

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Department of Taxation**

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## ATTACHMENTS:

Budget Spreadsheet By Line Item

# Department of Taxation

- TAX administers and enforces taxes that raise over \$25 billion in annual revenue
- Administration costs are 6% to 7% of TAX's budget

## OVERVIEW

### Agency Overview

The Ohio Department of Taxation (TAX) is responsible for the administration and enforcement of most state taxes, and oversees the administration of the real property tax by local governments. The Department's budget also includes various revenue distributions and refunds, with others that are administered by TAX appropriated in the Revenue Distribution Funds portion of H.B. 1. The Department employed 1,360 full-time equivalent employees (FTEs) in FY 2009.

### Appropriation Overview

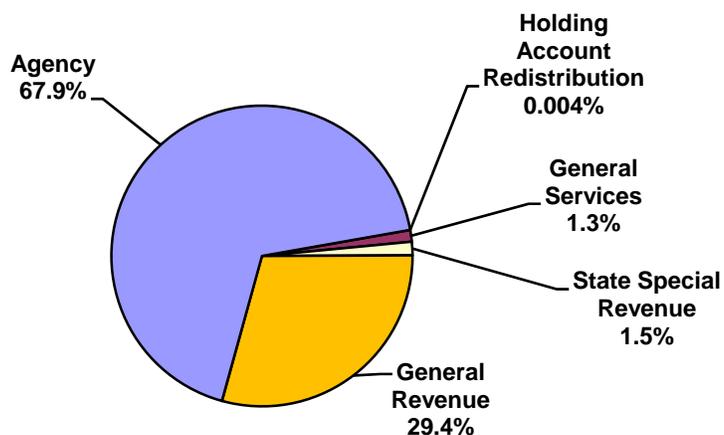
The Department of Taxation's FY 2010-FY 2011 budget includes funds in five fund groups, as shown in Table 1.

Table 1. Appropriations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$643,241,462	\$687,041,745	6.8%	\$667,687,338	-2.8%
General Services	\$21,071,946	\$28,935,000	37.3%	\$28,935,000	0.0%
State Special Revenue	\$27,289,955	\$33,506,855	22.8%	\$33,506,855	0.0%
Agency	\$1,736,416,400	\$1,567,800,000	-9.7%	\$1,567,800,000	0.0%
Holding Account Redistribution	\$30,000	\$100,000	233.3%	\$100,000	0.0%
Tobacco Master Settlement Agreement	\$586	\$0	-100.0%	\$0	N/A
<b>TOTAL:</b>	<b>\$2,428,050,347</b>	<b>\$2,317,383,600</b>	<b>-4.6%</b>	<b>\$2,298,029,193</b>	<b>-0.8%</b>

\*Actual expenditures

As indicated in Chart 1, the Agency Fund Group, consisting mostly of tax refunds, accounts for about 68% of the Department's budgeted expenditures. The General Revenue Fund accounts for 29% of the Department's budget, with most GRF outlays for tax relief. Administrative costs account for between 6% and 7% of TAX's appropriations for FY 2010 and FY 2011.

**Chart 1: Biennial Budget Appropriations  
by Fund Group, FY 2010-FY 2011**



### Major Initiatives Funded

The budget creates the Tax Reform System Implementation Fund (Fund 2280) to which will be credited 0.85% of commercial activity tax receipts for purposes of administering the tax. It appropriates \$13.6 million in each year of the biennium for appropriation item 110628, which is paid out of this fund.

Various changes are made by the budget act in laws pertaining to cigarettes and other tobacco products. These changes take effect January 1, 2010. Annual licensing fees for the sale of tobacco products are increased by the budget act to (1) \$1,000 (up from \$200) for wholesale sales of cigarettes, (2) \$125 (up from \$30) for retail sales of cigarettes, and (3) \$1,000 (up from \$100) for the sale of tobacco products other than cigarettes. Cigarette retail licenses may be used at an unlimited number of places of business, instead of on a per-place basis as previously, but a wholesale or retail licensee is prohibited from assigning the license to another person.

Amounts collected from wholesale cigarette licenses and paid into the Cigarette Tax Enforcement Fund (Fund 6390) are increased to 100% (up from 47.5%) of total license collections. The budget act also eliminates distributions of wholesale cigarette license fee revenues paid to municipal corporations or townships where the business is located (previously 37.5%) and to the county general fund (previously 15%). The budget transfers authority for issuing wholesale licenses from county auditors to the Department.

Amounts collected from retail cigarette licenses are redistributed as follows: 60% paid into Fund 6390 (up from 15%), 30% to the municipal corporation or township where the business is located (decreased from 62.5%), and 10% to the county general fund (decreased from 22.5%).

The budget also increases the retail license replacement fee from 50 cents to \$5 and the transfer fee (from one place of business to another) for such licenses from \$1 to \$5. It increases the wholesale license replacement fee from 50 cents to \$25 and the transfer fee from \$1 to \$25. It imposes a \$25 fee to replace a tobacco product distribution license and to transfer such a license from one place of business to another place of business of the same licensee.

The budget act authorizes the Department of Taxation to disclose information to the Department of Job and Family Services, Industrial Commission, and Bureau of Workers' Compensation in order to enable them to identify employers that misclassify employees as independent contractors or that do not properly report and pay employer taxes. It authorizes the release of information only as is necessary to verify employer compliance with Ohio law administered by those agencies.

Procedural requirements governing how the Department of Taxation is to send notices to taxpayers, including procedures for when mail is returned undeliverable, are revised by the budget act. The act also creates a presumption of constructive service.

The percentage of taxes used to fund the state's administration of property taxes is increased (1) from 0.35% of the state's reimbursement for the 10% real property tax rollback to 0.42% for FY 2010 and to 0.48% thereafter, and (2) from 0.725% of the taxes charged against public utility personal property and business personal property of multi-county taxpayers to 0.8% for FY 2010 and to 0.951% thereafter. These provisions will increase funding to the Property Tax Administration Fund (Fund 5V80), from which appropriation item 110623 is funded, by about \$1.2 million in FY 2010 and \$2.6 million in FY 2011.

The budget, through GRF appropriation item 100416, STARS Lease Rental Payments, appropriates \$4,977,600 in FY 2010 and \$4,982,500 in FY 2011 to acquire the State Taxation Accounting and Revenue System (STARS), including the application software and implementation and installation of the system. This system will replace the Department's legacy computer systems, which generally cannot communicate directly with one another, with a coordinated package of hardware and software. The budget appropriates additional amounts in uncodified law if needed for financing the costs of acquiring the system.

The Discovery Project is funded by the budget. This initiative is part of TAX's efforts to increase compliance with tax laws, by making more effective use of available data to identify taxes owed that are not being paid.

Changes in tax provisions are discussed in a separate Greenbook.

## ANALYSIS OF ENACTED BUDGET

### Introduction

This section provides an analysis of the budget for each appropriation item in TAX's budget. In this analysis, TAX's line items are grouped into three major categories:

1. Tax Administration;
2. Revenue Distribution; and
3. Tax Relief.

For each category, a table lists the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used.

The Revenue Distribution category within the Department of Taxation budget, listed above and in the table that follows, is separate and distinct from the Revenue Distribution Fund Group and the funds within that group. Each of these funds is administered by a state agency, but the funds are not included as part of the budget of the administering agency. Additional information on funds in the Revenue Distribution Fund Group is included in a separate Greenbook.

To aid the reader in finding each item in the analysis, Table 2 shows the category in which each appropriation has been placed, listing the line items in their respective fund groups and funds.

<b>Table 2. Categorization of TAX's Appropriation Line Items for Analysis of the Enacted Budget</b>		
<b>Fund</b>	<b>ALI and Name</b>	<b>Category</b>
<b>General Revenue Fund Group</b>		
GRF 110321	Operating Expenses	1: Tax Administration
GRF 110404	Tobacco Settlement Enforcement	1: Tax Administration
GRF 110412	Child Support Administration	1: Tax Administration
GRF 110901	Property Tax Allocation – Taxation	3: Tax Relief
<b>General Services Fund Group</b>		
2280 110628	Tax Reform System Implementation	1: Tax Administration
4330 110602	Tape File Account	1: Tax Administration
5AP0 110632	Discovery Project	1: Tax Administration
5CZ0 110631	Vendor's License Application	2: Revenue Distribution
5N50 110605	Municipal Income Tax Administration	1: Tax Administration
5N60 110618	Kilowatt Hour Tax Administration	1: Tax Administration
5V80 110623	Property Tax Administration	1: Tax Administration
5W40 110625	Centralized Tax Filing and Payment	1: Tax Administration
5W70 110627	Exempt Facility Administration	1: Tax Administration
<b>State Special Revenue Fund Group</b>		
4350 110607	Local Tax Administration	1: Tax Administration
4360 110608	Motor Vehicle Audit	1: Tax Administration
4370 110606	Income Tax Contribution Administration	1: Tax Administration
4380 110609	School District Income Tax	1: Tax Administration
4C60 110616	International Registration Plan	1: Tax Administration
4R60 110610	Tire Tax Administration	1: Tax Administration
5V70 110622	Motor Fuel Tax Administration	1: Tax Administration
6390 110614	Cigarette Tax Enforcement	1: Tax Administration
6420 110613	Ohio Political Party Distributions	2: Revenue Distribution
6880 110615	Local Excise Tax Administration	1: Tax Administration
<b>Agency Fund Group</b>		
4250 110635	Tax Refunds	2: Revenue Distribution
7095 110995	Municipal Income Tax	2: Revenue Distribution
<b>Holding Account Redistribution Fund Group</b>		
R010 110611	Tax Distributions	2: Revenue Distribution
R011 110612	Miscellaneous Income Tax Receipts	2: Revenue Distribution

## Tax Administration

The Department of Taxation administers the state's tax laws to ensure compliance in filing and payment of taxes and to determine tax liabilities. Table 3 shows the line items that are used to fund this function of the Department of Taxation, as well as the appropriations in the enacted budget.

<b>Table 3. Appropriated Amounts for Tax Administration</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	110321	Operating Expenses	\$87,841,056	\$89,941,055
GRF	110404	Tobacco Settlement Enforcement	\$265,708	\$265,708
GRF	110412	Child Support Administration	\$17,561	\$17,561
<b>General Revenue Fund Subtotal</b>			<b>\$88,124,325</b>	<b>\$90,224,324</b>
<b>General Services Fund Group</b>				
2280	110628	Tax Reform System Implementation	\$13,600,000	\$13,600,000
4330	110602	Tape File Account	\$125,000	\$125,000
5AP0	110632	Discovery Project	\$2,000,000	\$2,000,000
5N50	110605	Municipal Income Tax Administration	\$600,000	\$600,000
5N60	110618	Kilowatt Hour Tax Administration	\$100,000	\$100,000
5V80	110623	Property Tax Administration	\$12,000,000	\$12,000,000
5W40	110625	Centralized Tax Filing and Payment	\$200,000	\$200,000
5W70	110627	Exempt Facility Administration	\$60,000	\$60,000
<b>General Services Fund Group Subtotal</b>			<b>\$28,685,000</b>	<b>\$28,685,000</b>
<b>State Special Revenue Fund Group</b>				
4350	110607	Local Tax Administration	\$18,000,000	\$18,000,000
4360	110608	Motor Vehicle Audit	\$1,000,000	\$1,000,000
4370	110606	Income Tax Contribution Administration	\$200,000	\$200,000
4380	110609	School District Income Tax	\$5,500,000	\$5,500,000
6390	110614	Cigarette Tax Enforcement	\$1,900,000	\$1,900,000
6880	110615	Local Excise Tax Administration	\$800,000	\$800,000
4C60	110616	International Registration Plan	\$706,855	\$706,855
4R60	110610	Tire Tax Administration	\$200,000	\$200,000
5V70	110622	Motor Fuel Tax Administration	\$4,700,000	\$4,700,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$33,006,855</b>	<b>\$33,006,855</b>
<b>Total Funding: Tax Administration</b>			<b>\$149,816,180</b>	<b>\$151,916,179</b>

The Tax Administration function includes several components. The Taxpayer Services Program provides information to taxpayers and improves compliance with tax

laws through regional services centers and presentations to groups, and by telephone and e-mail. Taxpayer Services employed 175 FTEs in FY 2009. Tax Processing reviews paper and electronic submissions of tax forms, enters the data into the Department's computer systems, and retains tax returns. Tax Processing is expected to employ 117 FTEs in the FY 2010-FY 2011 biennium. The Tax Compliance function audits returns and issues notices and assessments for unpaid taxes, matches persons delinquent in making child support payments with taxpayers owed Ohio income tax refunds, provides the first level of appeal of the Tax Commissioner's findings in tax disputes, and engages in other enforcement and investigation activities. The Department projected that 448 FTEs would be employed in Tax Compliance during FY 2010 and FY 2011. Tax Policy and Analysis monitors and analyzes tax legislation, gives technical assistance to the executive and legislative branches, and provides for the legal counsel needed in tax cases. This function employed 71 FTEs in FY 2009. Local Government Services gives information and assistance to units of local government, and provides for administration of certain local taxes. TAX plans to employ 380.5 FTEs in this area during the FY 2010-FY 2011 biennium.

### **Operating Expenses (110321)**

This GRF line item pays for personal service, maintenance, and equipment expenses of TAX that are not offset by specific revenue sources. The administrative costs of the Taxpayer Services, Tax Processing, and Tax Policy and Analysis functions, and part of these costs for the Tax Compliance function, are paid from this line item.

The budget appropriates about \$87.8 million to appropriation item 110321 in FY 2010 and \$89.9 million in FY 2011. Actual expenditures from ALI 110321 in FY 2009 were \$87.9 million. This line item includes funds – \$6.4 million in FY 2010 and \$8.5 million in FY 2011 – to hire more tax auditors. The new auditors are expected to raise \$49 million in additional revenues in FY 2011, including \$41.8 million projected to accrue to the GRF. No incremental revenues are anticipated for FY 2010 reflecting lags in hiring and training the new auditors. The increased GRF tax revenues are foreseen mainly in higher nonauto sales taxes, also increased corporate franchise tax collections and more personal income tax revenues.

### **Local Tax Administration (110607)**

This line item pays costs incurred by TAX in collecting and administering the county and regional transit authority sales and use taxes. This function is funded at \$18.0 million in each fiscal year of the biennium, a 7.9% increase from actual expenditures in FY 2009. Revenues have been adversely affected by the weak economy, and have been relatively flat in recent years. The budget allows the Tax Commissioner to disburse funds, if available, from this appropriation item to pay travel expenses of Ohio's delegates to the Streamlined Sales Tax Project.

**Tax Reform System Implementation (110628)**

This line item provides funding for administration of tax reform, including the costs of collecting and administering the commercial activity tax. The appropriation for ALI 110628, Tax Reform System Implementation (Fund 2280) is \$13.6 million in each of FY 2010 and FY 2011, up from zero in FY 2009. This line item is being used for tax reform administration, funded by 0.85% of commercial activity tax receipts. It replaces ALI 110629, Commercial Activity Tax Administration (Fund 5BQ0), that had spending of about \$5.7 million in FY 2009, but for which zero is appropriated thereafter.

**Property Tax Administration (110623)**

Costs of TAX to administer property taxes are paid from this line item. Taxes included are the personal property tax on general business, dealers in intangibles tax, and personal property tax on public utilities, as well as real property tax equalization. The tax on personal property of general business has been phased out, except for personal property of telephone and inter-exchange telecommunications companies, reclassified as general business by H.B. 66 of the 126th General Assembly and subject to a phase-out schedule which eliminates the tax after FY 2011. This line item includes funding of \$12.0 million in each of FY 2010 and FY 2011, down from \$12.9 million in FY 2009. This reflects the phasing out of the tangible personal property tax on general business. The budget increases the percentages of taxes levied that are retained by TAX to cover administrative costs, and that are the revenue of this fund (Fund 5V80).

**School District Income Tax (110609)**

Expenses of TAX to administer the school district income tax are paid from this line item. Line item 110609, School District Income Tax (Fund 4380), used to pay the costs of administering the school district income tax and funded from that tax, has funding of \$5.5 million in each year of the biennium, up from actual outlays of about \$3.2 million in FY 2009, reflecting both the increased number of school districts electing to levy the tax and higher collections.

**Motor Fuel Tax Administration (110622)**

Costs for TAX to administer the motor fuel tax are paid from this line item. The budget includes \$4.7 million for each year of the biennium, up from about \$4.4 million in FY 2009. The weak economy has reduced vehicle miles traveled, fuel consumption, and hence revenues to this fund. However, lower fuel prices than during most of 2008, by encouraging travel, may boost fuel consumption and revenues to this fund.

**Discovery Project (110632)**

Costs to implement, operate, and administer a tax discovery data system, to increase tax collection efficiency, are paid from this line item. Establishment of this system was required by H.B. 562 of the 127th General Assembly, which appropriated

\$2 million in FY 2009 for this purpose. Actual spending in FY 2009 was about \$1.1 million. The budget for the FY 2010-FY 2011 biennium includes \$2 million in each year.

### **Cigarette Tax Enforcement (110614)**

The costs for TAX to enforce cigarette tax laws are paid from this line item. The line item 110614 is funded from fees on cigarette wholesalers and retailers. The appropriation is \$1.9 million in each year of the biennium, up from spending of about \$63,000 in FY 2009. Higher fees pay for this increase in funding of the costs of enforcing cigarette tax laws.

### **Other Tax Administration (110404, 110412, 110602, 110605, 110606, 110608, 110610, 110615, 110616, 110618, 110625, and 110627)**

Other administrative functions of the Department of Taxation are paid from these 12 line items. Details on each are included in the Catalog of Budget Line Items (COBLI) for TAX. The total appropriation for these 12 line items, \$4.3 million in each of FY 2010 and FY 2011, is \$366,000 more than actual outlays in FY 2009. The largest of these line items, ALI 110608, Motor Vehicle Audit (Fund 4360) has an appropriation of \$1.0 million in each of the next two fiscal years, down from \$1.1 million spent in FY 2009, reflecting the decrease in volume of vehicle sales. The largest increase among these line items is \$740,000, from about \$60,000 to \$800,000, for ALI 110615, Local Excise Tax Administration, which pays TAX's cost to administer Cuyahoga County's excise taxes on cigarettes, beer, wine, and mixed beverages. Revenues from these taxes have increased in recent years. The largest decrease, among the 12 line items grouped under Other Tax Administration, is in ALI 110606, Income Tax Contribution Administration, formerly known as Litter Tax and Natural Resource Tax. This line item is currently used by TAX for the costs of administering the three check-off programs to which taxpayers may direct personal income tax refunds. The budget decreases this ALI from about \$622,000 spent in FY 2009 to \$200,000 in each of FY 2010 and FY 2011. This line item previously also received funding from the corporate franchise tax, which is being phased out for nonfinancial corporations, and was used to administer the "Litter Tax" on corporations. Funding for ALI 110602, Tape File Account, used to pay costs to maintain and replace computer equipment, pay for computer programming, and purchase of computer tapes, is \$125,000 in each year of the biennium, up from about \$72,000 spent during FY 2009. TAX receives fees from municipal tax administrators for computer listings of names and addresses of taxpayers (but not their financial information). For GRF ALI 110404, Tobacco Settlement Enforcement, used to pay costs to TAX of enforcing laws pertaining to taxation of cigarettes, the budget appropriates \$265,708 in each year of the next biennium, up from about \$225,000 spent in FY 2009.

## Revenue Distribution

The Department of Taxation distributes revenue to the parties intended by law. Table 4 shows the line items that are used for this function of the Department of Taxation, as well as the appropriated funding levels for the FY 2010-FY 2011 biennium. As noted above, funding included in this Revenue Distribution category within the Department of Taxation's budget do not include the amounts that are within the Revenue Distribution Fund Group.

<b>Table 4. Appropriated Amounts for Revenue Distribution</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Services Fund Group</b>				
5CZ0	110631	Vendor's License Application	\$250,000	\$250,000
<b>General Services Fund Group Subtotal</b>			<b>\$250,000</b>	<b>\$250,000</b>
<b>State Special Revenue Fund Group</b>				
6420	110613	Ohio Political Party Distributions	\$500,000	\$500,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$500,000</b>	<b>\$500,000</b>
<b>Agency Fund Group</b>				
4250	110635	Tax Refunds	\$1,546,800,000	\$1,546,800,000
7095	110995	Municipal Income Tax	\$21,000,000	\$21,000,000
<b>Agency Fund Group Subtotal</b>			<b>\$1,567,800,000</b>	<b>\$1,567,800,000</b>
<b>Holding Account Redistribution Fund Group</b>				
R010	110611	Tax Distributions	\$50,000	\$50,000
R011	110612	Miscellaneous Income Tax Receipts	\$50,000	\$50,000
<b>Holding Account Redistribution Fund Group Subtotal</b>			<b>\$100,000</b>	<b>\$100,000</b>
<b>Total Funding: Revenue Distribution</b>			<b>\$1,568,650,000</b>	<b>\$1,568,650,000</b>

### Tax Refunds (110635)

Appropriations to this line item are used to pay refunds for taxes or fees for which amounts in excess of those owed have been paid. Amounts in this line item are by far the largest in the budget for TAX. Receipts of the Tax Refund Fund are transferred from current receipts of the same tax or fee for which the refund arose. The appropriation for each of FY 2010 and FY 2011 is \$1,546.8 million, down from about \$1,704.1 million in refunds paid in FY 2009. The budget act provides that if additional amounts are needed for tax refund payments, the amounts are appropriated.

### Municipal Income Tax (110995)

Municipal corporations with a municipal income tax generally either administer their own income taxes or contract with one of two outside organizations in Ohio that perform this service. However, for the municipal income tax for electric light

companies and telephone companies, the Department of Taxation collects and distributes the tax, less an administrative fee. The funding for this line item covers the anticipated amounts to be distributed by TAX to the municipal corporations. The budget includes \$21.0 million for each of FY 2010 and FY 2011 for this purpose, down from \$32.3 million distributed in FY 2009. Additional amounts, if needed, are appropriated in the budget act.

### **Other Revenue Distribution (110611, 110612, 110613, and 110631)**

Other line items in the Department of Taxation revenue distribution category have appropriations totaling \$850,000 in each of FY 2010 and FY 2011. Actual distributions in these four line items totaled about \$555,000 in FY 2009. The largest increase is in ALI 110631, Vendor's License Application, for funds collected by TAX and distributed back to counties, which rises from about \$122,000 distributed in FY 2009 to \$250,000 appropriated in each of FY 2010 and FY 2011. ALI 110613, Ohio Political Party Distributions, used to receive funds from the state income tax checkoff to support public financing of Ohio political parties, increases from about \$403,000 distributed in FY 2009 to \$500,000 appropriated in each year of the next biennium.

### **Tax Relief**

The state reimburses local governments for tax revenues that they would otherwise lose because of the 10% rollback on residential and agricultural real property, the 2.5% rollback on owner-occupied homes, and the homestead exemption. School districts are reimbursed through the Department of Education. The line item in the Department of Taxation, shown in Table 5 below, is used to reimburse units of local government other than school districts.

<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	110901	Property Tax Allocation – Taxation	\$598,917,420	\$577,463,014
<b>General Revenue Fund Subtotal</b>			<b>\$598,917,420</b>	<b>\$577,463,014</b>
<b>Total Funding: Tax Relief</b>			<b>\$598,917,420</b>	<b>\$577,463,014</b>

### **Property Tax Allocation – Taxation (110901)**

In Ohio, real property taxes owed by residential and agricultural real property owners are reduced 10%, commonly referred to as the 10% rollback. Prior to tax year 2005, all owners of real property received the 10% rollback, but this part of the rollback was eliminated for business property owners by H.B. 66 of the 126th General Assembly. Homeowners are eligible for an additional 2.5% rollback on their owner-occupied primary residences. Homeowners age 65 or older, or totally and permanently disabled,

are eligible for an additional tax reduction, known as the homestead exemption, for the first \$25,000 of market value of their homes. The homestead exemption was expanded by H.B. 119 of the 127th General Assembly. All three programs would reduce real property tax receipts of school districts and other units of local government, except that the state reimburses the local governments for these amounts. Line item 110901 is used by TAX to pay these reimbursements to units of local government other than school districts. The various changes noted above, as well as changing property values and home ownership rates, account for fluctuations up and down in amounts needed for this line item in recent years. For FY 2010, the appropriation is \$598.9 million, an increase of 8.8% from actual reimbursements in FY 2009. For FY 2011, \$577.5 million is appropriated, a decrease of 3.6% from FY 2010. Am. Sub. H.B. 1, in Section 399.10, also contains the specification that "Any sums, in addition to the amounts specifically appropriated in appropriation item 110901, Property Tax Allocation – Taxation, for the Homestead Exemption, the Manufactured Home Property Tax Rollback, and the Property Tax Rollback payments, which are determined to be necessary for these purposes, are hereby appropriated."

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**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<b>Line Item Detail by Agency</b>			<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 Appropriations</b>	<b>% Change FY09 - FY10</b>	<b>FY 2011 Appropriations</b>	<b>% Change FY10 - FY11</b>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>TAX Department of Taxation</b>								
GRF	110321	Operating Expenses	\$ 84,875,363	\$ 87,936,509	\$ 87,841,056	-0.11%	\$ 89,941,055	2.39%
GRF	110404	Tobacco Settlement Enforcement	\$ 0	\$ 225,473	\$ 265,708	17.84%	\$ 265,708	0.00%
GRF	110412	Child Support Administration	\$ 14,508	\$ 9,566	\$ 17,561	83.58%	\$ 17,561	0.00%
GRF	110901	Property Tax Allocation - Taxation	\$ 496,613,219	\$ 550,587,411	\$ 598,917,420	8.78%	\$ 577,463,014	-3.58%
GRF	110906	Tangible Tax Exemption	\$ 8,965,004	\$ 4,482,502	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 590,468,094</b>	<b>\$ 643,241,462</b>	<b>\$ 687,041,745</b>	<b>6.81%</b>	<b>\$ 667,687,338</b>	<b>-2.82%</b>
2250	110626	Enforcement and Forfeiture Collection	\$ 11,161	\$ 96,739	\$ 0	N/A	\$ 0	N/A
2280	110628	Tax Reform System Implementation	\$ 528,211	\$ 0	\$ 13,600,000	N/A	\$ 13,600,000	0.00%
4330	110602	Tape File Account	\$ 110,318	\$ 72,178	\$ 125,000	73.18%	\$ 125,000	0.00%
5AP0	110632	Discovery Project	\$ 0	\$ 1,077,497	\$ 2,000,000	85.62%	\$ 2,000,000	0.00%
5BQ0	110629	Commercial Activity Tax Administration	\$ 5,940,050	\$ 5,724,501	\$ 0	-100.00%	\$ 0	N/A
5CZ0	110631	Vendor's License Application	\$ 126,850	\$ 121,950	\$ 250,000	105.00%	\$ 250,000	0.00%
5N50	110605	Municipal Income Tax Administration	\$ 495,188	\$ 456,962	\$ 600,000	31.30%	\$ 600,000	0.00%
5N60	110618	Kilowatt Hour Tax Administration	\$ 96,999	\$ 151,916	\$ 100,000	-34.17%	\$ 100,000	0.00%
5V80	110623	Property Tax Administration	\$ 14,120,683	\$ 12,912,296	\$ 12,000,000	-7.07%	\$ 12,000,000	0.00%
5W40	110625	Centralized Tax Filing and Payment	\$ 1,602,488	\$ 338,326	\$ 200,000	-40.89%	\$ 200,000	0.00%
5W70	110627	Exempt Facility Administration	\$ 64,652	\$ 119,581	\$ 60,000	-49.82%	\$ 60,000	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 23,096,600</b>	<b>\$ 21,071,946</b>	<b>\$ 28,935,000</b>	<b>37.32%</b>	<b>\$ 28,935,000</b>	<b>0.00%</b>
3J60	110601	Motor Fuel Compliance	\$ 25,000	\$ 0	\$ 0	N/A	\$ 0	N/A
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 25,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>N/A</b>	<b>\$ 0</b>	<b>N/A</b>
4350	110607	Local Tax Administration	\$ 16,555,683	\$ 16,686,487	\$ 18,000,000	7.87%	\$ 18,000,000	0.00%
4360	110608	Motor Vehicle Audit	\$ 1,196,373	\$ 1,085,153	\$ 1,000,000	-7.85%	\$ 1,000,000	0.00%
4370	110606	Income Tax Contribution Administration	\$ 673,550	\$ 622,279	\$ 200,000	-67.86%	\$ 200,000	0.00%
4380	110609	School District Income Tax	\$ 3,448,790	\$ 3,244,027	\$ 5,500,000	69.54%	\$ 5,500,000	0.00%
4C60	110616	International Registration Plan	\$ 843,114	\$ 647,797	\$ 706,855	9.12%	\$ 706,855	0.00%
4R60	110610	Tire Tax Administration	\$ 69,608	\$ 119,707	\$ 200,000	67.07%	\$ 200,000	0.00%
5V70	110622	Motor Fuel Tax Administration	\$ 4,990,342	\$ 4,358,373	\$ 4,700,000	7.84%	\$ 4,700,000	0.00%
6390	110614	Cigarette Tax Enforcement	\$ 157,670	\$ 63,469	\$ 1,900,000	2,893.58%	\$ 1,900,000	0.00%

**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<b>Line Item Detail by Agency</b>			<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 Appropriations</b>	<b>% Change FY09 - FY10</b>	<b>FY 2011 Appropriations</b>	<b>% Change FY10 - FY11</b>
<b>TAX Department of Taxation</b>								
6420	110613	Ohio Political Party Distributions	\$ 440,797	\$ 402,858	\$ 500,000	24.11%	\$ 500,000	0.00%
6880	110615	Local Excise Tax Administration	\$ 293,622	\$ 59,804	\$ 800,000	1,237.70%	\$ 800,000	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 28,669,550</b>	<b>\$ 27,289,955</b>	<b>\$ 33,506,855</b>	<b>22.78%</b>	<b>\$ 33,506,855</b>	<b>0.00%</b>
4250	110635	Tax Refunds	\$ 1,607,934,383	\$ 1,704,141,553	\$ 1,546,800,000	-9.23%	\$ 1,546,800,000	0.00%
7095	110995	Municipal Income Tax	\$ 43,655,400	\$ 32,274,846	\$ 21,000,000	-34.93%	\$ 21,000,000	0.00%
<b>Agency Fund Group Total</b>			<b>\$ 1,651,589,782</b>	<b>\$ 1,736,416,400</b>	<b>\$ 1,567,800,000</b>	<b>-9.71%</b>	<b>\$ 1,567,800,000</b>	<b>0.00%</b>
R010	110611	Tax Distributions	\$0	\$ 30,000	\$ 50,000	66.67%	\$ 50,000	0.00%
R011	110612	Miscellaneous Income Tax Receipts	\$0	\$0	\$ 50,000	N/A	\$ 50,000	0.00%
<b>Holding Account Redistribution Fund Group Total</b>			<b>\$0</b>	<b>\$ 30,000</b>	<b>\$ 100,000</b>	<b>233.33%</b>	<b>\$ 100,000</b>	<b>0.00%</b>
T087	110402	Tobacco Settlement Enforcement	\$ 227,571	\$ 586	\$0	N/A	\$0	N/A
<b>Tobacco Master Settlement Agreement Fund Group Total</b>			<b>\$ 227,571</b>	<b>\$ 586</b>	<b>\$0</b>	<b>N/A</b>	<b>\$0</b>	<b>N/A</b>
<b>Department of Taxation Total</b>			<b>\$ 2,294,076,597</b>	<b>\$ 2,428,050,347</b>	<b>\$ 2,317,383,600</b>	<b>-4.56%</b>	<b>\$ 2,298,029,193</b>	<b>-0.84%</b>