

School income tax viable alternative to local funding issues

MY OPINION



School income tax levies can represent a local option that is a practical and community-driven approach to funding schools, writes columnist Rob Scott. ASSOCIATED PRESS FILE



ROB SCOTT

School funding in Ohio is a hot topic, and continues to get hotter as several school districts in the region have placed property tax levies on the ballot this

coming May election.

However, in Ohio, there is an alternative means than districts just relying on traditional property tax levies. These levies aren't abstract ideas. According to the nonpartisan Ohio Legislative Service Commission (LSC), one-third of Ohio's 611 school districts have adopted a school income tax. Many of the districts are rural or small town communities that struggle to generate enough revenue solely through property taxes.

The school income tax is tied to wages not real estate values.

Clinton-Massie Local Schools in Clinton County is an example.

Voters approved an income tax levy after property levies delivered limited dollars and put too much pressure on homeowners. In May 2025, voters approved a 1% income tax levy 55.3% to 44.7%.

In Miami County, Troy CitySchools used a similar tool starting in 2006. Troy is a growing suburban district with rising expectations for academic programs and student services, the district looked for revenue sources that didn't hit homeowners disproportionately.

The 1.5% school income tax levy helped spread the responsibility more broadly across the working population, aligning revenue with people's ability to pay rather than just property value.

Near Springfield, Clark-Shawnee Local Schools have placed income tax levies before voters, along with Franklin City School District in Warren County, after both levies were rejected by voters last year. In neighboring districts, where levies were structured differently, voters said yes such as the Northeastern Local School District approved a 1% school income tax renewal 55% to 45%.

In Butler County, the Madison Local School District placed a 1.5% income tax levy for operating expenses. Voters rejected the tax 55% to 45%.

LSC data shows this approach is gaining traction. The Ohio districts with income tax levies, 63% levy rates are between 1% and 1.5%. The levies collect between \$1,000 and \$3,000 per pupil annually acting as a supplement to

property tax revenue.

School income taxes are structured to protect families on fixed incomes, including senior citizens. Ohio law lets districts choose whether to levy on Ohio adjusted gross income (AGI) or only on earned income, which includes wages, salaries, and self-employment income but excludes retirement benefits. This distinction matters in aging communities for those living on Social Security or retirement plans not paying the school income tax.

Income tax revenues can fluctuate with economic cycles but property taxes in Ohio have limits too. When values rise rapidly, reappraised households can face sharply higher bills even if their income hasn't increased. Meanwhile, many districts with income taxes are already at the property tax floor, so income tax revenue offers a way to generate meaningful dollars without repeat property levy campaigns.

Property taxes fall most directly on homeowners, regardless of income. An income tax scales with earnings, bringing renters, commuters, and working families into the local funding equation.

School income tax levies are not the local school funding cure. There are arguments Ohio school districts do have a spending problem with duplicative services and need for consolidating the 611 Ohio school districts.

Regardless, Ohio still needs a statewide funding formula adequately covering the cost of education. When school income tax levies are clear and structured responsibly, voters have endorsed the concept in Troy, Clinton-Massie, and neighboring districts. School income tax levies can represent a local option that is a practical and community-driven approach to funding schools.

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