
Tax Brief-Ohio Taxing Districts

Ohio's system of taxation provides the state and local units of government with varying degrees of authority to impose taxes. Some taxes can be imposed and collected only by the state, although revenue may be shared with local political subdivisions. Other taxes are imposed and collected at the local level, where the revenue remains. A brief explanation of terms regarding taxing authority, taxing districts, the levels of political subdivisions and the taxing powers of each is provided to help clarify Ohio's system of taxation. This section does not address the imposition of fees or licenses by state or local government.

Tax levy – a piece of legislation that imposes or alters a tax.

Taxing district – a jurisdiction that by law can impose a tax levy for property, sales, or municipal or school district income taxes within a specified geographic area. This area can encompass all or parts of contiguous political subdivisions. Taxing districts may overlap.

Political subdivision/taxing authority – a political subdivision is an entity created by the state to be an administrative unit of government. In Ohio, these entities, and the taxes they are authorized to impose, are:

Political Subdivision

- **County**

Taxing Authority

Sales tax either for general revenue or a specific purpose; both can be levied with or without a vote of the people but are subject to voter referendum (these taxes are normally referred to as “permissive taxes”). Counties also collect a share of *property taxes* and can impose additional property tax, subject to voter approval, for public safety and road maintenance purposes, or for certain specific purposes, such as historic preservation or for a zoo or cultural facility. In addition, counties and certain large municipalities can levy, without voter approval, *sales-type taxes on the cost of*

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Political Subdivision

Taxing Authority

admissions, for general revenue, or *on lodging*, for either general revenue or the specific purposes of construction and operation of convention or sports facilities. Counties can also levy, with or without voter approval but subject to referendum, *permissive sales-type taxes on alcoholic beverages and cigarettes* for sports facility funding purposes; Cuyahoga County is the only county currently doing so.

• **Municipality**

- **city (5,000 or more inhabitants)**
- **village (less than 5,000 inhabitants)**

Income taxes up to 1.0%; any level above that must be approved by voters; also *property taxes*, subject to voter approval, for police or fire; and *sales-type taxes on lodging or admissions*, neither of which requires voter approval, for general revenue or in certain municipalities, to fund a convention facility.

• **Township**

Property taxes subject to voter approval, for police and fire protection or road maintenance; also a *sales-type tax on lodging*, which does not require voter approval, for general revenue.

• **School District**

Property taxes subject to voter approval, for operations or a specific purpose, such as school construction; *income tax*, also subject to voter approval.

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<i>Political Subdivision</i>	<i>Taxing Authority</i>
• Park District	<i>Property taxes</i> subject to voter approval, for operations or a specific purpose.
• Special District, e.g., for: - special needs education, - other educational services, - libraries, - mental health, - children's services - senior care services	<i>Property taxes</i> subject to voter approval, for operations or a specific purpose.
• Fire District	<i>Property taxes</i> subject to voter approval, for operations or a specific purpose.
• Water or Sewer District	<i>Property taxes</i> subject to voter approval, for operations or a specific purpose, such as facility or service line construction.
• Transit Authority	<i>Sales tax</i> , subject to voter approval, for operations or a specific purpose.

All local tax levies (sales or property) are generally either permanent or for a specified time period.