

# Tax Relief Programs

## Role and Overview

The tax relief programs (TRP) reimburse local governments and school districts for revenue that is foregone as a result of tax relief provided by state law to property owners. As a result of the implementation of House Bill 66 and the phase out of the tax on tangible personal property, tax relief payments now exclusively focus on real property tax relief. This program is funded through two line items with one in the Department of Education that provides reimbursement to school districts and the other in the Department of Taxation that provides reimbursement to units of local government. Within real property tax relief there are two separate programs: property tax rollbacks and the homestead exemption. The property tax rollbacks program reimburses the local taxing districts for the cost of the following tax credits: a ten percent reduction in each residential property tax bill and an additional 2.5 percent discount on a homestead that is occupied by the homeowner. The homestead exemption provides real property tax relief to all elderly or disabled homeowners and their surviving spouses.

More information regarding the Tax Relief Programs is available at <http://www.tax.ohio.gov>.

## Agency Priorities

- Reimburse school districts and units of local governments for tax dollars foregone as a result of state tax relief programs.

## Funding Recommendation for 2014 and 2015

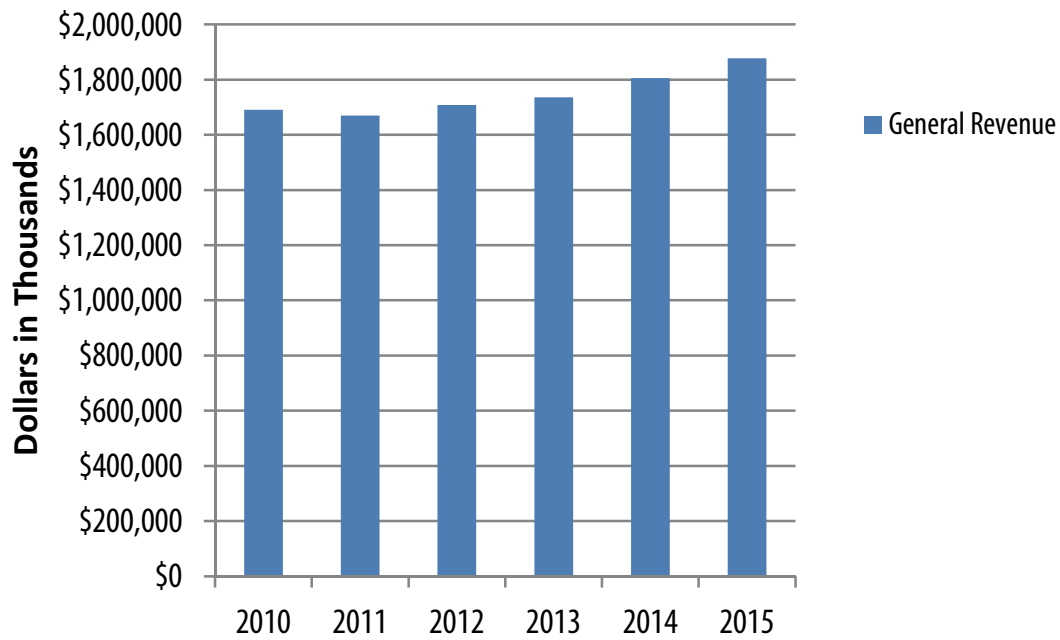
- GRF: Funding for fiscal year 2014 is \$1.8 billion (or a 4.0% increase from fiscal year 2013). Funding for fiscal year 2015 is \$1.9 billion (or a 4.0% increase from fiscal year 2014).
- All Funds: Funding for fiscal year 2014 is \$1.8 billion (or a 4.0% increase from fiscal year 2013). Funding for fiscal year 2015 is \$1.9 billion (or a 4.0% increase from fiscal year 2014).

## The Executive Recommendation will fund the following objectives:

- Make school districts and local governments whole in response to revenue foregone as a result of state tax relief programs.

## Tax Relief Programs

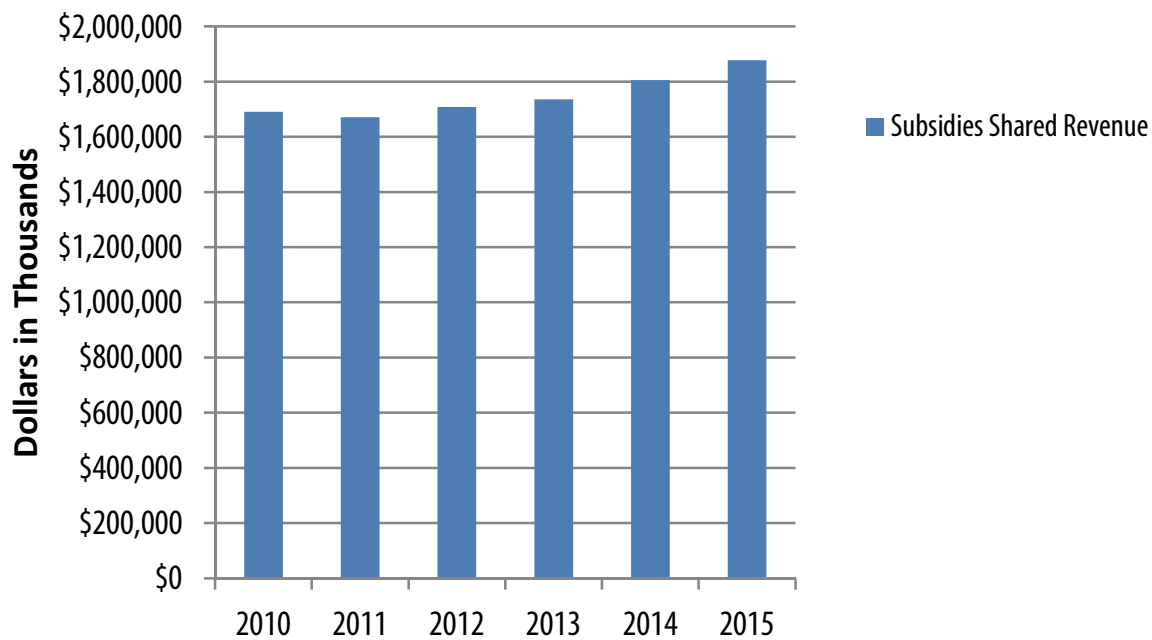
## Budget Fund Group Information



(in Thousands)	Actual			Est.	% Change	Recommended			
Budget Fund Group	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
General Revenue	1,690,504	1,670,343	1,707,793	1,736,000	1.7%	1,805,440	4.0%	1,877,658	4.0%
<b>Total</b>	<b>1,690,504</b>	<b>1,670,343</b>	<b>1,707,793</b>	<b>1,736,000</b>	<b>1.7%</b>	<b>1,805,440</b>	<b>4.0%</b>	<b>1,877,658</b>	<b>4.0%</b>

## Tax Relief Programs

## Expense Account Category Information



(in Thousands)	Actual			Est.	% Change	Recommended			
Expense Account Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
Subsidies & Shared Revenue	1,690,504	1,670,343	1,707,793	1,736,000	1.7%	1,805,440	4.0%	1,877,658	4.0%
<b>Total</b>	<b>1,690,504</b>	<b>1,670,343</b>	<b>1,707,793</b>	<b>1,736,000</b>	<b>1.7%</b>	<b>1,805,440</b>	<b>4.0%</b>	<b>1,877,658</b>	<b>4.0%</b>

**Program Series 1: Tax Relief Program Series (172A0)**

This program series reimburses local taxing districts for revenue that is lost due to tax relief provided by state law to property owners and businesses. The program series consists of only one program - Tax Relief Program (172B1).

			Estimated	Recommended			
Fund	ALI	ALI Name	FY 2013	FY 2014	% Change	FY 2015	% Change
GRF	110901	Property Tax Allocation	641,000,000	666,640,000	4.0%	693,305,600	4.0%
GRF	200901	Property Tax Allocation - Education	1,095,000,000	1,138,800,000	4.0%	1,184,352,000	4.0%
<b>Total for Tax Relief Program Series</b>			<b>1,736,000,000</b>	<b>1,805,440,000</b>	<b>4.0%</b>	<b>1,877,657,600</b>	<b>4.0%</b>

State of Ohio

Tax Relief Programs

			Actual			Estimated	Recommended			
Fund	ALI	ALI Name	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
GRF	110901	Property Tax Allocation	633,376,601	622,245,938	633,014,486	641,000,000	666,640,000	4.0%	693,305,600	4.0%
GRF	200901	Property Tax Allocation - Education	1,057,127,330	1,048,097,426	1,074,778,419	1,095,000,000	1,138,800,000	4.0%	1,184,352,000	4.0%
Total General Revenue			1,690,503,931	1,670,343,364	1,707,792,905	1,736,000,000	1,805,440,000	4.0%	1,877,657,600	4.0%
Grand Total Tax Relief Programs			1,690,503,931	1,670,343,364	1,707,792,905	1,736,000,000	1,805,440,000	4.0%	1,877,657,600	4.0%