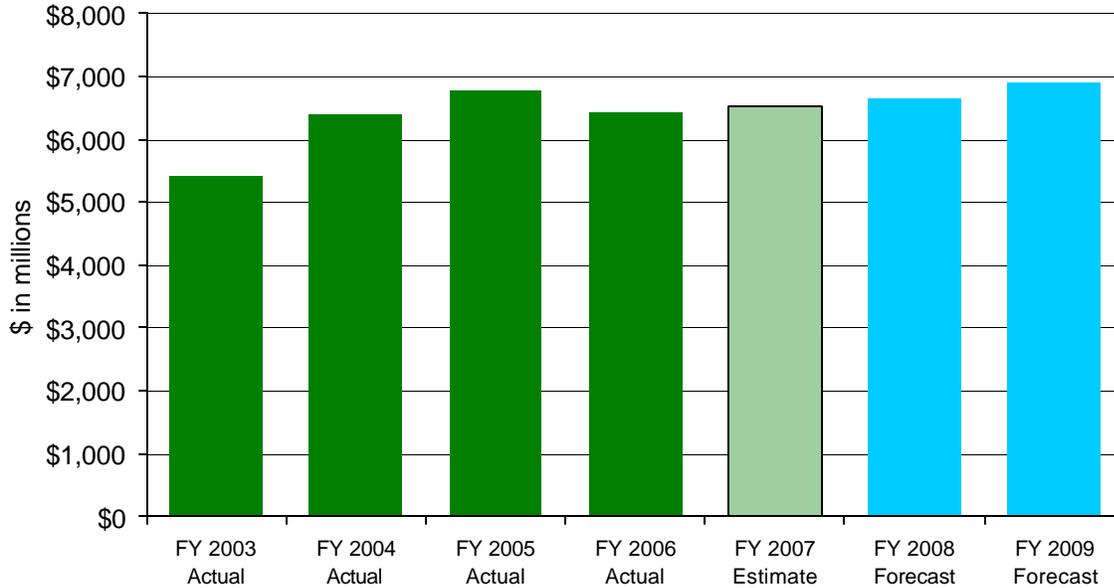


Nonauto Sales and Use Tax

**GRF Revenues from the Nonauto Sales and Use Tax**

(in millions)



	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Revenue	\$5,431.7	\$6,407.7	\$6,763.0	\$6,431.8	\$6,513.1	\$6,652.7	\$6,910.8
Growth	6.3%	18.0%	5.5%	-4.9%	1.3%	2.1%	3.9%

The forecast for the nonauto sales and use tax is primarily based on a regression of quarterly nonauto sales and use tax revenues against Ohio wages and salaries. A dummy variable was used to account for the tax rate changes. Estimates were adjusted to reflect actual performance of the tax in FY 2006.

In the last few years, the nonauto sales and use tax has continued its subpar growth. Nonauto sales and use tax revenues grew 6.3% in FY 2003 from the acceleration in sales tax payments from Am. Sub H.B. 40 (125th General Assembly). Nonauto sales and use tax revenues would have grown by about 1% in FY 2003. Revenue growth in FY 2004 was the result of a tax rate increase to 6.0%, but the taxable base declined. Revenue growth in FY 2005 was largely from the base expansion included in Am. Sub. H.B. 95 (125th General Assembly). The decrease in receipts in FY 2006 was due to the tax rate declining to 5.5% from Am. Sub. H.B. 66 (126th General Assembly). Growth rates in FY 2007 and FY 2008 are expected to be below long-term baseline growth rates.