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Information on Calendar Year 2011 Local Fund Distributions *July 26, 2010*

Each July, the Ohio Department of Taxation issues estimates of the distributions to be made from the Local Government Fund (LGF) and the Public Library Fund (PLF) during the following calendar year.¹ The Department has recently issued the distribution estimates for calendar year 2011, which are discussed below.

The calendar year 2011 estimates for each county undivided LGF and PLF are available at the following web site:

<http://tax.ohio.gov/channels/government/OhioDepartmentofTaxation.stm>

1. Calendar year 2011 Public Library Fund distribution estimates

The Department of Taxation estimates that CY 2011 distributions from the state PLF will amount to \$374.8 million, *based on funding levels prescribed by existing Ohio law* (see the paragraph below for further explanation of existing law). This represents an increase of \$35.7 million, or 10.5 percent, from the estimated CY 2010 distribution levels. The amounts are summarized below, shown in millions of dollars.

Under Ohio statute, the PLF receives 2.22 percent of total state General Revenue Fund tax revenues. However, the current state budget (Am. Sub. H.B. 1, 128th General Assembly) reduced the PLF funding percentage to 1.97 for the August 2009 through June 2011 period. The funding percentage is currently scheduled to revert to 2.22 percent starting in July 2011. **The CY 2011 PLF distribution projections reflect the assumption that the 2.22 funding percentage will go back into effect in July 2011.** For this reason, the distribution projections reflect aggressive growth during the July-December 2011 period relative to the 1.97 percent funding level in place during the July-December 2010 period. Because of uncertainty about aggregate PLF funding levels - including the difficulty of projecting tax revenues so far in advance - we recommend that the projected CY 2011 distribution amounts be used with caution.

July 2010 Estimate of Total Calendar Year 2011 <u>PLF Distributions</u> \$374.8	Current (June 2010) Estimate of Total Calendar Year 2010 <u>PLF Distributions</u> \$339.1	\$ change: Est CY 2011 less <u>est CY 2010</u> +\$35.7	% change: Est CY 2011 less <u>est CY 2010</u> +10.5%
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Shown below are the projected monthly PLF distributions for CY 2011 (in millions of dollars).

¹ In addition, updated PLF distributions estimates are to be issued each December for the upcoming distribution year and in each June of the distribution year. Thus, ODT's next set of distribution estimates for CY 2011 will be released in December 2010.

	Estimated CY 2011 PLF Distributions	CY 2011: Each month <u>as % total</u>
January	\$30.4	8.1%
February	33.4	8.9%
March	20.9	5.6%
April	25.1	6.7%
May	41.1	11.0%
June	31.4	8.4%
July	35.6	9.5%
August	29.5	7.9%
September	30.0	8.0%
October	34.6	9.2%
November	33.3	8.9%
December	<u>29.4</u>	<u>7.9%</u>
TOTAL	\$374.8	100.0%

2. Calendar year 2011 Local Government Fund distribution estimates

The Department of Taxation estimates that CY 2011 distributions to the county undivided local government funds will be \$606.9 million (excluding dealer in intangibles tax distributions). This represents an increase of \$29.0 million, or 5.0 percent, from the estimated CY 2010 distribution levels. The amounts are summarized below (in millions of \$).

	July 2010 Estimates of Total Calendar Year 2011 Distributions to <u>88 County LGFs</u>	July 2009 Estimates of Total Calendar Year 2010 Distributions to <u>88 County LGFs</u>	\$ change: Est CY 2011 less <u>est CY 2010</u>	% change: Est CY 2011 less <u>est CY 2010</u>
From state LGF	\$606.9	\$577.9	+\$29.0	+5.0%
Dealers in Intangibles	13.4	12.3	+1.1	+8.9%
Total distribution	\$620.3	\$590.2	+30.1	+5.1%

Shown below are the projected monthly CY 2011 distributions from the LGF to the county undivided local government funds (excluding dealer in intangibles tax distributions).

	Estimated CY 2011 LGF Distributions	CY 2011: Each month <u>as % total</u>
January	\$52.2	8.6%
February	57.4	9.5%
March	35.8	5.9%
April	43.1	7.1%
May	70.6	11.6%
June	54.0	8.9%
July	54.3	8.9%
August	45.0	7.4%
September	45.8	7.5%
October	52.8	8.7%
November	50.8	8.4%
December	<u>44.9</u>	<u>7.4%</u>
TOTAL	\$606.9	100.0%