

## Columbus and Franklin County

The City of Columbus has \$24.4 million less in state funds, estate taxes and tax reimbursements in 2017 than in 2010, a 29.8 percent decrease in the funding sources shown (Table 1).

Table 1: Columbus and Franklin County				
<b>Columbus lost \$24.4 million a year with state cuts and tax changes</b>				
<i>Not adjusted for inflation</i>				
	CY 2010	CY 2017	\$\$ change	% change
<b>Change in tax laws</b>				
Elimination of Estate tax	\$6,555,137	\$0	(\$6,555,137)	-100.0%
Phase-out of tax reimbursements	\$4,568,232	\$0	(\$4,568,232)	-100.0%
<b>Local government funds</b>				
County undivided Fund	\$33,749,426	\$19,654,134	(\$14,095,292)	-41.8%
Municipal Fund	\$6,749,306	\$2,976,570	(\$3,772,736)	-55.9%
<b>Dedicated source funds</b>				
Casino revenues	\$0	2,662,233	\$2,662,233	n/a
<b>Dedicated purpose funds</b>				
Motor fuel	\$24,290,902	\$25,024,078	\$733,176	3.0%
Auto license	\$5,856,994	\$7,068,844	\$1,211,850	20.7%
<b>TOTAL</b>	<b>\$81,769,996</b>	<b>\$57,385,859</b>	<b>(\$24,384,138)</b>	<b>-29.8%</b>
Source: Policy Matters Ohio, based on Ohio Department of Taxation, Ohio Casino Commission, Ohio Legislative Service Commission, Ohio Department of Public Safety, Ohio Department of Transportation.				
Notes: Auto license permissive tax collections are not shown. Estimate for 2017 Auto license distribution applies growth in state budget line 762901 between FY 2015 and FY 2017 (8.65%) to 2015 auto license revenue received by Columbus,				

The largest loss to the city was in Local Government Funds, the state revenue sharing program that was cut in half in the budget of 2012-13. The city received 17.8 million less in Local Government Funds in 2017 than in 2010. Elimination of the estate tax and phase-out of tax reimbursements added another \$11 million to that loss. Casino revenues and growth in transportation-related funds provide a modest offset, but do not come close to replacing loss due to state policy changes.

Franklin County has about \$33 million less in 2017 than in 2010, a loss of 43 percent. Growth anticipated in funds for transportation (gas taxes and auto license fees) and casino tax revenues provide only a modest offset to the big reduction in local government funds and tax reimbursements.

Loss to the county has been mitigated by strong growth of sales tax revenue. Counties and transit agencies “piggyback” the state sales tax. The state sales tax base includes Medicaid providers and Medicaid expansion has driven expansion of local sales taxes as services have increased.

The sales taxes collected from this part of the base are distributed to counties based on share of Medicaid recipients residing in each county. Franklin County received \$19 million in these funds in 2015.

The state’s treatment of Medicaid providers within the sales tax base has been deemed out of compliance with federal law. The base must be widened, or reconfigured. If the “fix” to the Medicaid tax takes it out of the sales tax base, the county loses this sales tax revenue. The cushion that made the state cuts less painful to counties would vanish.

Table 2: Columbus and Franklin County				
<b>Franklin County has lost almost \$33 million before inflation</b>				
	CY 2010	CY 2017	Change	% change
TPP tax reimbursement	\$36,790,107	\$0	(\$36,790,107)	-100.0%
Local government funds	\$22,767,890	\$15,682,665	(\$7,085,225)	-31.1%
Casino revenues	\$0	\$7,937,630	\$7,937,630	n/a
Motor fuel taxes	\$2,366,745	\$2,372,647	\$5,902	0.2%
Auto license	\$14,318,174	\$17,492,728	\$3,174,554	22.2%
<b>TOTAL</b>	<b>\$76,242,915</b>	<b>\$43,485,670</b>	<b>(\$32,757,246)</b>	<b>-43.0%</b>

Source: Policy Matters Ohio, based on Ohio Department of Taxation, Ohio Legislative Service Commission Budget in detail, Ohio Department of Transportation, Ohio Department of Public Safety, Ohio Casino Commission. Notes:

1. TPP tax reimbursement includes levies for county operations and debt and for health and human service levels.
2. Casino revenue estimate applies share of county distribution received by Franklin County in fiscal year 2016 to statewide county casino tax appropriation for fiscal year 2017 in the current budget bill.
3. Auto license registration does not include permissive tax. Estimate for 2017 auto license tax takes growth in state budget in ALI 762901 between FY 2015 and FY 2017 (8.65%) and applies to the 2015 revenues for the county.

Franklin County’s losses are mostly due to loss in human service levies. For example, children’s services in Franklin County lost close to \$11 million in state tax reimbursement funds by 2017 compared with 2010 (Table 3).

Table 3: Columbus and Franklin County				
<b>Franklin County levies lost \$33 million a year before inflation</b>				
Franklin County	CY 2010	CY 2017	Change	% change
ADAMH (mental health)	\$4,749,896	\$0	(\$4,749,896)	-100.0%
MH/DD	\$16,128,057	\$0	(\$16,128,057)	-100.0%
Aging	\$1,835,187	\$0	(\$1,835,187)	-100.0%
Children’s services	\$10,903,171	\$0	(\$10,903,171)	-100.0%
<b>TOTAL</b>	<b>\$33,616,312</b>	<b>\$0</b>	<b>(\$33,616,312)</b>	<b>-100.0%</b>

Source: Policy Matters Ohio, based on Ohio Department of Taxation