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## **New Ohio Tax Cuts Go Mostly to Wealthiest** Report also details tax breaks in the Mid-Biennium Review

Most of the more than \$400 million in tax cuts this fiscal year in the budget bill recently approved by the Ohio General Assembly will go to affluent Ohioans, according to a report issued today by Policy Matters Ohio. While the lowest-income Ohioans on average will see a tax cut for 2014 of just \$4, the top 1 percent will average more than \$1,800 each.

An analysis of the major tax changes for Policy Matters by the Institute on Taxation and Economic Policy, a Washington, D.C., nonprofit research group with a sophisticated model of the state and local tax system, found that half of the one-year tax cut will go to the top 5 percent of Ohio earners.

“The Mid-Biennium Review also continues an unfortunate Ohio tradition of permitting or enlarging tax benefits to special, narrow groups of taxpayers,” said Zach Schiller, Policy Matters Ohio research director and author of the report. “We should review the tax breaks we have now.”

Among the provisions in the MBR bills is one that will allow investors to more easily receive tax credits for investments in small companies, which merely have to keep paying existing employees for investors to qualify. Another expands a recently approved property-tax break so it likely covers the Moose fraternal organization.

“Instead of more tax cuts, we should restore and expand funding to local governments, public schools, health and human services, and post-secondary education,” Schiller said.

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute  
with offices in Cleveland and Columbus.*