Tax & Budget

The great Ohio tax shift, 2022

How state tax policies indulge the rich and cost the rest of us

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Major tax policy changes enacted by Ohio lawmakers since Governor Taft's 2005 State Budget Bill ask families with the lowest incomes to pay more, the wealthy to pay less, and the state to forgo the resources it needs to ensure the prosperity of its residents. Those are the conclusions of a new analysis conducted for Policy Matters by the Institute on Taxation and Economic Policy (ITEP).

Some of the most significant findings include:

- Ohio families with the least amount of resources — those in the 60% of tax filers with lowest incomes — pay more annual taxes on average today than they did before 2005.
- The richest 1% of Ohio households now contribute an average of nearly $51,000 per year less than they once did.
- The result is a loss of $8 billion a year in revenue that could otherwise fund our shared future.
- Ohioans of color are significantly more likely to pay a higher share of their incomes in taxes due to recent tax changes, while white Ohioans are more likely to have benefited from them.
- 76% of the total value of personal income tax cuts has gone to the richest 20% of households, with 31% going to the richest 1%.
- Changes to sales taxes, excise taxes and business taxes have, on average, increased taxes for the bottom 99% of Ohio's households.
- Changes to sales taxes, excise taxes and business taxes have, on average, allowed the richest 1% of Ohio tax filers to pay nearly $3,000 per year less than they did before 2005.
- The new corporate taxation structure facilitates the transfer of the costs of taxes from the wealthy onto consumers and workers.

Regular Ohioans can bear no more of this type of tax legislation. State lawmakers should ensure that the state has the resources to provide an equitable, thriving society for generations to come by constructing a taxation structure in which Ohioans contribute according to their ability.