School District Income Taxes

School District Income Taxes Collected in FY 2022

$602 Million

210 (34%) school districts levy an income tax

Profile of a district levying an income tax

These districts tend to be:

- Located in rural or small town areas
- Smaller in student population
- On the 20-mill floor for property tax purposes

*Real property taxes for districts on the 20-mill floor generally grow at the same rate as real property values grow. That is, tax reduction factors no longer apply.

* 53% of income-tax-levying districts were on the 20-mill floor in at least one class of real property in TY 2020.

7 in 10 districts use the traditional tax base

70% Traditional

Uses Ohio Adjusted Gross Income
Examples of taxed income: wages, salaries, tips, interest, dividends, unemployment compensation, self-employment, pensions, annuities, IRA distributions, and capital gains

30% Earned Income

Wages, salaries, and self-employment only

District residents pay the tax regardless of where they work.
Nonresidents working in district & corporations are not taxed.

Income tax revenues averaged about $2,000 per pupil

While per-pupil income tax revenues vary widely, they tended to fall within $1,500 and $2,600, and averaged about $2,000. Per-pupil amounts around $100 or less often indicate the beginning or ending of a tax levy. 2 districts began levying an income tax in FY 2022.

Distribution of School District Income Tax
Per Pupil, FY 2022

Sources: Department of Taxation, Department of Education

Income tax revenues equated to an average of 10 mills

Districts on the 20-mill floor tend to supplement their current expense millage and inside millage with emergency levies and school district income tax levies, which are not included in the floor calculation. By dividing income tax revenue into total property value, an effective millage rate is calculated. The chart below shows the distribution of income tax equivalent effective millage rates for the 210 districts with income tax levies in FY 2022.

Distribution of School District Income Tax Equivalent Effective Millage Rates, FY 2022

Equivalent effective millage rates for established levies ranged from 2.0 mills to 23.6 mills and averaged 10.4 mills.

Most equivalent rates fell between 8 mills and 14 mills.