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Governor Strickland Announces Income Tax Cuts for 2008

Columbus, Ohio – Governor Ted Strickland today announced a 4.2 percent decrease in income tax withholding rates for 2008, which is another step in the phase in of a 21-percent, across-the-board income tax cut that will be completed by the 2009 tax year.

“These income tax cuts will provide Ohio families more money each paycheck to invest in what matters most to them,” Strickland said.

The new, lower withholding rates will increase the take home pay of Ohioans by approximately \$350 million during 2008. Overall, the 2008 withholding rates will be 16.8 percent lower than they were in 2004, in line with income tax rates that will be 16.8 percent lower than 2004.

The new income tax withholding tables will take effect for pay periods ending on or after January 1, 2008. They replace the tables previously issued by the Ohio Department of Taxation effective October 1, 2006, and reflect an additional 4.2 percent reduction in withholding rates.

“My administration is strongly committed to continuing recently enacted tax reforms,” Strickland said. “Working together with the legislature, we are making sure Ohio is the best place in the nation to start a business and raise a family.”

Ohio employers will receive information about the new withholding tables in the mail starting this week. The new tables are also available online at http://www.tax.ohio.gov/employer_withholding.aspx. Employers who need more information about withholding matters may call (888) 405-4039.

Ohio's falling tax burden

State income tax, family of four:

Income	2004	2005	2006	2007	2008	2009
\$30,000	\$464	\$435	\$406	\$379	\$351	\$325
\$60,000	\$1,824	\$1,736	\$1,648	\$1,561	\$1,474	\$1,389
\$90,000	\$3,442	\$3,284	\$3,126	\$2,969	\$2,813	\$2,658

Note: Examples represent a two wage-earner married couple filing jointly.