

Supporting Ohio's Families

The budget supports policy goals that improve Ohio's tax structure by making it more equitable and economically competitive, while also ensuring the generation of sufficient revenues to support vital public services, to solve problems, and to make prudent investments.

These goals are accomplished by:

Reducing personal income tax rates, beginning in the current calendar year. The budget cuts personal income taxes by \$668 million over the biennium. This reduction includes a four percent personal income tax rate decrease, providing a direct financial benefit to 4 million income taxpayers.

Simplifying Ohio's tax structure and providing tax relief to lower-income citizens. The other significant personal income tax cut involves the elimination of the two bottom income rate brackets. This change means approximately 500,000 taxpayers with taxable income below \$21,750 will no longer pay Ohio income tax.

Protecting Ohio's Main Street retailers, by requiring that out-of-state online retailers collect the proper amount of Ohio sales tax on sales made to Ohio customers. In the wake of a landmark US Supreme Court decision from 2018, Ohio will now join other states in removing an impediment that has been putting in-state retailers at an unfair disadvantage with out-of-state online sellers, many of whom have not been collecting Ohio's sales tax.

Ensuring a stable and predictable tax structure, with no increases in Ohio's most important tax rates. Along with the personal income tax rate cuts and several other important tax changes, Ohioans will also benefit from continuity of a stable and predictable tax structure. Business operators can make business investment decisions with confidence in the predictability of the Ohio state tax structure, knowing they will not face unforeseen state tax increases. Individuals will not need to exert additional hours and costs to comply with a myriad of tax changes and new regulations.

