721	-72.70%
Commercial Activity Tax ⁴	1,216,537,835	1,379,151,123	1,179,414,794	1,342,055,365	13.79%
Dealers in Intangibles	39,332,835	40,873,585	38,420,165	40,856,527	6.34%
Motor Vehicle Fuel	1,747,138,793	1,744,625,722	1,726,741,847	1,727,242,267	0.03%
Motor Fuel Use	30,270,987	38,482,227	29,806,590	38,095,019	27.81%
Public Utility Excise	184,515,554	136,746,955	184,515,554	136,739,081	-25.89%
Kilowatt-Hour Excise	544,674,328	518,414,651	544,575,469	518,409,440	-4.80%
Natural Gas Consumption	71,006,551	66,526,083	70,853,004	66,372,536	-6.32%
Cigarette Excise	927,485,805	888,541,394	924,763,876	886,874,788	-4.10%
Local Cigarette Excise	22,233,760	21,036,155	22,089,078	20,960,863	-5.11%
Alcoholic Beverage Excise ²	58,106,976	57,278,780	57,981,763	57,099,072	-1.52%
Local Alcoholic Beverage ^{2,3}	5,771,236	5,378,290	5,771,236	5,378,290	-6.81%
Replacement Tire Fee	7,250,696	7,170,799	7,167,912	7,091,652	-1.06%
Horse Racing	9,543,766	8,369,847	9,543,766	8,369,847	-12.30%
Severance	11,053,522	10,550,321	11,053,522	10,550,321	-4.55%
Total State-Collected Taxes	\$24,751,624,033	\$23,701,707,966	\$23,045,579,805	\$22,173,308,635	-3.78%
Tax Collections					
Locally-Collected Taxes	CY 2008	CY 2009	Percent Change, 08-09		
Tangible Personal Property ⁵	\$539,740,043	\$55,051,474	-89.80%		
Public Utility Property ⁶	645,176,010	676,598,501	4.87%		
Estate ⁷	333,846,947	230,779,688	-30.87%		
Total Locally-Collected Taxes	\$1,518,763,000	\$962,429,663	-36.63%		

Sources: Fiscal year 2009 and 2010 data on state-collected taxes was extracted from the state accounting system (OAKS). Data on locally-collected taxes is based on Department of Taxation's own data sources.

1 For most taxpayers, the corporation franchise tax was phased out over a five-year period, beginning in tax year 2006.

2 Excludes tax on liquor since it is administered by the Ohio Department of Commerce, Division of Liquor Control.

3 Collected for Cuyahoga County.

4 The commercial activity tax was phased in over a five-year period, beginning in fiscal year 2006.

5 The tangible personal property tax was phased out over a four-year period beginning in tax year 2006, except for telephone property which is being phased out over a five year period beginning in tax year 2007.

6 Consists of taxes levied on the tangible personal property of public utilities for collection in the following year.

7 Consists of fiscal year 2009 and 2010 data, respectively (rather than calendar years 2008 and 2009). Reflects both state and local shares of estate tax collections.

Table 2

General Revenue Fund Sources:	
Fiscal Year 2010	
(figures in thousands)	
(excludes federal aid)	
Major Taxes:	2010 Collections
Personal Income Tax	\$7,247,224
Sales and Use Tax	7,077,372
Corporation Franchise Tax	141,748
Public Utility Excise Tax	136,739
Kilowatt-Hour Excise Tax	156,289
Cigarette Excise Tax	886,875
Alcoholic Beverage Taxes (including liquor gallonage)	<u>92,840</u>
Subtotal: Major Taxes	\$15,739,087
Other Taxes:	
Domestic Insurance Tax	161,676
Estate Tax	55,024
Foreign Insurance Tax	250,776
Dealers in Intangibles Tax	27,250
Subtotal: Other Taxes	494,726
Total: All Tax Revenue	\$16,233,813
Non-Tax Revenue	
Earnings on Investment	28,700
Liquor Profits	167,000
Miscellaneous ¹	<u>1,622,158</u>
Total: Non-Tax Revenue	\$1,817,858
GRAND TOTAL	18,051,671

Source: Ohio Office of Budget and Management.

¹ Includes certain transfers into the general revenue fund, licenses and fees, and other income.

Chart 1

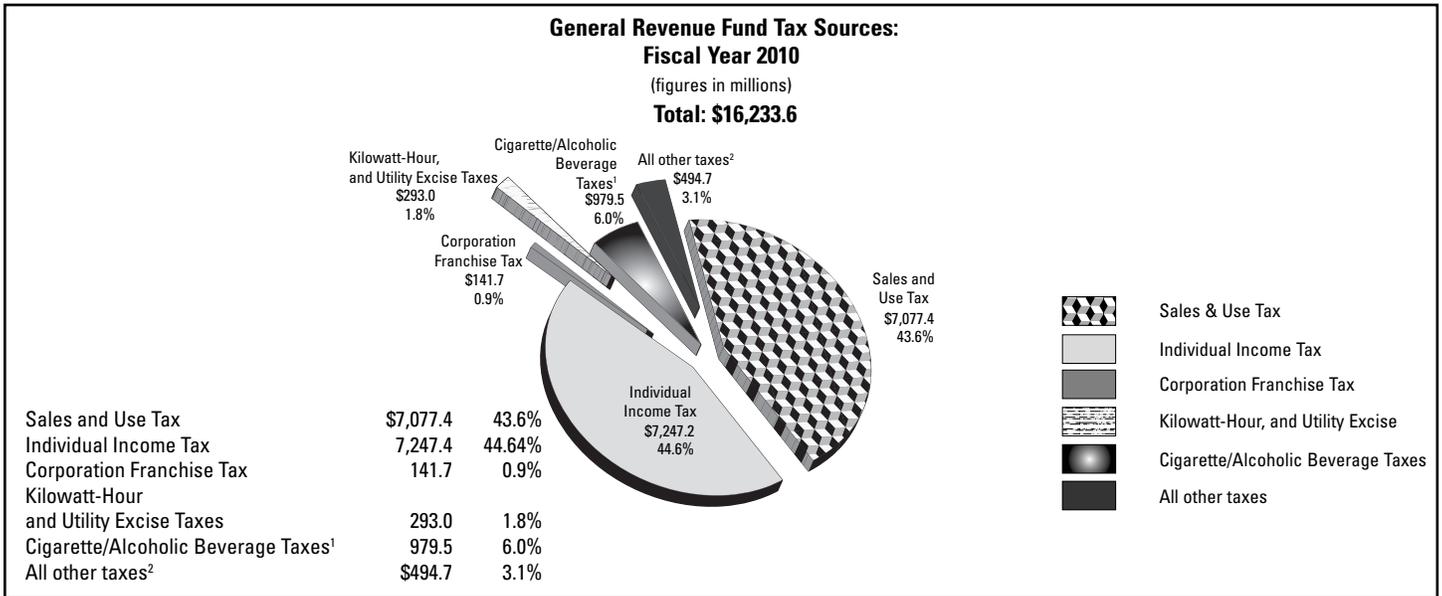
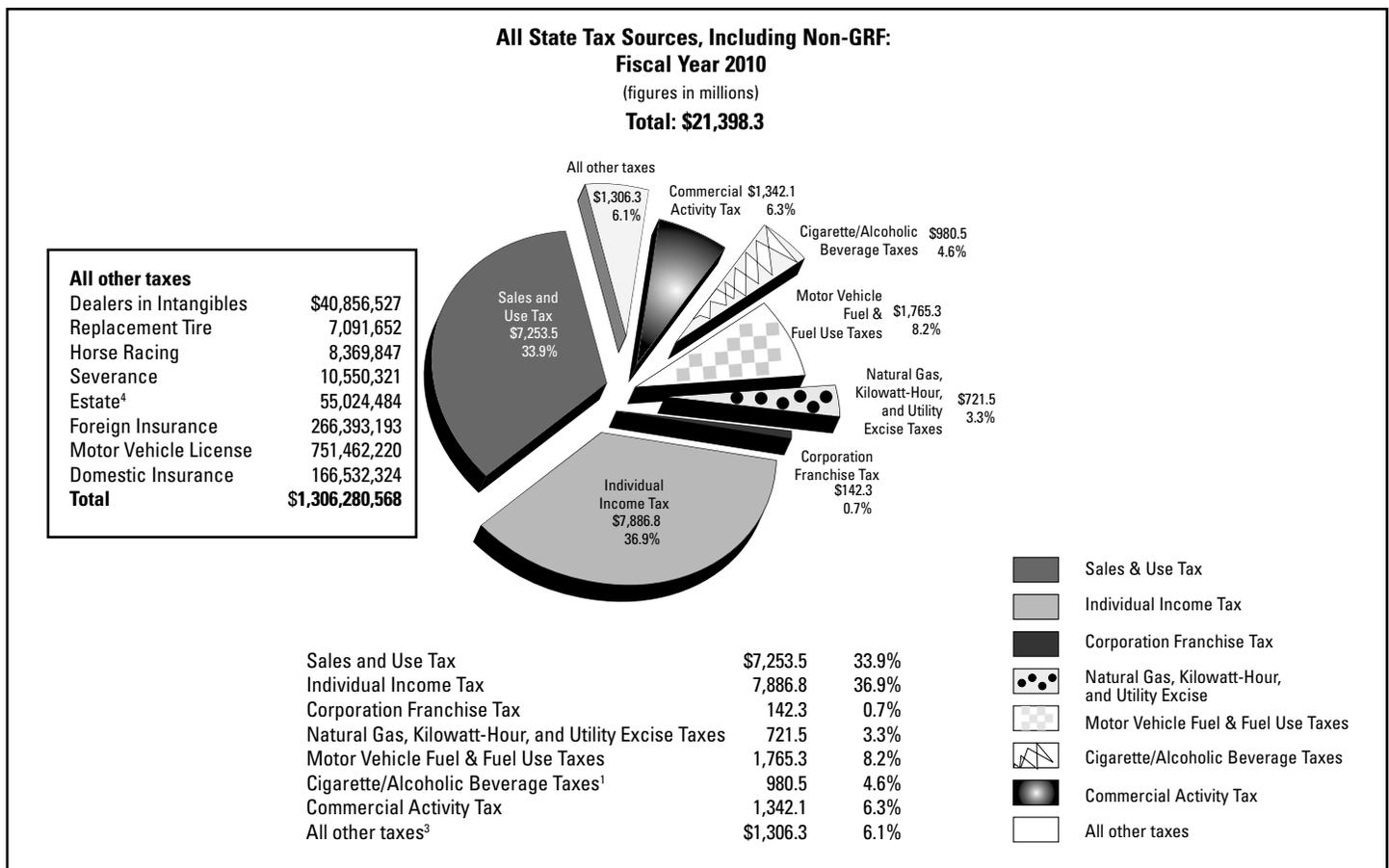


Chart 2



1 Includes tax on liquor of \$36.5 million which is administered by the Department of Commerce, Division of Liquor Control.
 2 This figure is comprised of domestic insurance, foreign insurance, estate and dealers in intangibles taxes.
 3 This figure is comprised of the following state tax revenues shown in the small box, above left.
 4 Reflects only the state's share of total estate tax revenues. Prior editions of this table reflected total (state and local) estate tax revenues.