The-Daily-Record.com
Wooster, Ohio

FRIDAY OCTOBER 31, 2003

Search our site: [today] [archive]   Search the Web:
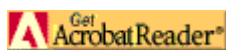
News

Study: Tax abatements benefit wealthier more than lo income areas

By JEFF ORTEGA
Dix Capital Bureau

COLUMBUS - More job creation and private investment associated with Ohio's enterprise zon program have occurred in high-income areas than low-income areas, a new study says.

The enterprise zone program, which lawmakers could consider to renew in the next few years, local governments to define zones where businesses may locate or expand and receive long-ter property tax abatements. Businesses must guarantee a certain number of jobs are created to rec tax incentives.

"This study finds that lower-income (school) districts are slightly more likely to participate in t program, but higher-income districts reap most of the jobs and investment associated with the program," said the study, released by Policy Matters Ohio, a Cleveland-based, non-partisan res organization.

The study controlled for population and other factors and used public districts as the geographi for analysis. "It's become a tool for cities that are hardly distressed," Mark Cassell, the Kent St University assistant professor of political science who conducted the study, said of the enterpris program. "Wealthier communities can now use this program to compete for businesses."

Controlling for race and levels of urbanization, the study found that a "low-income" district, wi average household income of $21,910 annually, is expected to have 14.98 new enterprise zone-jobs and $658,466 in related property investments for every 1,000 residents.

That compares to a so-called "high-income" district, with an average household income of $65, annually, which is expected to have 28.20 new enterprise zone-related jobs and $1.774 million associated property investment per 1,000 residents, the study said. The study also found:

- Districts with a higher percentage of urban residents had less personal property investment as with enterprise zones than districts with lower percentages of urban residents.

- Very high-income districts were likely to receive twice as many new tax-abatement related jo very low-income districts.

- Very high-income districts were likely to receive nearly five times as much tax-abatement rel real property investment as very low-income school districts.

Researchers examined Ohio Department of Development data compiled through economic

City Schools
Amish Heartland

BUCKEYE
BOOK
FAIR

For a grant application
click here.

development directors, tax incentive review councils and the National Center for Education Sta
to compile the study.

The study was funded by the Ohio Urban University Program. State development department o
say they were unaware of the study, but said the enterprise zone program was working as it was
intended.

"I think it's working the way it's been created in the statute," said Carrie Richards Manno, mar
the development department's Office of Tax Incentives.

Manno said the department hasn't done a study similar to Policy Matters Ohio.

Manno said the state has between 355 and 360 enterprise zones in use.

Format for Print   Mail to Friend   Top of Page   Hom