

How Should We Measure Ohio's Success?

Tax Rankings are Not the Answer

A strong Ohio will have a great quality of life and opportunities for all Ohioans. Measuring Ohio's success requires more than simplified tax rankings.

1 Rankings vary widely by source.

Business tax rankings can be especially misleading.

The Tax Foundation weights corporate and personal income taxes. Ernst & Young's rankings are based on the actual taxes paid by businesses as a percentage of Gross State Product. **18 states differ 20 spots or more** between these frequently referenced rankings.

Look at the Differences Between Two Commonly Used Tax Rankings		
	Ernst & Young Rankings	Tax Foundation Rankings
Indiana	5	8
Michigan	8	13
Alaska	51	4
Ohio	13	44
Kentucky	26	26
Texas	33	10
Pennsylvania	22	34
Nevada	39	3
Washington	33	11
W. Virginia	43	21
Wyoming	48	1
Florida	41	5

SOURCE: Ernst & Young 8/2014 <http://bit.ly/15DOUzb>
Tax Foundation 10/2014 <http://bit.ly/15DP5DA>

Total State & Local Taxes as a % of Income

Middle 20% of Households

West Virginia	9.0%
Michigan	9.2%
Minnesota	9.6%
Wisconsin	10.2%
Ohio	10.3%
Pennsylvania	10.3%
Kentucky	10.8%
Indiana	10.8%
Illinois	10.8%

SOURCE: ITEP Who Pays, Jan. 2015. Sampling of states include Great Lake & neighbors. Rate includes state and local tax load of sales, excise, property, income, corp. taxes

2 Rankings exploit minor differences.

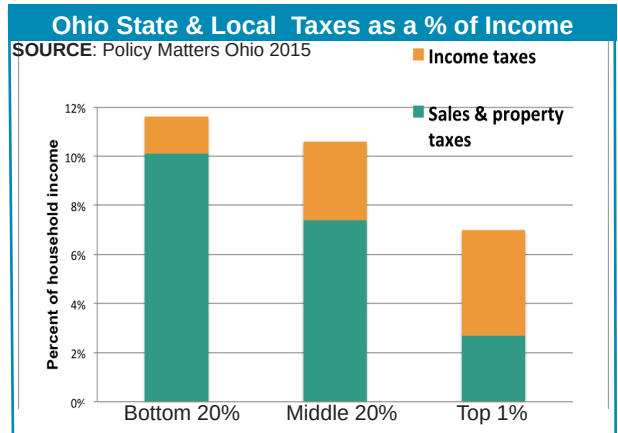
Total state & local taxes are similar in most states.

Nationally, the middle 20% of households pay an average of 9.4% of their income in state and local taxes. 26 states are within 1% of the average, yet rankings widely differ.

3 Rankings devalue fair revenue systems.

The wealthy pay the smallest share of their income.

Rankings often incentivize lowering top income tax rates. We need a diverse revenue system that treats every Ohioan fairly. When rankings weight top income tax rates, other taxes like sales and property taxes are minimized, benefiting the wealthy the most.



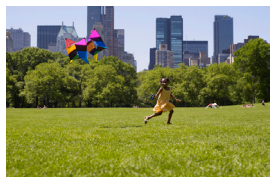
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A Great Quality of Life for All Ohioans

Ohio Should invest in great public services that lead to stronger communities. We can make needed investments with a stable and diverse revenue system to fund those services.



Infrastructure: Great infrastructure is the foundation of a successful Ohio. We should invest in Ohio's future with new transportation options, high speed internet, and energy technology. For example, we'll need to invest \$14.2 billion for wastewater treatment over the next 20 years. (The American Society of Civil Engineers, 2013) and we have 5,700 bridges that are functionally obsolete or structurally deficient (Ohio County Engineers Assoc., 2013).



Our Children: Investments now into children's and family's health and well-being are an investment in Ohio's future. We cannot expect kids to succeed if they are not emotionally, mentally, and physically healthy. Currently, Ohio ranks 48th for infant mortality (Ohio Dept. of Health, 2013), and 24th for overall child well-being with almost 1 out of 4 Ohio kids in poverty (Annie E. Casey Foundation, 2013).



Education: We should strive for a world class public education system for all that is both 'equitable' and 'adequate'. A student's zip code, all too often, will determine their quality of education. Ohio ranks 40th for inequity in school funding. In addition 20,000 community college students lost access to the Ohio College Opportunity Grant (OCOG) after budget cuts reduced funding in 2009 (OACC, 2013).



Public Safety: Ohio should have professional and reliable public safety services to serve every community. Ample fire and police protection make our communities safe as well as technology to warn us about dangerous weather. State budget cuts have forced communities to cut back on safety personnel, services, and maintenance of equipment that keep our communities safe.

Providing a high quality of life for all Ohioans should be our top priority. Too often, tax rankings miss the mark. We need an adequate revenue system to pay for services our communities rely upon.