Greenbook

LBO Analysis of Enacted Budget

Ohio Department of Taxation

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LBO Greenbook

Ohio Department of Taxation

Quick look...

- The Department of Taxation (TAX) administers and enforces most state and local taxes.
  - It oversees state taxes except on insurance, spirituous liquor, and motor vehicle licenses.
  - It determines amounts of various revenue distributions to local governments.
- TAX is headed by the Tax Commissioner, appointed by the Governor with Senate consent.
- Nearly 96% of TAX's appropriations in H.B. 33, the main operating budget act of the 135th General Assembly, are under the Fiduciary Fund Group, mostly for refunds of taxes paid in excess of amounts owed.
- TAX's administrative expenses are paid from the GRF (45%) and various non-GRF funds (55%). Revenues to these non-GRF funds are from shares of receipts from taxes administered by TAX, fees for services provided, and transfers.

Fund Group	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
General Revenue	$55,432,526	$55,317,619	$60,295,000	$60,684,000
Dedicated Purpose	$59,364,512	$58,068,218	$73,194,969	$75,897,626
Fiduciary	$2,746,010,977	$3,229,277,480	$2,853,845,225	$3,082,543,652
Holding Account	$5,000	$7,838	$25,500	$25,500
Total	$2,860,813,014	$3,342,671,155	$2,987,360,694	$3,219,150,778
% change	--	16.8%	-10.6%	7.8%
GRF % change	--	*-0.2%*	*9.0%*	*0.6%*

TAX budget overview

Agency overview

In administering and enforcing taxes, the Department of Taxation (TAX) performs such duties as assisting taxpayers, processing tax returns, determining tax liabilities, issuing refunds and assessments, conducting audits, and enforcing Ohio's tax laws. TAX also is responsible for determining the amounts of various revenue distributions to local governments, including motor fuel tax distributions, reimbursement of local governments for certain mandated property tax relief, transitional assistance for elimination of local taxation of tangible personal property of general business and the reduction of assessment rates on public utility tangible personal property, permissive sales and use tax distributions, and allocations to counties from the Local Government Fund (LGF, Fund 7069) and the Public Library Fund (PLF, Fund 7065). The Tax Commissioner is a member of the Governor's cabinet.

Most of TAX's appropriations in H.B. 33, the main operating budget act of the 135th General Assembly, consist of transfers, principally tax refunds. Operating expenses account for the rest and mainly cover the cost of the personnel who perform TAX's various functions, along with supplies, equipment, and maintenance. In TAX's budget for the FY 2024-FY 2025 biennium, GRF funding is used only for operating expenses. Before FY 2016, TAX's budget also included GRF funding of state reimbursements to local governments for their revenue losses from property tax rollbacks and the homestead exemption. These reimbursements continue to be administered by TAX as part of the State Revenue Distributions budget. This separate portion of the main operating budget is discussed in more detail below.

Appropriation summary

The budget appropriates $2,987.4 million in FY 2024 and $3,219.2 million in FY 2025 for the Department. The table in the "**Quick look**" section shows appropriations by fund group. The Fiduciary Fund Group accounts for most of the Department's budget, mainly for tax refunds. A single line item for paying tax refunds accounts for 95.6% of the total amount appropriated in the TAX budget for the biennium.

Organization of this Greenbook

The sections that follow include a detailed analysis of TAX's appropriations in H.B. 33, the main operating budget act, followed by a high-level summary of the State Revenue Distributions (RDF) section of the budget. Changes to tax law made by H.B. 33 and by the transportation budget, H.B. 23, are discussed in the next Greenbook section. Spreadsheets showing appropriation amounts in FY 2024 and FY 2025, and actual spending in recent years, are attached at the end for TAX and RDF.

Administrative changes

An uncodified provision of H.B. 33 creates the ten-member Joint Committee on Property Tax Review and Reform. The Joint Committee is required to submit a report to the General Assembly by December 31, 2024, making recommendations on reforms to property tax law. It is authorized to hold hearings and make recommendations on pending legislation related to property taxation. Five Senators and five Representatives are to be appointed to the Joint Committee, and members are to serve without compensation. Apart from the cost of the report, likely minimal, this provision of the budget act will have no direct fiscal effect.

H.B. 33 limits the circumstances in which municipal income tax inquiries or notices may be sent by a municipal tax administrator or the Tax Commissioner to a taxpayer subject to a filing extension. It limits the penalty that may be imposed on a taxpayer for failing to timely file municipal income tax returns, from a $25 monthly penalty, up to $150, to a one-time $25 penalty, and exempts from the penalty a taxpayer's first failure to timely file. The changes apply to taxable years ending on or after January 1, 2023. The act specifies that if a municipal tax administrator sends a prohibited notice, the municipality must reimburse the taxpayer for reasonable costs incurred in responding to the notice, up to $150. This provision may reduce municipal income tax revenue, but statewide direct municipal losses from the bill will likely be fairly minimal. Indirect effects from reduced incentives for taxpayers to file returns and to file on time could reduce revenue to some municipalities more significantly.

The budget act requires a municipal corporation to notify the Tax Commissioner any time there is a decrease in the municipal income tax rate. Continuing law requires such notification of any rate increase. The added notice requirement may increase costs, likely by a minimal amount, for municipalities that levy income taxes.

H.B. 33 requires the Tax Commissioner to provide information to municipal corporations on any businesses that opted to pay municipal income taxes to the Commissioner and that had apportionable municipal taxable income (i.e., net profits) to those municipal corporations in the preceding five months for a report due in May and in the preceding seven months for a report due in December. Under prior law the reports were to cover such income in any prior year. The reduced scope of the report may result in cost savings to the Department.

The act authorizes TAX to send by ordinary mail or electronically any tax notice currently required to be sent by certified mail. It removes a requirement that taxpayers must consent to electronic delivery before receiving certain tax notices electronically. It eliminates certain recordkeeping requirements a delivery service must meet to be used by the Commissioner to deliver tax notices. These changes may result in cost savings for the Department. And the bill generally authorizes TAX to share confidential tax information with state or federal agencies when needed to ensure compliance with state or federal law.

Analysis of FY 2024-FY 2025 budget

This section includes an analysis of the budget's funding for each appropriation line item (ALI) in the Department of Taxation section of the budget, and a brief summary of the larger appropriation line items in the State Revenue Distributions section of the main operating budget.

Department of Taxation

Introduction

For organizational purposes, the ALIs listed under TAX's budget section are grouped into two major categories based on their funding purposes. In the analysis that follows, ALIs for tax administration precede those for revenue distribution.

To aid the reader in locating each ALI in the analysis, the table below shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the TAX section of the budget bill.

In the analysis, each ALI's actual spending in FY 2023 and appropriations for FY 2024 and FY 2025 are listed in a table. Following the table, a narrative describes how the appropriation is used.

Categorization of TAX's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
General Revenue Fund Group				
GRF	110321	Operating Expenses	1	Tax Administration
GRF	110404	Tobacco Settlement Enforcement	1	Tax Administration
Dedicated Purpose Fund Group				
2280	110628	CAT Administration	1	Tax Administration
4350	110607	Local Tax Administration	1	Tax Administration
4360	110608	Motor Vehicle Audit Administration	1	Tax Administration
4380	110609	School District Income Tax Administration	1	Tax Administration
4C60	110616	International Registration Plan Administration	1	Tax Administration
4R60	110610	Tire Tax Administration	1	Tax Administration
5BP0	110639	Wireless 9-1-1 Administration	1	Tax Administration
5JM0	110637	Casino Tax Administration	1	Tax Administration
5N50	110605	Municipal Income Tax Administration	1	Tax Administration
5N60	110618	Kilowatt Hour Tax Administration	1	Tax Administration
5NY0	110643	Petroleum Activity Tax Administration	1	Tax Administration
5V70	110622	Motor Fuel Tax Administration	1	Tax Administration
5V80	110623	Property Tax Administration	1	Tax Administration

Categorization of TAX's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
5YQ0	110651	Sports Gaming Tax Administration Operating Expenses	1	Tax Administration
5ZA0	110650	Ohio Tax System Operating Expenses	1	Tax Administration
6390	110614	Cigarette Tax Enforcement	1	Tax Administration
6880	110615	Local Excise Tax Administration	1	Tax Administration
Fiduciary Fund Group				
4250	110635	Tax Refunds	2	Revenue Distribution
5CZ0	110631	Vendor's License Application	2	Revenue Distribution
Holding Account Fund Group				
R010	110611	Tax Distributions	2	Revenue Distribution
R011	110612	Miscellaneous Income Tax Receipts	2	Revenue Distribution

Category 1: Tax Administration

This category of appropriation line items provides funding to pay TAX's costs to administer the state's tax laws. The tax administration function includes several components. Taxpayer services include providing information to taxpayers by telephone and email, and through presentations to groups, improving compliance with tax laws. During FY 2022, staff answered nearly 509,000 calls from taxpayers, responded to nearly 70,000 emails, and responded to inquiries made through the Ohio Business Gateway. Tax processing staff review paper and electronic submissions of tax forms, enter the data into TAX's computer systems, and retain tax returns. The Tax Compliance Division 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. Tax Analysis monitors and analyzes tax legislation, and gives technical assistance to the executive and legislative branches.

C1:1: Operating Expenses (ALI 110321)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 110321, Operating Expenses		$55,202,498	$60,141,000	$60,530,000
	% change	--	8.9%	0.6%

This GRF item is used by TAX mainly to pay for personal services, also for purchased personal services, supplies and maintenance, and equipment expenses. Part of the administrative costs of providing taxpayer services and of tax processing and compliance are paid from this line item. About 45% of the Department's costs for administration are paid from the GRF.

C1:2: Tobacco Settlement Enforcement (ALI 110404)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 110404, Tobacco Settlement Enforcement	$115,122	$154,000	$154,000
% change	--	33.8%	0.0%

This GRF item pays for enforcement of cigarette tax laws, along with the Cigarette Tax Enforcement item, ALI 110614. TAX also assists the Attorney General's Office with noncompliance and enforcement of the Tobacco Master Settlement Agreement.

C1:3: CAT Administration (ALI 110628)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
2280 ALI 110628, CAT Administration	$9,352,804	$11,336,886	$11,336,886
% change	--	21.2%	0.0%

This item supports administration of various taxes including the commercial activity tax (CAT). The line item is funded by 0.65% of commercial activity tax receipts and $100,000 of qualified distribution center annual fees.

C1:4: Local Tax Administration (ALI 110607)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4350 ALI 110607, Local Tax Administration	$27,299,968	$32,467,356	$33,100,095
% change	--	18.9%	1.9%

This item is used to pay costs incurred by TAX in collecting and administering the county and regional transit authority sales and use taxes. Revenues to the fund are from a 1% fee on net collections of this tax. An uncodified provision of the budget act permits this line item to be used to pay travel expenses of members of Ohio's delegation to the Streamlined Sales Tax Project.

C1:5: Motor Vehicle Audit Administration (ALI 110608)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4360 ALI 110608, Motor Vehicle Audit Administration	$1,346,190	$1,509,168	$1,509,168
% change	--	12.1%	0.0%

TAX's costs to investigate sales and use tax returns filed for person-to-person motor vehicle transactions, to determine if tax obligations have been met, are paid from this line item, Fund 4360. The source of funding is 25¢ from issuance of each vehicle certificate of title.

C1:6: School District Income Tax Administration (ALI 110609)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4380 ALI 110609, School District Income Tax Administration	$7,362,078	$9,098,829	$9,168,747
% change	--	23.6%	0.8%

This item supports administration by TAX of the school district income tax. These expenses include costs to convey information to employers about the tax rate in any school district. Funding is from 1.5% of school district income tax collections. Money remaining in the fund after payment of administrative costs is returned to Fund 7067, from which collections are distributed to school districts. TAX distributed revenues to 213 school districts in April 2023, the latest quarterly payments for which information is published as of this writing.

C1:7: International Registration Plan Administration (ALI 110616)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4C60 ALI 110616, International Registration Plan Administration	$472,603	$726,464	$726,464
% change	--	53.7%	0.0%

This item supports Department of Taxation audits of persons who have registered motor vehicles under the International Registration Plan. This plan provides for payments among states that are members of the plan for portions of registration taxes that the states are eligible to receive because of operation within their borders of apportionable vehicles registered in other states.

C1:8: Tire Tax Administration (ALI 110610)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4R60 ALI 110610, Tire Tax Administration	$180,663	$180,000	$180,000
% change	--	-0.4%	0.0%

This item supports administration of the tire tax. Revenue is from 2% of the $1 per tire tax net of refunds. The rest goes to the Scrap Tire Management Fund (Fund 4R50) used by the Ohio Environmental Protection Agency and the Soil and Water Conservation District Assistance Fund (Fund 5BV0) used by the Department of Agriculture.

C1:9: Wireless 9-1-1 Administration (ALI 110639)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5BP0 ALI 110639, Wireless 9-1-1 Administration	$174,558	$302,244	$302,244
% change	--	73.1%	0.0%

This item supports collection of wireless 9-1-1 charges by the Department. Revenue is from 1.0% of receipts from a charge of 25¢ per month on each wireless telephone number of a wireless service subscriber with an Ohio billing address. The enacted budget increases the wireless charge to 40¢ per month on January 1, 2024, and the charge will also be applied to voice channel subscribers using a voice over internet protocol (VOIP) system or multi-line telephone system. However, the monthly charge will revert to 25¢ per month beginning October 1, 2025. The budget specified the purpose of this forthcoming wireless charge to be a "next generation 9-1-1 access fee."

C1:10: Casino Tax Administration (ALI 110637)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5JM0 ALI 110637, Casino Tax Administration		$104,659	$125,000	$125,000
	% change	--	19.4%	0.0%

This item supports administration of the 33% tax on gross casino revenue. Revenue is from 1% of the 3% of casino tax receipts transferred to the Casino Control Commission Fund in July, October, January, and April.

C1:11: Municipal Income Tax Administration (ALI 110605)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5N50 ALI 110605, Municipal Income Tax Administration		$108,801	$200,000	$200,000
	% change	--	83.8%	0.0%

This item is used to pay TAX's cost of administering municipal income taxation of business net profits, for businesses that elect to file with the Department, as well as to pay TAX's costs to administer the municipal income tax on electric light and local exchange telephone companies, the item's prior sole use. The Department distributes amounts owed to municipal corporations monthly. Revenues to Fund 5N50 for TAX's costs for administration are from 0.5% of municipal net profit tax collections and 1.5% of taxes collected by the state on behalf of local governments from electric companies and telephone and telecommunications companies.

C1:12: Kilowatt Hour Tax Administration (ALI 110618)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5N60 ALI 110618, Kilowatt Hour Tax Administration		$76,843	$100,000	$100,000
	% change	--	30.1%	0.0%

This item supports administration of the kilowatt hour tax owed by self-assessing purchasers. Revenue is from an annual fee of $500 paid on each qualifying meter or location, paid by large commercial or industrial firms that register with the Department to pay the kilowatt hour tax as self-assessors.

C1:13: Petroleum Activity Tax Administration (ALI 110643)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5NY0 ALI 110643, Petroleum Activity Tax Administration	$866,766	$1,010,356	$1,010,356
% change	--	16.6%	0.0%

This item supports TAX's administration of the tax on gross receipts of motor fuel suppliers. Revenue to the fund is from 1% of the balance, after payment of any refunds, in the Petroleum Activity Tax Fund (Fund R057) as of the last day of February, May, August, and November. The petroleum activity tax is levied at a rate of 0.65%.

C1:14: Motor Fuel Tax Administration (ALI 110622)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5V70 ALI 110622, Motor Fuel Tax Administration	$4,836,592	$6,118,069	$6,118,069
% change	--	26.5%	0.0%

This item supports TAX's administration of motor fuel taxes: 38.5¢ per gallon on gasoline and 47¢ per gallon on diesel fuel. Revenue to Fund 5V70, as provided in codified law (R.C. 5735.053), is from revenues from those taxes in an amount each month not to exceed $^{1}/_{24}$ of the approved appropriation assigned to the fund for the biennium.

C1:15: Property Tax Administration (ALI 110623)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5V80 ALI 110623, Property Tax Administration	$4,488,658	$5,108,681	$5,108,681
% change	--	13.8%	0.0%

This item supports administration of property taxes, including real property tax equalization and taxes on personal property of public utilities. Funding is from 0.25% or less of the amount of the 10% rollback of taxes on residential and agricultural real property, and 0.45% or less of the amount of taxes on public utility personal property, limited to estimated Department costs to administer these taxes.

C1:16: Sports Gaming Tax Administration Operating Expenses (ALI 110651)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5YQ0 ALI 110651, Sports Gaming Tax Administration Operating Expenses	$0	$100,000	$100,000
% change	--	--	0.0%

This new item is for use by the Department in administering the tax on sports gaming receipts of sports gaming proprietors. Responsibility for administration of this tax was created by H.B. 29 of the 134th General Assembly, which went into effect in March 2022 but did not begin to raise tax revenue until FY 2023. Legal sports gaming launched January 1, 2023. The OBM Director is to transfer to the Sports Gaming Tax Administration Fund (Fund 5YQ0) from the Sports Gaming Revenue Fund (Fund R068), by the 15th of each month, reimbursement for the Department's actual expenses to administer the tax.

C1:17: Ohio Tax System Operating Expenses (ALI 110650)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5ZA0 ALI 110650, Ohio Tax System Operating Expenses	$0	$3,000,000	$5,000,000
% change	--	--	66.7%

This new item is to be used for maintenance and support of the Department's Ohio Tax System, described as Project NextGen, to modernize administration of the state personal income tax and school district income tax. The system is to provide secure taxpayer and practitioner self-service on the internet. Project completion is planned for September 2023. Up to $8 million cash is to be transferred to the Ohio Tax System Support Fund (Fund 5ZA0) for this purpose from other non-GRF funds used by the Department, if such transfers are allowed under state and federal law. The Tax Commissioner is to submit a plan to the OBM Director for the transfers. The Director is authorized to make the transfers, either as described in the plan, or as the Director may alternatively determine.

C1:18: Cigarette Tax Enforcement (ALI 110614)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
6390 ALI 110614, Cigarette Tax Enforcement	$1,168,027	$1,300,000	$1,300,000
% change	--	11.3%	0.0%

This item supports enforcement of cigarette and tobacco tax laws. The line item is funded from 100% of wholesale cigarette license application fees ($1,000 annually per place of business), 60% of retail cigarette license application fees ($125 annually per place of business), and a $25 fee to transfer a wholesale dealer cigarette license to a place of business other than that designated on the license. Enforcement costs are also paid from GRF line item 110404, Tobacco Settlement Enforcement.

C1:19: Local Excise Tax Administration (ALI 110615)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
6880 ALI 110615, Local Excise Tax Administration		$229,009	$511,916	$511,916
	% change	--	123.5%	0.0%

This item supports the Department's administration, including auditing and enforcement, of local taxes in Cuyahoga County on cigarettes, beer, wine, and mixed beverages. Revenue to the fund is from a 2% tax on these sales. Cuyahoga County voters approved local option excise taxes on these products beginning August 1, 1990, with the tax revenue used to pay debt service on bonds issued for the construction of professional sports facilities. Part of the revenue from the tax on cigarettes goes to the regional arts and cultural district. Provisions of H.B. 562 of the 127th General Assembly prevent other counties from levying such taxes.

Category 2: Revenue Distribution

This category of appropriation line items provides for the distribution of revenue to parties as specified in law. Appropriations in this Revenue Distribution category within TAX's budget do not include amounts for funds within the State Revenue Distributions portion of the operating budget.

C2:1: Tax Refunds (ALI 110635)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4250 ALI 110635, Tax Refunds		$3,228,683,155	$2,853,345,225	$3,082,043,652
	% change	--	-11.6%	8.0%

This item supports payment of refunds of 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 TAX's budget. Receipts of the Tax Refund Fund are transferred from current receipts of the same tax or fee for which the refund arose. Any additional amounts needed to pay required refunds are appropriated by the budget act.

C2:2: Vendor's License Application (ALI 110631)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5CZ0 ALI 110631, Vendor's License Application		$594,325	$500,000	$500,000
	% change	--	-15.9%	0.0%

This item distributes $25 vendor license fees for each place of business collected on behalf of county auditors back to the counties. The fees are distributed monthly to each county. Any additional amounts needed to make required payments are appropriated by the budget act.

C2:3: Tax Distributions (ALI 110611)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
R010 ALI 110611, Tax Distributions		$7,838	$25,000	$25,000
	% change	--	219.0%	0.0%

This line item functions as a holding account for motor fuel surety bonds and sales tax payments when the proper disposition of the payment is uncertain. The line item also temporarily holds money from checks that include payment for more than one purpose, such as sales tax and employers' workers' compensation premiums. Disbursements from the fund vary greatly from year to year, depending on the volume of such payments.

C2:4: Miscellaneous Income Tax Receipts (ALI 110612)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
R011 ALI 110612, Miscellaneous Income Tax Receipts		$0	$500	$500
	% change	--	--	0.0%

This line item functions as a temporary holding account when Ohio personal income tax payments are deposited which cannot be posted correctly at the time of receipt.

State Revenue Distributions

Each ALI listed in the State Revenue Distributions (RDF) section of the main operating budget is administered by a state agency, but the funds are not included as part of the budget of the administering agency. The administering state agency does not spend this money on operations, but only distributes it as specified in state law. Though specific dollar amounts are appropriated for each ALI in the RDF section, language in the budget bill provides for additional appropriation for these line items if needed to make required payments.

The table below shows RDF spending in FY 2023 and H.B. 33 appropriations for FY 2024 and FY 2025 by fund group.

RDF Spending and Appropriations by Fund Group in H.B. 33			
Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
General Revenue	$1,821,089,632	$1,856,916,000	$1,885,992,000
Revenue Distribution	$1,772,985,549	$1,794,187,226	$1,852,174,664
Fiduciary	$5,310,476,968	$5,193,218,251	$5,569,653,272
Holding Account	$67,712,685	$70,698,838	$72,819,803
Total	$8,972,264,834	$8,915,020,315	$9,380,639,739
% change	--	-0.6%	5.2%
GRF % change	--	*2.0%*	*1.6%*

The majority of these RDF appropriations are distributed to counties, school districts, municipalities, transit authorities, and libraries.

- The largest State Revenue Distribution line item – ALI 110963, Permissive Sales Tax Distribution, $7.6 billion in total over the two years of the biennium – is used by the Tax Commissioner to distribute revenue from county and transit authority permissive sales taxes to the county or transit authority of origin, and also to distribute revenue to Cuyahoga County from the county's excise taxes on cigarettes and alcoholic beverages.
- Two GRF line items are used by the Department of Education – ALI 200903, Property Tax Reimbursement – Education, $2.5 billion over the biennium – and by TAX – ALI 110908, Property Tax Reimbursement – Local Government, $1.3 billion – to reimburse school districts and local governments for property tax revenue losses from the 10% and 2.5% property tax rollbacks and the homestead exemption. The budget act requires the homestead exemption be adjusted for inflation each year beginning in tax year 2023, which LBO estimated required an increase in the total amounts appropriated in these two line items by $11 million in FY 2024 and $28 million in FY 2025.
- ALI 110967, School District Income Tax Distribution, $1.5 billion over two years, is used to distribute revenues to school districts that levy income tax from the Department of Taxation, which collects the tax on their behalf.

- Two items – ALI 110965, Public Library Fund (PLF), and ALI 110969, Local Government Fund (LGF), $1.0 billion each – are used to distribute shares of GRF tax revenues to public libraries, counties, municipal corporations, townships, and other units of local government. The budget act increases PLF and LGF shares from 1.66% of GRF tax revenue each to 1.7% in both uncodified law for the current biennium and in codified law; this provision will increase amounts allocated to each of the two funds by an estimated $12.2 million in FY 2024 and $12.5 million in FY 2025, and decrease amounts remaining in the GRF by corresponding amounts.

Other large distributions return money from the Registrar of Motor Vehicles to the counties and districts of registration (ALI 762901, Auto Registration Distribution, $737 million) and pay investment earnings from the State Treasurer's investment pool to the funds that ultimately receive them (ALI 001699, Investment Earnings, $700 million). The latter is up sharply from actual distributions in earlier years, reflecting higher interest rates. Other line items distribute various amounts to numerous recipients.

Revenue to the funds from which these line items draw generally determines, together with the amounts appropriated, the amounts that may be spent from them. Two exceptions to this general rule are ALI 200902, Property Tax Replacement Phase Out – Education, and ALI 110907, Property Tax Replacement Phase Out – Local Government. Cash balances in the funds from which these ALIs draw have built up, allowing the required payments for these line items to be supported solely by those cash balances for the biennium and a number of years beyond that. Due to this situation, the budget reduced revenue to Fund 7047 and Fund 7081 to "as needed" transfers from the GRF, rather than the funds receiving specified shares of revenue from the commercial activity tax (formerly 13% and 2%, respectively).

H.B. 33 increases, beginning in FY 2024, the floor for the amount distributed from the LGF to county undivided local government funds from the lesser of $750,000 or the amount that was distributed in FY 2013 to $850,000 for all counties. This provision increases allocations to certain counties that receive smaller amounts, and decreases allocations to other counties. There is no change to overall funding from the LGF as the increased funds are reallocated from other county LGF distributions proportionately.

The budget act requires the County Budget Commission of any county which adopts an alternative distribution formula to review the alternative formula at least once every five years and take testimony from political subdivisions at hearings. County budget commissions may incur costs to conduct these reviews.

For additional information on each RDF ALI, please refer to the appropriation spreadsheet attached to this Greenbook and to the RDF section of the Catalog of Budget Line Items (COBLI) on LSC's website: lsc.ohio.gov.

Analysis of enacted budget – tax provisions

The following paragraphs briefly summarize notable tax changes enacted in the budget. Most pertain to the main operating budget. A few give information on tax provisions in the transportation budget, H.B. 23. Unless otherwise indicated, what follows pertains to H.B. 33. Some tax provisions with lesser impact are excluded from what follows. These are detailed elsewhere in other LSC budget documents.

Revenue from several taxes, including the personal income tax, the sales and use tax, the commercial activity tax, the cigarette and other tobacco products tax, and others, is credited to the GRF. A share of GRF tax revenue is subsequently transferred from the GRF to the Local Government Fund (LGF) and the Public Library Fund (PLF). H.B. 33 increased each of those shares from 1.66% of GRF tax revenue to 1.7%. Estimated revenue effects provided below for those taxes are on an "all funds" basis, i.e., they include the LGF and PLF shares, unless otherwise indicated.

Personal income tax

The budget act reduces the number of tax brackets in which tax is charged on nonbusiness income from four to three in tax year (TY) 2023, and to two in TY 2024 and thereafter. The lowest such bracket in TY 2023 will consist of income between $26,050 and $100,000; for that bracket the marginal tax rate will be 2.75% (reduced from rates of 2.765%, 3.226%, and 3.688%, the three marginal rates that applied to levels of income within this new consolidated bracket). The marginal tax rate that applies to income between $100,000 and $115,300 is unchanged at 3.688%, while the rate applicable to income over $115,300 is reduced from 3.99% to 3.75%. For TY 2024, the top two brackets are consolidated, and the marginal tax rate applied to income over $100,000 is reduced to 3.5%. The budget also freezes bracket and exemption indexing for these two years, which tends to increase tax revenue. LBO estimates that the net effect of these changes, including also anticipated reductions of withholding rates in 2024 and 2025, are all funds revenue losses of about $909 million in FY 2024 and $961 million in FY 2025. Related provisions vetoed by the Governor are discussed below.

H.B. 33 modifies the nonrefundable income tax credit for tuition paid to a nonchartered, nonpublic school both (1) by removing the requirement that total income of a taxpayer and the taxpayer's spouse not exceed $100,000 to qualify for the credit and (2) by increasing the value of the credit from $500 to $1,000 for taxpayers with income below $50,000 and from $1,000 to $1,500 for taxpayers with income at or above $50,000. These changes are estimated to reduce annual state income tax receipts by $5 million to $8 million per year, starting in FY 2024.

The budget act authorizes an income tax deduction starting in 2024 for contributions to a homeownership savings linked deposit account, up to $10,000 per year per account for joint filers and $5,000 per year for individuals, with a lifetime maximum per account of $25,000. It authorizes a deduction for interest earned on savings in, and employer contributions to, such accounts. Amounts withdrawn from such an account and not used to purchase a home as the account owner's primary residence must be added to the account owner's taxable income. These accounts are expected to result in personal income tax revenue losses, likely less than $5 million per year, beginning in FY 2025. The Treasurer of State and the Department of Taxation will incur costs to issue a required report on the efficacy of the program by January 31, 2027.

H.B. 33 allows pass-through entity (PTE) taxes levied by other states and the District of Columbia, and remitted on behalf of an investor, to be included in the calculation of the investor's Ohio income tax resident credit. Such PTE taxes let the investor avoid limits on the federal state and local tax (SALT) deduction. The act requires the PTE investor to add back SALT PTE taxes imposed by another state that the investor deducts from federal adjusted gross income as a business expense to the taxpayer's Ohio adjusted gross income. The provisions apply to taxable years ending on or after January 1, 2023, but taxpayers at their option may apply the provisions one year earlier. The revenue loss from this provision appears indeterminate, possibly minimal.

The budget act modifies a credit available in ongoing law for donations to a qualifying scholarship granting organization. Currently, the donation must be made by the end of a tax year for the taxpayer to claim the credit for that year. This provision allows a taxpayer to claim the credit if the donation is made before the Ohio income tax return filing date, generally April 15 for calendar year taxpayers. This provision may reduce income tax receipts beginning in FY 2024, likely by $1 million dollars or less per year.

H.B. 33 also enacted tax credits that could be claimed under multiple state taxes, including the income tax. Those provisions are described in a separate section on tax credits (see below).

In a simple administrative change, H.B. 33 requires employers who withhold and remit employee income taxes on a partial weekly basis to file annual reconciliation returns starting in 2024 instead of filing quarterly, as under prior law.

Sales and use tax

Expanded sales tax holiday

The budget act transfers $741 million cash from the fiscal year 2023 ending GRF cash balance and the entire cash balance ($9.1 million) from the Income Tax Reduction Fund (Fund 4R80, which is then abolished) to the newly created Expanded Sales Tax Holiday Fund (Fund 5AX1) to support an expanded sales tax holiday in August 2024. It requires the Tax Commissioner, at the sales tax holiday's conclusion, to estimate forgone sales tax receipts of the GRF, the LGF, the PLF, and the Permissive Tax Distribution Fund (Fund 7063) during the time of and immediately preceding and following the sales tax holiday and certify the amounts to the OBM Director. It specifies how the Tax Commissioner must calculate the revenue foregone due to the August 2024 expanded holiday. The OBM Director, upon receipt of the certification from the Tax Commissioner, is required to transfer from Fund 5AX1 cash in the certified amounts to the GRF, LGF, PLF, and Fund 7063, up to a total combined transfer of $750 million. The reimbursements paid to the GRF, LGF, PLF, and Fund 7063 are to be made in the same proportions as sales tax revenue is distributed for the same August in which the sales tax holiday is held.

During the expanded sales tax holiday, the budget act exempts from state and local sales taxes all items of tangible personal property (TPP) priced at $500 or less, other than motor vehicles, watercraft, alcohol, marijuana, and tobacco and vapor products. It requires that starting in FY 2024, the GRF surplus revenue remaining after meeting the Budget Stabilization Fund target (increased to 10% of preceding year GRF revenues by the act) be deposited into Fund 5AX1. It requires an expanded sales tax holiday to be held in place of a three-day "back-to-school" sales tax holiday if there is at least $60 million cash in Fund 5AX1. The expanded sales tax holiday is to be three days or more, held on and around the first full weekend in August (the same period as the three-day "back-to-school" sales tax holiday). The GRF, LGF, PLF, and Fund 7063 are to be reimbursed for their sales tax revenue losses from an expanded sales tax holiday (no such reimbursements are provided under the "back-to-school" sales tax holiday). The Tax Commissioner and OBM Director are to consult with the County Commissioners' Association of Ohio when determining the length of a sales tax holiday. The Tax Commissioner would be required to provide notice of a sales tax holiday no later than June 1 preceding the holiday, and the OBM Director would be required to determine by the end of July, starting in 2024, whether a sales tax holiday would be held in August of the following fiscal year.

The fiscal effect of these changes is to create a $750 million expanded sales tax holiday in August 2024. The act holds harmless the state GRF and local governments from revenue losses due to the holiday, up to $750 million, via the transfers from the FY 2023 year-end GRF balance and from Fund 4R80. It authorizes sales tax holidays in years thereafter if the GRF surplus balance at year-end is sufficient. Related provisions vetoed by the Governor are discussed below.

Other sales and use tax provisions

H.B. 33 exempts sales of the following items from the sales tax, beginning October 1, 2023: children's diapers, therapeutic or preventative creams and wipes marketed primarily for use on the skin of children, eligible car seats, cribs, and strollers. The executive estimates that these exemptions will reduce GRF revenue by $10.7 million in FY 2024 and $16.0 million in FY 2025.

The budget act exempts the 4% fee on the sale of consumer-grade fireworks from sales and use tax, beginning October 1, 2023, so long as the fee is separately stated on the invoice, bill of sale, or similar document given by the vendor to the consumer for the retail sale. It also authorizes a business, for commercial activity tax (CAT) purposes, to exclude from its taxable gross receipts any separately stated collections of that fee, for tax periods ending after October 3. These provisions are expected to reduce all funds sales and use tax or CAT revenue by about $0.2 million beginning in FY 2025, with a much smaller revenue loss in FY 2024. Local permissive sales and use tax collections would be reduced about $48,000 per year.

H.B. 33 adds specific reference to construction material and services sold or rented to government entities for temporary traffic control or drainage purposes to existing provisions of law that exempt all sales and rentals to government entities from the sales and use tax. This change will have no fiscal effect because of overlap with an existing sales and use tax exemption. A related provision vetoed by the Governor is discussed below.

Commercial activity tax

The budget act excludes from the CAT, beginning in 2024, businesses with taxable gross receipts of $3 million or less and, beginning in 2025 and thereafter, businesses with taxable gross receipts of $6 million or less. It designates the $3 million and $6 million thresholds, respectively, as "exclusion amounts," and excludes the exclusion amount from gross receipts subject to the 0.26% tax rate for taxpayers that remain subject to the tax. It eliminates annual CAT filing, used by taxpayers with $1 million or less in taxable gross receipts. Others pay quarterly. LBO estimates that these changes will reduce all funds CAT receipts by $238 million in FY 2024 and $460 million in FY 2025. Related provisions vetoed by the Governor are discussed below.

H.B. 33 excludes from gross receipts taxable under the CAT any federal, state, or local grants received or debt forgiven to provide or expand broadband service in Ohio. LBO estimates that this exclusion will result in about a $1 million loss of CAT revenues over a three-year period.

The budget act changes the disposition of CAT revenue, allocating all revenue to the GRF, except for the first 0.65% of revenue, which goes to the Revenue Enhancement Fund (Fund 2080) under ongoing law. Additional details about this change are provided in the "**State Revenue Distributions**" section of this Greenbook.

Cigarette and other tobacco products tax

H.B. 33 rescinds changes enacted in S.B. 164 of the 134th General Assembly that allowed Cuyahoga County to convert 30¢ of its existing 34.5¢ cigarette tax (the portion benefitting its regional arts and cultural district) from a per-pack flat rate to a varying rate based on wholesale cost of the cigarettes and to levy a new wholesale tax on vapor products. It allows Cuyahoga County to continue levying a cents-per-pack tax and removes the 30¢ cap on the amount of tax that can be levied, provided voters approve the increased rate. The fiscal effect on Cuyahoga County revenue would depend on the tax rate that would have been put in place under S.B. 164. This provision may reduce Department of Taxation administrative costs, because S.B. 164 policy permitted a different tax base than the one for the state cigarette tax.

The budget act extends the deadline for renewing annual retail, wholesale, importer, and manufacturer cigarette tax licenses to June 1 of each year instead of the fourth Monday in May, and applies the extension to all current licenses. This change will have no fiscal effect.

Sports gaming tax

H.B. 33 increases the sports gaming receipts tax rate from 10% to 20%, beginning July 1, 2023. This change will increase sports gaming tax receipts, likely by $95 million to $115 million per year. Revenue gains would be deposited into the Sports Gaming Profits Education Fund (98%) and the Problem Sports Gaming Fund (2%).

Provisions affecting multiple taxes

H.B. 33 authorizes a deduction against the personal income tax for government or railroad company payments, including for lost business, received by a taxpayer as the result of the February 3, 2023, train derailment in East Palestine. It authorizes a commercial activities tax exclusion for taxpayer receipts to compensate for lost business resulting from that derailment. The deduction or exclusion applies to payments from any railroad company, not just Norfolk Southern Railway. The fiscal effect will depend on future payment amounts that have yet to be finalized. Tax exemption applies to taxable years or tax periods beginning on or after January 1, 2023, which will reduce revenues the state would otherwise receive beginning in FY 2024.

The budget act exempts heating companies from the public utility excise tax (PUET) beginning with the 2024 tax year. It subjects heating companies to the CAT instead, beginning

July 1, 2023.[1] The tax revenue loss from this change is likely less than $1 million, but uncertain because of confidentiality limitations on data availability.

H.B. 33 makes conforming changes to a provision, recently enacted in H.B. 66 of the 134th General Assembly, that allows taxpayers to obtain a refund of any tax-related penalties or fees that the taxpayer overpaid or paid improperly.

Tax credits

Low-income housing tax credit

The budget act authorizes a nonrefundable credit against the income tax, insurance premiums tax, or financial institutions tax (FIT) that piggybacks on the federal low-income housing tax credit (LIHTC) for affordable housing projects. It allows the Director of the Governor's Office of Housing Transformation to reserve a state tax credit for any project that receives a federal LIHTC allocation, as long as the project is located in Ohio and begins renting units after July 1, 2023. It prohibits the Director from reserving any credits after June 30, 2027. It generally limits the amount of state credits that may be reserved in a fiscal year to $100 million, but allows unreserved credit allocations and recaptured or disallowed credits to be added to the credit cap for the next fiscal year. It limits the amount of credit reserved for any single project to an amount necessary, when combined with the federal credit, to ensure financial feasibility and requires the Director to reserve credits to ensure projects create additional housing units on account of the state credit. It establishes that records provided to the Tax Commissioner and Ohio Housing Finance Agency to administer the LIHTC are not public records subject to the state's Sunshine Law.

LBO estimates state tax revenue losses of $10 million in FY 2024 and $20 million in FY 2025, but these estimates are highly dependent on federal policy and the availability of the federal LIHTC. Generally, state tax revenue losses would increase over the four-year period that projects could initially qualify for the ten-year credit, FY 2024 through FY 2027. Once the eligibility period expires, state tax revenue losses will plateau for an additional six years, FY 2028 through FY 2033, then decline over a subsequent four-year period as the ten-year duration of the credit lapses for those projects originally awarded from FY 2024 through FY 2027.

Motion picture and production company capital improvements tax credits

H.B. 33 increases the total amount of motion picture tax credits that may be awarded each fiscal year, from $40 million to $50 million. It reserves $5 million of this cap for Broadway theatrical productions, and provides that any unused portion of the $5 million reserve is carried forward to the following fiscal year's total credit amount, and continues to be reserved for Broadway theatrical productions.

The budget act authorizes a new refundable tax credit for production companies that complete qualifying capital improvement projects in Ohio, capping the total amount of such credits that may be awarded each fiscal year at $25 million. It also caps the credits that may be

[1] The act requires a heating company that is currently recovering PUET amounts from customers in the company's rates to pass on to customer rates the net reduction in taxes.

awarded to projects in a single county at $5 million per fiscal year. Credits may be claimed against the financial institutions tax, income tax, and commercial activity tax. It sets the credit amount at 25% of the amount a production company spends to construct, acquire, repair, or expand facilities that will be used in a motion picture or theatrical production, up to $5 million per project. It specifies that credits are to be claimed for the tax year when certificates are issued, for actual expenses incurred. Production companies are allowed to submit credit applications no earlier than July 1, 2024. It allows one transfer of the right to claim the credit, to multiple taxpayers at that time, and requires notice to the Department of Development.

The budget act allows the Department of Development to decrease any portion of the $25 million cap and to instead use that amount to increase the $50 million motion picture tax credit cap.

These provisions may decrease GRF tax revenues by up to $10 million in FY 2024, and up to $35 million per year in subsequent years. Revenue losses in FY 2025 plausibly could be less than this, depending on the timing of outlays for production company capital improvements and for motion picture and theater production costs.

Welcome Home Ohio Program tax credits

H.B. 33 authorizes the Director of Development, under the Department's new Welcome Home Ohio (WHO) Program, to issue up to $25 million in tax credit certificates in each year of the FY 2024-FY 2025 biennium. It provides that the credits can be claimed against the financial institutions tax or the personal income tax, by qualifying developers and land banks that rehabilitate or build residences and sell them to lower income owner-occupants. None of these credits may be issued after June 30, 2025.

Credit amounts for each residential unit are limited to the lesser of $90,000 or one-third of rehabilitation or construction costs, and total tax credits issued are limited to $25 million in each of FY 2024 and FY 2025. The nonrefundable credits are to be claimed for the taxable year in which each certificate is issued, may be carried forward up to five years, and are transferrable. GRF revenue losses could be up to $25 million in each year of the biennium, or revenue losses could be delayed to future years with carryforward of the tax credits.

Single-family housing development tax credit

The budget act authorizes a nonrefundable tax credit against the insurance premiums, financial institution, or income tax for investment in the development and construction of affordable single-family housing. It requires local governments and economic development entities to submit applications for the credit, but allows them to allocate credits to project investors. It allows the Director of the Governor's Office of Housing Transformation to reserve a state tax credit for any project in Ohio that may qualify for the credit, as long as the project is located in Ohio and meets affordability qualifications. It prohibits the Director from reserving any credits after June 30, 2027.

The amount of state credits that may be reserved in a fiscal year is generally limited to $50 million, but unreserved credit allocations and recaptured or disallowed credits may be added to the credit cap for the next fiscal year. H.B. 33 limits the amount of credit reserved for any single project to the amount by which the fair market value of the project's homes exceed the project's development costs. The executive estimates the GRF tax revenue loss from this credit at $5 million in FY 2024 and $10 million in FY 2025.

Other tax credit provisions

The budget act authorizes the Tax Credit Authority to adjust the amount that a noncompliant taxpayer must repay from a job creation or jobs retention tax credit one time within 90 days after initially certifying a repayment amount to the Tax Commissioner or Superintendent of Insurance. This may result in a revenue gain or loss affecting the GRF, depending on whether the repayment amount is adjusted upward or downward.

H.B. 33 changes law governing the tax credit for research and development expenses available under the CAT or FIT. It allows the Tax Commissioner to audit representative samples of a taxpayer's qualified research and development expenses and issue an assessment based on the audit. A taxpayer consisting of multiple persons claiming a tax credit is now required to compute the credit on a member-by-member basis, rather than across the entire taxpayer group, and the credit is allowed only on the basis of members who were a part of the group on the last day of the year. Taxpayers claiming a tax credit must retain records substantiating the claim for four years. These changes may facilitate administration of the FIT and CAT, with possible revenue effects, most likely gains to the GRF of uncertain magnitude.

Miscellaneous state tax provisions

The budget act eliminates a requirement that taxpayers file amended corporation franchise tax reports due to a federal tax adjustment. The corporation franchise tax was fully repealed in 2013.

The budget act specifically provides that, for purposes of the FIT, a "financial institution" includes all entities consolidated in a federal regulatory report and, in the case of small bank holding companies, all entities that would be included in a consolidated report if the company were required to file one. It also repeals a FIT deduction for an institution's investment in a qualifying real estate investment trust; this deduction was completely phased out in tax year 2017. Neither provision is expected to have a fiscal effect.

Locally levied taxes

Property tax

Homestead exemption

The budget act adjusts for inflation each year the value of property exempted from tax by the homestead exemption, beginning in 2023 for real property and 2024 for homes subject to the manufactured and mobile home tax. Qualifying income was already inflation-adjusted under continuing law. H.B. 33 applies the value adjustment both to the standard $25,000 exemption and to the enhanced $50,000 exemption for disabled veterans and spouses of public service officers killed in the line of duty. The state reimburses local governments from the GRF for their property tax revenue losses. So this provision increases GRF spending by an estimated $11 million in FY 2024 and $28 million in FY 2025, in two RDF line items, 110908, Property Tax Reimbursement – Local Government, and 200903, Property Tax Reimbursement – Education.

Regional transportation improvement project (RTIP)

H.B. 33 authorizes the governing board of a qualified RTIP, i.e., a regional transportation improvement project undertaken prior to this provision's effective date, to negotiate and enter into a memorandum of understanding (MOU) with the Ohio Department of Transportation concerning infrastructure improvements and economic development activities ("opportunity corridor improvements") within 2,500 feet of the RTIP's right-of-way ("development area"). It allows qualified RTIP funds to be used for such opportunity corridor improvements. It clarifies that land within the development area of a qualified RTIP may be exempted from property taxation by a municipal corporation, township, or county under continuing tax increment financing (TIF) law. It also grants certain enumerated powers to a qualified RTIP governing board acting under such an MOU.

The budget act also aligns the notice and approval requirements for creating a transportation financing district (TFD)[2] with those that apply to a TIF by eliminating the requirement that all taxing districts within the territory of a proposed TFD approve its creation or receive compensation for any resulting revenue losses, and instead requiring approval or compensation of only the school districts within that territory, and only if the proposed exemption is greater than 75%, or is longer than ten years. It requires that the territory of a TFD consist of all territory of all counties that are participants in the associated RTIP other than residential property and property exempt under a TIF arrangement. It requires an agreement between the RTIP governing board and the owner of each parcel included in a TFD that specifies the projects and purposes for which the owner's service payments will be used. It requires, in the absence of such an agreement, that the parcel be excluded from the TFD. Expressly allows the governing board to amend a TFD resolution for the purpose of adding an excluded parcel if an agreement is later reached. This provision's scope is limited, as only the RTIP in Stark, Carroll, and Columbiana County is eligible to create a TFD.

Tax increment financing

H.B. 33 allows the legislative authority of a municipal corporation to extend the life of a tax increment financing (TIF) incentive district created prior to 2006 by up to 15 years, provided certain notice, and agreement or waiver, conditions are met with respect to applicable school boards and notice is given to the county. The change may result in loss of tax revenue to units of local government. Property owners in TIF incentive districts make payments in lieu of taxes to the districts during the term of the TIF agreements.

The budget act allows a parcel included in an existing municipal or township TIF exemption, either individually or as part of an incentive district TIF, to be removed from its current TIF and included in another incentive district TIF, provided the owner of the parcel has not paid any payments in lieu of taxes under the existing TIF arrangement. The township or municipal corporation is required to identify the parcel, the original TIF ordinance, and the parcel's value history when applying to the Tax Commissioner for TIF tax exemptions for the

[2] A TFD generates funding for transportation improvements by exempting the increase in assessed value of nonresidential parcels from property taxation and collecting service payments from the property owners.

second TIF district. The provision will have no fiscal effect other than to shift the payment in lieu of taxes from one TIF to another.

H.B. 33 modifies the circumstances under which a county, municipality, or township may extend the term of a TIF arrangement by an additional 30 years, as authorized under current law, and it applies the changes to pending and completed proceedings. The changes generally make it easier for the county, municipality, or township to extend the term of the TIF.[3]

The budget act authorizes the legislative authority of an impacted city, i.e., a city that meets certain urbanization or disaster criteria, to adopt an ordinance before July 1, 2024, providing that the public improvements directly benefiting parcels for which TIF service payments have been used have been sufficiently provided for, and reallocating service payments to other public improvements that do not directly benefit the parcels but that contribute to urban redevelopment.

Qualified energy projects

H.B. 33 extends the termination of the existing property tax exemption for qualified energy projects from 2025 to the later of (1) the calendar year that the U.S. Secretary of the Treasury determines there has been, from 2022, a 75% or greater reduction in annual greenhouse gas emissions from electricity production in the United States, or (2) 2029. Extends application and construction deadlines for new tax credits in line with the extended credit termination date. It requires clean energy projects with a capacity of at least 20 megawatts, and which apply for certification as qualified clean energy projects after the effective date, to comply with certain federal wage and apprenticeship requirements. It reduces the required ratio of Ohio-domiciled full-time equivalent (FTE) employees on a new qualified clean energy project from 80% to 70%, and allows existing qualified clean energy projects that voluntarily comply with the federal wage and apprenticeship requirements referred to above to apply the reduced ratio for Ohio-domiciled FTE employees. It changes the calculation of “full-time equivalent employee” hours to include only employee hours devoted to site preparation and protection, construction and installation, and material unloading and distribution and to exclude management and purely logistical positions. It defines “Internal Revenue Code” (IRC) for purposes of the property tax exemption for qualified energy projects, as the IRC as it exists on the provision’s 90-day effective date. These changes will have no direct effect on state expenditures, and only a permissive effect on local revenues as the local Board of County Commissioners has discretion over the approval of this property tax exemption. Related provisions vetoed by the Governor are discussed below.

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[3] These changes: (1) provide an alternative to the existing requirement that the TIF service payments exceed $1.5 million in the year before the extension is adopted, allowing a subdivision to determine that payments will meet the $1.5 million threshold in a future year of the TIF, (2) apply a bar that prohibits an extension if the service payments exceeded $1.5 million in any year preceding the year before the extension is adopted to extensions adopted after 2023 (current law only applies this bar to extensions adopted after 2020), and (3) allow a subdivision to extend the term of a TIF in the original ordinance or resolution authorizing the TIF, presumably based on the subdivision’s determination that the payments will meet the $1.5 million threshold in the future, rather than waiting for or satisfying one of the above requirements to amend an existing ordinance or resolution to authorize an extension.

Other property tax provisions

The budget act exempts from property tax the portion of the value of unimproved land subdivided for residential development that is in excess of the fair market value of the property from which that land was subdivided, indicated by the most recent sale price. The exemption is apportioned according to the relative value of each subdivided parcel, and does not apply to land included in a TIF project. Any development property that is no longer used as farmland cannot continue to be valued as such for property tax purposes. H.B. 33 authorizes the exemption for up to eight years, or until construction begins or the land is sold. This provision could result in loss of revenue to school districts and other units of local government. Tax revenue losses might range into the low millions of dollars statewide but appear indeterminate. The change will have no direct fiscal effect on the state.

An uncodified provision of H.B. 33 authorizes the owner of property currently subject to a ten-year property tax exemption for remediated brownfield development land to temporarily apply for an abatement or refund of taxes assessed on the property in tax years 2020 and 2021 that would not have been assessed had the property been subject to that exemption for those years. The property only qualifies if the owner was issued a covenant not to sue by the Ohio Environmental Protection Agency in 2020 based on the owner's remediation activities. The provision shortens the exemption's duration by two years to account for the two years of abatement, if the abatement is obtained. The abatement could result in tax revenue losses of $450,000, according to one report, possibly more if additional properties are affected, however, LBO has not verified this figure.

H.B. 33 allows county auditors to accept real property and manufactured home conveyance forms electronically. The provision can be expected to reduce costs of county auditors.

The budget act authorizes the second and third publication of a notice of an impending property tax foreclosure action to be made online, provided the notice's first publication continues to be made in a newspaper of general circulation. It specifies that existing abbreviated newspaper publication procedures for government notices apply to the publication of a property tax foreclosure notice if the second and third publication of the notice continues to be made in a newspaper. The change is expected to result in cost savings for counties.

H.B. 33 prohibits park district property from being included in a special improvement district (SID), similar to the continuing exclusion for county, township, municipal, state, and federal property, unless the park district consents to its inclusion. The provision shields park districts from special assessments by SIDs. The act also authorizes a park district to renew, increase, or decrease its existing voted property tax levy, as is authorized for most other types of property tax levies.

The budget act requires the Tax Commissioner to prescribe a formula for uniformly valuing federal subsidized rental housing that takes into account a property's operating income and expenses and a uniform capitalization rate. It requires the owner of such property to report the property's operating income and expenses to the county auditor of the county in which the property is located in each reappraisal and update year for the purpose of applying this formula. It prescribes presumptive amounts to be used in the formula for certain income and expenses that are a percentage of gross potential rent or operating income, which may be exceeded by a property's actually reported amounts. It sets a minimum total value for such property of the greater of 150% of the unimproved land value or $5,000 per dwelling unit. It removes a provision in prior law explicitly authorizing a county auditor to value low income housing tax credit property by employing the income approach, cost approach, or comparable sales approach. These changes will have an indeterminate effect on local property tax revenues.

Municipal income tax

The budget act exempts income of individuals under 18 years of age from municipal income taxation. The exemption may decrease income tax receipts to some municipalities. Prior law authorized only certain municipal corporations to grant such an exemption.

The budget act allows businesses with remote employees or owners to use a modified municipal income tax apportionment formula with respect to net profits attributable to the activities of those employees and owners. It allows the use of the modified formula for taxable years ending after 2023 and thereafter. Some municipalities may gain revenue and some may lose, depending on business decisions. Statewide municipal income tax revenue may fall if businesses choose to locate their qualifying reporting locations in jurisdictions with lower, or no, municipal income taxes.

H.B. 33 provides an additional, automatic one-month extension for municipal income tax returns of business entities that have received a six-month federal extension. Prior law provided the same extended deadline as for federal filings. An extension of time to file is not an extension of time to pay any tax due, unless the tax administrator grants an extension of time to pay.

The act also corrects a cross reference in municipal income tax law governing the deduction of net operating losses.

Lodging tax

Lodging tax exemption and financing: headquarters hotel

H.B. 33 authorizes a county with a population greater than 800,000 (Cuyahoga, Franklin, and Hamilton) that levies a lodging tax or a municipality in such county to exempt wholly or partially from county and municipal lodging taxes a hotel that has been designated as the "headquarters hotel" for a convention center. It limits the lodging tax that may be so diverted to just the tax levied by the designating county or municipality. It allows the exemption-granting municipality or county to require payments in lieu of taxes from the headquarters hotel equal to the amount of exempted taxes, to be remitted to the municipality, county, or a convention facilities authority, port authority, or agent thereof, and used to finance facilities associated with the headquarters hotel. The act prohibits the designation of a hotel which has not furnished lodging to guests before its designation from being considered to result in a diminution of the rate or revenue of the lodging tax. (Continuing law, in some instances, prohibits laws from making such a diminution if lodging tax-backed bonds and notes are outstanding.) It authorizes the municipality or county, or a port authority, to enter into an agreement with the headquarters hotel operator whereby the operator will make binding payments to ensure sufficient funds for the completion of such facilities. These changes may result in a reduction in lodging tax receipts for eligible counties and municipalities.

Lodging tax: convention, entertainment, and sports facilities

The budget act authorizes a county with a population between 800,000 and 1 million (Hamilton County) to levy an additional 1% lodging tax to fund the acquisition, construction, renovation, expansion, maintenance, operation, or promotion by a convention facilities authority, convention and visitors' bureau, or port authority of a convention, entertainment, or sports facility. The sports facilities that may be funded by the additional lodging taxes are limited to those intended to house a Major League Soccer (MLS) team. The county is allowed to repurpose a portion of the revenue from its existing lodging taxes (its 3% general lodging tax and its special 3.5% convention center tax) for those same purposes. Hamilton County's 6.5% lodging tax raised about $12.6 million in calendar year 2021; based on this, an additional 1% could be expected to raise about an additional $1.9 million.

H.B. 33 authorizes Cincinnati to repurpose a portion of the revenue from its existing general lodging tax to fund the acquisition, construction, renovation, expansion, maintenance, operation, or promotion by a convention facilities authority or port authority of a convention, entertainment, or sports facility for MLS. Cincinnati may also repurpose a portion of the revenue from its 1% special convention center lodging tax for those same purposes. Cincinnati is allowed to pledge such revenue to a convention facilities authority, port authority, or Hamilton County to pay such costs.

Other lodging tax provisions

The budget act authorizes counties in which an agricultural society owns a facility used to conduct an annual harness horse race with at least 40,000 in attendance (Delaware County), or port authorities in such counties, to issue bonds backed by proceeds from an existing or renewed special 3% lodging tax authorized for such a county to finance permanent improvements at fairground sites. Delaware County's 6% lodging tax raised $1.69 million in calendar year 2021, implying that 3% raised about $0.84 million.

H.B. 33 authorizes a county to use a portion of the revenue from its 3% general lodging tax to fund public safety services in a municipality or township designated as a resort area (i.e., where at least 62% of the housing units are for seasonal, recreational, or occasional use, and where there are seasonal peaks of employment and demand for government services, among other similar requirements). Certain Lake Erie islands are the only currently designated resort areas in Ohio.

Motor fuel tax and motor fuel use tax

H.B. 33 imposes personal liability for the motor fuel use tax on individual owners, employees, officers, and trustees who are responsible for reporting and paying the tax for a taxpayer. This may result in increased collection of fuel use taxes.

The budget act authorizes townships to use motor fuel tax (MFT) revenue to purchase buildings suitable for housing road machinery and equipment. Prior law authorized them to use such revenue only for planning, constructing, and maintaining such buildings.

The transportation budget, H.B. 23, requires the Treasurer of State, on the last day of each month of the biennium, to deposit the first 2% of MFT receipts for the preceding calendar month to the credit of the Highway Operating Fund (Fund 7002) after transfers to the Tax Refund

Fund, but before other distributions required in continuing law. This provision is expected to result in about $24 million per fiscal year in net revenue gain to Fund 7002 and offsetting revenue loss of the same amount to local governments, primarily, but also to other state funds.

An uncodified provision of H.B. 23 continues, for the FY 2024-FY 2025 biennium, a temporary reduction in MFT credits, in which a temporary motor fuel tax evaporation allowance is set for motor fuel distributors to 1% (less 0.5% of the gallonage sold to retailers), and at 0.5% for retail dealers. This provision increases the amount of MFT revenue that will be retained by the state and subsequently distributed to local governments and applicable state agencies, compared to codified law. Under codified law, the percentage of allowance for distributors is 3% (less 1% of the gallonage sold to retailers), and for retail dealers the percentage of shrinkage refund is 1% of total MFT paid on fuel purchased during each of the semiannual filing periods. The transportation budget also requires the OBM Director to transfer cash, in equal monthly increments totaling $166,055,868 in FY 2024 and $168,885,288 in FY 2025, from the Highway Operating Fund (Fund 7002) to the Gasoline Excise Tax Fund (Fund 7060) and requires the transferred amounts be distributed to municipal corporations (42.86%), counties (37.14%), and townships (20.0%).

Vetoed provisions

The Governor vetoed several tax-related provisions of H.B. 33, including provisions that would have:

1. Suspended inflation indexing of income tax brackets and exemptions after tax year 2024, and required the Tax Commissioner to determine the amount by which the tax levied on the first $26,050 of income, for taxpayers with higher incomes, could be reduced each year to offset the revenue generated by suspending the inflation adjustments for that year;
2. Required that the Tax Commissioner, each year beginning in 2024, reduce withholding rates by amounts such that the estimated reduction in total withholding tax collections for that year equals the amount of Budget Stabilization Fund investment earnings credited to the GRF in the previous fiscal year under another provision of the budget act that he vetoed;
3. Required that the sales tax holiday expanded by the budget act be held on at least 14 consecutive days, beginning August 1, 2024;
4. Specified that a provision exempting from sales tax construction materials and services sold or rented to government entities was a remedial measure intended to clarify existing law and applied to all cases pending on a petition for reassessment or on further appeal, or transactions subject to an audit by the Department of Taxation;
5. Annually indexed for inflation gross receipts amounts that are excluded from taxation under the CAT following an increase in that amount to $6 million in 2025 (which was not vetoed by the Governor), and modified the definition of an “excluded person” for purposes of the CAT;

6. Exempted from the state tax on nicotine vapor products the receipt of vapor products by a manufacturer or importer who only sells vapor products to other distributors or purchasers outside of the state, and storage, use, or consumption of vapor products held by such a manufacturer or importer for sale outside the state;
7. Allowed a wholesaler or distributor to obtain a refund of excise taxes on cigarettes, other tobacco products, and nicotine vapor products remitted on bad debts arising from the sale of those products and charged off on or after January 1, 2024;
8. Would have included out-of-state workers who reside within 50 miles of Ohio and are members of certain labor organizations as “Ohio-domiciled” employees, for purposes of calculating the ratio of Ohio-domiciled full-time equivalent employees in determining whether a project is a qualified clean energy project.

TAX/zg

Line Item Detail by Agency

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TAX Department of Taxation

Fund	ALI	Line Item	FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change
GRF	110321	Operating Expenses	$ 55,306,872	$ 55,202,498	$ 60,141,000	8.95%	$ 60,530,000	0.65%
GRF	110404	Tobacco Settlement Enforcement	$ 125,654	$ 115,122	$ 154,000	33.77%	$ 154,000	0.00%
		General Revenue Fund Total	**$ 55,432,526**	**$ 55,317,619**	**$ 60,295,000**	**9.00%**	**$ 60,684,000**	**0.65%**
2280	110628	CAT Administration	$ 9,834,511	$ 9,352,804	$ 11,336,886	21.21%	$ 11,336,886	0.00%
4350	110607	Local Tax Administration	$ 28,083,755	$ 27,299,968	$ 32,467,356	18.93%	$ 33,100,095	1.95%
4360	110608	Motor Vehicle Audit Administration	$ 1,414,886	$ 1,346,190	$ 1,509,168	12.11%	$ 1,509,168	0.00%
4380	110609	School District Income Tax Administration	$ 8,583,084	$ 7,362,078	$ 9,098,829	23.59%	$ 9,168,747	0.77%
4C60	110616	International Registration Plan Administration	$ 479,064	$ 472,603	$ 726,464	53.72%	$ 726,464	0.00%
4R60	110610	Tire Tax Administration	$ 114,846	$ 180,663	$ 180,000	-0.37%	$ 180,000	0.00%
5BP0	110639	Wireless 9-1-1 Administration	$ 168,441	$ 174,558	$ 302,244	73.15%	$ 302,244	0.00%
5JM0	110637	Casino Tax Administration	$ 75,000	$ 104,659	$ 125,000	19.44%	$ 125,000	0.00%
5N50	110605	Municipal Income Tax Administration	$ 37,500	$ 108,801	$ 200,000	83.82%	$ 200,000	0.00%
5N60	110618	Kilowatt Hour Tax Administration	$ 37,500	$ 76,843	$ 100,000	30.13%	$ 100,000	0.00%
5NY0	110643	Petroleum Activity Tax Administration	$ 395,164	$ 866,766	$ 1,010,356	16.57%	$ 1,010,356	0.00%
5V70	110622	Motor Fuel Tax Administration	$ 4,688,051	$ 4,836,592	$ 6,118,069	26.50%	$ 6,118,069	0.00%
5V80	110623	Property Tax Administration	$ 3,968,255	$ 4,488,658	$ 5,108,681	13.81%	$ 5,108,681	0.00%
5YQ0	110651	Sports Gaming Tax Administration Operating Expenses	$0	$0	$ 100,000	N/A	$ 100,000	0.00%
5ZA0	110650	Ohio Tax System Operating Expenses	$0	$0	$ 3,000,000	N/A	$ 5,000,000	66.67%
6390	110614	Cigarette Tax Enforcement	$ 1,157,414	$ 1,168,027	$ 1,300,000	11.30%	$ 1,300,000	0.00%
6880	110615	Local Excise Tax Administration	$ 327,041	$ 229,009	$ 511,916	123.54%	$ 511,916	0.00%
		Dedicated Purpose Fund Group Total	**$ 59,364,512**	**$ 58,068,218**	**$ 73,194,969**	**26.05%**	**$ 75,897,626**	**3.69%**
4250	110635	Tax Refunds	$ 2,745,399,302	$ 3,228,683,155	$ 2,853,345,225	-11.63%	$ 3,082,043,652	8.02%
5CZ0	110631	Vendor's License Application	$ 611,675	$ 594,325	$ 500,000	-15.87%	$ 500,000	0.00%
		Fiduciary Fund Group Total	**$ 2,746,010,977**	**$ 3,229,277,480**	**$ 2,853,845,225**	**-11.63%**	**$ 3,082,543,652**	**8.01%**
R010	110611	Tax Distributions	$ 5,000	$ 7,838	$ 25,000	218.96%	$ 25,000	0.00%
R011	110612	Miscellaneous Income Tax Receipts	$ 0	$ 0	$ 500	N/A	$ 500	0.00%
		Holding Account Fund Group Total	**$ 5,000**	**$ 7,838**	**$ 25,500**	**225.34%**	**$ 25,500**	**0.00%**

Line Item Detail by Agency	FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change
TAX Department of Taxation						
Department of Taxation Total	$ 2,860,813,014	$ 3,342,671,155	$ 2,987,360,694	-10.63%	$ 3,219,150,778	7.76%

Line Item Detail by Agency			FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change

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RDF State Revenue Distributions

			FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change
GRF	110908	Property Tax Reimbursement - Local Government	$ 638,363,304	$ 637,065,656	$ 642,160,000	0.80%	$ 647,960,000	0.90%
GRF	200903	Property Tax Reimbursement - Education	$ 1,179,838,254	$ 1,184,023,976	$ 1,214,756,000	2.60%	$ 1,238,032,000	1.92%
General Revenue Fund Total			**$ 1,818,201,558**	**$ 1,821,089,632**	**$ 1,856,916,000**	**1.97%**	**$ 1,885,992,000**	**1.57%**
5JG0	110633	Gross Casino Revenue Payments-County	$ 170,429,950	$ 172,380,607	$ 179,057,966	3.87%	$ 183,534,415	2.50%
5JH0	110634	Gross Casino Revenue Payments- School Districts	$ 109,371,202	$ 113,128,353	$ 114,908,119	1.57%	$ 117,780,822	2.50%
5JJ0	110636	Gross Casino Revenue - Host City	$ 16,708,819	$ 16,900,060	$ 17,554,703	3.87%	$ 17,993,571	2.50%
7047	200902	Property Tax Replacement Phase Out-Education	$ 84,516,161	$ 67,964,348	$ 60,386,576	-11.15%	$ 53,927,487	-10.70%
7049	336900	Indigent Drivers Alcohol Treatment	$ 1,282,254	$ 1,042,793	$ 1,800,000	72.61%	$ 1,800,000	0.00%
7050	762900	International Registration Plan Distribution	$ 21,607,431	$ 24,669,592	$ 23,000,000	-6.77%	$ 23,000,000	0.00%
7051	762901	Auto Registration Distribution	$ 355,528,732	$ 352,598,910	$ 365,000,000	3.52%	$ 372,000,000	1.92%
7065	110965	Public Library Fund	$ 489,850,394	$ 503,221,512	$ 505,000,000	0.35%	$ 530,000,000	4.95%
7066	800966	Undivided Liquor Permits	$ 18,347,132	$ 19,133,012	$ 14,600,000	-23.69%	$ 14,600,000	0.00%
7069	110969	Local Government Fund	$ 482,613,419	$ 495,065,723	$ 505,000,000	2.01%	$ 530,000,000	4.95%
7081	110907	Property Tax Replacement Phase Out - Local Government	$ 7,567,714	$ 6,352,799	$ 6,829,862	7.51%	$ 6,488,369	-5.00%
7082	110982	Horse Racing Tax	$ 28,433	$ 33,670	$ 50,000	48.50%	$ 50,000	0.00%
7083	700900	Ohio Fairs Fund	$ 625,379	$ 494,169	$ 1,000,000	102.36%	$ 1,000,000	0.00%
Revenue Distribution Fund Group Total			**$ 1,758,477,020**	**$ 1,772,985,549**	**$ 1,794,187,226**	**1.20%**	**$ 1,852,174,664**	**3.23%**
4P80	001698	Cash Management Improvement Fund	$ 123,513	$ 1,024,533	$ 1,000,000	-2.39%	$ 1,000,000	0.00%
5VR0	110902	Municipal Net Profit Tax	$ 170,107,996	$ 164,025,792	$ 180,000,000	9.74%	$ 180,000,000	0.00%
6080	001699	Investment Earnings	$ 118,536,497	$ 601,944,779	$ 350,000,000	-41.86%	$ 350,000,000	0.00%
7001	110996	Horse Racing Tax Local Government Payments	$ 156,936	$ 121,720	$ 200,000	64.31%	$ 200,000	0.00%
7062	110962	Resort Area Excise Tax Distribution	$ 1,962,888	$ 2,447,378	$ 2,164,084	-11.58%	$ 2,164,084	0.00%
7063	110963	Permissive Sales Tax Distribution	$ 3,372,260,183	$ 3,576,387,155	$ 3,662,800,000	2.42%	$ 3,975,300,000	8.53%
7067	110967	School District Income Tax Distribution	$ 601,951,768	$ 683,989,463	$ 710,666,667	3.90%	$ 774,000,000	8.91%
7085	800985	Volunteer Firemen's Dependents Fund	$ 217,675	$ 218,725	$ 300,000	37.16%	$ 300,000	0.00%
7093	110640	Next Generation 9-1-1	$0	$0	$ 1,000,000	N/A	$ 1,000,000	0.00%
7094	110641	Wireless 9-1-1 Government Assistance	$ 28,721,685	$ 28,146,653	$ 27,637,500	-1.81%	$ 27,775,688	0.50%
7095	110995	Municipal Income Tax	$ 7,054,589	$ 10,525,193	$ 15,450,000	46.79%	$ 15,913,500	3.00%

Line Item Detail by Agency			FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change
RDF	**State Revenue Distributions**							
7099	762902	Permissive Tax Distribution - Auto Registration	$ 246,034,892	$ 241,645,577	$ 242,000,000	0.15%	$ 242,000,000	0.00%
Fiduciary Fund Group Total			**$ 4,547,128,624**	**$ 5,310,476,968**	**$ 5,193,218,251**	**-2.21%**	**$ 5,569,653,272**	**7.25%**
R045	110617	International Fuel Tax Distribution	$ 63,555,230	$ 67,712,685	$ 70,698,838	4.41%	$ 72,819,803	3.00%
Holding Account Fund Group Total			**$ 63,555,230**	**$ 67,712,685**	**$ 70,698,838**	**4.41%**	**$ 72,819,803**	**3.00%**
State Revenue Distributions Total			**$ 8,187,362,431**	**$ 8,972,264,834**	**$ 8,915,020,315**	**-0.64%**	**$ 9,380,639,739**	**5.22%**