

Toledo and Lucas County

Toledo is working with \$15 million less in state funds in 2017 compared with 2010. This is a 37.3 percent decrease in the funding sources shown (Table 1).

Table 1: Toledo and Lucas County				
Toledo lost \$15.2 million a year – a loss of 37.3%				
<i>Not adjusted for inflation</i>				
	CY 2010	CY 2017	\$ change	% change
Change in tax laws				
Elimination of Estate tax	\$2,910,563	\$0	(\$2,910,563)	-100.0%
Phase-out of tax reimbursements	\$1,994,734	0	(\$1,994,734)	-100.0%
Local government funds				
County undivided Fund	\$21,546,810	\$12,324,057	(\$9,222,754)	-42.8%
Municipal Fund	\$4,180,994	\$1,843,896	(\$2,337,098)	-55.9%
Dedicated source funds				
Casino revenues	\$0	1,413,868	\$1,413,868	n/a
Dedicated purpose funds				
Motor fuel	\$8,258,348	\$7,962,950	(\$295,398)	-3.6%
Auto license	\$1,848,883	\$1,998,508	\$149,625	8.1%
TOTAL	\$40,740,332	\$25,543,278	(\$15,197,054)	-37.3%
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 Toledo,				

The largest loss to the city was from cuts to local government funds. Elimination of the estate tax contributed to the loss. Casino revenues provided modest offset to those losses.

Lucas County is working with about \$9 million less in 2017 than 2010, a loss of 36.2 percent (Table 2). 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. Lucas County received \$9.8 million in these funds in 2015, which offsets the loss to the county from other cuts.

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 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: Lucas County and Toledo				
Lucas County has lost \$9 million a year (before inflation)				
	CY 2010	CY 2017	Change	% change
TPP tax reimbursement	\$9,339,467	\$0	(\$9,339,467)	-100.0%
Local Government Fund	\$7,385,512	\$4,321,981	(\$3,063,531)	-41.5%
Casino revenues	\$0	\$2,790,993	\$2,790,993	n/a
Motor fuel taxes	\$2,366,745	\$2,372,647	\$5,902	0.2%
Auto license	\$5,831,705	\$6,409,104	\$577,399	9.9%
TOTAL	\$24,923,429	\$15,894,725	(\$9,028,703)	-36.2%

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, debt and health and human service levels.
2. Casino revenue estimate applies share of county distribution received by Lucas 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 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.

Lucas County's losses are mostly due to loss in human service levies. For example, the children's services lost almost \$2 million in tax reimbursements by 2017 compared with 2010 (Table 3).

Table 3: Toledo and Lucas County				
Lucas County levies lost \$7.7 million a year – before inflation				
	CY 2010	CY 2017	Change	% change
MH/DD	\$4,114,303	\$0	(\$4,114,303)	-100.0%
Mental Health	\$1,234,291	\$0	(\$1,234,291)	-100.0%
Children's services	\$1,974,865	\$0	(\$1,974,865)	-100.0%
Senior Services	\$370,287	\$0	(\$370,287)	-100.0%
TOTAL	\$7,693,746	\$0	(\$7,693,746)	-100.0%

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