

Wooster and Wayne County

As a result of state policy change, Wooster is working with \$1.86 million less in 2017 than it had in 2010, a loss of 49 percent of the funding sources shown (Table 1).

Table 1: Wooster and Wayne County				
Wooster lost almost \$2 million a year, about a 50% decline				
<i>Not adjusted for inflation</i>				
	CY 2010	CY 2017	\$ change	% change
Change in tax laws				
Elimination of the Estate tax	\$988,632	\$0	(\$988,632)	-100.0%
Phase-out of tax reimbursements	\$420,251	\$0	(\$420,251)	-100.0%
Local government funds				
County undivided Fund	\$1,089,444	\$636,500	(\$452,944)	-41.6%
Municipal Fund	\$143,299	\$63,198	(\$80,102)	-55.9%
Dedicated source funds				
Casino revenues	\$0	\$0	\$0	n/a
Dedicated purpose funds				
Motor fuel	\$870,360	\$856,936	(\$13,424)	-1.5%
Auto license	\$269,898	\$367,539	\$97,641	36.2%
TOTAL	\$3,781,885	\$1,924,173	(\$1,857,712)	-49.1%
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 Wooster,				

The largest loss to the city was due to cuts to loss of the estate tax, compounded by cuts to the local government fund.

Wayne County suffered losses as well: it has about \$1.5 million less in 2017 than in 2010, a decline of 13 percent in the revenue sources reviewed here (Table 2). The receipt of casino revenues in 2017, if the state's growth projections are met, will offset some losses. So too will the growth of sales tax revenue – with a caveat. 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. Wayne County received \$805,642 in these funds in 2015 – which cushions, but does not offset, other losses. The state's treatment of Medicaid providers within the sales tax base, however, 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 cushion against other losses.

Table 2: Wooster and Wayne County				
Wayne County has lost almost \$1.5 million a year before inflation				
	CY 2010	CY 2017	Change	% change
TPP tax reimbursement	\$2,663,244	\$233,339	(\$2,429,905)	-91.2%
Local government funds	\$2,177,390	\$1,329,283	(\$848,107)	-39.0%
Casino revenues	\$0	\$1,484,834	\$1,484,834	n/a
Motor fuel taxes	\$2,366,745	\$2,372,647	\$5,902	0.2%
Auto license	\$3,563,847	\$3,865,149	\$301,302	8.5%
TOTAL	\$10,771,226	\$9,285,252	(\$1,485,974)	-13.8%

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 Allen 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 applies growth in state budget ALI 762901 between FY 2015 and FY 2017 (8.65%) to the 2015 revenues for the county.

Wayne County's losses are mostly attributable to loss in human service levies. For example, the county children's services lost \$893,297 in state tax reimbursement funds. (Table 3). The other big loss was in mental health and developmental disabilities – two levies in which the state picked up the required Medicaid match, providing some relief from fiscal pressures.

Table 3: Wooster and Wayne County				
Wayne County human service levies are down by \$1.96 million before inflation because of loss of tax reimbursements				
	CY 2010	CY 2017	Change	% change
Mental health and developmental disabilities	\$1,065,298	\$227,051	(\$838,247)	-78.7%
Medway Drug Enforcement	\$59,183	\$0	(\$59,183)	-100.0%
Children's Services	\$899,585	\$6,288	(\$893,297)	-99.3%
County Home	\$165,713	\$0	(\$165,713)	-100.0%
TOTAL	\$2,189,779	\$233,339	(\$1,956,440)	-89.3%

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