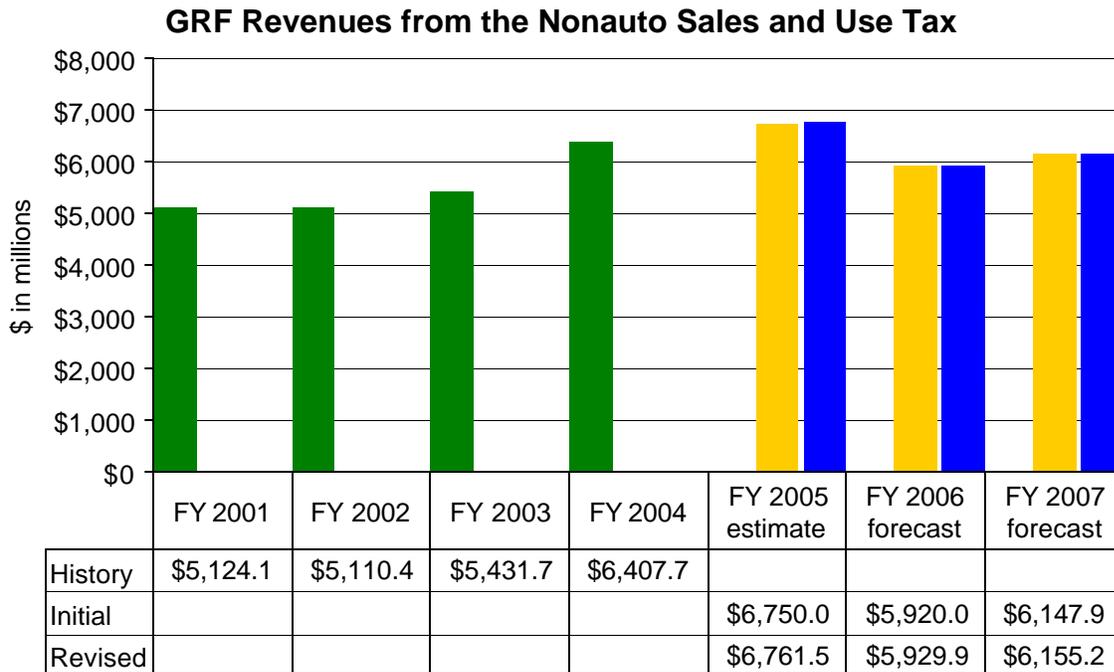


**Nonauto Sales Tax**



The initial baseline forecast estimated GRF revenues of \$6,750.0 million in FY 2005, \$5,920.0 million in FY 2006, and \$6,147.9 million in FY 2007. Projected revenues for FY 2005 were revised upward because of higher revenues in the current fiscal year through May 2005, compared to the initial baseline forecast.

The baseline forecast was also revised upward to \$5,929.9 million in FY 2006 and \$6,155.2 million in FY 2007 due to a slight improvement in projected Ohio personal income and employment in the next two years compared to the initial forecast.

The proposed budget increases the sales and use tax rate to 5.5% permanently. Under current law, the sales tax rate would return to 5% on July 1, 2005. The rate increase to 5.5% would increase GRF revenues from the nonauto sales and use tax by \$625.7 million in FY 2006 and \$649.4 million in FY 2007.