

LSC Greenbook

Analysis of the Enacted Budget

Board of Tax Appeals

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ATTACHMENT:

Budget Spreadsheet By Line Item

Board of Tax Appeals

- BTA decides tax cases outside the court system
- The enacted budget cuts BTA's spending authority by 42%

OVERVIEW

Agency Overview

The Board of Tax Appeals (BTA) provides an expert forum outside the court system to resolve controversies between taxpayers and taxing authorities in a timely and cost-effective way while still satisfying due process requirements. Most appeals to BTA arise from real estate valuations by county boards of revision. The agency is an independent, quasi-judicial, single-purpose body, established in 1939 within the Department of Taxation, which has operated as a separate agency since 1976. The Board is comprised of three members appointed by the Governor for six-year terms, and authorized to determine all appeals regarding questions arising under Ohio tax laws, other than estate taxes. Staff in FY 2009 included seven full-time and two part-time attorney examiners, and eight administrative staff members.

Appropriations Overview

The agency's budget consists of a single GRF line item. Over 90% of BTA's budget is for payroll costs.

Table 1: Agency Appropriations by Fund Group, FY 2010-FY 2011

Fund Group	FY 2009	FY 2010	% change, FY 2009- FY 2010	FY 2011	% change, FY 2010- FY 2011
General Revenue	\$1,978,743	\$1,149,715	-41.9%	\$1,149,715	0.0%
TOTAL	\$1,978,743	\$1,149,715	-41.9%	\$1,149,715	0.0%

*FY 2009 figures represent actual expenditures.

ANALYSIS OF ENACTED BUDGET

The following table shows the line item that is used to fund the activities of the Board of Tax Appeals and the appropriation amounts in the budget.

Fund	ALI and Name	FY 2010	FY 2011
General Revenue Fund			
GRF	116321 Operating Expenses	\$1,149,715	\$1,149,715

Operating Expenses (116321)

The budget reduces BTA's appropriation for FY 2010 by 41.9% from actual FY 2009 expenditures. The agency's appropriation for FY 2011 is held constant at this level. The size of this reduction will require BTA to employ fewer attorney examiners, who prepare cases for Board consideration and handle mediation sessions, and fewer administrative staff members.

With budget reductions of this magnitude, and resulting staffing cuts, BTA will be unable to decide as many cases as in the past. This cutback is being made at a time when the number of cases being appealed to BTA has been growing, driven by the drop in recent years in residential real property values. The backlog of undecided cases appears certain to grow. Historically, BTA has tried to resolve most cases appealed to the agency within a year. The consequence of increasing numbers of appeals and fewer staff members to handle them will be longer delays in reaching decisions, with cases likely to remain in BTA's backlog possibly for two years or three years or longer.

BTA may be able to achieve some increased efficiencies. One such change is elimination in the budget of a requirement that BTA send decisions by certified mail. This change is expected to save about \$12,000 each year. The former requirement was replaced with a provision that permits a party to an appeal to request that a decision be sent by certified mail, at that party's expense.

BTA.docx / cm

FY 2010 - 2011 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
Report For: Main Operating Appropriations Bill			Version: Enacted					
BTA Board of Tax Appeals								
GRF	116321	Operating Expenses	\$ 2,025,583	\$ 1,978,743	\$ 1,149,715	-41.90%	\$ 1,149,715	0.00%
General Revenue Fund Total			\$ 2,025,583	\$ 1,978,743	\$ 1,149,715	-41.90%	\$ 1,149,715	0.00%
Board of Tax Appeals Total			\$ 2,025,583	\$ 1,978,743	\$ 1,149,715	-41.90%	\$ 1,149,715	0.00%