



Revenue From Taxes Administered by the Tax Commissioner

The Tax Commissioner's primary responsibility is the administration of most state and some local taxes. These taxes yielded approximately \$24.9 billion in net collections during the period of this report, Ohio's 2011 fiscal year, which is the period from July 1, 2010 through June 30, 2011. A breakdown of the collections from these taxes is shown in Table 1 for both state-collected taxes, represented by fiscal year, and locally-collected taxes, on a calendar year basis.

Readers of Table 1 should keep in mind that taxes imposed by one level of government may be collected by another, and that taxes collected by one level of government may be shared with another. For this reason, the tax collection figures attributed to state or local governments in the table do not necessarily indicate amounts available for expenditure by either the state or local governments. In addition, some state taxes are not administered by the Tax Commissioner, but by other state agencies. Thus, collections for these other taxes – including the foreign and domestic insurance taxes, motor vehicle license tax, and liquor gallonage tax – are not shown in Table 1.

The state-collected taxes administered by the Tax Commissioner yielded net tax collections of approximately \$23.9 billion during the fiscal year. This was an increase of \$1.8 billion from the previous fiscal year, or about 8 percent. Receipts from locally-collected taxes were approximately \$1.0 billion in the 2010 calendar year, an increase of about \$76 million from the prior year, or about 8 percent.

Table 2 shows state General Revenue Fund revenue sources for fiscal year 2011. Excluding federal aid, total revenue amounted to approximately \$19.3 billion. Of this total, tax revenue represented \$17.7 billion.

As the second table shows, the largest single revenue source for the general fund was the individual income tax, with approximately \$8.1 billion distributed to the fund. The sales tax was the second largest revenue source, contributing more than \$7.6 billion. From the 2010 to the 2011 fiscal year, income tax revenue increased by approximately 12.0 percent, and sales tax collections grew by 7.1 percent.

Ohio's other major taxes have experienced quite disparate patterns, largely due to tax law changes.

Corporation franchise tax revenues actually declined earlier this decade, followed by a robust recovery; however, a scheduled five-year phase-out for most of this tax began in tax year 2006, ensuring revenue decline through 2010. The increase in 2011 was largely due to one time gains.

Beginning in fiscal year 2008, the cigarette tax became the third-largest tax source for the General Revenue Fund. This is because the cigarette tax rate has increased several times in recent years: from 24 cents per pack to 55 cents per pack beginning in fiscal year 2003; and from 55 cents per pack to \$1.25 per pack beginning in fiscal year 2006.

Public utility excise tax revenue has declined substantially from its pre-2002 levels, but this was partially offset by the creation of the kilowatt-hour tax in May 2001. This tax replaced the excise tax for electric and rural electric companies. The kilowatt-hour tax generated \$536.0 million in revenue in fiscal year 2011, of which only \$153.9 million was deposited into the General Revenue Fund. The remaining \$382.1 million was distributed to schools and local governments.

Revenue from taxes administered by the Department of Taxation comprised 97.3 percent of total General Revenue Fund taxes in fiscal year 2011. Most of the remaining 2.7 percent is comprised of foreign and domestic insurance taxes, which are administered by the Ohio Department of Insurance.

The first pie chart at the end of this chapter illustrates the General Revenue Fund tax sources for the fiscal year. The largest source, individual income tax, accounted for approximately 45.9 percent of tax revenue into the general fund for fiscal year 2011.

The total revenue from all state tax sources amounted to approximately \$23.1 billion. The second pie chart shows the taxes that comprise this total.

Further statistical information on most of these taxes is contained in other Department of Taxation publications. Some of these are available at the Department of Taxation's Web site (tax.ohio.gov); others can be obtained by contacting the Tax Analysis Division at (614) 466-3960.

Table 2

General Revenue Fund Sources: Fiscal Year 2011 (figures in thousands)	
Major Taxes:	2011 Collections
Personal Income	\$8,120,323
Sales and Use	7,578,235
Corporation Franchise	236,633
Public Utility Excise	124,836
Kilowatt-Hour Excise	153,875
Cigarette Excise	885,610
Alcoholic Beverage Taxes (including liquor gallonage)	<u>92,840</u>
Subtotal: Major Taxes	\$17,162,352
Other Taxes:	
Domestic Insurance	189,369
Estate	72,081
Foreign Insurance	256,269
Dealers in Intangibles	26,026
Subtotal: Other Taxes	<u>543,745</u>
Total: All Tax Revenue	\$17,706,098
Non-Tax Revenue	
Earnings on Investments	7,088
Liquor Profits	153,000
Miscellaneous ¹	<u>1,467,971</u>
Total: Non-Tax Revenue	\$1,628,059
GRAND TOTAL	\$19,334,157

Source: Ohio Office of Budget and Management.

¹ Includes certain transfers into the general revenue fund, licenses and fees, and other income.

Chart 1

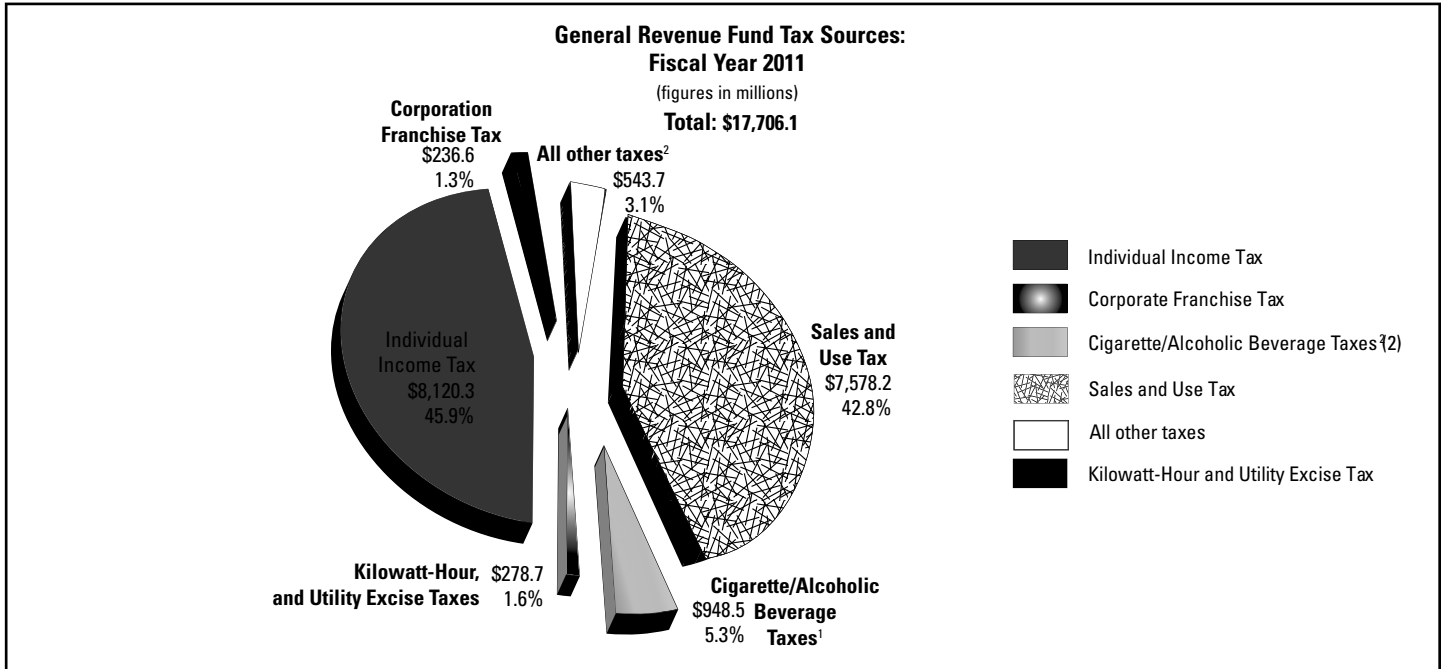
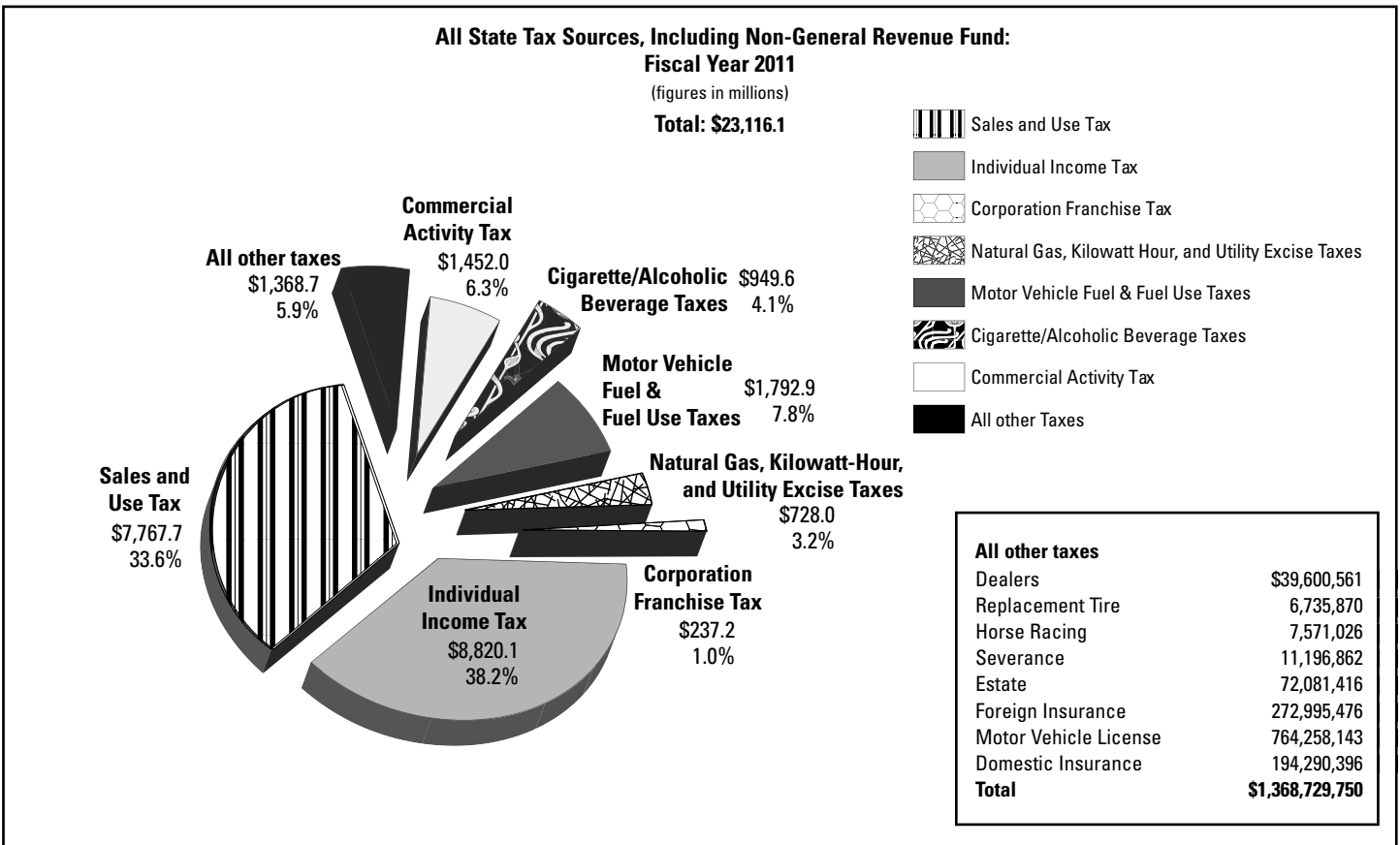


Chart 2



1 Includes tax on liquor of \$37.6 million which is administered by the Department of Commerce, Division of Liquor Control.
 2 This figure is comprised of domestic insurance, foreign insurance, estate and dealer in intangibles taxes.
 3 (Includes tax on liquor of \$37.6 million which is administered by the Department of Commerce, Division of Liquor Control.
 4 Reflects only the state's share of total estate tax revenues. Prior editions of this table reflected total (state and local) estate tax revenues.