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Tax & Budget

Weak review:

Tax Expenditure Review Committee should balance tax breaks against Ohio's needs

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The 2018 review of tax breaks

The state pays for public services through the budget and subsidizes interests both broad and narrow through the tax code, in tax breaks, known in the budget world as "tax expenditures." Ohio's lawmakers watch the budget carefully, but they have not done a specific review of tax expenditures before this year. In this policy brief, Policy Matters Ohio examines the initial activities of the new Tax Expenditure Review Committee and finds the first round of hearings far less rigorous than other key elements of budgetary review. The committee needs to take a more determined approach to fully understand the billions of dollars Ohio spends annually on tax breaks. It needs to carefully scrutinize them, identify inefficiencies, and recommend guard rails for some tax breaks and repeal of others. We conclude with recommendations to improve oversight.

What are tax expenditures?

Tax expenditures lower tax liability for a person, business or other entity. They represent revenue forgone, taxpayer dollars the state could take in but has decided not to. The State of Ohio has 129 tax expenditures representing $9 billion in forgone annual revenue to the state alone, as well over a billion dollars in revenues forgone by local governments that levy a sales tax on the state base.

Tax expenditures are commonly known as tax breaks. Some help most people (like exempting sales tax on prescription drugs); some help certain groups (exempting sales tax on prosthetic devices), and some lower costs for certain entities (exempting sales tax on purchases by schools and local governments). The greatest share of Ohio's tax breaks goes to private companies. In 2019, 66 percent ($6.2 billion) of Ohio's $9.4 billion in tax breaks will benefit business and economic development.[1] There are many tax breaks for private companies, each with a different reason, use and impact.

Like most states, Ohio reports regularly on tax breaks but unlike many states, Ohio legislators did not – until last year – have a specific mechanism to review them to make sure they are used as intended and remain necessary for the state's people. Once enacted, Ohio's tax breaks have stayed on the books and grown over time.

Review of tax expenditures

In December 2016, Ohio's General Assembly voted unanimously in House Bill 9 to create a permanent Tax Expenditure Review Committee to review each tax break once every eight years and recommend continuation, modification, repeal or further review. The committee is to issue a report on their recommendations on the items they have reviewed by July 1 of even-numbered years, so its first report is due by July 1.

In state fiscal year 2018, its first year of operation, Ohio's new Tax Expenditure Review Committee reviewed 15 sales-tax breaks with an estimated $5.5 billion worth of revenues forgone to state and local government in 2018 and $5.7 billion in 2019. Their growth outpaces the rest of the economy: the projected 3.3 percent rate of growth

[1] Wendy Patton and Zach Schiller, Ohio's Tax Breaks are Ready for Review, Policy Matters Ohio, September 2017 at https://www.policymattersohio.org/files/research/9-21-2017taxexpendchartbook.pdf. Here as elsewhere in this report, years are fiscal years beginning July 1 unless otherwise stated.

in these 15 tax breaks in 2019 over 2018 will be higher than inflation.[2] (Appendix Tables A and B break out the impact by level of government, state or local; Table 1 below includes both).

Table 1

Total value of state and local sales tax exemptions reviewed by the Tax Expenditure Review Committee in 2018 (millions of dollars)

Tax Expenditure	2018	2019	% change	Proponent testimony
Sales to churches and other non-profits	$756.1	$789.9	4.5%	N
Sales to state and subdivisions of the state	$148.7	$148.7	0.0%	N
Sales by churches and other non-profits	$58.8	$61.8	5.1%	N
Sales of TPP and materials used in manufacturing*	$2,752.3	$2,862.5	4.0%	Y
Sales of TPP and materials used in packaging*	$317.7	$329.6	3.7%	Y
Sales of TPP for electricity providers	$363.9	$372.7	2.4%	N
Sales of TPP used in agriculture and mining*	$482.7	$489.2	1.3%	YY
Sales of agricultural tile and portable bins	$1.4	$1.4	0.0%	Y
Materials and equipment used in production of printed materials*	$12.2	$12.3	0.8%	N
Sales of TPP used in storing, preparing and serving food	$50.9	$52.5	3.1%	N
Sales of TPP for use in egg production	$4.7	$4.8	2.1%	Y
Sales of building and construction materials for certain structures	$265.2	$266.8	0.6%	N
Sales of TPP for public utility services*	$144.8	$144.8	0.0%	N
Parts and labor on repair of product under warranty	$64.9	$65.4	0.8%	N
Sales of motor vehicles used in other states	$64.1	$65.3	1.9%	Y
Total value of tax exemptions by the TERC in 2018	$5,488.4	$5,667.7	3.3%	-----

Source: Policy Matters Ohio, based on Tax Dept. state revenue estimates provided to the Tax Expenditure Review Committee on April 11, 25th and May 9, 2018, and Ohio Legislative Service Commission local revenue estimates presented in testimony to the committee on April 11, 2018 and via memo, April 25, 2018. Estimates marked with an asterisk are from last year's tax expenditure report; others are updated projections for next year's report; these estimates may change before final publication next year. Estimates for impact in FY 2020 and 2021, not shown here, were provided for updated items. State estimates for the agriculture and mining exemption are taken from the Tax Dept. memos but local government estimates are from LSC memo "Estimated fiscal costs" (5/8/18) which combines agricultural and mining tax breaks. Note that the mining exemption as well as the agricultural exemption received proponent testimony; that is why there are two "Ys" in that cell. TPP means 'Tangible personal property;' the definition of which for the sales tax is available https://www.tax.ohio.gov/sales_and_use/information_releases/st200306.aspx

The Tax Expenditure Review Committee held three hearings on 15 sales-tax breaks. The committee was not funded: it had no dedicated staff nor did it contract for legal, accounting or economic expertise. The Department of Taxation provided brief descriptions of each item, estimated forgone state revenue and any departmental and court guidance that might exist, and the Legislative Service Commission (LSC) provided summary information on founding statutes and revenues forgone to local government. Notices for committee hearings invited stakeholders to provide testimony and address criteria outlined in the statute. No witnesses came forward to explain the need for eight of the 15 tax expenditures under review.

The committee asked the National Council of State Legislatures (NCSL) to compare the 15 items under consideration with treatment in five neighboring states (Indiana, Kentucky, Michigan, Pennsylvania and West Virginia). The memo revealed that neighboring states have narrower exemptions than Ohio in several of the categories examined. For example, a number of neighboring states have narrower exemptions in sales to and by churches and non-profits and for sales to electricity providers and public utilities. Most have no exemption for taxing building and construction materials. Several do not have separate exemptions for tangible personal property used in food preparation, storing and serving.

[2] The Ohio Legislative Service Commission's June 2017 forecast for Ohio projected the FY 2019 Consumer Price Index rise for all urban consumers would be 1.9 percent.

Criteria for evaluation of tax breaks in H.B. 9 (Ohio Revised Code 5703.95 (E) (1-10):

(1) The number and classes of persons, organizations, businesses, or types of industries that would receive the direct benefit or consequences of the tax expenditure;

(2) The fiscal impact of the tax expenditure on state and local taxing authorities, including any past fiscal effects and expected future fiscal impacts of the tax expenditure in the following eight-year period;

(3) Public policy objectives that might support the tax expenditure. In researching such objectives, the committee may consider the expenditure's legislative history, the tax expenditure's sponsor's intent in proposing the tax expenditure, or the extent to which the tax expenditure encourages or would encourage business growth or relocation into the state, promotes or would promote growth or retention of high-wage jobs in the state, or aids or would aid community stabilization.

(4) Whether the tax expenditure successfully accomplishes any of the objectives identified in division (E)(3) of this section;

(5) Whether the objectives identified in division (E)(3) of this section would or could have been accomplished successfully in the absence of the tax expenditure or with less cost to the state or local governments;

(6) Whether the objectives identified in division (E)(3) of this section could have been accomplished successfully through a program that requires legislative appropriations for funding;

(7) The extent to which the tax expenditure may provide unintended benefits to an individual, organization, or industry other than those the general assembly or sponsor intended or creates an unfair competitive advantage for its recipient with respect to other businesses in the state;

(8) The extent to which terminating the tax expenditure may have negative effects on taxpayers that currently benefit from the tax expenditure;

(9) The extent to which terminating the tax expenditure may have negative or positive effects on the state's employment and economy;

(10) The feasibility of modifying the tax expenditure to provide for adjustment or recapture of the proceeds of the tax expenditure if the objectives of the tax expenditure are not fulfilled by the recipient of the tax

The Tax Expenditure Review Committee wrapped up its 2018 oversight of $5.5 billion in tax expenditures in three sessions of about an hour each.

While the committee complied with the law, its review has not yet provided to the public complete - or, in many cases, any - answers to the criteria for review suggested in the statute.

Scrutiny of budgetary spending is far more rigorous. The Joint Medicaid Oversight Commission (JMOC), with oversight of almost $8 billion in annual state taxpayer and provider funds, meets monthly, has a budget of

$840,000, a staff of two and contracts with accountants and actuaries.[3] The Joint Education Oversight Committee (JEOC), with oversight of $9.8 billion in state taxpayer funds, has a staff of three and a budget of $350,000 a year.[4]

To meet the promise of the Tax Expenditure Review Committee and provide careful oversight of Ohio's $9 billion in annual tax breaks, it should operate like budget oversight committees and obtain the resources to do so.

A number of witnesses asked the committee to evaluate spending through the tax code in the context of pressing needs for funding through the budget.

Mark Donaghy, Chief Executive Officer of the Greater Dayton Regional Transit Authority, testified that lower state funding and declining sales-tax revenues that resulted from recent state action contributed to service cuts and increased fares for riders, the majority of whom use the bus to commute to work. He asked the committee for a detailed evaluation of each tax break, including adverse effects on public services. He warned that diverting revenue from services to tax breaks could weaken the Ohio economy.

Jon Honeck, of the County Commissioners Association of Ohio, testified that the sales tax is the main source of revenue for counties, which play a major role in providing human services and infrastructure. The sales tax has also become the primary funding source for state services. "The state should do everything possible to avoid further erosion of the tax base due to policy decisions that create additional exemptions or carve outs," he said. "Existing tax breaks should be critically examined to understand whether they are still crucial given the recent evolution of state and federal tax policy."

Gloria Aron, speaking on behalf of Northern Ohioans for Budget Legislation Equality (NOBLE) asked the committee to consider each tax break in the context of underfunded but badly needed services in the community. "How critical is that spending [on tax breaks] compared to support for protective services for neglected and abused elderly, community-based services for these same seniors or kinship care for children affected by the opioid crisis?" she asked. "How critical is that spending compared to access to mental health services, a fair and adequately funded public education and affordable child care services for working parents?"

Recommendations

Ohio has 129 tax breaks across nine different taxes totaling $9 billion in 2018. They will grow by an estimated 8.3 percent between the two-year, 2016-17 budget period and the current budget period, faster than inflation.[5] Ohio's needs are growing. State funding is not keeping pace. The Tax Expenditure Review Committee should eliminate, narrow, and tighten guardrails on as many tax breaks as possible to free up resources for needs, like those addressed in the testimony cited above. Specific recommendations to facilitate careful scrutiny are listed below.

[3] Ohio Legislative Service Commission Greenbook for the Joint Medicaid Oversight Committee, House Bill 49, at https://www.lsc.ohio.gov/documents/budget/132/MainOperating/greenbook/JMO.PDF
[4] Ohio Legislative Service Commission, Greenbook for the Joint Education Oversight Committee, House Bill 49, at https://www.lsc.ohio.gov/documents/budget/132/MainOperating/greenbook/JEO.PDF
[5] Patton, Wendy, "Ohio's Tax Breaks are Ready for Review," Policy Matters Ohio, September 27, 2017 at https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/ohios-tax-breaks-are-ready-for-review

More information, in advance of the hearings: House Bill 9 provided for the Tax Expenditure Review Committee to direct the LSC in assisting it. Given the enormous size, long history and complexity of the 15 sales-tax expenditures reviewed in the first year, a thorough analysis should have been requested from LSC and provided in advance to the public. While the LSC provided a cursory legislative history of each tax break at the April 11 hearing, publication of an in-depth evaluation of each tax expenditure prior to April 11 would have made for a more effective hearing. In the future, substantive evaluations of each item under consideration should be posted at least a week prior to a hearing.

Fund staff and expertise for evaluation: The General Assembly should amend House Bill 9 to provide funding at a level comparable to that of JMOC and JEOC for the evaluation and oversight of tax expenditures. The LSC should hire experienced staff to assist the committee. That staff should be funded, like JMOC, to contract with outside experts as necessary to ensure adequate oversight.

Understand who benefits from each tax break: Understanding each tax expenditure should begin with data on how many entities are benefiting from it. Ohio's Department of Taxation does not collect such information on the 15 exemptions considered to-date but it could: other states do.[6] The committee should recommend a change in the statute to require the Taxation Department to develop data on the number of entities receiving exemptions, or to estimate the number, in limited cases.

Know the purpose of each tax break: While the LSC has said that it is unable to state why a tax exemption was enacted, or the extent to which it is meeting its original intent, that does not remove the need to examine those questions. Every tax expenditure should have a specific, known, valid purpose or it should not exist. The committee should adopt a mechanism for determining the explicit purpose and if one cannot be ascertained, it should recommend elimination.

Evaluate whether the tax break is still needed and effective for the original purpose: The statute allows committee members to evaluate the success of the tax expenditure in meeting policy objectives. This requires identifying the original purpose.
A related criterion recommends evaluating whether each tax break successfully changes business behavior, as opposed to rewarding what companies would have done anyway. This is at the heart of the evaluation and also requires understanding original purpose.

Define good corporate behavior: Document, where feasible, wage levels and compliance with state law of entities benefitting from each tax break. The state should also take other steps to determine whether tax breaks are benefitting Ohioans. Companies should have to disclose major layoffs, as already required in WARN notices;[7] should disclose production shifts to foreign locations; should explain whether their employees were made eligible for Trade Adjustment Assistance; and should describe impact on all affected communities if an operation benefitting from a tax break is moved from one Ohio site to another. In examining whether a tax break "promotes or would promote growth or retention of high-wage jobs in the state," one of the factors permitted under the law,

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[6] For example, California's tax expenditure report disclosed that 8,099 returns in 2015-16 claimed its sales and use tax exemption for manufacturing and research and development equipment and leases. Texas requires an incidence study of each tax break, which allows lawmakers and the public to understand the income levels of beneficiaries for major tax breaks, and how tax breaks impact various sectors.

[7] The Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act") is a US labor law which protects employees, their families, and communities by requiring most employers with 100 or more employees to provide 60 calendar-day advance notification of plant closings and mass layoffs of employees. Ohio's WARN notice website can be accessed here: http://jfs.ohio.gov/warn/current.stm

the committee should request data on wage levels, with data on management and non-management workers presented separately, to determine whether non-management workers are paid enough that they and their family members do not need public benefits such as Medicaid and food aid.

Incentivize good behavior: In considering possible modifications, the committee should consider whether guard rails should be added to ensure that recipients are paying taxes, complying with state laws and providing information that allows for appropriate review of the tax break.[8]

Evaluate tax breaks that are broader than neighboring states for reduction, narrowing or addition of guardrails. Some of Ohio's largest sales-tax breaks are broader than in some neighboring states, carve out special and extended exemptions for specific industries, or cover items taxed in other states: notably the sales-tax exemption for churches and non-profits on tangible personal property sales used in electricity production or by public utilities, on building and construction materials for certain structures, on parts and labor on repairs conducted under warranties (the "goodwill" exemption) and on sales of tangible personal property used for food storing, preparing and serving.[9]

Give county-by-county impact of state tax breaks: LSC estimated that counties and transit authorities lost nearly $1.1 billion in 2018 for the 15 sales-tax breaks. The committee should ask the Department of Taxation to break down the impact of each sales-tax exemption by county and transit agency. Residents and local officials should have a clear understanding of how state tax breaks affect local budgets. The sales-tax base is the single most important source of funding for county general revenue funds and the sole dedicated source of funding for many of Ohio's largest transit agencies.[10] Yet the sales-tax base is stagnant or declining in real terms over time.[11] Existing and new tax breaks are contributing to a loss of public services that benefit all people, not just special interests.

Changes to specific tax expenditures

Although the final report on tax expenditures for 2018 has not yet been released, it appears the committee is not delving deeply into the 15 sales-tax expenditures it initially selected for review. While business representatives in some instances testified that they were important to them, we lack basic information on many of the evaluation factors spelled out in the law. Some of the 15, such as the exemption for agricultural land tiles and portable grain bins, represent a broadening of previous exemptions. Others, like the exemptions covering sales of tangible personal property used in storing, preparing and serving food and used in production of printed materials, overlap with the manufacturing exemption. We need to better understand their history.

Most importantly, the committee should refuse to recommend continuation of these 15 tax breaks without modification before it has engaged in a more extensive investigation and fully explored them.

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[8] In Virginia, for instance, the law that established the sales-tax exemption for nonprofit organizations required, among other things, that they be in compliance with state solicitation laws, have administrative costs that do not exceed 40 percent of annual gross receipts, and provide an estimate for their total taxable purchases.

[9] See Brainerd, Jackson and Savannah Gore, National Conference of State Legislatures, NCSL Memo to Sen. Scott Oelslager on Regional Comparison of Select Sales & Use Tax Exemptions, May 8, 2018, at http://www.ohiosenate.gov/committees/tax-expenditure-review/document-archive. There is significant variation in tax breaks across states. A review of the extremely wide-spread manufacturing tax exemption in the Multistate Tax Commission comparisons, for example, reveals significant variation state to state, with some states extending the exemption to a narrower base than Ohio's; some giving only a partial exemption, and a small number with no such exemption at all.

[10] Donaghy, Mark, testimony to the Tax Expenditure Review Committee, May 9, 2018 and Jon Honeck, County Commissioners Association of Ohio, testimony to the Tax Expenditure Review Committee, May 9, 2018, http://www.ohiosenate.gov/committees/tax-expenditure-review/document-archive

[11] Jon Honeck, Op.Cit..

As noted above, it should also reject continuation of the eight tax expenditures on which no supporting testimony was given, at least until some explanation is provided for why these expenditures merit it.

Specific questions about several other exemptions should be addressed before continuation is granted:

Sales of tangible personal property to electricity providers. This tax break was established in 2000 in connection with an overhaul of Ohio's regulation of the electricity market. In light of the major upheaval and possible changes in that industry, this tax expenditure should be scheduled for future review.

Sales-tax exemption for egg production: While some neighboring states have tax exemptions relating to agriculture generally and even to raising poultry specifically, none has the tax break for egg production that Ohio has. It benefits an industry in which some major companies have exploited workers and harmed communities in the past: one used contractors linked to human trafficking while another polluted Ohio waters. There is no reason this industry, particularly with its troublesome behavior, should qualify for special tax treatment compared to all other agricultural businesses, which benefit from the agriculture exemption.

Sales-tax exemption on parts and labor under warranty: The premise is that sales tax is paid on the warranty itself when it is purchased by a consumer and if a dealer provides repairs beyond the period of the warranty for the purposes of goodwill, parts and labor continue to be exempted from the state sales tax. The Tax Expenditure Review Committee should examine more closely whether this exemption, and especially the "goodwill" extension, make sense in Ohio's economy.

Sales-tax exemption for construction materials used in certain buildings: Ohio's exemption goes to building materials used in structures for public entities; religious, charitable, and not-for profit entities; structures for horticultural purposes; certain sports facilities and convention centers; scientific and technical entities; private schools and privatized transportation facilities; performance centers; hospitals and health care providers. It grows as times and tastes change: In 2011 it was expanded to cover structures for captive deer, horses and fish farming. The list of entities qualifying for building material exemptions is large and growing, and the tax break is one of the state's top 20 in terms of size. Yet the NCSL analysis found no neighboring state has a comparable tax break, except for a much more limited one in Pennsylvania covering sales of construction materials used to facilitate public utility services. In light of this disparity, the greatest of any in the NCSL analysis, the committee should consider a recommendation to narrow this tax expenditure.

Simply close the LLC loophole. One testimony to the Tax Expenditure Review Committee pointed out there is urgent need to review the second-largest tax break in the budget: The tax break for business income under the personal income tax for owners of S Corporations, limited liability companies and many other companies.[12] "There is something terribly wrong when people with far more resources than I have pay no taxes on the first $250,000 of their income if it is classified as coming from an LLC," noted one speaker at the May 9 public hearing.

Broader action on tax breaks

[12] See "The $1 billion tax break burning a hole in Ohio's budget," Policy Matters Ohio, May 22, 2017, at https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/the-1-billion-tax-break-burning-a-hole-in-ohios-budget and "Budget Bite: Scrap the 'passthrough' tax break, Feb. 22, 2017, at https://www.policymattersohio.org/research-policy/quality-ohio/revenue-budget/budget-policy/budget-bite-scrap-the-passthrough-tax-break

The Tax Expenditure Review Committee has a set of tasks outlined in statute, but the General Assembly can take broader action during the budget process and in additional legislation. Witnesses offered the following recommendations for such actions to the Tax Expenditure Review Committee:

Set a specific goal for cuts in tax expenditures during a series of years to gain meaningful reductions in this $9 billion budget item.

When you cut spending, cut tax breaks as well: Spending is spending whether it is through the tax code or the budget; tax expenditures should not be off limits when spending must be cut. The committee should make recommendations on how to best accomplish such cuts.

Include tax expenditures as an aggregate budget item: Tax breaks should be treated to the same scrutiny and debate as budgetary spending, and in the same context: the budget process.

Sunset each tax break. The General Assembly must act to re-enact each tax break, or it expires after its review date.

Use the review of tax incentives as a starting point for a unified economic development budget: We still lack a full accounting of the state's investments and policies promoting economic development. These range from grants and loans to road-building and electricity discounts. All of these should be brought together in a unified economic development budget so the public and lawmakers can understand what is working and what is not. A biennial review of business tax incentives could be the starting point for better accounting and oversight of the enormous spending in tax incentives and other payments to private companies.

Summary and conclusion

The state has cut funding for libraries and local governments and underfunded early childhood education, public transit and other services relative to need. Yet tax expenditures – which have every bit as much impact on the state budget – have continued to grow and proliferate. The Tax Expenditure Review Committee is in an enviable position, with authority to ensure spending through the tax code is tightly controlled and well spent in the interest of the state. The recommendations included in this report, drawn from testimony provided in the three brief hearings, highlight improvements that need to be made.

Beyond a review of specific tax expenditures, the Tax Expenditure Review Committee should look to cut back on tax breaks. As the tax counsel to the Ohio Manufacturers' Association told the 2020 Tax Policy Commission two years ago, "To preserve the integrity of the broad tax base and ensure fairness, credits and exemptions should be reduced and discouraged."

APPENDIX

Policy Matters Ohio

Appendix Table A Total value of state sales tax exemptions reviewed by the Tax Expenditure Review Committee in 2018 (millions of dollars)				
	Tax expenditure	2018	2019	% change
1.01	Sales to churches and other non-profits	$609.1	$639.4	5.0%
1.02	Sales to state and subdivisions of the state	$118.6	$118.6	0.0%
1.03	Sales by churches and other non-profits	$47.6	$50.1	5.3%
1.04	Sales of TPP(1) and materials used in manufacturing*	$2,210.7	$2,299.0	4.0%
1.05	Sales of TPP and materials used in packaging*	$255.2	$264.7	3.7%
1.06	Sales of TPP for electricity providers	$279.8	$285.3	2.0%
1.07	Sales of TPP used in agriculture	$310.3	$313.6	1.1%
1.07(2)	Sales of TPP used in mining	$73.3	$74.3	1.4%
1.08	Sales of agricultural tile and portable bins	$1.1	$1.1	0.0%
1.09	Materials and equipment used in production of printed materials*	$9.8	$9.9	1.0%
1.10	Sales of TPP used in storing, preparing and serving food	$42.6	$44.0	3.3%
1.11	Sales of TPP for use in egg production	$3.9	$4.0	2.6%
1.12	Sales of building and construction materials for certain structures	$209.6	$209.8	0.1%
1.13	Sales of TPP for public utility services*	$116.3	$116.3	0.0%
1.14	Parts and labor on repair of product under warranty	$52.0	$52.4	0.8%
1.15	Sales of motor vehicles used in other states	$50.5	$51.3	1.6%
	TOTAL	$4,390.4	$4,533.8	3.3%

Source: Policy Matters Ohio, based on Ohio Department of Taxation data provided to the Tax Expenditure Review Committee, April 11, 25th and May 9, 2018. Estimates marked with an asterisk are from last year's tax expenditure report; others are updated projections for next year's report; these estimates may change before final publication next year. Estimates for impact in FY 2020 and 2021, not shown here, were provided for updated items. TPP means 'Tangible personal property,' the definition of which for the sales tax is available at https://www.tax.ohio.gov/sales_and_use/information_releases/st200306.aspx

Appendix Table B Total value of county and transit agency sales tax exemptions reviewed by the Tax Expenditure Review Committee in 2018 (millions of dollars)				
	Tax expenditure	2018	2019	% change
1.01	Exemption on sales to churches and other non-profits	$147.0	$150.5	2.4%
1.02	Exemption on sales to state and subdivisions of the state	$30.1	$30.1	0.0%
1.03	Exemption for sales by churches and other non-profits	$11.2	$11.7	4.5%
1.04	Exemption on TPP and materials used in manufacturing	$541.6	$563.5	4.0%
1.05	Exemption on TPP and materials used in packaging	$62.5	$64.9	3.8%
1.06	Exemption of TPP for electricity providers	$84.1	$87.4	3.9%
1.07&1.07(2)	Exemption of TPP used in agriculture and mining	$99.1	$101.3	2.2%
1.08	Exemption for agricultural tile and portable bins	$0.3	$0.3	0.0%
1.09	Exemption for production of printed materials	$2.4	$2.4	0.0%
1.10	Exemption for TPP used in storing, preparing and serving food	$8.3	$8.5	2.4%
1.11	Exemption for egg production	$0.8	$0.8	0.0%
1.12	Exemption for building and construction materials	$55.6	$57.0	2.5%
1.13	Exemption of TPP for public utility services	$28.5	$28.5	0.0%
1.14	Exemption on parts and labor on products under warranty	$12.9	$13.0	0.8%
1.15	Exemption of sales tax on motor vehicles used in other states	$13.6	$14.0	2.9%
	TOTAL	$1,098.0	$1,133.9	3.3%

Source: Policy Matters Ohio, based on Legislative Service Commission data provided to the Tax Expenditure Review Committee, April 11, 25th and May 9, 2018. Exemptions for tangible personal property (TPP) used in agriculture and mining are combined, as they are in the Tax Dept.'s tax expenditure reports. TPP means 'Tangible personal property,' the definition of which for the sales tax is available at https://www.tax.ohio.gov/sales_and_use/information_releases/st200306.aspx

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