

# Redbook

## LBO Analysis of Executive Budget Proposal

### Board of Tax Appeals

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#### TABLE OF CONTENTS

Quick look.....	1
Agency overview .....	1
Analysis of FY 2022-FY 2023 budget proposal.....	2

# LBO Redbook

## Board of Tax Appeals

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### Quick look...

- The Board of Tax Appeals (BTA), Ohio’s administrative tax court, resolves controversies between taxpayers and taxing authorities.
- Most appeals are of county boards of revision decisions involving real property valuations.
- Other types of tax-related cases may also be appealed to BTA.
- Funding is from the GRF. Appellants are not charged a filing fee.
- The Board consists of three members appointed by the Governor with consent of the Senate.
- Overseen by an executive director, the agency employs 11 including Board members.
- The executive budget recommendations total approximately \$3.6 million over the biennium: 72% personnel cost, 22% supplies and maintenance, and 6% purchased personal services.

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
<b>GRF ALI 116321, Operating Expenses</b>					
\$1,425,735	\$1,515,237	\$1,593,806	\$1,727,708	\$1,753,243	\$1,803,160
% change	6.3%	5.2%	8.4%	1.5%	2.8%

### Agency overview

The Board of Tax Appeals (BTA) consists of three members who are appointed by the Governor and serve six-year terms. As an independent, quasi-judicial, single-purpose body, BTA provides an expert forum outside the court system to resolve controversies between taxpayers and taxing authorities.

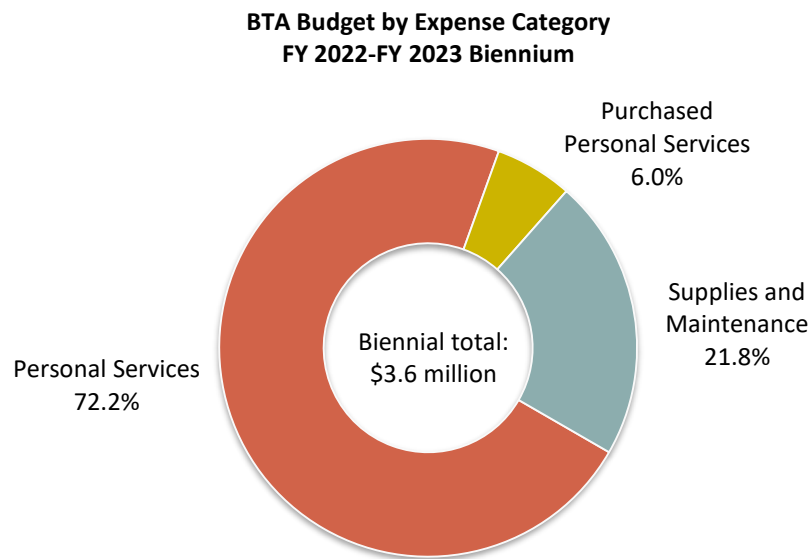
Most of the cases appealed to BTA arise from real estate valuations by county boards of revision. The second largest category of cases historically has been appeals of determinations or rules adopted by the Tax Commissioner. In total, BTA indicates that it has jurisdiction over 62 types of taxes. Decisions of BTA may be appealed to an Ohio court of appeals, except that small claims decisions cannot be appealed. BTA decisions regarding final determinations of the Tax Commissioner or a local board of tax review are allowed to be appealed directly to the Ohio Supreme Court as well as a court of appeals.

BTA uses a case management system that is accessible through the internet, and characterizes the process of filing and resolving appeals as largely party-driven. Filers use the system to enter information on their appeals. This system has increased the efficiency of Board operations, and thereby facilitated resolution of appeals more quickly than in the past.

During the pandemic, BTA has continued to operate remotely and issue decisions, except that cases requiring in-person hearings were delayed. Board hearing rooms were retrofitted with plexiglass barriers, and are ready for use once in-person hearings resume. Filling open positions for a chief counsel, a hearing officer, and an administrative staff person was delayed by the executive branch hiring freeze.

## Analysis of FY 2022-FY 2023 budget proposal

As shown in the chart, the Board’s single GRF appropriation item is mainly used to pay for its payroll expenses. Board staffing consists of an executive director, hearing officers, and other staff members. As of January 2021, BTA had 11 employees including the three Board members, with open positions for two lawyers and one administrative staff person as noted above.



In the upcoming biennium, BTA expects more appeals that are complex in nature, requiring more time to decide. Specifically, the ongoing pandemic and its adverse consequences for tenants of commercial properties in hard-hit industries, and consequently for the value of those properties to their owners, may add substantially to the number of cases appealed to BTA.

The following table shows numbers of cases filed with BTA and decisions issued:

Board of Tax Appeals Cases		
Year	Appeals filed	Decisions issued
2018	2,330	2,180
2019	3,010	2,610
2020	2,450	2,180