

LSC Redbook

Analysis of the Executive Budget Proposal

Board of Tax Appeals

Phil Cummins, Senior Economist
Legislative Service Commission

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TABLE OF CONTENTS

OVERVIEW 1
ANALYSIS OF EXECUTIVE PROPOSAL 2
 Operating Expenses (116321) 2

ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Board of Tax Appeals

- BTA decides tax cases outside the court system
- The executive proposal holds BTA's budget unchanged in FY 2014 and FY 2015

OVERVIEW

The Board of Tax Appeals (BTA) provides an expert forum outside the court system to resolve controversies between taxpayers and taxing authorities. The agency is an independent, quasi-judicial, single-purpose body. Three board members appointed by the Governor for six-year terms are authorized to determine all appeals regarding questions arising under Ohio tax laws, other than estate taxes. BTA's staff includes three attorney examiners who manage cases and preside at evidentiary hearings to determine the facts of these cases as the basis for decisions taken by vote of the board members. BTA also has an executive director/secretary and three administrative staff members, for a total of ten employees including the three board members.

More than 90% of appeals to BTA arise from real estate valuations by county boards of revision. Cases also arise from appeals of determinations or of rules adopted by the Tax Commissioner, including the Division of Tax Equalization. Another source of cases is appeals of allocations by county budget commissioners of tax receipts to political subdivisions. Beginning with tax year 2004, appeals of decisions of municipal boards of appeal regarding municipal income tax obligations were added to BTA's responsibilities. BTA also has authority to accept appeals of decisions by the Director of the Department of Development that enterprises are not qualified for tax incentive qualification certificates. Decisions of BTA may be appealed either to an Ohio court of appeals or to the Ohio Supreme Court.

The executive recommendation is that BTA's budget be kept at \$1.7 million in FY 2014 and FY 2015. BTA is to manage its caseload to keep the backlog of cases appealed to the agency from rising above the approximately 8,800 cases pending at the end of FY 2012. Another priority is to seek opportunities to increase efficiency in the agency's processes, in order to provide faster service to appellants. These efforts have included establishment of a small claims unit, which has been successful in bringing down the portion of the case backlog made up of such cases, mostly residential property valuation appeals. A third priority is further improvements in BTA's web site.

ANALYSIS OF EXECUTIVE PROPOSAL

The following table shows the line item that is used to fund the activities of the Board of Tax Appeals and the Governor's recommended funding levels.

Fund	ALI and Name	FY 2014	FY 2015
General Revenue Fund			
GRF	116321 Operating Expenses	\$1,700,000	\$1,700,000
Total Funding: Board of Tax Appeals		\$1,700,000	\$1,700,000

Operating Expenses (116321)

The executive recommendation would hold BTA's operating budget at its FY 2013 level of \$1,700,000 in FY 2014 and FY 2015. Nearly 90% of BTA's budget is for payroll costs. The budget keeps payroll expenditures unchanged at \$1,550,000 in FY 2014 and FY 2015. Purchased personal services would also remain unchanged at \$75,000 in each of these years. Much of BTA's purchased personal services expenditures in the past have been for court reporters, whose transcripts facilitate efficient resolution of cases, particularly more complex cases. The executive recommendation for supplies and maintenance is \$75,000 in FY 2014 and the same amount in FY 2015.

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Board of Tax Appeals

General Revenue Fund

GRF 116321 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,162,896	\$1,048,340	\$1,479,475	\$1,700,000	\$1,700,000	\$1,700,000
	-9.9%	41.1%	14.9%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 5703; Section 401.10 of Am. Sub. H.B. 153 of the 129th G.A.

Purpose: This line item provides all funding for the agency, including personal services, maintenance, and equipment.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
BTA Board of Tax Appeals								
GRF	116321	Operating Expenses	\$ 1,479,475	\$ 1,700,000	\$ 1,700,000	0.00%	\$ 1,700,000	0.00%
General Revenue Fund Total			\$ 1,479,475	\$ 1,700,000	\$ 1,700,000	0.00%	\$ 1,700,000	0.00%
Board of Tax Appeals Total			\$ 1,479,475	\$ 1,700,000	\$ 1,700,000	0.00%	\$ 1,700,000	0.00%