

Lima and Allen County

The City of Lima is working with \$1.6 million less in state funds in 2017 than in 2010. This is a 41.2 percent decrease in the funding sources shown (Table 1).

Table 1: Lima and Allen County				
Lima lost \$1.6 million a year in state revenue and tax changes <i>before</i> inflation (Not adjusted for inflation)				
Lima	CY 2010	CY 2017	\$\$ change	% change
Change in tax laws				
Elimination of the Estate tax	\$651,883	\$0	(\$651,883)	-100.0%
Phase-out of tax reimbursements	\$171,663	\$0	(\$171,663)	-100.0%
Local government funds			\$0	
County undivided Fund	\$1,557,980	\$900,646	(\$657,334)	-42.2%
Municipal Fund	\$220,595	\$97,286	(\$123,309)	-55.9%
Dedicated source funds			\$0	
Casino revenues	\$0	\$0	\$0	n/a
Dedicated purpose funds				
Motor fuel	\$1,065,345	\$1,030,544	(\$34,801)	-3.3%
Auto license (*)	\$257,294	\$279,166	\$21,872	8.5%
TOTAL	\$3,924,761	\$2,307,643	(\$1,617,118)	-41.2%
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 Lima,				

Allen County also lost revenues, but not on the same scale as the city of Lima. Allen County is working with an estimated \$485,144 less in 2017 than in 2010, a loss of about 5.6 percent (Table 2). Growth in funds for transportation (gas taxes and auto license fees) and casino tax revenues will partly offset reductions in local government funds and tax reimbursements.

Strong growth in sales tax revenue is helping. Counties and transit agencies “piggyback” the state sales tax. The state sales tax base includes Medicaid providers, and Medicaid expansion has driven expansion of state and local sales tax revenues. Sales taxes collected from this part of the base are distributed to counties based on share of Medicaid recipients in each county. Allen County received \$907,048 million in these funds in 2015. However, 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 solution takes the Medicaid tax 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: Lima and Allen County				
Allen County has \$485,144 less in 2017 than in 2010				
<i>Not adjusted for inflation</i>				
Allen	CY 2010	CY 2017	Change	% change
TPP tax reimbursement	\$2,032,595	\$622,616	(\$1,409,979)	-69.4%
Local government funds	\$1,631,766	\$953,417	(\$678,349)	-41.6%
Casino revenues	\$0	\$1,346,225	\$1,346,225	n/a
Motor fuel taxes	\$2,366,745	\$2,372,647	\$5,902	0.2%
Auto license	\$2,619,473	\$2,870,530	\$251,057	9.6%
TOTAL	\$8,650,580	\$8,165,435	(\$485,144)	-5.6%
Source: Policy Matters, 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. Casino revenue estimate applies share of county distribution received by Allen County in fiscal year 2016 to statewide county casino tax appropriation for fiscal year 2017 in the current budget bill.				
2. Auto license registration does not include permissive tax.				
3. Estimate for 2017 auto license tax takes applies growth indicated in 2016-17 state budget in ALI 762901 between FY 2015 and FY 2017 (8.65%) and applies to the 2015 revenues for the county.				

Health and human services funded by local property tax levies suffered significant losses as tax reimbursements were phased out. For example, children’s services in Allen County are working with \$255,579 less in 2017 than in 2010 (Table 3).

Table 3: Lima and Allen County				
Health and human service levies are reduced by nearly \$850,000 in 2017 compared to 2010				
<i>Not adjusted for inflation</i>				
Levy	CY 2010	CY 2017	Change	% change
Children Services	\$426,148	\$170,579	(\$255,569)	-60.0%
Johnny Appleseed Metro Park	\$254,816	\$93,533	(\$161,283)	-63.3%
Joint Mental Health District	\$260,694	\$0	(\$260,694)	-100.0%
Senior Citizens	\$272,734	\$102,814	(\$169,920)	-62.3%
TOTAL	\$1,214,392	\$366,927	(\$847,465)	-69.8%
Source: Policy Matters Ohio, based on Ohio Department of Taxation				