



**Classified Ads**  
Homes | Jobs | Cars

**Local News**  
**Obituaries**  
**Sports**  
High Schools | Reds  
UD | WSU  
OSU | Nascar

**Business**  
**Opinion/Editorial**  
Mike Peters  
cartoons  
Speak Up!

**Local Guides**  
Movies | Music  
Restaurants | Events  
Shopping

**Life**  
**Celebrations**  
*new*

**Neighbors**  
Dayton  
Centerville/Bellbrook  
Kettering/Oakwood  
Trotwood/Northwest  
Huber Hts./N'east  
Miamisburg/S'west  
Greene County  
Miami County  
Warren County

**Fifth Third Bank**  
Investment Advisors  
INSTANT STOCK QUOTE  
GO  
Enter stock/fund ticker

**Subscribe**  
**E-mail alerts**  
**Photo prints** *new*  
**Archive**  
**Contact Us**  
**Our Company**  
**Our Services**  
**Help/Feedback**

**News search**  
GO  
Last 30 days only  
Earlier articles here

[Get Local Deals!](#)

[Celebrations! Now Online](#)

**Opinion**

**Tax boost must be dealt fairly**

A Dayton Daily News editorial

In launching his economic stimulus proposal, President George W. Bush can throw around tens of billions of dollars like chips in a penny ante poker game, even with the federal budget in deficit.

Not so the State of Ohio, which must balance its budget. With just five months remaining before this fiscal year ends, making the numbers work could be tough. The state's revenues for the six months ending Dec. 31 were even gloomier than predicted.

Meanwhile, still bigger challenges are ahead. When Gov. Bob Taft presents his two-year budget proposal in February, he'll need to bridge a shortfall that could range from \$3 billion to \$4 billion. With the election out of the way, the governor has become somewhat more plain in acknowledging the state's flagging revenues.

The governor has not intimated, much less suggested, any increase in personal income tax rates or any other sweeping tax increases. But there's no more talk of short-term fixes, such as raiding tobacco trusts and rainy-day funds, either in part because both have already been picked clean.

Instead, Gov. Taft is speaking of "comprehensive tax reform proposals . . . how to generate additional revenue and make the tax system simpler, more fair, more supportive of our economic development goal."

This means that, in some form, Ohio will have to bite, rather than dodge, the tax bullet.

It's significant that the governor says fairness

**Today's top stories**

[Cold snap expected to linger for a few weeks](#)

[Dayton services to feel brunt of budget cuts](#)

[Latest promotion at AFIT called 'good for area'](#)

[Three injured in crash on U.S. 42](#)

[Region's smallpox program awaits OK](#)

[More local stories](#)

**Top sports stories**

[Bengals to decide on coach by Wednesday](#)

[Flyers adjust, hold off La Salle](#)

[Reds sign former No. 1 pick](#)

[Alter inducts stellar group into Hall](#)

[Coach gives chilling message to Raiders](#)

[More sports stories](#)

**Most popular**

[Women sees husband, son die](#)

[Centerville girl's picture on cereal box](#)

[Woman walking her dogs ends up in jail](#)

[Woman accused of dragging cop](#)

[Fear of husband led to robberies, woman says](#)

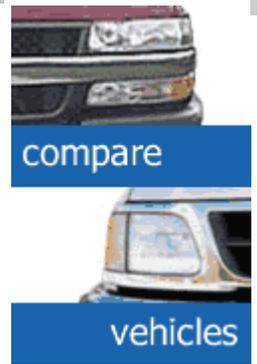
[Area's most-wanted criminals](#)

**Special reports**

[Down on the Factory: Are cheaper grocery prices worth risks?](#)

[Ohio's broken mental retardation system](#)

[How the area's biggest traffic jam will happen](#)



[Ross Motor Cars](#)

**ActiveDayton.com**  
Ski Guide  
OSU Quizzes  
Movie Showtimes

**The Marketplace**  
Search for ads and coupons from the printed newspaper  
  
See [all coupons](#) | [all ads](#)

**Classified ads...**  
[DaytonClassifieds home page](#)  
[Recent home sale prices](#)  
[Find a home](#)  
[Find an apartment](#)  
[Find a job](#)  
[Find a better car](#)  
[Find garage sales](#)  
[Sell your stuff!](#)

**The Marketplace Online Ads**  
Autos & Car Care  
Beauty & Fitness  
Entertainment & Leisure  
Finance & Banking  
Home Services & Improvement  
Lawn & Garden  
Restaurants  
Retail  
Services  
BBB buying guide

**Special features**  
UD Arena  
Winter Weather

will be a principal feature in his efforts at state tax reform. A national study of state and local taxes, released last week by the Washington, D.C.-based Institute on Taxation and Economic Policy, has called into question the fairness of Ohio's and many other states' tax policies (read it at [www.policymattersohio.org](http://www.policymattersohio.org)).

ohio.org).

Progressive tax codes set rates based on taxpayers' ability to pay. But when all taxes are taken together, Ohio's state and local taxes don't spread out the burden.

Working poor and middle-class Ohioans pay a larger percentage of their income in state and local taxes than do the top 20 percent of wage earners. And when federal tax deductions are figured in, the gap becomes more pronounced.

The bulk of more affluent Ohioans' state and local tax obligations are in property and income taxes, which are deductible and reduce the amount of *federal* tax these citizens pay. This federal tax break essentially subsidizes these higher-income families' payment of state and local taxes.

Lower- and middle-income families are eligible for, but benefit less, from this deduction. Their state and local tax burden is centered more on sales and excise taxes, which are *not* deductible on their federal returns.

As a result, Ohio taxpayers earning \$65,000 and more the top 20 percent pay between 6.7 percent and 9 percent of their incomes on state and local taxes. Ohioans earning \$41,000 or less the bottom 60 percent pay 10 percent to 11 percent.

State tax changes made during the past dozen years have served only to widen the gap, with middle- and lower-income groups experiencing the highest increases in state and local tax burdens measured as a percentage of income. Ohio's tax system is not the most regressive among the states, but it's nothing to brag about. "Fairness" is not one of its prominent features.

What's plain is that working-class Ohioans shoulder their fair share and more of the state and local tax burden and Gov. Taft should take

[Does Ohio welfare trap people in poverty?](#)

[Nazi codes broken with help from Dayton](#)

Survival Guide

Guide to higher education

Gaming Guide, How to Play and Where to Stay

Get Free Travel Information

See what's happening downtown

Forecast: Valley features sponsored by Dayton Metro Library

Continuing Education Opportunities

Our take on health care

Area's most wanted criminals

that into account as he assesses his options for balancing the budget.

[From the Dayton Daily News: 01.13.2003]

[Home](#) | [Opinion index](#) | [Mike Peters cartoons](#)

[Help](#) | [Get newspaper home delivery](#)

---

Copyright © 2003, Cox Ohio Publishing. All rights reserved.  
By using DaytonDailyNews.com, you accept the terms of our [visitor agreement](#).