

# Budget, New Bills, Calls to Action and More

Lobby Call: March 25, 2025

136<sup>th</sup> General Assembly



# Revenue Roundtable

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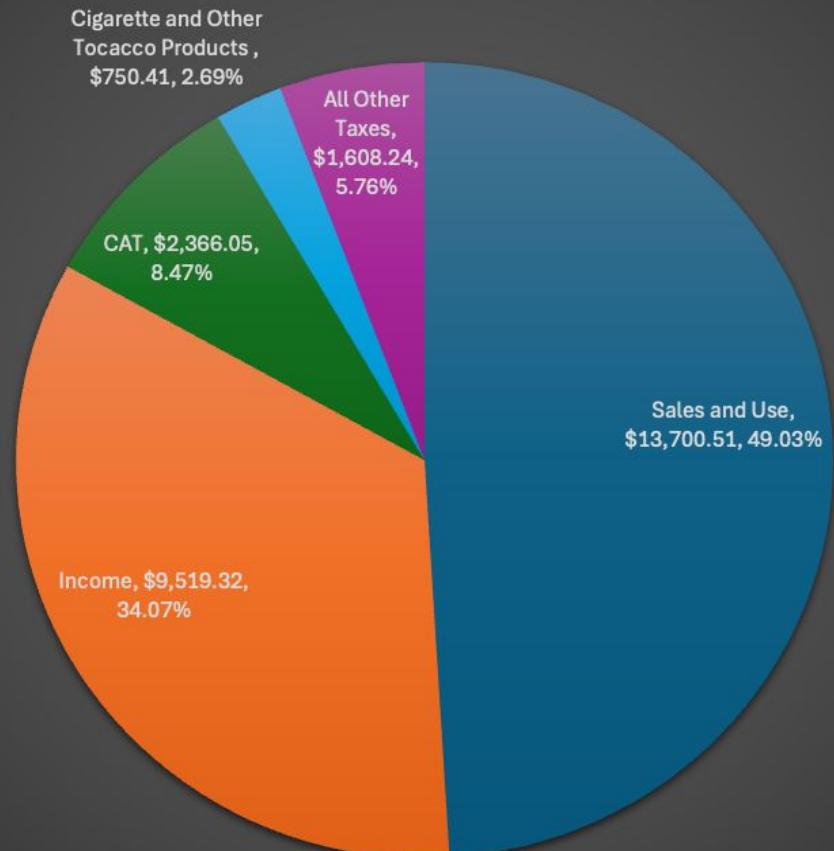
Bailey Williams, Tax Policy Researcher

March 7, 2025

# Forms of Taxation and Revenue Streams in Ohio

- State and local governments in Ohio rely primarily on three forms of taxations.
  - **Income Tax**
    - Mostly State government, but Municipalities and schools can enact local income taxes.
    - Fiscal Year 2024: \$11.3 billion – 38.7% of all State Tax Revenue
      - 3.4% of all income tax revenue reserved for the Local Government Fund and the Public Library fund.
  - **Sales and Use Tax**
    - Used by both State and County Governments and transit authorities for Revenue.
    - Total Revenue in Fiscal Year 2024:
      - State: \$13.7 billion – 47.1% of all State Tax Revenue (State Rate = 5.75%.)
      - County: \$2.8 Billion (Rates range from .5% to 2% across all 88 counties.)
      - Transit: \$800 million (Rates range from .1% to 1% across 11 Transit Authorities.)
  - **Property Tax**
    - Revenue goes to schools and other local entities like libraries and mental health services.
    - Property Tax charged for Tax Year 2022 on Real Property (paid in 2023): \$19 Billion

## Ohio Fiscal Year 2024 GRF Revenue by Source (Values in thousands of dollars)



# Tax Revenue and the General Revenue Fund

**Three taxes account for 91.5% of OH's \$27.94 billion in state tax revenue towards the GRF:**

- **Sales and Use Tax: 49%**
  - 5.75% state rate, plus respective county sales taxes up to 2%.
  - Regressive tax that consume higher share of income for lower earning Ohioans.
- **Personal Income Tax: 34%**
  - Main progressive tax in OH, based on ability to pay, with higher earners paying a higher tax rate.
  - Only two taxable brackets remain after two decades of income tax cuts.
- **Commercial Activity Tax: 8.5%**
  - Main form of business taxation in OH.

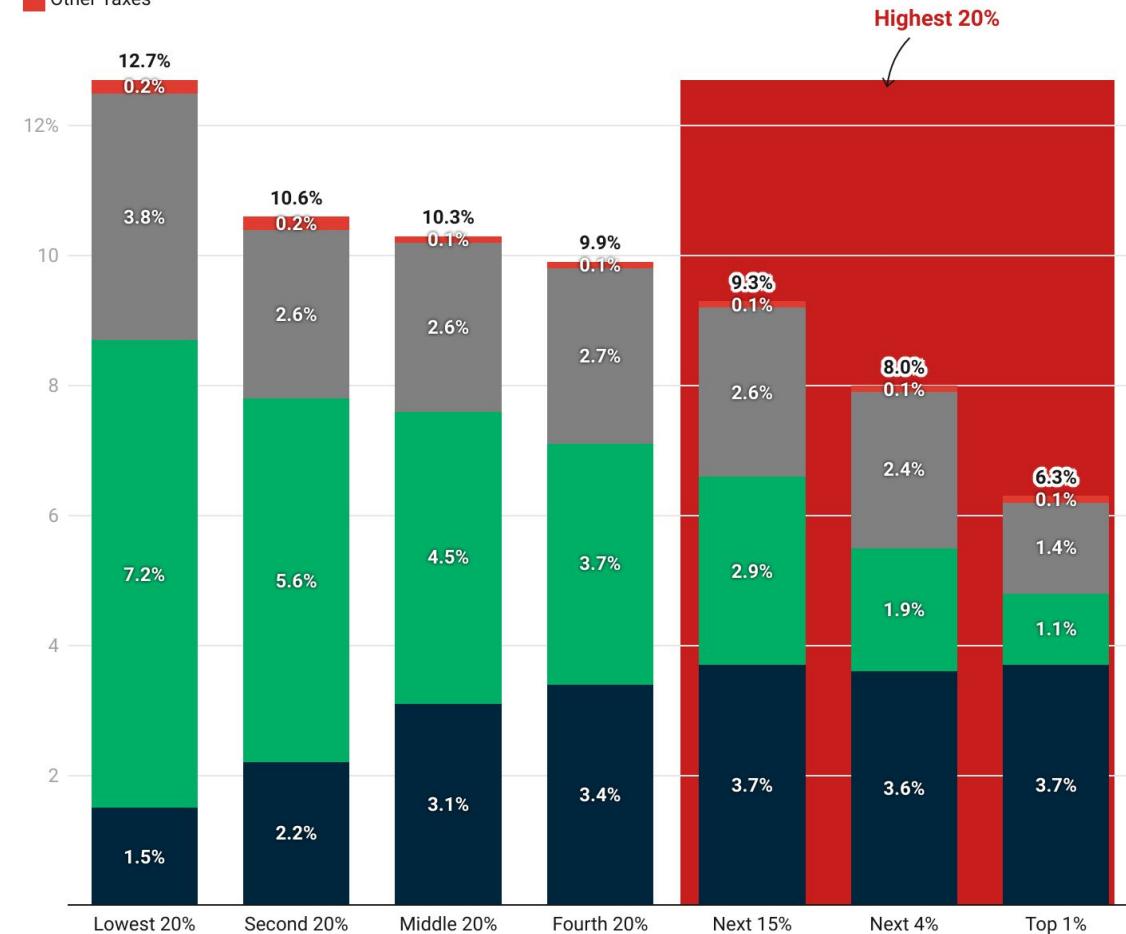
# State and Local Taxation in Ohio

- Our state tax code is completely upside-down, allowing the rich to pay less while the lowest earners pay more.
- This is due to our overreliance on regressive taxes, like the sales tax and, to a less degree, the property tax.
- How did we get here

As a share of income, top 1% pay less than half as much as lowest-paid in state and local taxes.

Total state & local taxes as a share of income, by income group, by type of tax.

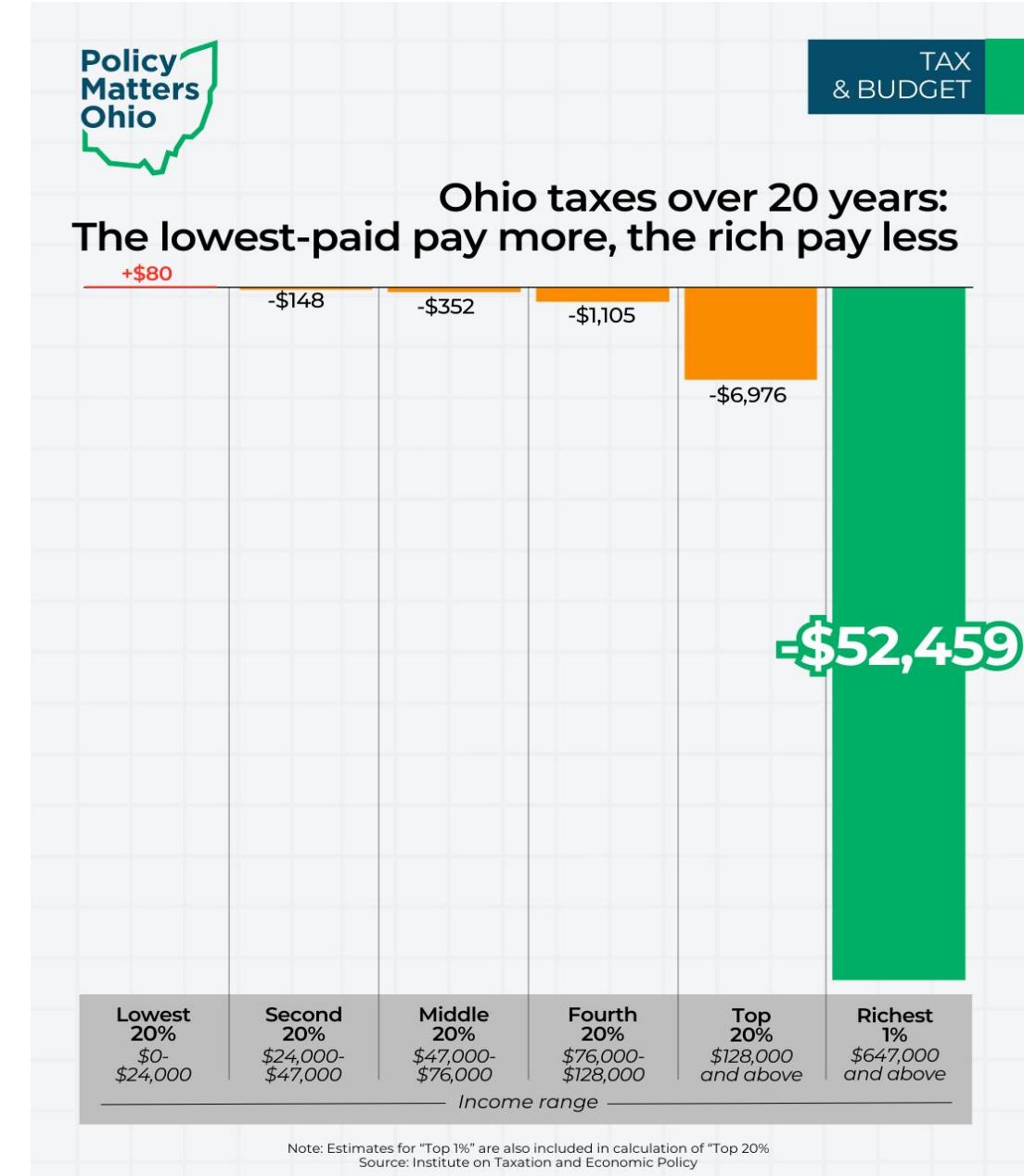
- State and Local Income Taxes
- Sales Taxes
- Property Taxes
- Other Taxes



Source: Policy Matters Ohio, based on data from the Institute on Taxation and Economic Policy's "Who Pays?" report, 7th edition (2024). Based on 2023 incomes levels. Includes non-elderly Ohio residents. • Created with Datawrapper

# How did we get here? The Great Ohio Tax Shift

- The cause of both our upside-down tax code and the artificial scarcity in revenue is the same: a generation of income tax cuts.
- Cumulative impact of tax changes since 2005 = **\$12.8 billion in foregone revenue ANNUALLY...**
- **How does this connect to our state revenue situation today?**



# Tax Changes in the Last State Budget, HB 33

## New Brackets and Rates

Former Bracket	Former Rates	Future Brackets	Future Rates
Below \$26,050**	0%**	Below \$26,050**	0%**
\$26,050 - \$46,100	2.765%	\$26,050 - \$100,000	2.75%
\$46,100 - \$92,150	3.226%		
\$92,150 - \$115,300	3.688%	Above \$100,000	3.50%
Above \$115,300	3.990%		

- H.B. 33 from the last GA featured a slew of income tax and Commercial Activity Tax cuts.
- Income tax cuts estimated to cost \$900 million a year.
  - 85.4% of the benefit went to Ohioans with incomes above \$124k.
- Based on the recently released Tax Expenditure Report, CAT changes are costing the state an extra \$500 million a year.

\*\* Those with incomes above \$26,050 pay a rate of 1.385% on their income in this bracket.

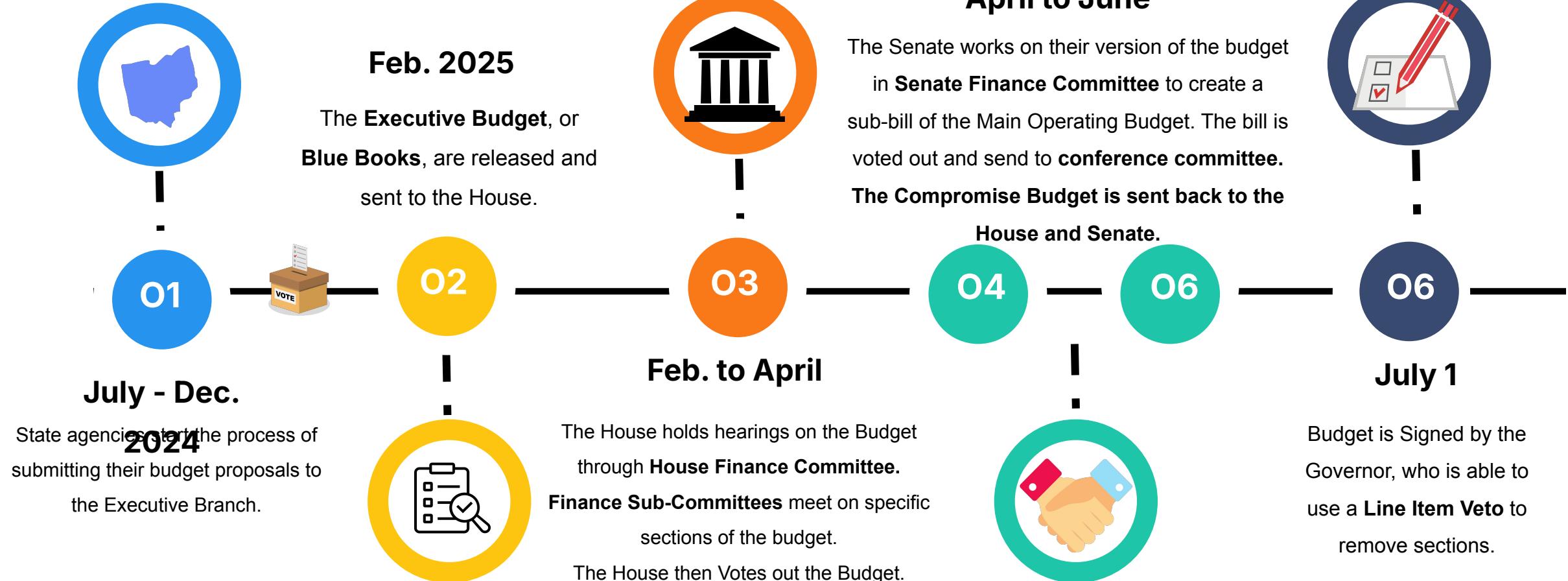
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# GRF Tax Revenue Fiscal Years 2023 and 2024

Tax Type	Fiscal Year 2023	Fiscal Year 2024	Variance \$ (%)
Sales and Use	\$13.48 Billion	\$13.70 Billion	\$217 Million (1.61%)
Income	\$10.80 Billion	\$9.52 Billion	-\$1.28 Billion (-11.84%)
CAT	\$2.15 Billion	\$2.37 Billion	\$214 Million (10%)
Cigarette and Other Tocacco Products	\$827 Million	\$750 Million	-\$77 Million (-9.3%)
All Other Taxes	\$1.66 Billion	\$1.61 Billion	-\$47 Million (-2.89%)
<b>Total Taxes</b>	<b>\$28.92 Billion</b>	<b>\$27.94 Billion</b>	<b>-\$971 Million (-3.4%)</b>

# A Timeline of the Budget



**The State Fiscal Year (FY) begins on July 1st and runs through June 30th of the following year.**  
**The Main Operating Budget is passed the first year of every GA (odd years after the election).**

# Executive Budget – No Income Tax Cuts

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- The most significant part of Gov. DeWine's tax plan is what it doesn't do: Cut the personal income tax.
- Both Gov. DeWine and OBM Director Kim Murnieks reason further cuts are not warranted as our income tax is similar compared to surrounding states.
- Protecting the state's second largest revenue source tax is paramount this budget.
- Further cuts will only lead to an even more inadequate and inequitable tax code.

# Executive Budget – Sin Tax Revenue

Gov. DeWine's budget only raises taxes on three “sin taxes”

## 1. Cigarette Tax

- From \$1.60 a pack to \$3.10 a pack.
  - Other parity changes to Other Tobacco Products.
  - Revenue used for new Child Tax Credit.

## 2. Cannabis Tax:

- From 10% to 20% of final sale price.
  - Also changes revenue streams from locals to the GRF.
  - Mostly diverts revenue towards police training and jail construction.

## 3. Sports Gaming Tax:

- From 20% to 40% of earnings of operators.
  - Also splits revenue stream that currently goes to extra-curricular activities with professional stadium development.

# Major Tax Legislation

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- Major tax bills on property taxes, tax credits, and the income tax are being considered that could make their way into the budget bill.
- **Property Taxes.**
  - Several bills, from PMO's supported Circuit Breaker, to homestead exemption expansion, to poorly targeted property tax freezes are being concerned.
    - SB 22, Sen. Blessing's Circuit Breaker would provide property tax relief based on income that would hold schools harmless.
- **Tax Credits**
  - Keep supporting the inclusion and improvement of Gov. DeWine's Child Tax Credit.
- **Income Tax Reform (**RED FLAG**)**
  - HB 30/SB 3: Create a 2.75% flat income tax.



**Tax & Budget**

# The Budget Process

Transportation Budget Issue

Operations Budget and Fair School Funding

# Update on Budgets

- **HB 54 Transportation Budget** has been passed by the House
  - All pieces about voter registration were removed
  - HAS BEEN PASSED BY THE SENATE

## HB 96 Operations:

- Now back with the full House Finance Committee
  - Dems and Reps have each put in amendments
  - Negotiations going on in terms of those amendments
  - Sub budget Bill expected April 1
  - Strong possibility that House floor will vote on budget Apr. 9
  - Recess planned for 2<sup>nd</sup> and 3<sup>rd</sup> week of April (weeks of 14<sup>th</sup> and 21<sup>st</sup>)

# **HB 96:**

# **Operation**

# **s Budget**

# Where Are We Now?

- Tool Kit in two places on our website: Action Alerts and Education as a Current Issue.

## **HB 96: Operations Budget**

### **Fair School Funding in the Budget**

- **Basic Tool Kit of Talking Points and Actions to Take**

- Susie Kaeser's research with heat maps under Current Priorities: Education.
- We are coordinating with other groups with a unified message – it is the first three points that you find in the tool kit. We are going to continue to beat the drum, adding drummers as the bill goes through the GA.

**Ohio's school funding formula will remain broken** unless the legislature includes up-to-date cost estimates **and** categorical weights.

**Statewide Foundation Funding**



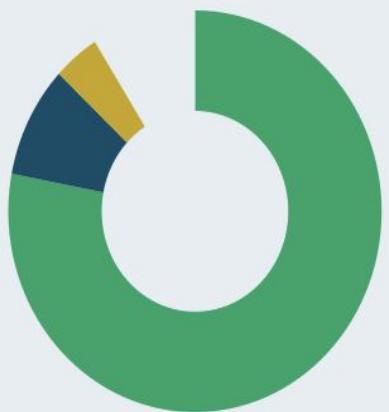
**\$6,395,301,322**

Funding without FSFP



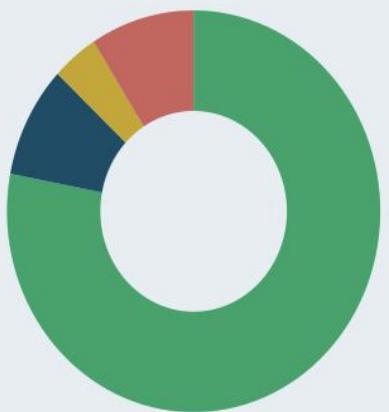
**+ \$694,241,335**

Current funding  
66% phase in



**+ \$347,068,602**

Funding with  
full phase in



**+ \$tbd**

Funding with updated  
inputs and full phase in



# Short, Unified Message

**To the Public:** Ohio's public-school children, families, schools, and communities must come together to demand that lawmakers complete the promised phase-in of the Fair School Funding Plan, and based on accurate and up-to-date cost estimates fully fund the state's responsibility for high quality public education.

**To the General Assembly:** In order to fulfil the Ohio legislature's constitutional responsibility to fund a high quality education that is available throughout the state, we call upon the General Assembly to include in the FY26-27 operating budget funds sufficient to cover up-to-date costs of K-12 education, and fully fund the final phase-in of the Fair School Funding Plan.

# **Additionally, why LWVO Supports It:**

- The Fair School Funding plan is a solid funding strategy that when followed as designed, and fully funded, achieves equity and adequacy. The formula is a constitutional solution to the vexing problem of meeting the needs of our extremely diverse school districts and communities, and the students they serve.
- Public education has to be Ohio's K-12 funding priority. Ohio's public education system belongs to the public and serves the common good. It is available everywhere and includes everyone; it is accountable to the public and locally elected school boards; it is regulated to ensure quality teaching and learning; and it respects the separation of church and state. Education choices outside the public system do not benefit everyone, are not accountable, are not required to be honest or true, and divert funds from the schools that are the cornerstone institutions in communities and our democracy.
- Public school funding is a joint responsibility of the state and local communities. Local taxpayers have carried too much of the burden for too long, perpetuating inequality. The state needs to do its fair share and stop shifting that responsibility to local property taxes.

# Change in the State Share Percentage

- The current statewide average state share percentage in FY25 is 38.4%. The LSC simulations show that in FY26, the statewide average state percentage **decreases to 35.0%**. The LSC simulations also show that in FY27, the statewide average state percentage **decreases again to 32.2%**.
- Prior years' share percentages:
  - 2019 – 46%
  - 2022 – 42%
  - 2023 – 39.6%
  - 2024 – 42.35%



Costs, Capacity and Shared Responsibility:

Getting to the Heart  
of Fair School Funding



LWV LEAGUE OF WOMEN VOTERS<sup>®</sup>  
OF OHIO presents

FAIR SCHOOL FUNDING  
vs.  
VOUCHERS

Understanding the K-12 funding tug of war



Register at [bit.ly/FairSchoolFundingVVouchers](http://bit.ly/FairSchoolFundingVVouchers)

## Costs, Capacity and Shared Responsibility: Getting to the Heart of Fair School Funding

**Wed Mar 12th 7:00pm - 8:00pm**

Hosted by the League of Women Voters of Ohio

## Fair School funding vs. Vouchers: Understanding the K-12 Funding Tug of War

**Wed. Feb. 12, 2025**

Hosted by League of Women Voters of Ohio

# New Policy Matters Ohio Tools

- **See if your district is among the 349 that will see a funding cut.**
- Policy Matters Ohio's recent **voucher-mapping report**
- **Learn how vouchers harm public schools in your state House and Senate districts.**



## LWVOhio.org Resources

- Landscape map by Senate Districts
- Education Options by County: Data & Maps
- Executive Summary: K-12 Landscape
- Report: The K-12 Education Landscape in Ohio
- Funding Public Education in the State Budget: HB 96
- History of School Funding in Ohio (including vouchers)

# What You Can Do: LTEs, Visits

1. Find out the facts for your district. Write a LTE.
2. We need Leagues to visit their representatives. Bring allies with you.
3. Keep the emails and calls going. Use the unified message. Focus on strong public schools. If you have a story, tell it.
4. We have a target list of legislators. We are matching Leagues to that list.
5. If you know you are willing to visit a legislator, please email us at [advocacy@lwvohio.org](mailto:advocacy@lwvohio.org). We will help with materials, talking points, etc.

# New Action

- Get your local school board to pass a resolution in support of fully funding the Fair School Funding Plan
- [Resolution template from Honesty for Ohio Education](#)



# In Other Business: Bills We Are Tracking

These Bills have been introduced and assigned to a committee. Many are getting 1st hearings from Sponsors. In a couple of cases, there are signs of fast tracking.

# Take Action Tuesday: SB 82

SB 82 bill would classify election officials as *designated public service workers*, safeguarding their personal information — like home addresses and phone numbers — from public records requests. Law enforcement officers, judges, and emergency responders already have this protection. It's time to extend it to those who make free and fair elections possible.

**Why this matters now:** Election officials have faced increasing threats and harassment simply for doing their jobs. No one should have to fear for their safety while serving our democracy. SB 82 is a common-sense, nonpartisan step to protect them just as they protect our elections.

**Tell your Ohio Senator: Stand with election workers. Vote YES on SB 82.**

[TAKE ACTION HERE](#)

# [SB 1/ \(HB 6 \)](#) Enact Ohio Higher Education Enhancement Act

- Sponsor: Cirino in Senate/ Young in House
- Brief description: like the original SB 83 from the 135th GA.
- [Bill Synopsis](#) (thank you, AAUP!)

- PASSED THE SENATE. PASSED THE HOUSE.
- Headed Back to Senate for concurrence on changes.
- ACTION: [ASK DEWINE TO VETO SB1!](#)

# HB 28: Eliminate the authority to levy replacement property tax levies

- Sponsors: Matthew, A., Hall, T
- Committee: Ways and Means. **PASSSED THE HOUSE. HEADED TO SENATE**
- Eliminates the authority of political subdivisions to levy replacement property tax levies, beginning with elections held on or after October 1, 2025.

Unlike a renewal levy, a replacement levy allows subdivisions to receive the benefit of any growth in property tax values that occurred during the life of the existing levy.

- **Action Needed ASAP** Tell your state senator that HB 28 is coming over from the House. Ask them to HELP STOP HB 28:

- [Find your senator by typing your address below this map](#)

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## **RESOURCES:**

- <https://www.legislature.ohio.gov//download?key=24850>
- <https://www.legislature.ohio.gov/legislation/136/hb28>
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- **SB 127 — Allows the state to close certain public schools**
- **Brief description:** <https://www.legislature.ohio.gov//download?key=24748>
- **Action Needed ASAP** — The bill sponsor, Senator Andrew Brenner, is moving this bill quickly through his own committee (Senate Education Committee)
- **Messages from the Ohio Education Association (OEA):**
  - SB 127 would expand reliance on problematic standardized test scores for labeling schools as underperforming
  - SB 127 could lead to mandatory school closures that squander prior investments in school buildings
  - SB 127 could transfer control of schools to external operators that have no link to the community
  - SB 127 could lead to mass job losses for school staff, which would have a major impact on local communities.
- **Ask Committee Vice Chair Lou Blessing to HELP STOP SB 127:**
  - (614) 466-8068 or [Blessing@OhioSenate.gov](mailto:Blessing@OhioSenate.gov)
- **3.) Ask Committee Ranking Member Catherine Ingram to HELP STOP SB 127:**
  - (614) 466-5980 or [Ingram@OhioSenate.gov](mailto:Ingram@OhioSenate.gov)

S. B.  
107

Include state, district school board members on  
partisan ballot (Companion bill: HB 153)

Sponsor: Brenner

Committee: General Government

Sponsor Hearing: February 26, no more scheduled yet

Why this is a bad bill: This would politicize schools. It would also increase the cost of running for school board since Party \$ would flow into races.

These races are nonpartisan in order to focus on the real issues of the school district. Politicizing them would take the focus off the real issues. It would also impact who runs, causing us to lose good candidates who aren't interested in political careers, but passionate about their schools. In some areas, it would give more support to some extremist

- **SB 113 and HB 155** — **Ban all diversity, equity, and inclusion in k-12 public schools**
- **Brief description:** “Prohibits diversity, equity, and inclusion in public schools”
- [Analysis from ACLU Ohio](#)
- [Read Senator Brenner’s testimony here](#)
- [Watch the hearing here](#)
- 
- **Action Needed ASAP** — The bill sponsor, Senator Andrew Brenner, is moving this bill quickly through his own committee (Senate Education Committee).
- SB 113 has a 2nd hearing in the Senate Education Committee on 3/25/2025. Only supporter testimony will be accepted at this hearing
-

# SB 68: Nonchartered ESAs

Sponsor: Romanchuk

Committee: Senate Finance

Hearing: Feb. 18, Sponsor; Feb. 25, 2 PM, Proponent, none scheduled now

Establishes a Nonchartered Educational Savings Accounts (ESAs) Program — the next step for universal voucher supporters

- “ESAs are vouchers-plus”
- “ESAs were a helpful rebranding” for voucher supporters

**• Call them what they are: unaccountable vouchers!**

# SB 66: Include certain levies, taxes in school millage floor calculation

Sponsors: O'Brien, Lang. Committee: Senate Ways and Means. Hearing: 1<sup>st</sup>, Sponsor Feb. 18<sup>th</sup>; 2<sup>nd</sup>, Proponent, Feb. 25; 3<sup>rd</sup>: Mar. 4<sup>th, all</sup> ., not scheduled this week

## **The bill**

Under current law, the calculation of a school district's 20-mill floor includes only inside millage used for operating expenses and voted, fixed-rate operating expense levies. Fixed-sum levies are not included in the calculation, even if the revenue from those levies is used for operating expenses.

**The bill expands the types of levies included in the floor calculation.** The effect of these changes, for school districts that impose one or more of these levies, is to increase the total millage that is compared to the 20-mill floor. If the district was previously on the floor, the new calculation may push the district above the floor, **with the result that the district will not see full revenue growth from its voted property tax levies that are affected by the tax reduction factor until the district falls back to the 20-mill floor.**

# SB 4: Election Integrity Act (Gavarone)

- SB4 - Creates the Election Integrity Unit within the Secretary of State's office; modifies election fraud prosecution process.

**STALLED IN COMMITTEE – ONLY SPONSOR HEARING**

- Sets a 12-month window for county prosecutors to pursue election fraud referrals. After 12-months, the AG can pursue
- The EIU mirrors the Public Integrity Division that was created in October 2022
  - The EIU is charged with investigating election fraud and voter suppression allegations
  - The EIU can refer investigations to outside state and federal agencies
  - The EIU can hold hearings, call witnesses, and compel documentation
  - Produce an annual report to the Governor and General Assembly

# Other Bills to Watch

## **SB 44** – Double dipping

- Allow students to concurrently receive an Ed Choice scholarship or Pilot Project scholarship ***and*** either an Autism or Jon Peterson Special Needs scholarship
- “Senate Bill 44 could cost Ohio up to \$38 million a year”

## **HB 30**

- Phase-down the state income tax to a flat rate of 2.75% over two years. No movement.

- **SB 13 and HB 25 — Foster-To-College scholarships**
- **Brief description:**  
<https://www.legislature.ohio.gov//download?key=24454>
- **Action Needed ASAP** — Best chance of getting this bill passed is likely to get it added to the state budget
- **TAKE ACTION:**
- **Tell House Finance Committee Chair Brian Stewart** to add the BIPARTISAN Foster-To-College scholarship program (HB 25 / SB 13) into the state budget:
  - (614) 466-1464 or [rep12@ohiohouse.gov](mailto:rep12@ohiohouse.gov)

# Positive Bills to Watch

- [HB97](#) – Public School Meals for all.
- [HB62](#)- College Plus

**Tell your members of  
Congress to oppose the  
SAVE Act**

- The House and Senate introduced the Safeguard American Voter Eligibility (SAVE) Act, which would require citizenship documentation to register to vote despite the fact that voters in every state are already required to affirm or verify their citizenship status when registering.
- State election officials have systems to verify an individual voter's eligibility and ensure voter rolls are accurate.
- The bill's requirement of a document to prove American citizenship to register to vote in federal elections is unnecessary and seeks to divide us. Further, it creates one more barrier to the voting process, as many eligible voters do not have easy access to the necessary documents.
- Americans do not need MORE obstacles to vote.
- Congress must act to ensure that every eligible US citizen has the freedom to vote unimpeded by discriminatory rules rooted in fear and division.

[\*\*Take Action\*\*](#)

# **LWVUS Calls for Concensus Meetings on Federal Judiciary Study**

**Result of LWV 2024 Convention  
Vote**

# Federal Judiciary Study

- The Federal Judiciary Study Committee hosted a town hall for members to learn more about the study, pose questions, and hear from leading experts. In case you missed it, a recording of the town hall is now available on the [League Management Site](#).

## FEDERAL JUDICIARY STUDY TOWN HALL

- New materials, including consensus questions, discussion prompts, and more are now available on the [League Management Site](#).
- Following your League's consensus meetings, each League — not individual members — should report the results of their meeting via this online survey. A PDF of the survey is also available.

POST-CONSENSUS MEETING SURVEY: to be completed by April 14<sup>th</sup>

# **NEXT LOBBY CALL**

**April 8, 2025**