

INDIVIDUAL INCOME TAX - STATE

The Ohio individual income tax is the largest revenue producer for the state with total collections in Fiscal Year 2006 exceeding \$9.62 billion, or almost 43.4 percent of general revenues. Income tax revenue is split between state government, local governments, and libraries in proportions mandated by state law (see **Disposition of Revenue**). The Ohio Constitution requires that 50 percent of collections be returned to the county of origin.

The income tax has nine brackets covering ranges of taxable income and corresponding tax rates which progress from a minimum of .681 percent to a maximum rate of 6.87 percent for calendar year 2006. Calendar year 2006 is the second year of a reduction in rates that will be phased in over five years for a total reduction of 21 percent from 2004 rates (see **Recent Legislation**).

The Ohio income tax on individuals and estates was enacted in December 1971 and took effect January 1, 1972. An income tax on trusts was enacted in 2002 to help balance the state budget.

To facilitate compliance by the taxpayer and tax administration by the state, Ohio's income tax is linked closely to the federal income tax. The "starting point" for computing the Ohio income tax is federal adjusted gross income as defined in the Internal Revenue Code (I.R.C.). The "starting point" for estates and trusts is taxable income as defined in the I.R.C. Taxpayers make specified adjustments to income before applying Ohio tax rates to the remaining amount (Ohio taxable income) and determining tax liability. From this figure, certain credits may be subtracted to arrive at the final income tax due.

Under temporary law, subsequently made permanent, when the state declares a revenue surplus, statutory tax rates are reduced. There were such rate reductions from 1996-2000, but none from 2001-2006. In 2006 the personal exemption amount is \$1,400, up from \$1,350 in 2005. Each year the personal exemption amount is indexed for inflation.

This chapter includes twelve tables presenting information compiled from 2004 Ohio individual income tax returns (due by April 15, 2005). The data shows that 5,302,900 taxpayers filed tax returns, reporting total federal adjusted gross income of approximately \$293 billion, an average of roughly \$55,338 per return. Ohio taxpayers had a total tax liability of \$8,807 million for an average liability of \$1,661 per return.

- Table 1** has detailed data categorized in 43 income levels.
Table 2 compares total returns filed for 2003 and 2004, grouped by major income levels.
Table 3 compares only individual income tax returns for 2003 and 2004 with a tax liability.
Table 4 summarizes Table 1, combining major data into nine income levels.
Tables 5, 6, and 7 show nine income levels by filing status — married filing joint, single, and married filing separate.
Table 8 classifies returns and tax liability by Ohio taxable income rather than federal adjusted gross income.
Table 9 contains information on the joint filer credit for couples earning at least \$500 of qualifying Ohio adjusted gross income.

Table 10 provides information pertaining to the senior citizen credit.

Table 11 presents data by county. Cuyahoga County had the most returns, highest income, and highest tax liability. The ten most populous counties accounted for nearly 53 percent of all returns.

Table 12 presents average income per return by county. Delaware County had the highest average income at \$80,391, with Adams County the lowest at \$31,021.

TAXPAYER (OHIO REVISED CODE 5747.01(N)):

A taxpayer is every person subject to the tax under Ohio Revised Code section 5747.02 which includes every individual and every estate residing in Ohio or earning or receiving income in Ohio. Ohio lottery proceeds are subject to state tax. Every resident trust and certain nonresident trusts earning income from Ohio sources are subject to the Ohio income tax.

TAX BASE (R.C. 5747.01):

The tax base is the amount of federal adjusted gross income (individuals) or taxable income (estates and trusts) as defined in the I.R.C., plus or minus the adjustments according to Ohio income tax law (see **General Computation of Tax Liability** on the following page).

RATES (R.C. 5747.02):

The individual Ohio income tax rates for 2006 are shown below:

Over	But Not Over	Tax
\$0	- \$ 5,000	\$0.00, plus 0.681%
\$ 5,001	- \$ 10,000	\$34.05, plus 1.361% of excess over \$5,000
\$ 10,001	- \$ 15,000	\$102.10, plus 2.722% of excess over \$10,000
\$ 15,001	- \$ 20,000	\$238.20, plus 3.403% of excess over \$15,000
\$ 20,001	- \$ 40,000	\$408.35, plus 4.083% of excess over \$20,000
\$ 40,001	- \$ 80,000	\$1,224.95, plus 4.764% of excess over \$40,000
\$ 80,001	- \$ 100,000	\$3,130.55, plus 5.444% of excess over \$80,000
\$100,001	- \$ 200,000	\$4,219.35, plus 6.32% of excess over \$100,000
	over \$200,000	\$10,539.35, plus 6.87% of excess over \$200,000



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GENERAL COMPUTATION OF TAX LIABILITY FOR THE 2006 INDIVIDUAL INCOME TAX RETURN

**Starting Point – Federal Adjusted Gross Income,
Plus or Minus:****Additions to the extent not included in FAGI:**

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Non-Ohio state or local government interest and dividends. 2. Pass-through entity add back. 3. Income from an electing small business trust. 4. Reimbursement of college tuition expenses and fees deducted in a previous year (expires after taxable year 2005). 5. Losses from the sale of Ohio public obligations. 6. Non-medical withdrawals from an Ohio Medical Savings Account. 7. Reimbursement of expenses previously deducted. 8. Non-education expenditure from a college savings account. 9. Add back of 5/6 of the depreciation adjustment for I.R.C. sections 168(k) and 179. | <ol style="list-style-type: none"> 4. Disability and survivorship benefits. 5. Social security and some railroad retirement benefits. 6. Contributions to a college savings account administered by the Ohio Tuition Trust Authority. 7. Certain payments to members of the Ohio National Guard. 8. Unsubsidized health insurance, long-term care insurance, and excess medical expense deduction. 9. Funds deposited into, and earnings on, an Ohio Medical Savings Account. 10. Grantor Trust Electing Small Business Trust losses. 11. Wage and salary expense not deducted due to the federal targeted jobs or work opportunity tax credits. 12. Interest income from Ohio public and Ohio purchase obligations and gains from the sale or other disposition of Ohio public obligations. 13. Refund or reimbursement of a prior year federal itemized deduction. 14. Repayment of income reported in a prior year. 15. Amount contributed to an individual development account. 16. One-fifth of the depreciation added back in each of the previous five years. |
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**Deductions to the extent not excluded or
deducted from FAGI:**

1. Certain federal interest and dividends.
2. Reciprocity income (income tax paid to other states; see item 2., **Special Provisions**).
3. State or municipal income tax overpayments deducted on a prior year's federal income tax return.

= Ohio Adjusted Gross Income

**Subtract: Exemption of \$1,400 per taxpayer and per dependent
= Ohio Taxable Income**

**Apply: Graduated rates (see table, previous page)
= Tax Before Credits and Before Grants**

Subtract the following credits:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Personal and dependency credit of \$20. 2. Retirement income credit. 3. Senior citizen credit. 4. Lump sum distribution credit. 5. Child and dependent care credit. 6. Lump sum retirement income credit. 7. Credit if Ohio taxable income is less than or equal to \$10,000. | <ol style="list-style-type: none"> 8. Job training credit. 9. Political contributions credit. 10. Adoption credit. 11. Joint filing credit. 12. Resident credit. 13. Nonresident credit. 14. Business credits. |
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= Ohio Net Individual Income Tax Liability Before Grants**Subtract: Grants, if any****= Ohio Net Individual Income Tax Liability.**

EXEMPTIONS AND ADJUSTMENTS:

1. **Personal and Dependent Exemptions (R.C. 5747.025):** For 2006, a personal exemption is available for each taxpayer and each dependent in the amount of \$1,400. This exemption is adjusted annually based upon the gross domestic product deflator.
2. **Adjustments to Federal Adjusted Gross Income for Individuals:** For a complete listing and explanation of the adjustments to federal adjusted gross income, see form IT 1040, Ohio Income Tax Return Instructions.
3. **Adjustments to Federal Taxable Income for Estates and Trusts:** For a complete listing and explanation of the adjustments, see Form IT 1041, Ohio Fiduciary Income Tax Return and Instructions.

PERSONAL CREDITS:

1. **Personal and Dependent Exemption Credit (R.C. 5747.022):** Individual taxpayers are allowed to take a credit of \$20 against the Ohio income tax for each personal and dependent exemption.
2. **Retirement Income Credit (R.C. 5747.055):** Individual and estate taxpayers receiving retirement benefits, annuities, or distributions from a retirement or profit sharing plan which are included in Ohio adjusted gross income are allowed a credit based on the amount of retirement income received during the taxable year. The maximum credit is \$200.
3. **Senior Citizen Credit (R.C. 5747.05 (C)):** Individual and estate taxpayers may claim a \$50 credit if the taxpayer was 65 years of age on or before December 31st of the taxable year.
4. **Lump Sum Retirement Credit (R.C. 5747.05 (D)):** Individual taxpayers over 65 years of age may claim this credit if they received a lump sum distribution from a pension, retirement, or profit sharing plan. The calculation is based upon the expected remaining life years times the senior citizens credit amount.
5. **Child and Dependent Care Credit (R.C. 5747.054):** Individual and estate taxpayers with an income of less than \$40,000 may claim this credit if they made payments that qualified for the federal child and dependent care credit on the federal income tax return.
6. **Lump Sum Retirement Income Credit (R.C. 5747.055 (C), (D), (E)):** Individual taxpayers may claim this credit if, on retirement, they received a lump sum distribution from a qualified pension, retirement, or profit sharing plan during one tax year.
7. **Low-Income Taxpayer Credit (R.C. 5747.056):** Individual taxpayers whose Ohio taxable income is less than or equal to \$10,000 receive a full credit against the tax otherwise due.
8. **Job Training Credit (R.C. 5747.27):** An individual taxpayer may claim a credit for training expenses incurred within 12 months of losing or leaving a job due to abolishment of position or shift. The maximum credit is 50 percent of the training expenses or \$500, whichever is lower.
9. **Political Contributions Credit (R.C. 5747.29):** Individual and estate taxpayers may claim a credit for contributions made to campaign committees of candidates for Ohio state office.

The maximum credit is \$50 for single, head of household, and married filing separate filers and \$100 for married filing joint filers.

10. **Adoption Credit (R.C. 5747.37):** Individual taxpayers may claim a credit for adoption expenses up to a maximum of \$500 per child. Adoption of stepchildren does not qualify for this credit.
11. **Joint Filer Credit (R.C. 5747.05 (G) (1)):** A husband and wife who file a joint individual return are allowed a tax credit if each spouse has qualifying Ohio adjusted gross income of \$500 or more. Qualifying income does not include income from interest, dividends and distributions, royalties, rents, capital gains, and state or municipal income tax refunds. The maximum credit is \$650. The credit is a percentage of the tax after all credits (other than the resident, nonresident, part-year resident, and business credits).
12. **Resident Credit (R.C. 5747.05 (B)):** Resident individuals, resident estates, and trusts may calculate a tax credit if part or all of their income is taxed in another state. The calculation for trusts differs from that used for individuals and estates.
13. **Nonresident Credit (R.C. 5747.05 (A)):** Nonresident individuals and nonresident estates may calculate a credit if part of their income was not earned or received in Ohio. Ohio lottery winnings do not qualify for this credit.

BUSINESS CREDITS AND GRANTS:

Note: The following business credits apply to individuals, estates, and trusts. You can find additional explanation in the **Corporation Franchise Tax** chapter of this report. Note that only the Ohio Job Creation Credit and Pass-Through Entity Credit are refundable.

1. Credit or grant for purchases of new manufacturing machinery and equipment (7.5 percent-13.5 percent credit) (R.C. 5747.31, 122.172, and 122.173).
2. Credit for new employees in an enterprise zone (R.C. 5709.66 (B)).
3. Credit for eligible costs associated with a voluntary clean-up action (carry forward only through 2006) (R.C. 5747.32 and 122.16).
4. Credit for employers that establish on-site day care centers (carry forward expires in 2007) (R.C. 5747.35).
5. Credit for investment in a certified ethanol plant (R.C. 5747.75).
6. Credit for purchases of grape production property (R.C. 5747.28).
7. Export sales (credit carry forward only through 2004) (R.C. 5747.057).
8. Edison Center credit for research and development investors (R.C. 5747.33, 122.15, 122.151-154).
9. Enterprise zone day care and training credit (R.C. 5709.65 (A) (4) and (A) (5)).
10. Refundable job creation credit (R.C. 5747.058).
11. Refundable pass-through entity credit (R.C. 5747.059).

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1. Military pay is taxable for residents. Ohio residents pay Ohio income tax on military pay regardless of duty station (except for all pay earned while in a combat zone). If the taxpayer is not an Ohio resident, Ohio does not tax the military pay. Ohio will tax nonmilitary pay earned in Ohio that is included in federal adjusted gross income.
2. Reciprocity state income (R.C. 5747.05 (A) (3)) may affect filing of an Ohio return.
Because of "reciprocity agreements" Ohio has with the border states (Indiana, Kentucky, West Virginia, Michigan, and Pennsylvania), an individual does not have to file a 2006 Ohio income tax return if:
 - The taxpayer was a full-year resident of one of the five listed states for 2006, and
 - The taxpayer's only source of income within Ohio was from wages, salaries, tips, or commissions.

Exception: The "reciprocity agreements" do not apply to nonresidents who directly or indirectly own at least 20 percent of the stock or other equity of pass-through entities (S corporations, partnerships, etc., see R.C. 5733.40 (A) (7)). These nonresidents cannot use the "reciprocity agreements" in order to deduct, as non-Ohio income, any compensation received from such pass-through entities. Rather, these nonresidents must include this compensation in Ohio taxable income but can treat this compensation as business income which must be apportioned for purposes of computing the nonresident credit. Ohio tax form IT 2023 is used for this purpose.
3. Residency status affects the calculation of the Ohio income tax. Individual taxpayers who have no more than 120 contact periods in Ohio and who have a permanent abode outside of Ohio for the entire year may declare themselves to be a nonresident of Ohio. Without jeopardizing their nonresidency status, the taxpayer can spend up to an additional 30 contact periods in Ohio for specific reasons (attending a funeral, charity functions, doctor visits).

Filing & Payment Dates

(R.C. 5747.07-5747.09):

For Individuals, Estates and Trusts:

1. An annual return is due between January 1 and April 15 for calendar

year taxpayers without an extension. Fiscal year returns are due by the 15th day of the fourth month after the fiscal year end. The return reconciles the tax liability with the amount remitted through withholding by the employer or quarterly estimated payments by the taxpayer.

2. Taxpayers must file quarterly declarations if they expect their tax to be underwithheld by more than \$500. Such taxpayers must make estimated payments on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

For Employers:

An employer accumulating undeposited taxes of \$100,000 or more is required to make payment within one banking day by electronic funds transfer (EFT). Otherwise, the following rules apply:

1. If an employer withheld no more than \$2,000 during the 12 months ending on June 30 of the preceding year, payments are due within 30 days after the quarter ending in March, June, September, and December.
2. If an employer withheld more than \$2,000 and less than \$84,000 during the 12 months ending on June 30 of the preceding year, payments are due within 15 days after the end of the month.
3. If an employer withheld at least \$84,000 during the 12 months ending on June 30 of the preceding year, payments are due within three banking days after the end of the partial weekly period and must be made by EFT.

DISPOSITION OF REVENUE:

1. In FY 2006, 4.7 percent or \$458.0 million was distributed to the Library and Local Government Support Fund, 3.4 percent or \$324.9 million to the Local Government Fund, 0.5 percent or \$46.4 million to the Local Government Revenue Assistance Fund, and 91.4 percent or \$8,786.4 million was distributed to the General Revenue Fund.

This distribution was structured by House Bill 66, 126th General Assembly, the FY 2006-2007 biennium budget bill, which continued a freeze on local government funds that began in 2002 and froze these distributions at FY 2001 levels. For each month of FY 2006, the Local Government Fund and Local Government Revenue Assistance Fund received the same amount they received for the corresponding month of the July 2004 - June 2005 period.

2. The Ohio Constitution requires that at least 50 percent of the income tax collections be returned to the county of origin. This provision is met primarily through General Revenue Fund allocations to education, Local Government Fund distributions, and local property tax relief (12.5 percent property tax rollback and homestead exemption).

ADMINISTRATION:

The Department of Taxation administers the Ohio income tax on individuals, estates, and trusts.

OHIO REVISED CODE CITATIONS:
Chapter 5747.



Amended Substitute House Bill 530, 126th General Assembly (effective March 30, 2006). R.C. 5747.01 (A) (22) and R.C. 5747.01 (A) (23):

Provides for a deduction for certain payments made to members of the Ohio National Guard. Effective for taxable years ending after March 30, 2006.

Amended Substitute H.B. 66, 126th General Assembly (FY 2006-2007 biennium budget bill, effective June 30, 2005).

R.C. 5747.01, 5747.02 (A) and (B):

Reduced the rate for all tax brackets for taxable year 2005 by 4.2 percent. Reduces rates by an additional 4.2 percent (from taxable year 2004 rates) in each of the taxable years from 2006-2009 for a total 21 percent reduction in rates. Also made permanent the income tax on trust income.

R.C. 5747.056:

Created a low-income taxpayer credit for taxable years beginning in 2005 and thereafter. Taxpayers having Ohio taxable income of \$10,000 or less receive

a nonrefundable credit equal to the amount of tax otherwise due. While such taxpayers still have to file the Ohio income tax return, they will owe no Ohio income tax.

R.C. 122.172, 122.173, and 5733.33:

Converted the manufacturers' new machinery and equipment business credit to a nonrefundable grant, effective for taxable years ending after June 30, 2005. Qualifying taxpayers must file the "notice of intent" letter with the Ohio Department of Development and must attach the "grant request form" to the income tax return. Also changed the last day of the purchase period from December 31, 2015 to June 30, 2005. Changed the last day of the installation period from December 31, 2016 to June 30, 2006.

R.C. 5747.113:

Created a military injury relief fund and allowed taxpayers to contribute a portion of their income tax refund to this fund. The fund is administered by the Ohio Department of Job and Family Services.

Sub. H.B. 2, 126th General Assembly (effective June 2, 2005).

R.C. 5747.026 (A)-(D):

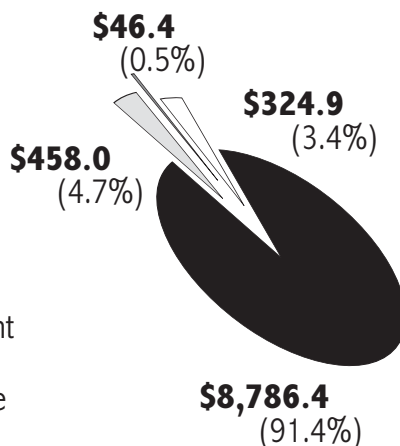
Expanded existing extensions to file and pay individual and school district income taxes to members of the Ohio National Guard and members of a reserve component of the U.S. Armed Forces who are called to active duty for any reason.

Distribution of Revenue from Individual Income Tax

Fiscal Year 2006

(figures in millions)

- General Revenue Fund
- Library & Local Government Support Fund
- Local Government Revenue Assistance Fund
- Local Government Fund

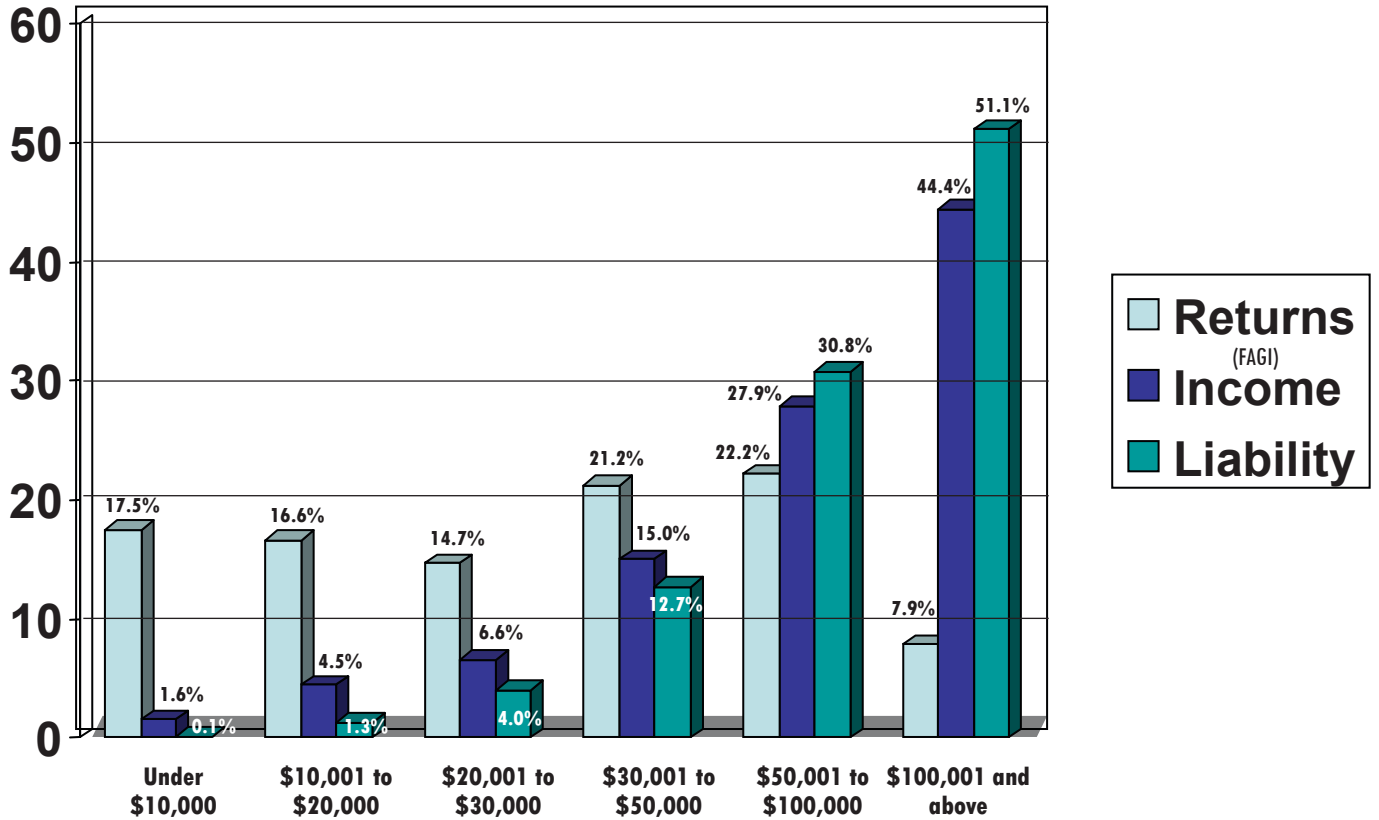


Total \$9,623.2 million*

* Includes Attorney General collections and political party contributions which amount to \$7.5 million.

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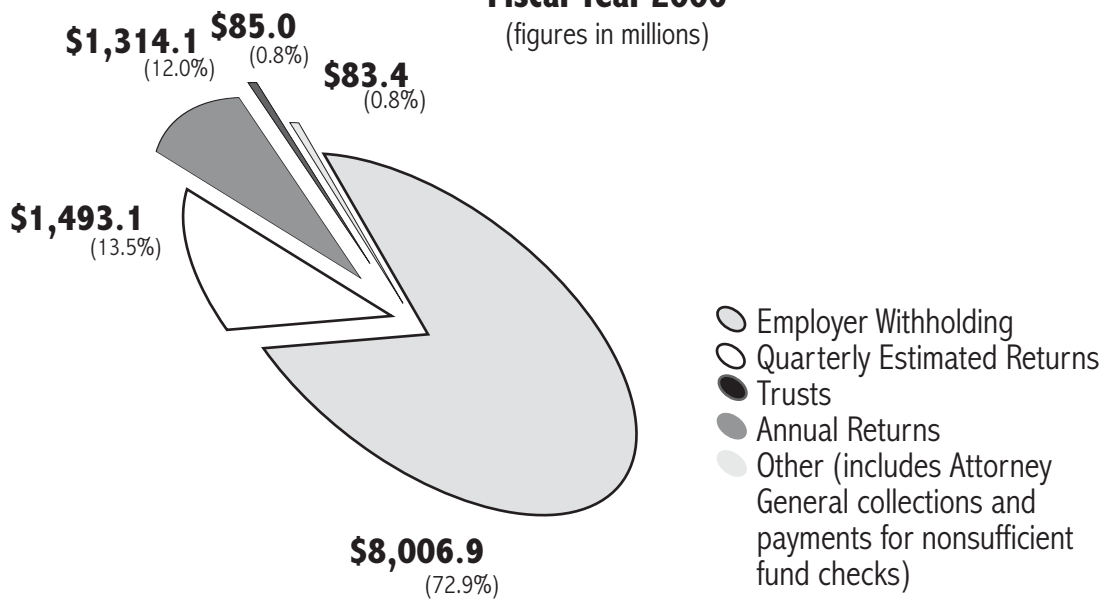
EXHIBIT - 2004 INDIVIDUAL INCOME TAX RETURNS,
INCOME AND TAX, BY INCOME LEVEL



Type of Payment to Individual Income Tax

Fiscal Year 2006

(figures in millions)



Total \$10,982.5 million*

* Includes \$1,275.5 million eventually sent back to taxpayers.

Source: Department of Taxation

TABLE 1
2004 OHIO INDIVIDUAL INCOME TAX RETURNS, BY INCOME LEVEL*

Income Level	Number of Returns	FAGI	OAGI	Reported Value of Personal Exemptions	Ohio Taxable Income	Tax Before Credits	Joint Filer Credit	Tax Liability after all Credits
0	1,000	56,045	\$32,975,306	\$470,741	\$1,017,868	\$11,766	\$34	\$8,242
1,001 - 2,000	91,915	139,310,385	22,095,798	2,098,102	22,095,798	169,810	176	11,923
2,001 - 3,000	100,388	251,702,399	106,110,383	4,369,432	106,110,383	788,069	3	10,316
3,001 - 4,000	103,845	363,552,042	200,397,546	6,877,966	200,397,546	1,496,681	461	14,263
4,001 - 5,000	106,688	480,383,202	299,891,576	9,934,784	299,891,576	2,246,359	434	31,689
5,001 - 6,000	97,911	538,262,441	362,068,579	12,557,759	362,068,579	2,711,415	274	777,396
6,001 - 7,000	94,028	610,896,971	431,267,640	15,284,763	431,267,640	3,346,033	960	1,251,838
7,001 - 8,000	95,234	714,572,873	521,201,540	20,210,111	521,201,540	4,486,356	1,456	2,006,265
8,001 - 9,000	90,939	772,903,981	579,740,872	22,369,183	579,740,872	5,416,260	2,307	2,669,111
9,001 - 10,000	90,816	862,815,957	661,790,332	26,799,860	661,790,332	6,610,550	5,422	3,390,668
10,001 - 11,000	90,674	952,374,271	738,767,410	29,619,158	738,767,410	7,720,114	6,593	4,027,041
11,001 - 12,000	89,044	1,024,075,727	808,440,074	32,705,001	808,440,074	8,984,911	10,160	4,974,860
12,001 - 13,000	88,172	1,102,366,701	885,138,059	36,640,701	885,138,059	10,880,400	16,496	6,457,307
13,001 - 14,000	88,673	1,197,307,778	973,386,842	38,888,174	973,386,842	13,098,909	26,610	8,099,011
14,001 - 15,000	88,496	1,283,447,868	1,054,974,024	41,919,454	1,054,974,024	15,400,111	44,009	9,822,643
15,001 - 16,000	88,394	1,370,224,673	1,137,784,183	44,216,689	1,137,784,183	17,774,914	66,463	11,700,054
16,001 - 17,000	87,433	1,442,666,599	1,208,599,568	46,332,843	1,208,599,568	20,071,984	86,835	13,561,502
17,001 - 18,000	86,990	1,522,507,994	1,286,210,105	48,823,585	1,286,210,105	22,751,327	115,336	15,928,792
18,001 - 19,000	86,381	1,598,094,667	1,357,724,923	51,349,934	1,357,724,923	25,390,091	150,979	18,330,598
19,001 - 20,000	85,446	1,666,320,955	1,424,741,919	52,417,718	1,424,741,919	28,017,964	202,127	20,847,742
20,001 - 22,500	206,563	4,388,150,710	3,786,505,063	138,389,313	3,786,505,063	80,379,707	758,584	63,119,003
22,501 - 25,000	198,139	4,705,413,321	4,109,126,263	147,510,629	4,109,126,263	96,489,786	1,175,574	79,393,961
25,001 - 27,500	189,973	4,986,325,000	4,388,608,887	164,630,939	4,388,608,887	112,029,381	1,663,105	94,922,813
27,501 - 30,000	184,926	5,316,245,951	4,710,156,812	181,498,844	4,710,156,812	128,300,172	2,036,712	110,672,325
30,001 - 32,500	174,155	5,440,908,935	4,841,850,002	193,156,560	4,841,850,002	138,825,248	2,334,100	121,635,089
32,501 - 35,000	166,747	5,625,598,384	5,028,936,554	202,217,610	5,028,936,554	150,356,020	2,787,136	132,880,934
35,001 - 37,500	156,122	5,657,782,730	5,071,837,810	209,846,330	5,071,837,810	156,915,661	3,396,779	139,414,428
37,501 - 40,000	145,518	5,636,963,384	5,060,098,916	215,314,837	5,060,098,916	161,083,326	4,129,681	143,181,193
40,001 - 42,500	134,453	5,544,265,019	4,983,360,225	216,717,455	4,983,360,225	162,669,044	4,848,988	145,024,621
42,501 - 45,000	124,417	5,441,345,493	4,892,174,159	218,078,031	4,892,174,159	163,925,771	5,626,305	146,079,450
45,001 - 47,500	114,587	5,298,432,698	4,769,282,566	214,005,136	4,769,282,566	164,182,584	6,408,104	146,029,598
47,501 - 50,000	107,889	5,259,331,876	4,735,247,419	218,689,787	4,735,247,419	167,058,192	7,488,312	148,038,553
50,001 - 55,000	194,142	10,184,836,856	9,176,518,055	439,781,262	9,176,518,055	334,360,723	15,823,348	296,465,217
55,001 - 60,000	171,784	9,869,583,995	8,915,373,151	432,029,279	8,915,373,151	336,904,071	14,665,106	300,824,877
60,001 - 65,000	152,188	9,504,965,404	8,609,283,168	412,799,988	8,609,283,168	335,299,389	16,311,058	298,856,085
65,001 - 70,000	136,369	9,199,691,059	8,365,392,812	387,669,591	8,365,392,812	334,242,459	17,816,211	296,999,902
70,001 - 75,000	121,290	8,788,049,986	8,016,414,844	362,344,710	8,016,414,844	327,214,232	18,986,961	289,789,272
75,001 - 80,000	105,959	8,206,586,289	7,515,212,259	324,633,491	7,515,212,259	312,493,735	17,663,246	277,604,441
80,001 - 90,000	171,085	14,500,864,182	13,362,982,662	531,238,238	13,362,982,662	570,298,023	20,869,815	518,462,409
90,001 - 100,000	122,599	11,608,486,845	10,772,669,896	395,973,449	10,772,669,896	477,883,598	16,466,730	434,847,999
100,001 - 150,000	244,068	28,983,047,443	27,236,625,447	908,021,061	27,236,625,447	1,325,448,179	44,397,981	1,191,866,476
150,001 - 200,000	69,461	11,893,470,520	11,343,681,530	351,191,627	11,343,681,530	623,939,337	19,239,337	547,580,814
200,001 AND ABOVE	102,916	89,482,572,489	89,058,464,533	1,536,022,140	89,058,464,533	6,320,691,887	32,655,652	2,759,539,737
STATE TOTALS	5,302,900	\$293,449,631,359	\$272,811,152,274	\$8,945,666,406	\$272,811,197,670	\$3,178,375,936	\$278,126,061	\$8,807,435,543

* As reported on returns due April 15, 2005.

TABLE 2
COMPARISON OF 2003 AND 2004 INDIVIDUAL INCOME TAX RETURNS

Income Level (Federal Adjusted Gross Income)	Number of Returns		Federal Adjusted Gross Income		Ohio Taxable Income		Joint Filer Credit		Ohio Income Tax	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
0 - \$5,000	473,934	458,881	\$1,295,483,366	\$1,267,923,334	\$660,583,119	\$629,513,171	\$2,123	\$1,108	\$414,206	\$361,433
\$5,001 - 10,000	473,644	468,928	3,533,586,104	3,499,452,223	2,614,465,746	2,556,068,963	11,669	10,419	10,335,834	10,095,278
10,001 - 15,000	453,135	445,059	5,660,073,310	5,559,572,345	4,579,969,093	4,460,706,409	115,979	104,068	34,599,149	33,380,862
15,001 - 20,000	447,227	434,644	7,822,219,504	7,599,814,888	6,652,961,065	6,415,060,698	683,318	621,690	83,878,352	80,368,688
20,001 - 40,000	1,460,565	1,422,143	42,758,887,905	41,757,388,415	38,122,184,638	36,997,120,307	19,885,271	18,301,621	915,391,364	885,219,746
40,001 - 80,000	1,345,945	1,363,078	76,047,350,286	77,297,088,675	69,256,076,466	69,978,258,658	129,524,892	125,457,639	2,320,320,978	2,345,712,016
80,001 - 100,000	270,765	293,684	24,052,345,547	26,109,351,027	22,348,195,671	24,135,652,558	34,275,893	37,836,545	883,279,331	953,310,408
100,001 - 200,000	283,017	313,529	36,916,444,945	40,876,517,963	34,969,315,353	38,580,306,977	56,963,157	63,637,318	1,576,816,428	1,739,447,290
200,001 & above	90,918	102,916	68,263,240,745	89,482,522,489	67,944,597,920	89,058,464,533	28,383,794	32,655,653	2,231,590,702	2,759,539,822
Total	5,299,150	5,302,862	\$266,349,631,712	\$293,449,631,359	\$247,148,349,071	\$272,811,152,274	\$269,846,096	\$278,126,061	\$8,056,626,344	\$8,807,435,543

Table 3
Comparison of 2003 and 2004 Individual Income Tax Returns with Tax Liability

Income Level (Federal Adjusted Gross Income)	Number of Returns with Tax Liability		Ohio Income Tax	
	2003	2004	2003	2004
0 - \$5,000	79,960	75,204	\$414,206	\$361,433
\$5,001 - 10,000	319,321	317,278	10,335,834	10,095,278
10,001 - 15,000	343,004	335,200	34,599,149	33,380,862
15,001 - 20,000	386,633	373,730	83,878,352	80,368,688
20,001 - 40,000	1,428,286	1,388,362	915,391,364	885,219,746
40,001 - 80,000	1,331,366	1,348,234	2,320,320,978	2,345,712,016
80,001 - 100,000	267,948	290,669	883,279,331	953,310,408
100,001 - 200,000	279,175	309,388	1,576,816,428	1,739,447,290
200,001 & above	87,532	99,111	2,231,590,702	2,759,539,822
Total	4,523,225	4,537,176	\$7,834,492,699	\$8,807,435,543

INDIVIDUAL INCOME TAX - STATE

TABLE 4
2004 OHIO INDIVIDUAL INCOME TAX RETURNS FOR ALL FILING STATUS CATEGORIES

Income Level (Federal Adjusted Gross Income)	Number of Returns	FAGI	Ohio Taxable Income	Joint Filer Credit	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	458,881	\$1,267,923,334	\$629,513,171	\$1,108	\$361,433	0.03%
\$5,001 - 10,000	468,928	3,499,452,223	2,556,068,963	10,419	10,095,278	0.29%
10,001 - 15,000	445,059	5,559,572,345	4,460,706,409	104,068	33,380,862	0.60%
15,001 - 20,000	434,644	7,599,814,888	6,415,060,698	621,690	80,368,688	1.06%
20,001 - 40,000	1,422,143	41,757,388,415	36,997,120,307	18,301,621	885,219,746	2.12%
40,001 - 80,000	1,363,078	77,297,088,675	69,978,258,658	125,457,639	2,345,712,016	3.03%
80,001 - 100,000	293,684	26,109,351,027	24,135,652,558	37,336,545	953,310,408	3.65%
100,001 - 200,000	313,529	40,876,517,963	38,580,306,977	63,637,318	1,739,447,290	4.26%
200,001 & above	102,916	89,482,522,489	89,058,464,533	32,655,653	2,759,539,822	3.08%
Total	5,302,862	\$293,449,631,359	\$272,811,152,274	\$278,126,061	\$8,807,435,543	3.00%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

TABLE 5
2004 OHIO INDIVIDUAL INCOME TAX RETURNS CLAIMING
MARRIED FILING JOINT STATUS

Income Level (Federal Adjusted Gross Income)	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	16,013	\$47,588,936	\$9,294,971	\$15,357	0.03%
\$5,001 - 10,000	38,304	298,692,161	153,642,366	155,548	0.05%
10,001 - 15,000	67,986	861,559,826	575,952,284	1,344,378	0.16%
15,001 - 20,000	89,957	1,578,577,308	1,180,221,003	6,850,315	0.43%
20,001 - 40,000	370,301	11,173,458,636	9,112,575,483	175,720,537	1.57%
40,001 - 80,000	765,212	45,446,452,316	40,206,537,176	1,295,462,511	2.85%
80,001 - 100,000	239,046	21,274,774,909	19,553,204,352	764,846,432	3.60%
100,001 - 200,000	266,436	34,772,344,513	32,763,752,894	1,470,593,758	4.23%
200,001 & above	86,926	72,882,089,447	72,515,813,954	2,299,786,842	3.16%
Total	1,940,181	\$188,335,538,052	\$176,070,994,483	\$6,014,775,678	3.19%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

INDIVIDUAL INCOME TAX - STATE

TABLE 6
2004 OHIO INDIVIDUAL INCOME TAX RETURNS
CLAIMING SINGLE FILING STATUS

Income Level (Federal Adjusted Gross Income)	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	437,432	\$1,205,361,400	\$612,316,773	\$336,864	0.03%
\$5,001 - 10,000	422,379	3,137,381,131	2,353,904,047	9,688,731	0.31%
10,001 - 15,000	361,017	4,490,968,651	3,707,745,763	30,158,305	0.67%
15,001 - 20,000	314,130	5,481,184,729	4,754,175,629	65,737,696	1.20%
20,001 - 40,000	850,917	24,442,270,865	22,235,349,298	557,366,306	2.28%
40,001 - 80,000	431,423	22,903,204,714	21,309,010,581	744,287,186	3.25%
80,001 - 100,000	36,981	3,272,446,279	3,073,378,512	124,224,140	3.80%
100,001 - 200,000	33,769	4,391,358,399	4,152,337,120	187,881,620	4.28%
200,001 & above	12,617	12,689,873,475	12,639,994,255	347,537,533	2.74%
Total	2,900,665	\$82,014,049,643	\$74,838,211,978	\$2,067,218,381	2.52%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

TABLE 7
2004 OHIO INDIVIDUAL INCOME TAX RETURNS CLAIMING
MARRIED SEPARATE FILING STATUS

Income Level (Federal Adjusted Gross Income)	Number of Returns	FAGI	Ohio Taxable Income	Ohio Income Tax	Effective Tax Rate*
0 - \$5,000	5,437	\$14,972,998	\$7,901,427	\$9,212	0.06%
\$5,001 - 10,000	8,245	63,378,931	48,522,548	250,998	0.40%
10,001 - 15,000	16,054	207,043,867	177,008,359	1,878,180	0.91%
15,001 - 20,000	30,557	540,052,851	480,664,065	7,780,676	1.44%
20,001 - 40,000	200,926	6,141,658,914	5,649,195,526	152,132,903	2.48%
40,001 - 80,000	166,444	8,947,431,645	8,462,710,898	305,962,318	3.42%
80,001 - 100,000	17,658	1,562,129,840	1,509,069,693	64,239,837	4.11%
100,001 - 200,000	13,324	1,712,815,051	1,664,216,963	80,971,913	4.73%
200,001 & above	3,373	3,910,559,567	3,902,656,323	112,215,362	2.87%
Total	462,018	\$23,100,043,664	\$21,901,945,802	\$725,441,399	3.14%

* Ohio income tax divided by federal adjusted gross income. Resident and nonresident tax credits have been subtracted in calculating income tax, but FAGI includes all resident and nonresident income.

INDIVIDUAL INCOME TAX - STATE

TABLE 8
2004 OHIO INDIVIDUAL INCOME TAX RETURNS BY
OHIO TAXABLE INCOME LEVEL

Income Level (Ohio Taxable Income)	Number of Returns*	\$20 Exemption Credit	Joint Filer Credit	Ohio Income Tax
0 - \$5,000	685,598	\$13,442,962	\$244.00	\$1,392,977.00
\$5,001 - 10,000	490,601	13,054,271	45,452	16,402,395
10,001 - 15,000	457,172	12,953,238	471,776	52,267,703
15,001 - 20,000	438,849	15,131,276	1,781,238	113,531,652
20,001 - 40,000	1,398,092	51,739,787	29,127,756	1,042,920,964
40,001 - 80,000	1,229,514	59,061,767	126,553,193	2,410,433,810
80,001 - 100,000	241,646	13,778,998	31,422,315	869,698,561
100,001 - 200,000	264,390	15,640,471	57,734,791	1,591,189,566
200,001 & above	97,040	5,780,814	30,989,296	2,709,597,915
Total	5,302,902	\$200,583,584	\$278,126,061	\$8,807,435,543

* Differs from other tables due to methodology of computation.

TABLE 9
2004 OHIO INDIVIDUAL INCOME TAX RETURNS
CLAIMING THE JOINT FILER CREDIT, BY INCOME LEVEL

Income Level (Federal Adjusted Gross Income)	Number of Returns*	FAGI	Ohio Taxable Income	Ohio Income Tax
0 - \$5,000	66	\$276,069.00	\$519,498	\$4,659
\$5,001 - 10,000	1,354	11,766,617	9,796,808	57,955
10,001 - 15,000	8,519	111,550,798	84,392,924	419,546
15,001 - 20,000	23,357	417,851,618	331,307,552	2,451,661
20,001 - 40,000	191,771	5,931,395,131	4,976,807,437	92,275,011
40,001 - 80,000	568,703	34,251,328,507	30,778,051,722	980,937,096
80,001 - 100,000	197,096	17,540,864,874	16,291,301,935	637,847,631
100,001 - 200,000	208,432	26,962,419,492	25,596,526,079	1,152,245,514
200,001 & above	51,424	31,796,591,178	31,602,742,358	1,260,998,978
Total	1,250,722	\$117,024,044,284	\$109,671,446,313	\$4,127,238,051

* Differs from other tables due to methodology of computation.

INDIVIDUAL INCOME TAX - STATE

TABLE 10

2004 OHIO INDIVIDUAL INCOME TAX RETURNS CLAIMING THE SENIOR CITIZEN CREDIT, BY INCOME LEVEL

Income Level (Federal Adjusted Gross Income)	Number of Returns Claiming Credit	FAGI	Ohio Taxable Income	Senior Citizen Credit	Retirement Income Credit*	Ohio Income Tax
0 - \$5,000	15,856	\$55,842,577	\$28,339,343	\$792,507	\$716,252	\$6,680
\$5,001 - 10,000	55,221	433,878,662	311,706,471	2,760,476	5,156,241	50,971
10,001 - 15,000	81,970	1,026,885,427	798,947,314	4,098,236	11,146,793	836,308
15,001 - 20,000	79,370	1,382,839,359	1,106,448,199	3,967,838	11,820,506	3,669,754
20,001 - 40,000	175,201	5,029,293,064	3,886,325,931	8,758,830	27,222,171	54,414,270
40,001 - 80,000	140,477	7,947,639,421	5,858,785,277	7,022,521	21,557,207	159,397,516
80,001 - 100,000	26,857	2,384,744,392	1,841,483,785	1,342,648	3,942,510	64,735,004
100,001 - 200,000	33,857	4,513,773,455	3,760,271,526	1,692,773	4,667,324	161,142,035
200,001 & above	15,890	18,396,301,023	18,107,647,349	794,469	1,800,169	465,360,684
Total	624,699	\$41,171,197,380	\$35,699,955,195	\$31,230,298	\$88,029,173	\$909,613,222

* This represents only the amount of the retirement income credit taken by senior citizen credit claimants (those 65 years and older). The total amount of the retirement income credit reported on the tax returns is \$131.1 million.

TABLE 11

2004 OHIO INDIVIDUAL INCOME TAX RETURNS, BY COUNTY

County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax	County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax
ADAMS	12,436	\$385,780,981	\$9,987,803	MAHONING	109,562	\$4,568,520,668	\$154,359,410
ALLEN	48,569	2,022,578,837	67,516,112	MARION	28,058	1,067,726,176	32,796,333
ASHLAND	23,503	906,658,342	27,838,954	MEDINA	79,179	4,231,859,125	156,149,098
ASHTABULA	44,942	1,576,519,451	45,148,819	MEIGS	8,857	282,015,624	7,346,254
ATHENS	22,176	787,540,547	23,780,244	MERCER	20,261	777,800,338	24,333,493
AUGLAIZE	21,938	915,126,328	29,981,016	MIAMI	48,684	2,168,049,346	74,549,978
BELMONT	29,826	1,033,505,667	29,443,682	MONROE	6,288	198,308,234	5,026,975
BROWN	18,265	649,508,407	18,575,625	MONTGOMERY	247,481	11,216,655,840	387,130,567
BUTLER	156,585	7,716,781,925	275,810,287	MORGAN	5,949	191,694,780	4,692,578
CARROLL	12,722	499,959,582	13,324,742	MORROW	13,706	512,341,014	15,093,382
CHAMPAIGN	17,237	683,271,016	20,963,291	MUSKINGUM	38,757	1,420,766,811	44,203,152
CLARK	63,043	2,472,587,090	76,965,426	NOBLE	5,049	161,191,243	4,313,369
CLERMONT	86,604	4,276,744,413	152,013,680	OTTAWA	21,037	893,581,147	28,834,652
CLINTON	19,740	822,904,820	25,985,185	PAULDING	9,212	341,565,911	10,133,049
COLUMBIANA	46,956	1,670,911,319	49,133,872	PERRY	14,509	485,618,031	13,518,218
COSHOCTON	16,042	557,016,919	15,851,656	PICKAWAY	22,116	905,199,754	28,240,444
CRAWFORD	21,784	747,610,450	21,088,860	PIKE	11,366	382,304,013	10,675,555
CUYAHOGA	601,937	30,176,590,303	1,143,029,938	PORTAGE	69,848	3,161,202,285	108,612,928
DARKE	25,346	940,708,813	28,748,570	PREBLE	18,059	713,969,980	21,494,101
DEFIANCE	19,004	779,052,263	24,920,714	PUTNAM	17,162	688,284,289	21,713,561
DELAWARE	68,329	5,493,052,632	248,125,260	RICHLAND	57,448	2,250,269,669	71,686,905
ERIE	37,664	1,631,763,235	55,380,215	ROSS	31,944	1,211,910,435	37,249,997
FAIRFIELD	61,277	2,886,546,106	99,258,524	SANDUSKY	30,193	1,115,749,019	33,066,637
FAYETTE	13,215	453,803,217	13,050,999	SCIOTO	27,618	989,197,843	29,582,541
FRANKLIN	514,339	25,446,883,064	943,985,711	SENECA	26,894	948,904,814	27,528,258
FULTON	20,712	842,375,893	26,126,315	SHELBY	23,747	967,658,770	31,933,797
GALLIA	12,219	450,546,414	13,986,248	STARK	175,167	7,427,220,334	250,984,376
GEAUGA	43,169	2,955,435,676	127,784,964	SUMMIT	251,534	12,566,181,504	477,311,823
GREENE	68,543	3,551,013,308	126,524,018	TRUMBULL	101,318	4,083,585,831	131,626,852
GUERNSEY	17,650	578,284,092	16,433,011	TUSCARAWAS	44,085	1,621,699,201	49,910,487
HAMILTON	379,931	21,891,685,879	874,942,892	UNION	20,509	1,034,064,576	36,326,760
HANCOCK	34,074	1,565,941,044	54,965,560	VAN WERT	14,270	524,894,003	15,215,189
HARDIN	13,367	479,923,402	13,828,131	VINTON	4,677	157,006,137	4,493,677
HARRISON	6,693	223,646,292	6,353,174	WARREN	85,804	5,385,608,230	215,046,234
HENRY	14,160	557,827,011	16,735,878	WASHINGTON	27,372	1,049,052,379	32,047,893
HIGHLAND	17,553	589,675,669	16,649,234	WAYNE	52,080	2,196,249,792	73,438,448
HOCKING	12,124	407,257,313	11,181,967	WILLIAMS	18,523	703,758,298	21,740,304
HOLMES	13,917	521,767,486	16,559,246	WOOD	56,056	2,683,990,542	95,568,752
HURON	29,271	1,137,493,657	35,954,391	WYANDOT	11,296	411,616,583	12,384,528
JACKSON	13,647	475,820,898	14,062,029				
JEFFERSON	30,795	1,146,526,862	34,529,139				
KNOX	24,837	995,391,863	30,907,818	88-COUNTY			
LAKE	113,734	5,285,155,131	185,082,963	TOTAL	5,194,700	\$241,656,454,005	\$8,593,564,584
LAWRENCE	24,541	829,396,183	22,674,869				
LICKING	73,361	3,288,197,617	111,087,508	OTHER (a)	108,199	\$51,793,177,354	\$213,870,959
LOGAN	21,762	891,059,026	28,932,953				
LORAIN	135,584	6,069,704,435	207,309,190	STATE TOTAL (b)	5,302,899	\$293,449,631,359	\$8,807,435,543
LUCAS	196,091	8,892,663,605	313,377,672				
MADISON	17,811	798,986,953	27,305,674				

(a) Includes returns from out-of-state filers and returns not indicating county of residence.

(b) Differs from other tables due to methodology of computation.

TABLE 12

RANK OF COUNTIES BY AVERAGE INCOME AS REPORTED ON 2004 OHIO INDIVIDUAL
INCOME TAX RETURNS*

County	Average Federal Adjusted Gross Income	Percentage of State Average	Rank	County	Average Federal Adjusted Gross Income	Percentage of State Average	Rank
ADAMS	\$31,021	66.69%	88	LORAIN	\$44,767	96.24%	22
ALLEN	41,643	89.52%	31	LUCAS	45,350	97.49%	17
ASHLAND	38,576	82.93%	47	MADISON	44,859	96.44%	20
ASHTABULA	35,079	75.41%	70	MAHONING	41,698	89.64%	29
ATHENS	35,513	76.34%	68	MARION	38,054	81.81%	50
AUGLAIZE	41,714	89.67%	28	MEDINA	53,447	114.90%	5
BELMONT	34,651	74.49%	73	MEIGS	31,841	68.45%	86
BROWN	35,560	76.45%	67	MERCER	38,389	82.53%	48
BUTLER	49,282	105.94%	12	MIAMI	44,533	95.73%	23
CARROLL	39,299	84.48%	43	MONROE	31,538	67.80%	87
CHAMPAIGN	39,640	85.22%	40	MONTGOMERY	45,323	97.43%	18
CLARK	39,221	84.31%	44	MORGAN	32,223	69.27%	84
CLERMONT	49,383	106.16%	11	MORROW	37,381	80.36%	54
CLINTON	41,687	89.62%	30	MUSKINGUM	36,658	78.81%	62
COLUMBIANA	35,585	76.50%	66	NOBLE	31,925	68.63%	85
COSHOCTON	34,722	74.64%	72	OTTAWA	42,477	91.31%	25
CRAWFORD	34,319	73.78%	75	PAULDING	37,078	79.71%	57
CUYAHOGA	50,132	107.77%	8	PERRY	33,470	71.95%	81
DARKE	37,115	79.79%	56	PICKAWAY	40,930	87.99%	34
DEFIANCE	40,994	88.13%	32	PIKE	33,636	72.31%	77
DELAWARE	80,391	172.82%	1	PORTAGE	45,258	97.29%	19
ERIE	43,324	93.14%	24	PREBLE	39,535	84.99%	41
FAIRFIELD	47,107	101.27%	14	PUTNAM	40,105	86.22%	38
FAYETTE	34,340	73.82%	74	RICHLAND	39,171	84.21%	45
FRANKLIN	49,475	106.36%	10	ROSS	37,939	81.56%	52
FULTON	40,671	87.43%	36	SANDUSKY	36,954	79.44%	58
GALLIA	36,873	79.27%	59	SCIOTO	35,817	77.00%	65
GEAUGA	68,462	147.18%	2	SENECA	35,283	75.85%	69
GREENE	51,807	111.37%	6	SHELBY	40,749	87.60%	35
GUERNSEY	32,764	70.43%	83	STARK	42,401	91.15%	26
HAMILTON	57,620	123.87%	4	SUMMIT	49,958	107.40%	9
HANCOCK	45,957	98.80%	16	TRUMBULL	40,305	86.64%	37
HARDIN	35,904	77.18%	64	TUSCARAWAS	36,786	79.08%	60
HARRISON	33,415	71.83%	82	UNION	50,420	108.39%	7
HENRY	39,395	84.69%	42	VAN WERT	36,783	79.07%	61
HIGHLAND	33,594	72.22%	78	VINTON	33,570	72.17%	80
HOCKING	33,591	72.21%	79	WARREN	62,766	134.93%	3
HOLMES	37,491	80.60%	53	WASHINGTON	38,326	82.39%	49
HURON	38,861	83.54%	46	WAYNE	42,171	90.66%	27
JACKSON	34,866	74.95%	71	WILLIAMS	37,994	81.68%	51
JEFFERSON	37,231	80.04%	55	WOOD	47,881	102.93%	13
KNOX	40,077	86.15%	39	WYANDOT	\$36,439	78.33%	63
LAKE	46,469	99.90%	15				
LAWRENCE	33,796	72.65%	76				
LICKING	44,822	96.36%	21				
LOGAN	40,946	88.02%	33				
				88-COUNTY			
				TOTAL	\$46,517	100.00%	

* Includes only returns indicating a county of residence.