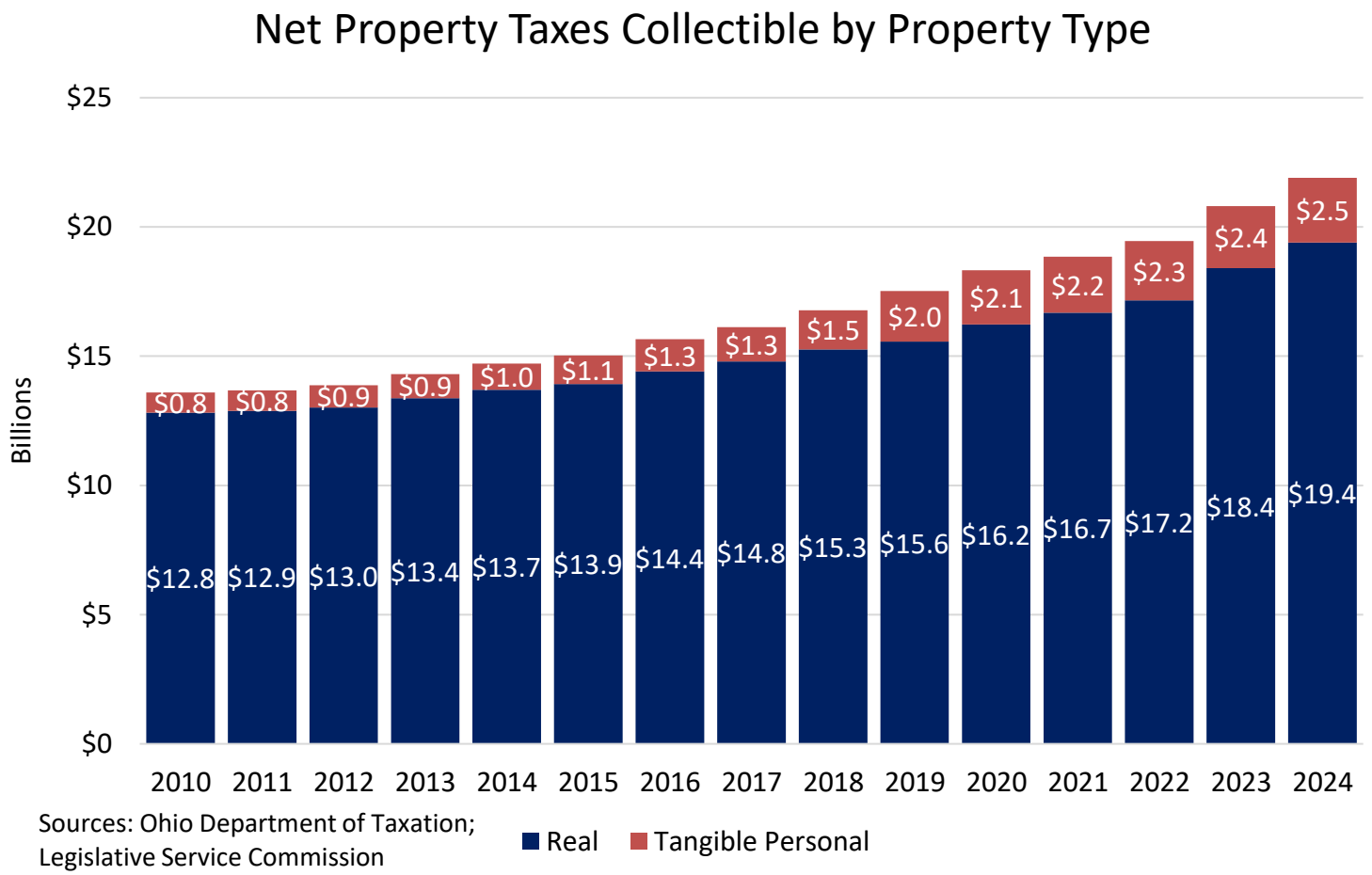
Local Government Tax Revenues

Property taxes grew faster after the pandemic

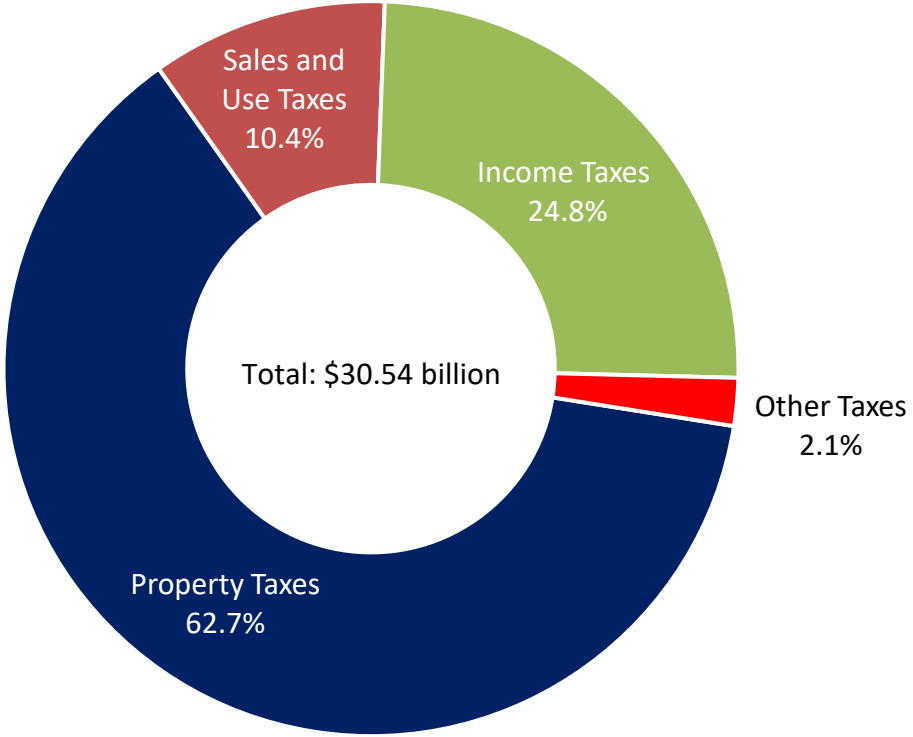


Sources: Ohio Department of Taxation; Legislative Service Commission

- Net property taxes collectible for tax year (TY) 2024 reached an all-time high of $22.0 billion, an increase of 5.8% ($1.21 billion) from 2023, which was the previous peak year.
- Real property taxes saw significant post-pandemic growth, with 2023 rising 7.0% ($1.21 billion), the highest year-over-year increase since 2010.
- From 2010 to 2024, net taxes collectible on real property rose 51.7%, while taxes on tangible personal property (TPP) increased 225%. The TPP growth was related to new gas pipelines placed into service in Ohio, largely due to shale drilling.
- Property taxes in Ohio primarily fund local governments, with a small portion retained by the state to cover tax administration costs. About three-fifths of the property tax revenue is allocated to school districts.

Ohio's local governments rely heavily on property taxes

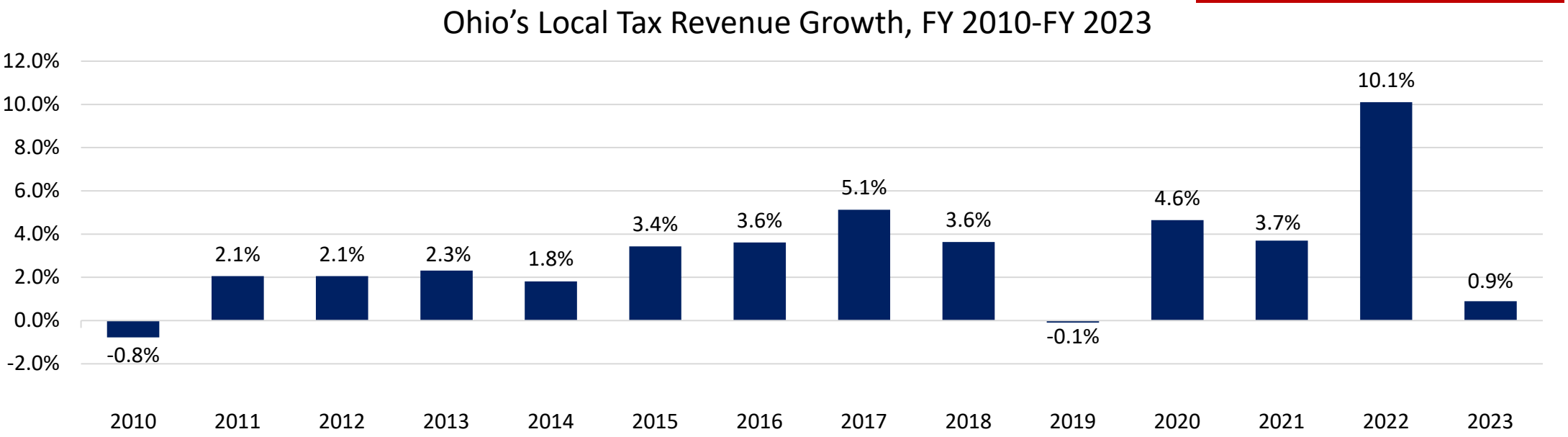
Ohio's Local Tax Revenue by Source, FY 2023



Source: U.S. Census Bureau's Annual Survey of Local Government Finances

- In FY 2023, local tax revenue in Ohio totaled $30.54 billion, an increase of $267 million (0.9%) from FY 2022.
- Property taxes collected in FY 2023 accounted for $19.16 billion. Individual and corporate income taxes were $7.56 billion. Sales and use taxes provided $3.18 billion. Other taxes generated $0.63 billion.

Local tax revenue growth averaged 3.0% per year from 2010 to 2023



Source: U.S. Census Bureau's Annual Survey of Local Government Finances

- Between FY 2010 and FY 2023, total local tax revenue grew at an average annual rate of 3.0%. Year-over-year growth rates varied annually, with a notable decrease of 0.1% in FY 2019 and significant increases of 10.1% in FY 2022.
- During this period, revenue growth was fastest in the sales and use taxes category, averaging 4.1% per year, followed by income taxes at 3.8% annually. Property taxes grew at an average rate of 2.8% per year, while other taxes increased by 0.5% annually.