OHIO

Ohio has three major types of local option transportation taxes: sales taxes, vehicle registration fees and dedicated property taxes. To a much smaller extent, one metropolitan region uses property taxes to fund transportation improvements. Over the past decade, the state has seen significant growth in local governments' adoption of both sales taxes and vehicle fees. It has also seen the emergence of seven transportation improvement districts that fund projects through dedicated property and/or vehicle taxes.

We selected Ohio as one of our survey states because it is one of the two most populous in the Midwest, and because of the broad range of local option taxes it employs. We surveyed the 20 largest cities in the state, and all 88 counties. We received responses from 5 cities (25% response rate) and 25 counties (28% response rate).[1] Our analysis also relied on publications from the state Department of Taxation and the Legislative Budget Office.

1. Fuel and Vehicle Taxes

Cities, counties, townships, and transportation improvement districts may adopt vehicle license taxes at flat rates in increments of $5 per vehicle, up to a maximum of $20 in any particular location.[2] These taxes require voter approval, and revenues must be used for road, street, bridge, and highway projects.

Currently, about two-thirds of all counties, half of all municipalities, and one-quarter of all townships impose a vehicle license tax. The number of counties imposing the tax has remained roughly constant over the past decade, but there has been a steady rise among cities and towns. A recent study estimated that local governments raise $138 million from this tax statewide (about $12 per capita).[3] In the survey responses we received, cities and counties indicated that they use the revenues from this tax primarily for maintenance and repair, rather than construction of new transportation facilities.

2. Property Taxes and Assessments

Counties, townships, municipalities, and transportation development districts may levy any of several categories of property taxes for road and highway maintenance and construction.[4] Statewide, a total of five counties, 568 townships, and 52 other municipalities have adopted these taxes over all or part of their areas, raising over $114 million (about $10 per capita) annually for road construction and maintenance. For street maintenance, 47 municipalities have adopted dedicated property levies, collectively raising another $5.2 million statewide.[5]

Regional transit authorities also may levy property taxes at rates up to 5 mills with voter approval.[6] At least six transit agencies impose property taxes, or receive revenues from earmarked property taxes

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[1] We received responses from the cities of Akron, Cleveland Heights, Columbus, Hamilton, and Lorain; and Ashland, Ashtabula, Athens, Auglaize, Brown, Clinton, Cuyahoga, Darke, Delaware, Fairfield, Hocking, Jefferson, Lawrence, Logan, Marion, Meigs, Montgomery, Muskingum, Ross, Sandusky, Seneca, Shelby, Van Wert, Vinton, and Washington counties.
[2] Ohio Revised Code § 4504 *et seq*.
[3] Ohio Legislative Budget Office, *Local Transportation Needs and Funding Report* (September 2000), pp. 3 and 69.
[4] Ohio Revised Code §§ 5521.09, 5540.031, 5555.48, 5555.95, and 5705.06
[5] Estimates based on State of Ohio, Department of Taxation, "1999 Property Tax Rate Abstract by Taxing District," (2000) and State of Ohio, Department of Taxation, "1999 Real Property Abstract by Taxing District," (2000). Figures include taxes on real property, but not personal property. Totals including tangible personal property are expected to be approximately 35% higher.
[6] Ohio Revised Code § 306.49.

imposed by local governments, including agencies in Canton, Steubenville, Toledo, Wheeling (West Virginia), and Youngstown areas, and in rural Muskingum County. We estimate that these taxes raise over $10 million statewide.[7]

3. Sales and Other Taxes

Counties may adopt a sales tax up to 1.5% by ordinance, unless local residents petition for a vote, in which case, it requires majority voter approval.[8] The statute says that revenues may be used for general purposes or for criminal justice, but it doesn't seem to prevent them from being earmarked for other purposes as well. All but two counties have adopted the tax, at levels ranging from 0.25% to 1.5%.[9]

In the survey responses we received, five counties reported that they have earmarked a portion of their sales tax for road and bridge projects. Delaware, Logan, and Shelby counties each adopted 0.5% road taxes with expiration dates, while Jefferson and Washington counties adopted 1% sales taxes that will continue indefinitely. Most of the revenues from these projects are either flexible or set aside for maintenance projects; however, Jefferson County's levy sets aside two-thirds of the revenue for new capital projects.

Transit authorities may also levy sales taxes up to 1.5 percent, with voter approval.[10] Transit districts have adopted 0.25% sales taxes in the Columbus, Grand River, Canton, and Akron regions, 0.5% in the Dayton area, and 1% in greater Cleveland. Statewide, these taxes generated $255 million in 1999, or about $23 per capita. Revenues from these taxes support both transit operations and capital projects.

Cities may adopt local option income taxes up to 1% by ordinance, or higher with voter approval.[11] This tax has been adopted by 541 municipalities across the state.[12] In the case of a tax over 1%, a purpose for the tax must be specified. None of the surveyed cities reported dedicating any portion of their local income tax revenues for transportation-related services.

The sole exception appears to be Cincinnati, which imposes a 0.1% income tax for the construction and maintenance of transportation and other infrastructure, and 0.3% income tax to support the Southwest Ohio Regional Transit Authority. This tax generates over $25 million annually for the transit agency (over half of its annual revenue), and is paid by all individuals who work in the city of Cincinnati, regardless of their place of residence.[13]

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[7] State of Ohio, Department of Taxation, *op. cit.*; Federal Transit Administration, *National Transit Database 1998*.
[8] Ohio Revised Code § 5739.021.
[9] State of Ohio, Department of Taxation, "County and Regional Transit Authority Permissive Sales and Use Tax Collections and Tax Rates, Calendar Year 1998 & 1999," (2000).
[10] Ohio Revised Code § 5739.023.
[11] Ohio Revised Code § 718.01.
[12] State of Ohio, Department of Taxation, "Municipal Income Taxes: Tax Rates and Amounts Collected, by Municipality, Calendar Year 1998" (1999).
[13] Cincinnati Municipal Code, §§ 311-2 and 311-71; Federal Transit Administration, *National Transit Database 1998*.

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Overview of County, District, and Local Transportation Tax Laws

Tax Type	State Statute	Tax Name	Areas	Statute Year	Permitted Rates	Maximum Duration	Purposes	Adoption Process
Sales	ORC 5739.021	County sales tax	Counties	1967	0.25%-1%	Specified on ballot	General revenues or criminal justice	B or C
	ORC 5739.023	Transit authority sales tax	Transit Authorities	1974	0.25%-1.5%	-	Transit	C
	ORC 5739.026	Additional county sales tax	Counties	1986	0.25%-0.5% on outboard motors	Specified on ballot	Capital improvements, transit operations	C
	ORC 5739.101	Resort sales tax	Resort Cities and Towns	1993	0.5-1.5%	-	General revenues	B
Income	ORC 718.01	Income Tax	Cities	1957	Any	-	Specified in local legislation	B or C*
	ORC 715.691, .70	Income Tax	Economic Dev. Districts**	1993	Same as highest municipal rate in district	-	Economic development and job creation	C
Vehicle	ORC 4504.02, .15, .16	County vehicle license tax	Counties	1967	$5-$15 per vehicle	-	Roads, streets, hwys***	C
	ORC 4504.06, .17, .171	City vehicle license tax	Cities	1967	$5-$15 per vehicle	-	Roads, streets, hwys	C
	ORC 4504.18	Township vehicle license tax	Townships	1987	$5 per vehicle	-	Roads, streets	C
	ORC 4504.21	Transportation imp. district license tax	Transportation Improvement Dists.	1993	$5-$20 per vehicle	-	Roads, streets	C
Property	ORC 306.49	Property Taxes	Regional Transit Authority	1970	Up to 0.5%	10 years	Transit	C
	ORC 747.05	Special Assessments	Rapid Transit Commission	1953	Special assessments up to 50% of project cost	-	Parkways and boulevards	C
	ORC 5521.09	Property Taxes	Counties	1953	Up to 0.15%	-	Transportation projects in cooperation with ODOT	B or C*
	ORC 5540.031	Special Assessments	Transportation Improvement Dists.	1994	Special assessments up to 10% assessed value	-	Roads and highways	B
	ORC 5555.48	Property Taxes	Counties	1953	Up to 0.2%	-	County Road Improvements	B or C*
	ORC 5555.49	Property Taxes	Townships	1953	Up to 0.3%	-	County Road Improvements	B or C*
	ORC 5555.95	Property Taxes	Counties	1953	Up to 0.5%	-	Road Repairs	B or C*
	ORC 5705.06	Property Taxes	Counties and Townships	1953	Any	-	Const/maint. of hwys, roads, bridges	B or C*

*Requires public vote if total tax rate exceeds 1%
**This tax has not been adopted anywhere. [State Tax Guide]
***Projects must be specified in advance (ORC 4504.03)

A = State Law
B = County/Local Law
C = Popular Vote

OHIO
Adopted County, District, and Local Transportation Taxes

Jurisdictions	Pop. 1999	Sales Taxes					Other					
		Rate (%)	Purpose	Year	1999 Revenue ($1000)	Revs per capita	Type	Rate	Purpose	Year	1999 Revenue ($1000)	Revs per capita
Special Districts:												
Central Ohio Transit Auth. (Columbus)	1,027,821	0.25%	Transit	1990	40,163.6	$39.08						
Eastern Ohio RTA (Wheeling, WV)	145,000						Property	0.130%	Transit	1993	206.9	$1.43
Grtr. Cleveland RTA (CUYAHOGA CO.)	1,371,717	1.00%	Transit	1975	151,405.6	$110.38						
Laketran TA (Grand River)	227,145	0.25%	Transit	1988	6,731.6	$29.64						
METRO RTA (Akron, SUMMIT CO.)	537,856	0.25%	Transit	1991	15,283.1	$28.41						
Miami Valley RTA (Dayton)	565,866	0.50%	Transit	1980	31,445.6	$55.57						
Muskingum Area TA (MUSKINGUM CO.)	84,812						Property		Transit			
Southwest Ohio RTA (Cincinnati)	707,964						Income	0.300%	Transit	1973	25,057.1	$35.39
Stark Area RTA (Canton)	373,174	0.25%	Transit	1997	9,876.8	$26.47	Property		Transit		87.5	$0.23
Steel Valley RTA (JEFFERSON CO.)	24,000						Property	0.091%	Transit	1995	173.9	$7.24
Toledo Area RTA (LUCAS CO.)	489,000						Property	0.167%	Transit	1976	8,086.6	$16.54
Western Reserve RTA (Youngstown)	82,757						Property	0.500%	Transit	1976	1,816.1	$21.94
Counties:												
ADAMS	28,698											
ALLEN	106,898											
ASHLAND	51,973											
ASHTABULA	103,344											
ATHENS	61,599											
AUGLAIZE	47,167											
BELMONT	71,259											
BROWN	41,576											
BUTLER	333,486											
CARROLL	29,286						Property	0.0296%	Roads	1976	106.8	$3.65
CHAMPAIGN	38,572											
CLARK	144,962											
CLERMONT	178,749											
CLINTON	40,701											
COLUMBIANA	111,300											
COSHOCTON	36,204											
CRAWFORD	47,010											
CUYAHOGA	1,371,717											
DARKE	54,063											
DEFIANCE	39,651											
DELAWARE	103,679	0.5%	Road Maint.		5,781.3	$55.76						
ERIE	77,893											
FAIRFIELD	126,723						Property	0.0497%	Roads	1999	878.2	$6.93
FAYETTE	28,399											
FRANKLIN	1,027,821											
FULTON	42,202											
GALLIA	33,248											
GEAUGA	89,598						Property	0.1175%	Roads	1986	2,410.0	$26.90
GREENE	149,149						Property	0.0196%	Roads	1976	468.5	$3.14
GUERNSEY	40,955											
HAMILTON	840,443											
HANCOCK	69,401											
HARDIN	31,652											
HARRISON	16,070											
HENRY	29,870											
HIGHLAND	41,091											
HOCKING	29,170											
HOLMES	38,295											
HURON	60,513											
JACKSON	32,660											
JEFFERSON	73,662	0.9%	Road C & M		4,775.4	$64.83						
KNOX	53,903											
LAKE	227,145											
LAWRENCE	64,344											
LICKING	136,485											
LOGAN	46,816	0.5%	Road Maint.		1,981.7	$42.33						
LORAIN	282,100											
LUCAS	446,482											
MADISON	41,348											
MAHONING	252,597											
MARION	66,870	[1]										
MEDINA	147,277											
MEIGS	24,012											
MERCER	41,017											

Jurisdictions	Pop. 1999	Sales Taxes Rate (%)	Purpose	Year	1999 Revenue ($1000)	Revs per capita	Other Type	Rate	Purpose	Year	1999 Revenue ($1000)	Revs per capita
MIAMI	98,721						Property	0.0192%	Roads	1976	325.5	$3.30
MONROE	15,454											
MONTGOMERY	565,866											
MORGAN	14,525											
MORROW	32,146											
MUSKINGUM	84,812											
NOBLE	14,810											
OTTAWA	41,281											
PAULDING	20,073											
PERRY	34,261											
PICKAWAY	53,431											
PIKE	27,988											
PORTAGE	151,579											
PREBLE	43,472											
PUTNAM	35,206											
RICHLAND	129,607											
ROSS	75,731											
SANDUSKY	61,810											
SCIOTO	80,353											
SENECA	59,768											
SHELBY	47,949	0.5%	Road Maint.		2,057.6	$42.91						
STARK	373,174											
SUMMIT	537,856											
TRUMBULL	225,339											
TUSCARAWAS	88,773											
UNION	40,776											
VAN WERT	30,092											
VINTON	12,362											
WARREN	153,292											
WASHINGTON	63,029	1%	Road Maint.		5,270.9	$83.63						
WAYNE	111,045											
WILLIAMS	37,755											
WOOD	120,292											
WYANDOT	22,921											
State Total	11,256,654		Roads		19,867.0	$1.76			Roads		4,189.0	$0.37
			Transit		254,906.3	$22.64			Transit		35,427.9	$3.15

[1] Proposed 1/2% sales tax for road construction defeated in 11/2000 election.