

## Estate Tax

**GRF Revenues from the Estate Tax**  
(in millions)



	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Forecast	FY 2011 Forecast
Revenue	\$60.4	\$54.1	\$72.1	\$61.4	\$66.2	\$68.2	\$54.8
Growth	-6.0%	-10.5%	33.4%	-14.9%	7.9%	3.0%	-19.7%

The estate tax is one of the more volatile state revenue sources as the estate of a very wealthy individual can account for a significant amount of the total revenue. Estate tax payment is due at the expiration of nine months from the date of death to the county treasurer where the estate tax return was filed. However, an automatic six month's extension is granted to all estates. The tax is progressive with rates ranging from 2% of the taxable estate to 7% of the value of the taxable estate in excess of \$500,000. Estates of individuals whose dates of death were on or after January 2002 receive a \$13,900 credit, which effectively exempts the first \$338,333 of estate value from taxation. The municipal corporation or township of origin receives 80% of the revenue and the GRF receives the remaining 20%, less the cost of local administration for estates with dates of death on or after January 1, 2002.

The forecast for the estate tax is based on regression results that incorporate forecasts of the total number of Ohioans that die each year, the Standard & Poor's 500 Stock Index (S&P 500 Index), and per capita personal income. Estate tax revenues are estimated to increase slightly from \$61.4 million in FY 2008 to \$66.2 million in FY 2009. Estate tax collections are projected to increase to \$68.2 million in FY 2010, then decrease to \$54.8 million in FY 2011. The predicted revenue decline in FY 2011 is primarily based on a lagged response to recent decreases in the S&P 500 Index.