

Jackson City and Jackson County

The City of Jackson has \$298,840 less in state funds in 2017 compared with 2010. This is about a 40 percent decrease in the funding sources shown (Table 1).

Table 1: Jackson City and Jackson County				
Jackson City lost almost \$300,000 a year –nearly 40 percent of the revenue sources reviewed here - as a result of state policy changes				
<i>Not adjusted for inflation</i>				
Jackson	CY 2010	CY 2017	\$\$ change	% change
Change in tax laws				
Elimination of Estate tax	\$86,813	\$0	(\$86,813)	-100.0%
Phase-out of tax reimbursements	\$128,978	\$15,139	(\$113,838)	-88.3%
Local government funds				
County undivided Fund	\$196,906	\$132,675	(\$64,231)	-32.6%
Municipal Fund	\$55,424	\$24,443	(\$30,981)	-55.9%
Dedicated source funds				
Casino revenues	\$0	\$0	\$0	n/a
Dedicated purpose funds				
Motor fuel	\$223,182	\$220,262	(\$2,920)	-1.3%
Auto license	\$59,435	\$59,377	(\$57)	-0.1%
TOTAL	\$750,737	\$451,897	(\$298,840)	-39.8%
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 Jackson,				

The largest loss to the city was from elimination of the estate tax and phase-out of tax reimbursements. This was compounded by reduction of local government funds – eased slightly by some protection from the deep cuts for the poorest counties.

Jackson County actually has slightly more funds - \$88,926 - in 2017 compared with 2010. Growth anticipated in funds for transportation (gas taxes and auto license fees) and casino tax revenues provide offset to reductions in local government funds and tax reimbursements.

In addition, growth of Medicaid has raised local sales taxes, which “piggyback” on the state sales tax base. The sales taxes collected from Medicaid managed care firms are distributed to counties based on share of Medicaid recipients residing in each county. Jackson County received \$755,797 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 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: Jackson City and Jackson County				
Jackson County has a slight gain compared to 2010 (before inflation)				
Jackson	CY 2010	CY 2017	Change	% change
TPP tax reimbursement	\$348,561	\$6,055	(\$342,506)	-98.3%
Local government funds	\$437,471	\$333,600	(\$103,871)	-23.7%
Casino revenues	\$0	\$419,843	\$419,843	n/a
Motor fuel taxes	\$2,366,745	\$2,372,647	\$5,902	0.2%
Auto license	\$1,210,793	\$1,320,351	\$109,558	9.0%
TOTAL	\$4,363,569	\$4,452,495	\$88,926	2.0%

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 Jackson 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 ALI 762901 between FY 2015 and FY 2017 (8.65%) and applies to the 2015 revenues for the county.

Jackson County's human service levies lost funds due to phase-out of tax reimbursements. (Table 3).

Table 3: Jackson City and Jackson County				
Jackson County levies lost \$173,507 a year in state aid (before inflation)				
	CY 2010	CY 2017	Change	% change
Tuberculosis	\$21,125	\$0	(\$15,844)	100.0%
Mental health & developmental disabilities	\$105,624	\$6,055	(\$99,570)	100.0%
Health	\$26,406	\$0	(\$26,406)	100.0%
Senior citizens	\$26,406	\$0	(\$26,406)	100.0%
Total	\$179,561	\$6,055	(\$173,507)	100.0%

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