

## Introduction

**I**n Ohio, state and local units of government have 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 may be imposed and collected locally, where the revenue remains. The following material summarizes the taxing powers at each level of local government in Ohio.

### Counties

Counties may levy a sales tax with or without a vote of the people but subject to voter referendum.

Counties also collect a share of property taxes and may impose additional property tax, subject to voter approval, for a variety of purposes, including current expenses, public safety and road maintenance purposes, historic preservation, a zoo, or a cultural facility.

In addition, counties and certain large municipalities may levy, without voter approval, taxes on the cost of 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 may also levy, with voter approval, separate taxes on alcoholic beverages and cigarettes for sports facility funding purposes; Cuyahoga County is the only county currently doing so.<sup>1</sup>

### Municipalities

Municipalities – meaning, cities and villages<sup>2</sup> – may levy income taxes up to 1 percent; any level above this rate must be approved by voters.

Municipalities may also levy property taxes, generally subject to voter approval, for purposes such as current expenses, police or fire protection, and emergency medical services. They may also levy taxes on lodging or admissions – neither of which requires voter approval – for general revenue or, in certain municipalities, to fund a convention facility.

<sup>1</sup> Cuyahoga County also levies a separate cigarette tax to raise revenue for a regional arts and cultural district. Such a tax is only permitted in counties with a population of at least 1.2 million.

<sup>2</sup> In Ohio, cities have 5,000 or more inhabitants. Villages have fewer than 5,000 inhabitants.

### Townships

Townships may levy property taxes, subject to voter approval, for purposes such as current expenses, police or fire protection or road maintenance. Townships may also levy a tax on lodging, which does not require voter approval, for general revenue.

### School districts

School districts may levy **property taxes**, subject to voter approval, for current expenses or a specific purpose, such as school construction. School districts may also levy an **income tax**, subject to voter approval.

### Other local authorities and districts

Ohio law also provides for a number of other special-purpose local taxing authorities:

- **Fire districts** may levy **property taxes**, subject to voter approval, for operations or a specific purpose.
- **Special districts**<sup>3</sup> may levy **property taxes**, subject to voter approval, for operations or a specific purpose.
- **Transit authorities** may levy **sales taxes**, subject to voter approval, for operations or a specific purpose.
- **Water or sewer districts** may levy **property taxes**, subject to voter approval, for operations or a specific purpose, such as facility or service line construction.

<sup>3</sup> Examples of services provided by special districts include special educational services, libraries, mental health, children's services and senior care services.