

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
- BTA's budget for each year of the biennium matches the FY 2015 appropriation

OVERVIEW

The Board of Tax Appeals (BTA) provides an expert forum outside the court system to resolve controversies between taxpayers and taxing authorities. The agency is an independent, quasi-judicial, single-purpose body. Three Board members appointed by the Governor for six-year terms are authorized to determine all appeals regarding questions arising under Ohio tax laws, other than estate taxes. BTA's staff includes five attorney examiners who manage cases and preside at evidentiary hearings to determine the facts of these cases as the basis for decisions taken by vote of the Board members, and two paralegals. BTA also has an executive director and five administrative staff members, for a total of 16 employees including the three Board members.

More than 90% of appeals to BTA arise from real estate valuations by county boards of revision. Cases also arise from appeals of determinations or of rules adopted by the Tax Commissioner, including the Division of Tax Equalization. Other sources of cases include appeals of allocations by county budget commissioners of tax receipts to political subdivisions, appeals of decisions of municipal boards of appeal regarding municipal income tax obligations, and appeals of decisions by the Director of the Development Services Agency that enterprises are not qualified for tax incentive qualification certificates. Decisions of BTA may be appealed either to an Ohio court of appeals or to the Ohio Supreme Court.

BTA's budget is \$1.7 million in each of FY 2016 and FY 2017, unchanged from the agency's appropriation for FY 2015, and 12.8% more than actual expenditures in that year. BTA in FY 2015 reduced expenditures 25% from the year before, mostly by cutting purchased personal services and also by lowering payroll costs. BTA in the past three years has accomplished a sharp reduction in its backlog of cases, by implementing a number of changes in the ways cases are handled. As a result, most appeals are handled more promptly.

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 agency's appropriations.

Appropriation for the Board of Tax Appeals				
Fund	ALI and Name		FY 2016	FY 2017
General Revenue Fund				
GRF	116321	Operating Expenses	\$1,700,000	\$1,700,000
Total Funding: Board of Tax Appeals			\$1,700,000	\$1,700,000

Operating Expenses (116321)

BTA's operating budget appropriates \$1.7 million in each of FY 2016 and FY 2017, the same as the amount appropriated for FY 2015. About 80% of BTA's expenditures are for payroll and benefit costs, 6% is purchased personal services, and 14% is supplies and maintenance. Under a change in accounting procedure applicable to a number of agencies, the cost of renting the space that BTA occupies, about \$225,000 per year, is being shifted into the agency's budget starting in FY 2016 rather than being included in the budget of the Department of Administrative Services as in past years. How this additional charge will affect BTA operations remains to be determined.

BTA.docx/jc

FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2015 to FY 2016	Appropriation	FY 2016 to FY 2017		
			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
BTA Board of Tax Appeals								
GRF	116321	Operating Expenses	\$ 2,010,208	\$ 1,506,856	\$ 1,700,000	12.82%	\$ 1,700,000	0.00%
General Revenue Fund Total			\$ 2,010,208	\$ 1,506,856	\$ 1,700,000	12.82%	\$ 1,700,000	0.00%
Board of Tax Appeals Total			\$ 2,010,208	\$ 1,506,856	\$ 1,700,000	12.82%	\$ 1,700,000	0.00%