

# Income Tax Analysis as a potential additional/replacement source of revenue to the Loveland City School District

## Summary

This report is intended to compare the two types of income taxes (traditional and earned income) that are possible potential revenue sources for the school district.

## Conclusions

1. Income tax is a viable option for LCSD to evaluate as an option for-bringing money in, with several important notes:
  - a. Coordination with the City of Loveland is critical to create partnership and eliminate potential barriers. Further outreach to City leadership should be a first step to understand the political and historic landscape before a detailed discussion is begun.
  - b. Of the two types of income taxes reviewed, Earned Income Tax in this analysis has been found by this committee to be regressive (on average) in its impact (lower income taxpayers will pay on average more to supplement the reduced impact on higher income taxpayers) when compared to equivalent traditional base income tax. See discussion of Figure 1 for more details.
  - c. An income tax, partnered with property taxes, is a viable option to reduce the frequency of levy requests to the community (through the inclusion of inflation adjustments in income overall). The risk to this situation happens when incomes may be reduced, e.g. a recession as LCSD funding streams may be impacted.

A large percentage of current funding for LCSD comes from local property taxes (approximately 59%), followed by the State of Ohio (approximately 31%), other non-tax revenue (approximately 6%), and the Federal government (approximately 4%).

(<http://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/District-Profile-Reports/FY-2020-District-Profile>)

The state uses a formula to determine how much centralized funding will be provided to each district, largely driven by the calculated “ability to pay” of the district. This “ability to pay” is primarily determined by property values. The higher the property values, the more the district residents are “able to pay”. Additional inputs are accounted for based on income and wealth

adjustments, along with an offset to get to a final state contribution. Details of the process and calculations can be found at

[http://www.lsc.ohio.gov/documents/reference/current/schoolfunding/sfcr\\_feb2019.pdf](http://www.lsc.ohio.gov/documents/reference/current/schoolfunding/sfcr_feb2019.pdf).

Ohio House Bill 920 (H.B 920) went into effect in Ohio in 1976. This law had a significant impact on property tax structure, and effectively removed the ability of property taxes to grow proportionally with increases in property value. The net results of this law include:

- (1) Capping the property tax at the value listed on the day of passage. Property taxes can only adjust down from that cap (e.g., if property values fall) and can never adjust up - even if values increase;
- (2) Increasing the need for School District tax levies to be placed on the ballot. This is due to the elimination of upward adjustments in revenue tied to values, thus eliminating the ability of the tax base to grow along with District expenses (like healthcare, personnel cost growth, student population, modern services, innovation, etc.).

Income taxes, however, are not disassociated with growth (or shrinkage) in income levels. They can be assessed just as other forms of income tax (including state and federal income tax). There are some specific requirements for School District Income Taxes in the state of Ohio that are covered at the State of Ohio Tax Site -

[https://tax.ohio.gov/static/tax\\_analysis/tax\\_data\\_series/school\\_district\\_data/sditqa.pdf](https://tax.ohio.gov/static/tax_analysis/tax_data_series/school_district_data/sditqa.pdf)

It is this specific link to income growth that led us to evaluate an Income Tax as a potential ingredient in the District funding mix. Additionally, in recent levy campaigns there were several questions about this topic that indicated a community interest in further learning, assessment and analysis. Special emphasis has been placed on how an income tax would affect senior and lower income households.

Income tax as a potential source for income is used infrequently in the state of Ohio. As of January 1, 2021 there were 238 school districts out of 610 that used income tax as a source of revenue. Of those, 156 employed a traditional income tax while 82 used an Earned Income. More on the differences between these two types of income tax is explained in the following paragraphs. District tax data (type, rates, etc.) are listed at the State of Ohio tax site: [https://tax.ohio.gov/static/employer\\_withholding/2021tables/2021taxyear/schooldistricts2021.pdf](https://tax.ohio.gov/static/employer_withholding/2021tables/2021taxyear/schooldistricts2021.pdf) (This document is also attached as Appendix ).

It should be noted that the majority of schools differ from LCSD in the following ways:

1. LCSD is a significant outlier when compared to average districts in Ohio on the basis of business contribution to the tax base. LCSD receives only 8% of funding from this demographic, while the average district receives ~26% of funds from businesses. See Table 1.
2. Splitting districts with one or the other income tax shows that:
  - a. Districts with an Income tax receive 20.6% of funds from business taxes.
  - b. Districts without an Income tax receive 28.7% of funds from business taxes.

3. Additionally, this table shows that LCSD is approximately average in all other compared measures that impact funding calculations.

**Table 1:**

<i>Income Tax FY20</i>	Average of District Business Valuation As % Of Total TY19	Average of District Median Income TY18	Average of District Per Pupil Revenue Raised By 1 Mill Of Property Tax TY19	Average of District Average Income TY18	Average of District State Revenue As % Of Total FY20
0	28.7%	\$ 37,033.24	190.7	\$ 65,007.52	43.4%
1	20.6%	\$ 37,273.72	179.0	\$ 59,314.18	43.5%
<b>Grand Total</b>	<b>26.0%</b>	<b>\$ 37,114.85</b>	<b>186.8</b>	<b>\$ 63,075.35</b>	<b>43.4%</b>
Loveland	8.3%	\$ 54,690.00	195.71	\$ 116,625.00	31.2%

Table 2 shows the top 10 matches in an analysis of what Ohio districts are “most like” LCSD. The analysis looks at (1) all of the listed demographic categories from the Cupp Report; (2) calculates differences from LCSD’s values and indexes them on a 0-1 scale using standard deviations; (3) applies a weighting of factors (40% - Business Tax base; 10% Per pupil revenue generated by 1 MIL property tax; 10% Median Income Levels; and 40% State Revenue); and finally (4) rank orders them by how well they match LCSD’s corresponding score.

This data again highlights our position relative to the Business Tax Base. Overall, LCSD is ranked 578 in the state for business tax contribution. Of the 10 closest match districts, 4 are ranked lower than LCSD, and 6 higher. Once you get past the two districts above LCSD relative to the business tax contribution, the relative increase in tax base would represent a 25% or greater increase in LCSD business tax revenue.

**Table 2:**

District	IRN	District Business Valuation As % Of Total TY19	District Per Pupil Revenue Raised By 1 Mill Of Property Tax TY19	District Average Income TY18	District State Revenue As % Of Total FY20	District Median Income TY18	Income Tax FY20	Business Rank	Revenue Rank	Income Rank	State Revenue Rank	Median Income Rank
Loveland City SD, Hamilton	44271	0.0831	195.71	116,625.00	0.3119	54,690.00	0	578	197	31	475	30
Little Miami Local SD, Warren	50443	0.064	210.13	82,968.00	0.336	53,629.00	0	594	159	67	456	35
Forest Hills Local SD, Hamilton	47340	0.107	181.19	134,296.00	0.2661	56,305.00	0	544	253	21	510	26
Fairbanks Local SD, Union	50328	0.076	269.24	78,596.00	0.2627	48,306.00	1	582	72	77	516	49
North Ridgeville City SD, Lorain	44537	0.1277	206.37	67,255.00	0.3478	46,939.00	0	504	169	129	441	62
Highland Local SD, Medina	48496	0.0944	288.7	125,192.00	0.2358	54,521.00	0	561	57	26	543	31
Shaker Heights City SD, Cuyahoga	44750	0.1133	176.73	149,098.00	0.2522	46,931.00	0	531	275	15	526	63
Oakwood City SD, Montgomery	44586	0.0483	162.42	154,766.00	0.2856	68,755.00	0	602	328	14	495	9
Sugarcreek Local SD, Greene	47274	0.1548	212.81	114,684.00	0.2565	55,625.00	0	462	152	32	521	28
Madison-Plains Local SD, Madison	48272	0.117	265.01	57,778.00	0.3193	37,676.00	1	525	78	260	470	217
Miami East Local SD, Miami	48629	0.0649	184.47	70,581.00	0.3819	42,482.00	1	593	242	112	395	102

## Our Focus

Our goal, as the Loveland City School District's (LCSD) Planning Commission Finance Committee, is to research and analyze opportunities that can help make the district stable financially while also minimizing the need for increased property tax based funding over time (i.e. minimize levy requests). We focused on both short-term and long-term possibilities that reduce spending and increase revenue to the school district. The committee felt that exploring alternative sources of income to the district was an important initiative. When thinking about income tax, we felt the following four points were important:

1. Understand the regulations and process required to place an income tax on the ballot.
2. Understand the differences between types of income tax, and the implications of each.
3. Understand the impact to the community of various levels of potential income tax.
4. Compare the magnitude of property taxes to income taxes when raising funds for the district.

## Sources and Uses of the Data

**Regulations and Process Required to Place an Income Tax on the Ballot:** The State of Ohio Department of Taxation website has all of the relevant requirements and regulations listed. See Figure 2 for a summary of the process from the State of Ohio Documentation.

1. **Differences Between Traditional and Earned Income Tax:** We researched the specific differences between Traditional and Earned income tax to understand the requirements, differences in the tax base and impacts to various demographics of the LCSD citizens.
2. **The Impact to Our Community:** Based on community population, income, property value and other factors, we were able to determine the equivalent taxes required to generate similar funding, the approximate impacts of those tax levels on the population, and attempted to understand those against the distribution of wealth in the community to assess how progressive/regressive a tax might be. We also consulted a CPA to ensure that our assumptions were reasonable and the analysis was sound in the abstract.

## What We Learned

1. The State of Ohio allows Traditional and Earned income taxes to be levied as a revenue-generating option to fund local schools. The requirements for inclusion are virtually identical to those of a property tax levy (See Figure 2). School district income taxes that are passed act just as other income taxes in that they are an annual tax as a percentage of income and remain in place unless they are actively removed or changed through another ballot issue.
2. ([https://tax.ohio.gov/static/tax\\_analysis/tax\\_data\\_series/school\\_district\\_data/sditga.pdf](https://tax.ohio.gov/static/tax_analysis/tax_data_series/school_district_data/sditga.pdf) - see item 25)

- a. The school board must certify the issue and submit it to the board of elections for inclusion on the local ballot.
  - b. Tax rates must be in increments of 0.25% and must specify whether traditional or earned income tax base.
  - c. The tax only applies to residents who LIVE within the funded school district. It has no bearing on those who live outside the district and work within the district.
3. The two types of tax bases available for taxation are 'Traditional' and 'Earned'. The Traditional base is the same tax base calculated for State of Ohio income tax (entered on line 5 of the state return). Earned income tax base includes ONLY wages, salaries, and other compensation and net earnings from self employment (including income from partnerships). This excludes all other types of income, and does not allow for personal exemptions included in the Traditional tax base. See Table 1.
  - a. IT IS IMPORTANT TO NOTE that since the State of Ohio EXCLUDES retirement income from Social Security in its calculated tax base for income tax, there are no differences in how that income is protected in a School Funding Income Tax. BOTH TAX BASES exclude SOCIAL SECURITY INCOME (see Table 1 for what is/is not included in each tax base) and therefore either option should provide some protection for LCSD residents on fixed retirement income.
  - b. Earned income excludes:
    - i. All retirement income, AND
    - ii. interest, dividends, capital gains, etc.
4. Using data from the IRS for the 45140 zip code we compared the tax implications for an earned income tax and a traditional income tax for the members of our community across income brackets.

**Figure 1: Panel A**

Income Bracket	# of Returns	Total Income	Earned Income	Other Income	Other % of Total	Tax from 1% Income Tax	Tax from 1% Earned Income Tax	1.34% Earned Income Tax
<\$25k	7,100	\$11,139	\$9,180	\$1,960	17.60%	\$111	\$92	\$123
\$25k - \$50k	4,680	\$37,494	\$30,458	\$7,036	18.80%	\$375	\$305	\$409
\$50k - \$75k	3,670	\$62,535	\$48,220	\$14,314	22.90%	\$625	\$482	\$648
\$75k - \$100k	2,770	\$88,427	\$66,940	\$21,487	24.30%	\$884	\$669	\$900
\$100k - \$200k	5,670	\$140,991	\$110,817	\$30,173	21.40%	\$1,410	\$1,108	\$1,489
>\$200k	3,050	\$393,169	\$272,520	\$120,648	30.70%	\$3,932	\$2,725	\$3,662
All	26,940	\$101,247	\$75,339	\$25,908	25.60%	\$1,012	\$753	\$1,012

Figure 1 presents two levels of Earned income tax to a Traditional benchmark of 1%. The 1% Earned tax shows the direct comparison to the 1% Traditional tax, while the 1.34% Earned tax shows the impact of the tax needed to generate the same revenue vs. the Traditional 1% tax.

The income bracket cutoffs are from the original IRS data. All numbers representing potential taxes paid are average per household numbers. In the revenue-neutral comparison between a Traditional income tax and an Earned income tax, all income brackets below \$200k per year would pay more taxes on average per household with an Earned income tax, while earners above \$200k per year would pay less tax on average with an Earned income tax relative to a Traditional income tax. Also, higher income households on average receive a smaller share of their income from earned income. These two facts show that, (again, on average), in LCSD, an Earned Income Tax would be a regressive tax (in other words, taxes a higher proportion from lower-income households), while a Traditional Income Tax would be closer to a flat tax (where everyone is charged the same percent tax regardless of their income).

**Figure 1: Panel B**

Income Bracket	Tax from 1% Income Tax	Traditional Tax Rate as a % of Total Income	Tax from 1.34% Earned Income Tax	Earned Income Tax Rate as % of Total Income	Dollar Change	% Change
<\$25k	\$111	1.00%	\$123	1.11%	\$12	10.8%
\$25k - \$50k	\$375	1.00%	\$409	1.09%	\$34	9.2%
\$50k - \$75k	\$625	1.00%	\$648	1.04%	\$23	3.6%
\$75k - \$100k	\$884	1.00%	\$900	1.02%	\$15	1.7%
\$100k - \$200k	\$1,410	1.00%	\$1,489	1.06%	\$79	5.6%
>\$200k	\$3,932	1.00%	\$3,662	0.93%	(\$269)	-6.9%
Average	\$1,012	1.00%	\$1,012	1.00%	\$0	0.0%

Panel B presents the difference between a revenue neutral comparison of a traditional income tax to an earned income tax. To raise the same amount of money, all income groups below \$200,000 per year would pay more under an earned income tax than a traditional income tax. Only incomes over \$200,000 would pay less with an earned income tax. Further, as a percentage of total income, the traditional income tax is flat, while the earned income tax is regressive.

- Given that additional income is excluded from an Earned Income Tax, we estimate that an Earned Income Tax rate would need to be approximately 34% higher than a

Traditional Income Tax rate to generate the same revenue for the district (ie 1.00% for Traditional vs. 1.34% for Earned)

6. We compared different demographics, income levels, etc. to gauge the impacts of an income tax on the LCSD community. All Data comes from the IRS source presented below. (See attached deck).
  - a. The 60+ population in the community (assumed to be representative of having an interest in protecting social security income (SSI) from the tax base) are less represented in the lower income levels of the district than the under 60 population. The Over Age 60 was used rather than age 65 and older, age 70 and older, or another age cutoff because that was the age that was used in the IRS data. The distributions are:

Income Bracket	# of Returns	Over 60	Under 60	Over 60 Distribution	Under 60 Distribution
<\$25k	7,100	1,240	5,860	18.2%	29.1%
\$25k - \$50k	4,680	1,130	3,550	16.6%	17.6%
\$50k - \$75k	3,670	1,120	2,550	16.4%	12.7%
\$75k - \$100k	2,770	900	1,870	13.2%	9.3%
\$100k - \$200k	5,670	1,660	4,010	24.3%	19.9%
>\$200k	3,050	770	2,280	11.3%	11.3%
All	26,940	6,820	20,120	100.0%	100.0%

- b. To further understand how the senior members of the community would be impacted, we examined the members of the community that are currently receiving Social Security. Again those on Social Security are less represented in the lower income brackets of the community. The population in the community on social security income (SSI) are:

Income Bracket	# of Returns	On Social Security	Not on Social Security	SS Dist	Pre-SS Dist
<\$25k	7,100	380	6,720	9.5%	29.3%
\$25k - \$50k	4,680	850	3,830	21.4%	16.7%
\$50k - \$75k	3,670	800	2,870	20.1%	12.5%
\$75k - \$100k	2,770	600	2,170	15.1%	9.5%
\$100k - \$200k	5,670	1,030	4,640	25.9%	20.2%
>\$200k	3,050	320	2,730	8.0%	11.9%
All	26,940	3,980	22,960	100.0%	100.0%

# Tax Revenue Impact of Income Tax Compared to Property Tax

Property tax proposals can be raised in quarter point increments (ie 0.25%, 0.50%, ...). Based on the current tax base of Loveland School District, we have estimated the tax revenue that would be raised from an income tax and how that revenue compares to property tax rates:

- For each 0.25% of a traditional income tax, the district would raise approximately \$4 M in revenue.
- For each 0.25% of an earned income tax, the district would raise approximately \$3 M in revenue.
- \$4 M in property tax revenue translates to between 4.25 and 4.5 mills in local property tax

## Additional Considerations

In the course of our analysis, it was pointed out that there are 'traditional domains' when it comes to the politics of Income Taxes - namely that the City tends to own income tax, while the Schools own property tax as a method of revenue generation. An important next step of any path forward that includes income taxes of any kind would be to coordinate with the City of Loveland to ensure that any issues are discovered early vs. later in the process.

## Additional Information and References

**Table 1:**

Traditional Tax Base	Earned Income Tax Base
Income that is not taxed:	
<ul style="list-style-type: none"><li>• Social Security benefits;</li><li>• disability and survivor benefits;</li><li>• railroad retirement benefits;</li><li>• welfare benefits;</li><li>• child support;</li><li>• property received as a gift, bequest or inheritance;</li><li>• workers' compensation benefits.</li></ul>	all other types of income and deductions that are included in the traditional income tax base (interest, dividends, capital gains, pensions, etc.), and does not allow the personal exemptions that are allowed under the traditional tax base.
Income that IS taxed:	
wages; salaries; tips; interest; dividends; unemployment compensation; self-employment to the	wages, salaries, and other compensation and net earnings from self employment



<p>extent included in OAGI; taxable scholarships and fellowships; pensions; annuities; IRA distributions; capital gains; state and local bond interest (except that paid by Ohio governments); federal bond interest exempt from federal tax but subject to state tax; alimony received; and all other sources.</p>	<p>(including income from partnerships), to the extent the income is included in modified adjusted gross income (MAGI), of the residents of the school district.</p>
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**Figure 2:**

How to add a SDIT to the Ballot (copied from "Guide to Ohio's School District Income Tax" Section 25, Page 10)

25. WHAT PROCEDURES MUST A SCHOOL BOARD FOLLOW TO PLACE A SDIT ISSUE BEFORE THE VOTERS (RULES ARE SLIGHTLY DIFFERENT FOR TAXES BEING PROPOSED WHEN COMBINED WITH A BOND UNDER ORC 5748.08. See #27)?

- a) A resolution stating the necessity of raising additional school dollars must be passed by the school board and received by the Ohio Tax Commissioner at least 100 days prior to an election. The resolution must include the dollar amount to be generated, the base of the tax (traditional vs. earned income) and, if property taxes are to be reduced, the levy to be reduced and the amount of gross millage to be reduced. School districts needing instruction on resolution formats should contact their school board association. This resolution can be mailed to: Ohio Department of Taxation Tax Analysis Division 30 E. Broad St., 22nd Floor Columbus, OH 43215 To submit the resolution electronically, please call the Tax Commissioner's office at (614) 466-2166 for the contact information of the person authorized to receive such resolutions.
- b) The Tax Commissioner has ten days from the receipt of the initial school board resolution to provide tax rate, equivalent millage, and, if necessary, effective millage reduction estimates. School boards are required to draft a new resolution and to receive a new certified rate estimate each time the question is to be put on the ballot.
- c) School boards must submit a resolution to the county board of elections at least 90 days prior to the date of the election chosen for the question to appear on the ballot.
- d) The resolution to be certified to the county board of elections must include: the date of the upcoming election, the purpose for which the tax is to be imposed, the tax rate, the base of the tax, the duration of the tax, the date that the tax will take effect, and, if necessary, the amount of millage to be reduced.

Appendices:

(1) Schooldistricts2021.pdf from the Ohio State Tax Site

**Updated School Districts  
Effective January 1, 2021**

<b><u>New School Districts (5)</u></b>			
<b><u>School District #</u></b>	<b><u>School District</u></b>	<b><u>Rate</u></b>	<b><u>Counties (Primary First)</u></b>
0204	Delphos CSD	0.50%	Allen, Van Wert
1505*	East Palestine CSD	0.50%	Columbiana
2402*	Washington Court House CSD	1.00%	Fayette
3207	Van Buren LSD	1.00%	Hancock
5104*	Ridgedale LSD	1.00%	Marion, Crawford, Wyandot
<b><u>Rate Changes (3)</u></b>			
<b><u>School District #</u></b>	<b><u>School District</u></b>	<b><u>Rate</u></b>	<b><u>Counties (Primary First)</u></b>
5713	Valley View LSD	1.75%	Montgomery, Preble
7201*	Clyde-Green Springs EVSD	1.50%	Sandusky, Seneca
8509*	Triway LSD	1.00%	Wayne, Holmes
<b><u>Renewed (12)</u></b>			
<b><u>School District #</u></b>	<b><u>School District</u></b>	<b><u>Rate</u></b>	<b><u>Counties (Primary First)</u></b>
1901	Ansonia LSD	1.75%	Darke
1905	Mississinawa Valley LSD	1.75%	Darke
1907	Versailles EVSD	1.00%	Darke, Shelby
2904	Greeneview LSD	1.00%	Greene, Clinton, Fayette
3301	Ada EVSD	1.50%	Hardin, Hancock
5405	Parkway LSD	1.00%	Mercer, Auglaize, Van Wert
5708	New Lebanon LSD	1.25%	Montgomery
6502*	Logan Elm LSD	1.00%	Pickaway, Hocking
7107*	Zane Trace LSD	0.75%	Ross
7404	New Riegel LSD	1.50%	Seneca
7406	Seneca East LSD	1.00%	Seneca, Huron
8001	Fairbanks LSD	1.00%	Union, Madison

\*Districts with an alternative earned income only tax.

**Note:** When you create W-2s for your employees, you should identify the school district by its **four-digit code**. By doing so, you will help your employees avoid any delay in the processing of their income tax returns.

## School Districts With an Income Tax for 2021

Bold indicates a newly enacted rate, a rate change for 2021 or a change in the tax type

SD#	School District Name (and Counties)	Rate	Percent	SD#	School District Name (and Counties)	Rate	Percent
<b>Earned Income Only Tax Base School Districts</b>				<b>Earned Income Only Tax Base School Districts</b>			
0501	Alexander LSD (Athens, Meigs, Vinton)	.0100	1%	8706	Northwood LSD (Wood)	.0025	¼%
2301	Amanda-Clearcreek LSD (Fairfield)	.0200	2%	7711	Norton CSD (Summit)	.0050	½%
0502	Athens CSD (Athens)	.0100	1%	8504	Norwayne LSD (Wayne, Medina)	.0075	¾%
2801	Berkshire LSD (Geauga)	.0100	1%	5103	Pleasant LSD (Marion)	.0100	1%
2302	Berne Union LSD (Fairfield, Hocking)	.0200	2%	<b>5104</b>	<b>Ridgedale LSD (Marion, Crawford, Wyandot)</b>	<b>.0100</b>	<b>1%</b>
5501	Bethel LSD (Miami)	.0075	¾%	5105	River Valley LSD (Marion, Morrow)	.0100	1%
7502	Botkins LSD (Shelby, Auglaize)	.0125	1¼%	4604	Riverside LSD (Logan, Shelby)	.0150	1½%
5901	Cardington-Lincoln LSD (Morrow, Marion)	.0075	¾%	0908	Ross LSD (Butler)	.0125	1¼%
5401	Celina CSD (Mercer)	.0100	1%	5008	Sebring LSD (Mahoning)	.0100	1%
8501	Chippewa LSD (Wayne)	.0100	1%	3118	Southwest LSD (Hamilton, Butler)	.0075	¾%
6501	Circleville CSD (Pickaway)	.0075	¾%	0604	St Mary's CSD (Auglaize)	.0100	1%
7001	Clear Fork Valley LSD (Richland, Knox)	.0100	1%	6503	Teays Valley LSD (Pickaway, Fairfield, Franklin)	.0150	1½%
1402	Clinton-Massie LSD (Clinton, Greene, Warren)	.0050	½%		Tri-County North LSD (Preble, Darke, Montgomery)	.0100	1%
5204	Cloverleaf LSD (Medina)	.0125	1¼%	<b>8509</b>	<b>Triway LSD (Wayne, Holmes)</b>	<b>.0100</b>	<b>1%</b>
<b>7201</b>	<b>Clyde-Green Springs EVSD (Sandusky, Seneca)</b>	<b>.0150</b>	<b>1½%</b>	5509	Troy CSD (Miami)	.0150	1½%
1704	Crestline EVSD (Crawford, Richland)	.0025	¼%	2308	Walnut Township LSD (Fairfield)	.0175	1¾%
<b>1505</b>	<b>East Palestine CSD (Columbiana)</b>	<b>.0050</b>	<b>½%</b>	<b>2402</b>	<b>Washington Court House CSD (Fayette)</b>	<b>.0100</b>	<b>1%</b>
8702	Eastwood LSD (Wood)	.0100	1%	3907	Willard CSD (Huron, Crawford)	.0075	¾%
8603	Edon-Northwest LSD (Williams)	.0100	1%	7107	Zane Trace LSD (Ross)	.0075	¾%
5101	Elgin LSD (Marion, Delaware, Hardin)	.0075	¾%				
0404	Geneva Area CSD (Ashtabula)	.0125	1¼%				
7203	Gibsonburg EVSD (Sandusky, Wood)	.0100	1%				
8503	Green LSD (Wayne)	.0050	½%				
3603	Greenfield EVSD (Highland, Fayette, Ross)	.0125	1¼%				
0302	Hillsdale LSD (Ashland, Wayne)	.0125	1¼%				
7403	Hopewell-Loudon LSD (Seneca)	.0050	½%				
7506	Jackson Center LSD (Shelby, Auglaize, Logan)	.0150	1½%				
6704	James A Garfield LSD (Portage)	.0150	1½%				
4901	Jefferson LSD (Madison)	.0100	1%				
4902	Jonathan Alder LSD (Madison, Franklin, Union)	.0125	1¼%				
2305	Lancaster CSD (Fairfield)	.0150	1½%				
<b>6502</b>	<b>Logan Elm LSD (Pickaway, Hocking)</b>	<b>.0100</b>	<b>1%</b>				
4904	Madison Plains LSD (Madison, Fayette, Franklin)	.0125	1¼%				
5504	Miami East LSD (Miami, Champaign)	.0175	1¾%				
5505	Milton-Union EVSD (Miami)	.0125	1¼%				
3902	Monroeville LSD (Huron, Erie)	.0150	1½%				
8605	Montpelier EVSD (Williams)	.0125	1¼%				
8705	North Baltimore LSD (Wood, Hancock)	.0125	1¼%				
4508	North Fork LSD (Licking, Knox)	.0100	1%				
1203	Northeastern LSD (Clark, Champaign)	.0100	1%				
4509	Northridge LSD (Licking, Delaware, Knox)	.0050	½%				
7612	Northwest LSD (Stark, Summit, Wayne)	.0100	1%				
1204	Northwestern LSD (Clark, Champaign)	.0100	1%				

## School Districts With an Income Tax for 2021

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SD#	School District Name (and Counties)	Rate	Percent	SD#	School District Name (and Counties)	Rate	Percent
<b>Traditional Tax Base School Districts</b>				<b>Traditional Tax Base School Districts</b>			
3301	Ada EVSD (Hardin, Hancock)	.0150	1½%	2602	Evergreen LSD (Fulton, Lucas)	.0150	1½%
7501	Anna LSD (Shelby)	.0150	1½%	8001	Fairbanks LSD (Union, Madison)	.0100	1%
1901	Ansonia LSD (Darke)	.0175	1¼%	2903	Fairborn CSD (Greene, Clark, Montgomery)	.0050	½%
6301	Antwerp LSD (Paulding)	.0150	1½%	2304	Fairfield Union LSD (Fairfield, Hocking, Perry)	.0200	2%
3201	Arcadia LSD (Hancock, Seneca)	.0100	1%	7503	Fairlawn LSD (Shelby)	.0075	¾%
1902	Arcanum-Butler LSD (Darke)	.0150	1½%	7504	Fort Laramie LSD (Shelby, Darke)	.0150	1½%
3202	Arlington LSD (Hancock)	.0125	1¼%	5406	Fort Recovery LSD (Mercer, Darke)	.0150	1½%
2001	Ayersville LSD (Defiance)	.0100	1%	1903	Franklin Monroe LSD (Darke, Miami)	.0075	¾%
3901	Bellevue CSD (Huron, Erie, Sandusky, Seneca)	.0050	½%	7202	Fremont CSD (Sandusky)	.0125	1¼%
2501	Bexley CSD (Franklin)	.0075	¾%	2603	Gorham Fayette LSD (Fulton)	.0100	1%
2101	Big Walnut LSD (Delaware)	.0075	¾%	1305	Goshen LSD (Clermont, Warren)	.0100	1%
2303	Bloom-Carroll LSD (Fairfield)	.0125	1¼%	4501	Granville EVSD (Licking)	.0075	¾%
0203	Bluffton EVSD (Allen, Hancock)	.0050	½%	2904	Greeneview LSD (Greene, Clinton, Fayette)	.0100	1%
8701	Bowling Green CSD (Wood, Henry)	.0050	½%	1904	Greenville CSD (Darke)	.0050	½%
5502	Bradford EVSD (Miami, Darke, Shelby)	.0175	1¼%	3302	Hardin Northern LSD (Hardin, Hancock)	.0175	1¼%
8601	Bryan CSD (Williams)	.0100	1%	7505	Hardin-Houston LSD (Shelby)	.0075	¾%
1701	Buckeye Central LSD (Crawford, Huron, Richland, Seneca)	.0150	1½%	2004	Hicksville EVSD (Defiance)	.0150	1½%
2102	Buckeye Valley LSD (Delaware, Marion, Morrow, Union)	.0100	1%	5902	Highland LSD (Morrow, Delaware)	.0050	½%
2502	Canal Winchester LSD (Franklin, Fairfield)	.0075	¾%	3604	Hillsboro CSD (Highland)	.0100	1%
8801	Carey EVSD (Wyandot, Seneca)	.0100	1%	3501	Holgate LSD (Henry)	.0150	1½%
8301	Carlisle LSD (Warren, Montgomery)	.0100	1%	6903	Jennings LSD (Putnam)	.0075	¾%
2902	Cedar Cliff LSD (Greene, Clark)	.0125	1¼%	4503	Johnstown-Monroe LSD (Licking, Delaware)	.0100	1%
4201	Centerburg LSD (Knox, Delaware, Licking)	.0075	¾%	6904	Kalida LSD (Putnam)	.0100	1%
2002	Central LSD (Defiance, Williams)	.0125	1¼%	3303	Kenton CSD (Hardin, Wyandot)	.0100	1%
1303	Clermont-Northeastern LSD (Clermont, Brown)	.0100	1%	7204	Lakota LSD (Sandusky, Seneca, Wood)	.0150	1½%
5402	Coldwater EVSD (Mercer)	.0050	½%	6905	Leipsic LSD (Putnam)	.0075	¾%
1703	Colonel Crawford LSD (Crawford)	.0125	1¼%	3502	Liberty Center LSD (Henry, Fulton)	.0175	1¼%
1502	Columbiana EVSD (Columbiana, Mahoning)	.0100	1%	2306	Liberty Union-Thurston LSD (Fairfield)	.0175	1¼%
6901	Columbus Grove LSD (Putnam, Allen)	.0100	1%	3205	Liberty-Benton LSD (Hancock)	.0075	¾%
6902	Continental LSD (Putnam)	.0100	1%	4506	Licking Valley LSD (Licking, Muskingum)	.0100	1%
3203	Cory-Rawson LSD (Hancock)	.0175	1¼%	4903	London CSD (Madison)	.0100	1%
5503	Covington EVSD (Miami)	.0200	2%		Loudonville-Perrysville EVSD (Ashland, Holmes, Knox, Richland)	.0125	1¼%
1503	Crestview LSD (Columbiana)	.0100	1%	0905	Madison LSD (Butler)	.0050	½%
8101	Crestview LSD (Van Wert)	.0100	1%	3206	McComb LSD (Hancock, Putnam, Wood)	.0150	1½%
8502	Dalton LSD (Wayne)	.0075	¾%	1102	Mechanicsburg EVSD (Champaign, Madison)	.0150	1½%
4202	Danville LSD (Knox, Holmes)	.0150	1½%	8604	Millcreek-West Unity LSD (Williams)	.0100	1%
2003	Defiance CSD (Defiance, Paulding)	.0050	½%	6906	Miller City-New Cleveland LSD (Putnam)	.0125	1¼%
<b>0204</b>	<b>Delphos CSD (Allen, Van Wert)</b>	<b>.0050</b>	<b>½%</b>	0601	Minster LSD (Auglaize, Darke, Mercer, Shelby)	.0100	1%
6803	Eaton CSD (Preble)	.0150	1½%	1905	Mississinawa Valley LSD (Darke)	.0175	1¼%
8602	Edgerton LSD (Williams, Defiance)	.0100	1%	8802	Mohawk LSD (Wyandot, Crawford, Seneca)	.0100	1%
8703	Elmwood LSD (Wood, Hancock)	.0125	1¼%	5903	Mount Gilead EVSD (Morrow)	.0150	1½%

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SD#	School District Name (and Counties)	Rate	Percent	SD#	School District Name (and Counties)	Rate	Percent
<b>Traditional Tax Base School Districts</b>				<b>Traditional Tax Base School Districts</b>			
6802	National Trail LSD (Preble, Darke)	.0175	1¼%	1103	Triad LSD (Champaign, Logan, Union)	.0150	1¼%
0602	New Bremen LSD (Auglaize, Mercer, Shelby)	.0100	1%	1906	Tri-Village LSD (Darke)	.0150	1¼%
0603	New Knoxville LSD (Auglaize, Shelby)	.0125	1¼%	6805	Twin Valley Community LSD (Preble)	.0150	1¼%
5708	New Lebanon LSD (Montgomery)	.0125	1¼%	7106	Union-Scioto LSD (Ross)	.0050	½%
3903	New London LSD (Huron, Ashland, Lorain)	.0100	1%	1510	United LSD (Columbiana)	.0050	½%
0907	New Miami LSD (Butler)	.0100	1%	8803	Upper Sandusky EVSD (Wyandot, Crawford, Marion)	.0125	1¼%
7404	New Riegel LSD (Seneca)	.0150	1¼%	3306	Upper Scioto Valley LSD (Hardin, Auglaize, Logan)	.0050	½%
4507	Newark CSD (Licking)	.0100	1%	<b>5713</b>	<b>Valley View LSD (Montgomery, Preble)</b>	<b>.0175</b>	<b>1¼%</b>
5506	Newton LSD (Darke, Miami)	.0175	1¼%	<b>3207</b>	<b>Van Buren LSD (Hancock)</b>	<b>.0100</b>	<b>1%</b>
8003	North Union LSD (Union, Delaware)	.0100	1%	8104	Van Wert CSD (Van Wert)	.0100	1%
5904	Northmor LSD (Morrow, Marion, Richland)	.0100	1%	3208	Vanlue LSD (Hancock, Seneca, Wyandot)	.0100	1%
8505	Northwestern LSD (Wayne, Ashland)	.0125	1¼%	1907	Versailles EVSD (Darke, Shelby)	.0100	1%
3904	Norwalk CSD (Huron)	.0050	½%	0605	Wapakoneta CSD (Auglaize)	.0075	¾%
4712	Oberlin CSD (Lorain)	.0200	2%	6303	Wayne Trace LSD (Paulding, Putnam, Van Wert)	.0125	1¼%
7405	Old Fort LSD (Seneca, Sandusky)	.0100	1%	0606	Waynesfield-Goshen LSD (Auglaize, Allen, Logan)	.0100	1%
8707	Otsego LSD (Wood, Henry, Lucas)	.0100	1%	4715	Wellington EVSD (Lorain, Huron)	.0100	1%
6907	Ottawa-Glandorf LSD (Putnam)	.0150	1¼%	1105	West Liberty-Salem LSD (Champaign, Logan)	.0175	1¼%
6908	Ottoville LSD (Putnam, Paulding)	.0075	¾%	3906	Western Reserve LSD (Huron, Erie)	.0125	1¼%
6909	Pandora-Gilboa LSD (Putnam, Allen)	.0175	1¼%	1404	Wilmington CSD (Clinton, Greene)	.0100	1%
5405	Parkway LSD (Mercer, Auglaize, Van Wert)	.0100	1%	3122	Wyoming CSD (Hamilton)	.0125	1¼%
3504	Patrick Henry LSD (Henry, Putnam, Wood)	.0175	1¼%	2906	Xenia Community CSD (Greene, Warren)	.0050	½%
6302	Paulding EVSD (Paulding, Putnam)	.0100	1%	2907	Yellow Springs EVSD (Greene, Clark)	.0100	1%
8708	Perrysburg EVSD (Wood)	.0050	½%				
2604	Pettisville LSD (Fulton, Henry)	.0100	1%				
2307	Pickerington LSD (Fairfield, Franklin)	.0100	1%				
5507	Piqua CSD (Miami)	.0125	1¼%				
7007	Plymouth-Shiloh LSD (Richland, Crawford, Huron)	.0100	1%				
6804	Preble Shawnee LSD (Preble, Butler, Montgomery)	.0100	1%				
2509	Reynoldsburg CSD (Franklin, Fairfield, Licking)	.0050	½%				
3304	Ridgemont LSD (Hardin, Logan)	.0175	1¼%				
3305	Riverdale LSD (Hancock, Hardin, Wyandot)	.0100	1%				
7507	Russia LSD (Shelby, Darke)	.0075	¾%				
7406	Seneca East LSD (Seneca, Huron)	.0100	1%				
7008	Shelby CSD (Richland)	.0100	1%				
3905	South Central LSD (Huron, Richland)	.0125	1¼%				
1205	Southeastern LSD (Clark, Greene)	.0100	1%				
4510	Southwest Licking LSD (Licking, Fairfield)	.0075	¾%				
0209	Spencerville LSD (Allen, Auglaize, Van Wert)	.0100	1%				
5010	Springfield LSD (Mahoning)	.0100	1%				
8607	Stryker LSD (Williams)	.0150	1¼%				
2606	Swanton LSD (Fulton, Lucas)	.0075	¾%				
0909	Talawanda CSD (Butler, Preble)	.0100	1%				

## TAX COMPARISON CHART

	POTENTIAL BENEFITS	POTENTIAL CONCERNS
<b>TRADITIONAL INCOME TAX</b>	<ul style="list-style-type: none"> <li>• Brings in more revenue for lower rate</li> <li>• Used in districts which have less business tax income</li> </ul>	<ul style="list-style-type: none"> <li>• Some retirees feel that because their income is fixed, they should not have to pay the same percentage tax as those who are still in the workforce.</li> </ul>
<b>EARNED INCOME TAX</b>	<ul style="list-style-type: none"> <li>• Protects passive retirement income</li> <li>• Retired voters may be more willing to vote for future levies if their retirement income is protected.</li> <li>• City of Loveland uses earned income tax</li> </ul>	<ul style="list-style-type: none"> <li>• Requires a higher rate to earn the same amount of money as the traditional tax</li> <li>• On average a regressive tax on traditional income earners</li> </ul>
<b>BOTH TYPES OF TAXES</b>	<ul style="list-style-type: none"> <li>• Social Security payments are excluded</li> <li>• Can be continuing or a fixed # of years</li> <li>• Can be accompanied by a reduction in property tax millage</li> <li>• Allows for steady income with less reliance on levies</li> </ul>	<ul style="list-style-type: none"> <li>• If a repeal effort is made on an existing tax and fails, the issue cannot appear on a ballot again until the same fixed number of years of the tax has passed.</li> <li>• Perceived conflict with City of Loveland's tax.</li> <li>• Requires filing an additional tax form (Ohio SD 100)</li> </ul>

**Links:**

Ohio Department of Taxation - School District Income Tax Site:

<https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

Ohio Department of Taxation - School District Income Tax Questions and Answers - "Guide to Ohio's School District Income Tax"

[https://tax.ohio.gov/static/tax\\_analysis/tax\\_data\\_series/school\\_district\\_data/sditqa.pdf](https://tax.ohio.gov/static/tax_analysis/tax_data_series/school_district_data/sditqa.pdf)

Districts in Ohio with Income Tax (FYI: Kirk sent to me today)

[https://tax.ohio.gov/static/employer\\_withholding/2021tables/2021taxyear/schooldistricts2021.pdf](https://tax.ohio.gov/static/employer_withholding/2021tables/2021taxyear/schooldistricts2021.pdf)

IRS Zip Code Level Income Tax Statistics:

<https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-statistics-zip-code-data-soi>