Why the Estate Tax is Good for Ohio

A Report From

Policy Matters Ohio

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Policy Matters Ohio, the publisher of this study, is a nonprofit, nonpartisan research institute dedicated to an economy that works for Ohio. Policy Matters seeks to broaden debate about economic policy by doing research on issues that matter to working people and their families. With better information, we can achieve more just and efficient policies. Areas of inquiry for Policy Matters include work, wages, education, housing, energy, tax and budget policy, and economic development. All reports are available at www.policymattersohio.org.

Executive Summary

The Ohio General Assembly could repeal the estate tax as early as this month. Both the state budget approved by the House and the one currently being considered by the Senate would eliminate it, slashing needed revenue and increasing inequality in Ohio.

Ohio's estate tax is paid by the administrator after someone dies on the transfer of their assets. Estates worth $338,333 or less are effectively exempt from the tax because of a credit. Estates pay a 6 percent rate on amounts over that, and 7 percent on amounts over $500,000—rates no higher than the sales tax in much of Ohio.

Fewer than 8 percent of all Ohio estates pay the tax, so it is a tax on the affluent, not on the middle class. More than three-quarters of the tax is paid by estates worth more than $1 million. The estate tax is one of the few taxes partially offsetting a state and local tax system that falls more heavily on less affluent families.

The estate tax is an important source of revenue for cities, villages and townships across Ohio, which receive four-fifths of the tax (the other fifth goes to the state). In 2010, it produced $230.8 million for local governments, in addition to the $55 million that went to the state's General Revenue Fund. More than 100 communities received at least $400,000 in 2006, 2007 and 2008. While these included affluent places like Upper Arlington and Shaker Heights, they also included towns like Elyria, Springfield, Parma and Findlay. Columbus received at least $6.6 million each year between 2005 and 2009. Jackson Township in Stark County has received at least half a million dollars a year in each of the last 14 years, and is counting on that amount for 17 percent of its general fund receipts this year. Officials in Loveland have said they will have to lay off their four part-time police officers if they lose the $429,833 the city has averaged. Cincinnati, the largest recipient of estate tax revenue at $13 million or more each year, would also have to cut public safety workers if the tax is repealed, according to the mayor and city manager. The lost tax revenue there equates to 247 firefighters or 216 police officers.

Farms and small businesses are not hard hit by the estate tax. Family farms can take advantage of an additional exemption, so that many do not pay estate tax. And hardly any estates with farms or small businesses find themselves in such hardship that they take advantage of the opportunity to avoid paying it for up to 15 years, as permitted under state law.

Nor are large numbers of Ohioans are moving out of state because of the estate tax, any more than the lack of such a tax in Michigan is keeping many residents of that state at home. Summarizing research on this issue in a 2007 paper, Elizabeth McNichol of the Center on Budget and Policy Priorities concluded that "recent research does not support the argument that states should reduce or eliminate their estate or inheritance taxes as an economic development measure designed to attract or retain elderly residents." Joe Honerlaw, trustee of Springfield Township in Hamilton County and a self-described "fiscally conservative Republican" told the

Ohio House Ways & Means Committee in February that in his 27 years as a lawyer he had had many clients write six-figure estate-tax checks in his office. “I have yet to have one client say, ‘I’m leaving Ohio because of the tax,’” he said. According to Mayor Sue Lesch of Norwalk, “the estate tax does not drive people out of my community.”

Ohio’s dollar threshold for levying the estate tax is considerably lower than all other states that levy estate taxes, though some with inheritance taxes, like Indiana, have lower thresholds than Ohio’s tax does. At the same time, the Ohio tax also features lower rates for big estates, as most state estate taxes have graduated rates in which the top rate is 16 percent.

The idea of progressive taxation was supported by Thomas Jefferson and other founding fathers and lies at the heart of our democracy. This tax supports the idea that equal opportunity must be the foundation of economic success, not inheritance of wealth. Ohio’s most affluent residents were able to create their wealth because of the security, education, infrastructure and opportunity that state and local government have provided. Thus, it is reasonable that their estates pay something to maintain those services for those who follow.

Repealing this tax now – or in 2013, as the budget bills stipulate – would hit local governments just when they are reeling from a huge cut in the Local Government Fund and vastly lower reimbursements for lost property taxes. This is especially inappropriate.

No major overhaul of the estate tax is needed. However, if the exemption is increased, the top rate should also be increased to make up for the lost revenue. This could be accomplished by raising the exemption to $700,000, which would cut by more than half the number of estates that pay the tax, and creating a new bracket for the value of estates over $3 million.

The estate tax provides essential funds to local government at a time when other sources of local government support are being cut. It applies to a very small percentage of estates and applies to only a small percentage of the wealth of the estates that are subject to it. It is a fair tax, applied only after the person who earned (or themselves inherited) the wealth has died. We should keep this smart, progressive tax.

Why the Estate Tax is Good for Ohio

Three bills in the Ohio General Assembly – House Bill 3, Senate Bill 90, and House Bill 153 – would repeal Ohio's estate tax. The last of the three, the state budget bill, will be approved by the end of June, and both the version approved by the House and the one currently in the Senate include the repeal in 2013. This report reviews who pays the estate tax and some of the myths that surround it.

Ohio's estate tax is paid by the administrator after someone dies on the transfer of their assets. Estates worth $338,333 or less are effectively exempt from the tax because of a credit. Estates pay a 6 percent rate on amounts over $338,333, and 7 percent on amounts over $500,000. Thus, as *The Akron Beacon Journal* recently pointed out, the tax on an estate of $800,000 would be just $31,000, because tax is paid only on the amount over $338,333, and the 7 percent rate only kicks in above $500,000.[1] Richard Levin, state tax commissioner during the Strickland administration, testified in 2007 that the 7 percent top rate for the tax was "hardly a confiscatory level of taxation. To put this in perspective, Ohio taxpayers in 40 counties face a sales tax rate at least that high when they make a taxable consumer purchase."[2]

Property going to spouses is deductible from the value of the estate, as are funeral expenses, charitable contributions, real estate and income taxes, and unpaid mortgage cost or other debts. So are other outstanding and unpaid claims and costs of administering the estate.

A tax on the affluent

Less than 8 percent of Ohioans' estates wind up paying the estate tax. Table 1 shows the number of deaths each year in Ohio and the number of estates that are liable for any tax. There are consistently more than 100,000 deaths a year, while an average of 7,704 estates a year paid the tax between 2005 and 2009. Thus, this is not a tax on the middle class. It is a tax on the affluent. More than nine out of ten Ohioans will never see what they pass on to their heirs affected by this tax.

Table 1

	Ohio Resident Deaths (calendar year)	Number of Resident Estates (fiscal year)	Estates as a Share of Deaths
2005	109,008	7,515	6.9%
2006	106,381	7,706	7.2%
2007	106,133	7,023	6.6%
2008	109,750	8,271	7.5%
2009	107,268	8,003	7.5%

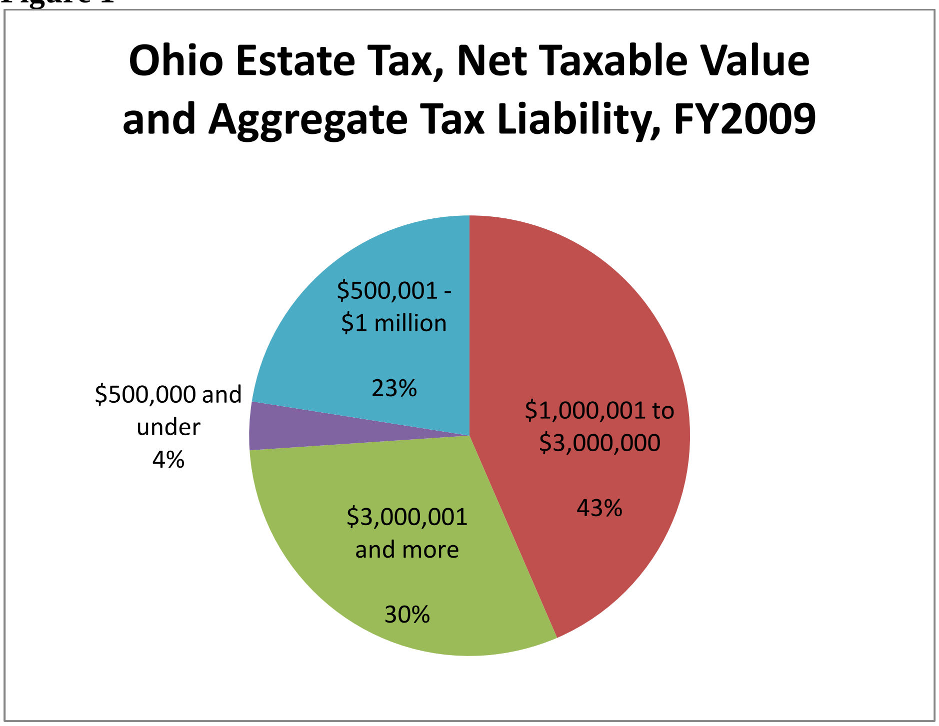
Ohio Department of Health, Centers for Disease Control/National Center for Health Statistics, Ohio Department of Taxation. While the data for deaths is for calendar years and for estate tax finalized is for fiscal years, the numbers change little from year to year, so the share of estates paying the tax remains relatively constant.

[1] *The Akron Beacon Journal*, Editorial, "Progressive for Ohio," Jan. 26, 2011
[2] Testimony of Tax Commissioner Richard Levin, House Bill 3 and House Bill 4, House Ways & Means Committee, April 18, 2007

Most of the tax is paid by large estates. In Fiscal Year 2009, the 2,624 resident estates worth $500,000 and below in value were liable for a total of $12.3 million, or an average of $4,697 per estate. These filers constituted close to a third of the total number, but their liability amounted to only 3.5 percent of total liability for the tax for all estates across the state. Appropriately, estates of the wealthiest Ohioans account for most of estate tax revenue—nearly 74 percent in 2009 came from estates worth over $1 million. Affluent Ohioans have gained the most from the economy in the last generation. Like the rest of the United States, income gains in Ohio have been concentrated among the most affluent. Low-wage and middle-earning Ohio workers saw their earnings decline, after inflation, between 1979 and 2009. But those in the top 10 percent saw an increase of more than 14 percent over that time period.[3] They also have benefited the most from recent state and federal income-tax cuts.[4]

Figure 1 shows the share of the tax liable in 2009 by the size of estate:

Figure 1



Source: Ohio Department of Taxation

[3] Hanauer, Amy, *The State of Working Ohio 2010*, Policy Matters Ohio, p. 16, available at http://www.policymattersohio.org/SOWO2010.htm

[4] See for instance Schiller, Zach, *Report to the Budget Planning & Management Commission*, Policy Matters Ohio, August 2010, p. 5, at http://www.policymattersohio.org/pdf/BPMC2010.pdf Those in the top 1 percent of the income spectrum on average are receiving an income-tax cut of $10,000 a year because of the 2005 Ohio tax overhaul, or 1.2% of their income, compared to $180 or 0.5% for those in the middle fifth of the income scale.

Farms and Small Businesses

There is little reason for an Ohio family to sell a farm or a small business because of the estate tax, or evidence that much of that is taking place.

Farm families can take advantage of an exemption written into Ohio law, the Current Agricultural Use Value, which expressly provides an additional exemption for those using farm property.[5] The estate qualifies for a CAUV deduction if a farm is willed to a blood-related heir and that person is going to farm it for the next four years. The estate can subtract the difference between the CAUV value and the real value up to $500,000, and subtract that from the value of the estate.

According to data from the Ohio Department of Taxation, estates for most farms with a CAUV election have not had to pay the tax in recent years because of this exemption. For deaths in 2009, 371 farm estates filed with this exemption; 203 of these were not liable for any tax. For deaths in 2008, 393 farm estates filed with this exemption, of which 219 did not have to pay any tax. That left 174 that paid the tax in 2008 and 168 in 2009.[6]

Estates have nine months to file a return. A six-month extension is granted automatically (interest begins to accrue after nine months). Taxpayers can also file for an extension to pay the tax. These extensions are available for up to a total of 14 years and 364 days. Seven estates covering deaths in 2009 filed for such extensions, and 11 in 2008.[7] According to the taxation department earlier this year, only about two dozen estates remain open under such extension.

Thus, Ohio permits what amounts to a 15-year extension for payment of the estate tax, with only interest due during that time (the interest rate, set by the tax commissioner, is 1 percent this year). According to the form describing this, one of the suitable reasons for an extension is:

> "A significant portion of the gross estate consists of a farm or a closely held business, and there are not readily available, sufficient funds in the gross estate to pay an estate tax imposed by this chapter and any federal estate tax. For purposes of this division, funds shall not be considered readily available because the farm or closely held business could be sold to persons who are not related by consanguinity or affinity to the decedent, at a price that equals the fair market value of the farm or closely held business."[8]

In short, farm estates are not hard hit by the estate tax, and hardly any estates with farms or small businesses find themselves in such hardship that they take advantage of the opportunity to avoid paying it for up to 15 years.

[5] The Current Agricultural Use Value is calculated based on soil type, crops, acreage, income and other factors, providing the value from agricultural use of the land and not its development potential.
[6] Ohio Department of Taxation, data supplied at request of Policy Matters Ohio
[7] Ohio Department of Taxation, data supplied at request of Policy Matters Ohio
[8] Ohio Department of Taxation, Form ET-41, "Application for Extension of Time to Pay Ohio Estate Tax For Dates of Death on or After July 24, 1986," available at http://tax.ohio.gov/documents/forms/estate/2006/ET_ET41_FI.pdf See also Ohio Revised Code, Section 5731.25(A)(1)(e)

Migration

Large numbers of Ohioans are not heading out of state because of the estate tax any more than the lack of such a tax in Michigan is keeping many residents of that state at home. Summarizing research on this issue in a 2007 paper, Elizabeth McNichol of the Center on Budget and Policy Priorities concluded that “recent research does not support the argument that states should reduce or eliminate their estate or inheritance taxes as an economic development measure designed to attract or retain elderly residents. The number of elderly residents in a state is more likely to be affected by other factors such as climate, the closeness of relatives, the availability of jobs and access to services such as health care than by tax policy.”[9]

One study by Jon Bakija of Williams College and Joel Slemrod of the University of Michigan Business School found “that high state inheritance and estate taxes and sales taxes have statistically significant, but modest, negative impacts on the number of federal estate tax returns filed in a state.” However, they note that, “Our results suggest that migration and other observationally equivalent avoidance activities in response to such a tax would cause revenue losses and deadweight losses, but that these would not be large relative to the revenue raised by the tax.”[10]

Economists Karen Smith Conway of the University of New Hampshire and Jonathan Rork of Vassar said in a study published by the *National Tax Journal* that, “ Our research casts doubt on the view that the elderly react to state (estate, inheritance and gift) tax policies in making their migration decisions. In fact, using three different analyses we find some evidence that the causality may instead run in the other direction – states that experience high elderly in-migration may be more likely to subsequently eliminate or reduce their incremental EIG taxes.”[11]

Several local-government officials testifying in February before the House Ways & Means Committee on House Bill 3, a bill that would repeal the Ohio estate tax, said that residents were not leaving because of the estate tax. Joe Honerlaw, trustee of Springfield Township in Hamilton County and a self-described “fiscally conservative Republican” told the committee that in his 27 years as a lawyer he had had many clients write six-figure estate-tax checks in his office. “I have yet to have one client say, ‘I’m leaving Ohio because of the tax,’” he said. According to Mayor Sue Lesch of Norwalk, “the estate tax does not drive people out of my community.”[12]

Estate and inheritance taxes in other states

Twenty-two states and the District of Columbia states levy estate or inheritance taxes, including three of Ohio’s neighbors, Indiana, Kentucky and Pennsylvania (those three states have inheritance taxes, paid by the beneficiaries). Kentucky’s tax doesn’t apply to immediate relatives or grandchildren; other relatives pay according to a graduated rate schedule that tops out

[9] McNichol, Elizabeth, Center on Budget and Policy Priorities, “Research Findings Cast Doubt on Argument that Estate Taxes Harm State Economies,” Jan. 9, 2007.
[10] Bakija, Jon and Joel Slemrod, “Do the Rich Flee from High State Taxes? Evidence from Federal Estate Tax Returns”. NBER Working Paper No. 10645, July 2004
[11] Conway, Karen Smith and Jonathan C. Rork, “State ‘Death’ Taxes and Elderly Migration — The Chicken or the Egg?” National Tax Journal, Volume LIX, No. 1, March 2006
[12] Testimony of Mayor Sue Lesch, City of Norwalk, Ohio, House Ways & Means Committee, Feb. 9, 2011

at 16 percent on amounts over $200,000. As with inheritance taxes in other states, the rate in Pennsylvania differs dramatically depending on who is inheriting the property. There is no general exemption, apart from a $3,500 family exemption on certain types of transfers, and the rate is 4.5 percent for immediate relatives, including grandparents; 12 percent for siblings and 15 percent for others. Indiana has a $100,000 exemption for immediate relatives, including grandparents and lineal descendants. Rates for this group increase with the value of the property being inherited, so the top bracket covering property over $1.5 million is taxed at a 10 percent rate.

Collections in these states vary; in 2008, Pennsylvania collected $803.4 million, Indiana $165.6 million, and Kentucky, $51 million, compared to Ohio's $256 million.[13] Relative to state population, inheritance taxes in Pennsylvania and Indiana bring in more than the estate tax does in Ohio, while the tax in Kentucky brings in less. While some states have phased out their estate taxes recently, others such as Delaware, Illinois and Hawaii have reinstated them.
Ohio's dollar threshold for levying the estate tax is considerably lower than all other states that levy estate taxes, though some with inheritance taxes, like Indiana, have lower thresholds than Ohio's tax does. States with such taxes also have higher rates than Ohio does on estates or inheritance of large amounts.[14] Most states with estate taxes use a rate schedule with lower rates than Ohio's on estates up to $1.54 million, but much higher rates on larger estates; under the most common tax schedule, the value over $5.04 million is taxed at 12 percent, and the value over $10.04 million, 16 percent.[15]

Local governments and the estate tax
Eighty percent of the Ohio estate tax is distributed to the municipality or township where the person lived. Table 2 shows the amount of estate tax revenue in each of the last five years and how much went to the state and local governments, respectively:

Table 2

Estate Tax Revenue in Ohio and Where it Goes (in millions)

Fiscal Year	Local governments	State General Revenue Fund	Total
2006	$218.6	$54.1	$272.7
2007	$287.3	$72.1	$359.4
2008	$255.7	$61.4	$317.1
2009	$269.4	$64.4	$333.8
2010	$230.8	$55.0	$285.8

Source: Ohio Department of Taxation

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[13] McNichol, Elizabeth, Center on Budget and Policy Priorities, "Stalled Estate Tax Proposal Could Threaten State Revenues that Support Education, Public Safety and Other Key Services," May 20, 2010 http://www.cbpp.org/cms/index.cfm?fa=view&id=3185 Figures for Indiana, Kentucky and Pennsylvania are for fiscal years. Ohio's is for calendar 2008. In FY2008, Ohio reported $317.1 million.
[14] See About.com, State Inheritance Tax Chart, available at http://wills.about.com/od/stateestatetaxes/a/inheritancetaxchart.htm, and state web sites
[15] Based on information from state web sites on their estate taxes.

The estate tax constitutes an important source of revenue for municipalities across the state. Altogether, 235 out of 251 cities, 289 out of 689 villages and 962 out of 1,308 townships received estate tax in 2009, scattered across every county in Ohio. More than 100 communities received at least $400,000 in 2006, 2007 and 2008. While these included affluent places like Upper Arlington and Shaker Heights, they also included towns such as Elyria, Springfield, Parma and Findlay.

The City of Springfield, for instance, has received at least $650,000 each year for at least the last six years, and is anticipating $900,000 this year for estate tax revenue out of overall general fund revenue of $37 million.[16] Jackson Township in Stark County has received at least half a million dollars a year in each of the last 14 years, and is counting on that amount for 17 percent of its general fund receipts this year.[17] In Green Township in Hamilton County, the estate tax has consistently accounted for 40 percent of the general fund over the past decade. These localities depend on the estate tax as a regular part of their budgets.[18]

Communities in Hamilton County, in particular, benefit from the estate tax; altogether, municipalities there received $44.9 million in 2009, with nine receiving at least $1 million. The county received almost 20 percent of the state total and nearly half as much as Cuyahoga County, the next largest recipient, where townships and municipalities got $30.5 million.[19]

The City of Loveland has received an average of $429,833 per year in estate tax revenue over the last seven years, making up 7.26 percent of General Fund revenue. According to City Manager Tom Carroll, repeal of the tax would mean layoffs, including police. “Given all the steps we have already taken to cut costs, there is no place left to go given the fiscal impact of HB 3,” he told the House Ways & Means Committee. Loveland would start by eliminating the jobs of its four part-time police officers.[20]

Mayor Lesch noted that the $200,000 a year Norwalk has averaged over the past decade equals three police or firefighters. “Where can I find those dollars?” she asked. “If we lost this funding, where will we find the money to support our safety forces and other services?”[21]

Columbus averaged $7.9 million a year between 2005 and 2009, with at least $6.6 million each year; Akron, $4.0 million, with at least $3.2 million a year. Cincinnati depends on the estate tax for $13 million or more in revenue, year in, year out; in 2009, it received $17 million. In a February letter to then-chairman of the House Ways & Means Committee Peter Stautberg, Cincinnati Mayor Mark Mallory and City Manager Milton Dohoney Jr. said that eliminating the tax “would create a significant financial burden not only for Cincinnati, but also for many Ohio villages, cities and townships.”

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[16] Conversation with Jim Bodenmiller, Springfield City Manager, Jan. 11, 2011

[17] Email from Randy Gonzalez, Fiscal Officer, Jackson Township, Jan. 26, 2011

[18] Conversation with Kevin T. Celarek, Green Township Administrator, Jan. 26, 2011

[19] Ohio Department of Taxation, Tax Data Series, Estate Tax, Estate Tax Distributions to all Governmental Units for Settlement Periods during Calendar Year 2009, see http://tax.ohio.gov/divisions/tax_analysis/tax_data_series/estate/et1/ET1CY09.stm

[20] Testimony of Thomas M. Carroll, Loveland City Manager, Opposed to House Bill 3- Repeal of Ohio Estate Tax, Ohio Ways & Means Committee, February 9, 2011

[21] Testimony of Mayor Sue Lesch, City of Norwalk, Ohio, House Ways & Means Committee, Feb. 9, 2011

"If the Estate Tax is repealed, creating a $13.2 million hold in our budget, we would have little choice but to turn to public safety to close the gap," they wrote. "The potential loss of the Estate Tax revenue of $13.2 million equates to 247 Fire Fighters losing their jobs out of 817 Fire Fighters or 216 Police Officers losing their jobs out of 1,071 Police Officers. Either of those cuts, or some combination of them, would have a devastating impact on the public safety of our community."[22]

How the estate tax fits into Ohio's tax system

The estate tax makes Ohio's tax system fairer. Lower- and middle-income Ohioans pay a greater share of their income in state and local taxes than more affluent Ohioans do. According to the Institute on Taxation and Economic Policy, Ohioans in the top 1 percent of the income spectrum pay an average of 7.8 percent of their income in state and local taxes. By contrast, the fifth of Ohio families in the middle on average pay 11.0 percent.[23] The estate tax is one of the few taxes partially offsetting a tax system that falls more heavily on less affluent families. Repeal of the Ohio estate tax would accentuate income inequality, greater now than at any time since the 1920s.

Opponents of the estate tax argue that it is double taxation because income tax already has been paid on the assets being taxed. However, as the Center on Budget and Policy Priorities points out, much of the estates being taxed has not been subject to the income tax: **"**Income taxes on the appreciation of assets, such as real estate or an art collection, are paid only when the asset is sold. Therefore, the increase in the value of an asset is never subject to income tax if the asset is held until a person dies."[24]

The idea of progressive taxation was supported by Thomas Jefferson and other founding fathers. *The Plain Dealer* reported earlier this year in an item examining Benjamin Franklin's likely position on the estate tax, which didn't yet exist, that "biographers, historians and even Franklin's own writings suggest pretty clearly that it was a concept he would have supported."[25] This tax does not cut against hard work; on the contrary, it lies at the heart of our democracy and the idea that equal opportunity must be the foundation of economic success, not inheritance of wealth.

Bill Gates Sr. provides another important argument for the continuation of Ohio's estate tax, though he was writing about the federal estate tax:

> "A common, and misguided, criticism of the estate tax is that individuals who work hard and save their money should be entitled to pass on the fruits of that labor to their family. I am not against working hard, saving money, or taking care of your family.

[22] Mallory, Mark and Milton Dohoney, Jr, Letter to the Hon. Peter Stautberg, Feb. 7, 2011

[23] Institute on Taxation and Economic Policy, "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States," November 2009, available at http://www.policymattersohio.org/WhoPays2009.htm

[24] Center on Budget and Policy Priorities, "The Estate Tax: Myths and Realities," Feb. 23, 2009, available at http://www.cbpp.org/files/estatetaxmyths.pdf

[25] *The Plain Dealer*, "Rep. Jay Hottinger's assessment of this Founding Father Unfounded" at http://www.politifact.com/ohio/statements/2011/jan/21/jay-hottinger/rep-jay-hottingers-assessment-founding-father-unfo/

> "However we must acknowledge that the person who accumulates wealth in this country was not able to do that independently. The simple fact of living in America, a country with stable markets and unparalleled opportunity fueled in part by government investment in technology and research (something my family has plenty of firsthand experience of), provide an irreplaceable foundation for success and have created a society which makes it possible for some men, women and their children to live an elegant life.
>
> "I attended the University of Washington under the G.I. Bill, and then became a lawyer enjoying a successful career that allowed me to provide well for my family so that they in turn were able to create their own wealth. So I believe that those of us who have benefited so greatly from our country's investment in our lives should be asked to give a portion of our wealth back to invest in opportunities for the future."[26]

The current version of Ohio estate-tax repeal would not take effect until 2013. But delaying the repeal does not fix the problem with this measure. While it may relieve municipalities of the immediate problems that repeal would provoke, it just means they will face those issues two years later. It creates a triple whammy for localities reeling from the huge cuts to the Local Government Fund and property-tax reimbursements in the budget approved by the Ohio House.

Recommendations

Fewer than one in ten Ohioans will pay the estate tax. Thus, the estate tax is not a tax on the middle class. Rather, it supports services for the middle class and everyone else in a way that exemplifies the spirit with which the United States was founded. Repealing this tax now – or in 2013, when local governments will be reeling from a huge cut in the Local Government Fund and vastly lower reimbursements for lost property taxes – is especially inappropriate. If legislators are concerned that the threshold for Ohio's tax is set too low, they can increase the exemption to $700,000 and cut by more than half the number of estates that pay the tax. At the same time, the top rate should be increased. A new bracket for the value of estates over $3 million could be created, for instance. That would ensure that there is no loss of revenue.

Repealing the estate tax is no answer to Ohio's economic problems. The much larger state tax cuts of 2005 have not produced major economic improvements.[27] Ohio and its local governments need more revenue to support basic services, not less. Legislators should turn down the repeal.

[26] Gates, Bill Sr., "Strengthening the Estate Tax to Strengthen the Country," The Huffington Post, Dec. 17, 2009
[27] See Schiller, Zach, *Report to the Ohio Budget Planning and Management Commission*, Policy Matters Ohio, August, 2010, pp. 2-4, available at http://www.policymattersohio.org/pdf/BPMC2010.pdf

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