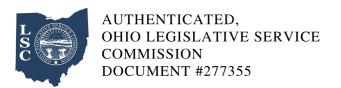


Ohio Revised Code Section 5747.03 Distributing income tax revenue.

Effective: June 20, 2008

Legislation: Senate Bill 185 - 127th General Assembly

- (A) All money collected under this chapter arising from the taxes imposed by section 5747.02 or 5747.41 of the Revised Code shall be credited to the general revenue fund, except that the treasurer of state shall, at the beginning of each calendar quarter, credit to the Ohio political party fund, pursuant to section 3517.16 of the Revised Code, an amount equal to the total dollar value realized from the taxpayer exercise of the income tax checkoff option on tax forms processed during the preceding calendar quarter.
- (B)(1) Following the crediting of moneys pursuant to division (A) of this section, the remainder deposited in the general revenue fund shall be distributed pursuant to division (F) of section 321.24 and section 323.156 of the Revised Code; to make subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; to support expenditures for programs and services for the mentally ill, mentally retarded, developmentally disabled, and elderly; for primary and secondary education; for medical assistance; and for any other purposes authorized by law, subject to the limitation that at least fifty per cent of the income tax collected by the state from the tax imposed by section 5747.02 of the Revised Code shall be returned pursuant to Section 9 of Article XII, Ohio Constitution.
- (2) To ensure that such constitutional requirement is satisfied the tax commissioner shall, on or before the thirtieth day of June of each year, from the best information available to the tax commissioner, determine and certify for each county to the director of budget and management the amount of taxes collected under this chapter from the tax imposed under section 5747.02 of the Revised Code during the preceding calendar year that are required to be returned to the county by Section 9 of Article XII, Ohio Constitution. The director shall provide for payment from the general revenue fund to the county in the amount, if any, that the sum of the amount so certified for that county exceeds the sum of the following:
- (a) The sum of the payments from the general revenue fund for the preceding calendar year credited to the county's undivided income tax fund pursuant to division (F) of section 321.24 and section



323.156 of the Revised Code or made directly from the general revenue fund to political subdivisions located in the county;

- (b) The sum of the amounts from the general revenue fund distributed in the county during the preceding calendar year for subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; for programs and services for mentally ill, mentally retarded, developmentally disabled, and elderly persons; for primary and secondary education; and for medical assistance.
- (c) In the case of payments made by the director under this division in 2007, the total amount distributed to the county during the preceding calendar year from the local government fund and the local government revenue assistance fund, and, in the case of payments made by the director under this division in subsequent calendar years, the amount distributed to the county from the local government fund;
- (d) In the case of payments made by the director under this division, the total amount distributed to the county during the preceding calendar year from the public library fund.

Payments under this division shall be credited to the county's undivided income tax fund, except that, notwithstanding section 5705.14 of the Revised Code, such payments may be transferred by the board of county commissioners to the county general fund by resolution adopted with the affirmative vote of two-thirds of the members thereof.

- (C) All payments received in each month from taxes imposed under Chapter 5748. of the Revised Code and any penalties or interest thereon shall be paid into the school district income tax fund, which is hereby created in the state treasury, except that an amount equal to the following portion of such payments shall be paid into the general school district income tax administrative fund, which is hereby created in the state treasury:
- (1) One and three-quarters of one per cent of those received in fiscal year 1996;
- (2) One and one-half per cent of those received in fiscal year 1997 and thereafter.



Money in the school district income tax administrative fund shall be used by the tax commissioner to defray costs incurred in administering the school district's income tax, including the cost of providing employers with information regarding the rate of tax imposed by any school district. Any moneys remaining in the fund after such use shall be deposited in the school district income tax fund.

All interest earned on moneys in the school district income tax fund shall be credited to the fund.

(D)(1)(a) Within thirty days of the end of each calendar quarter ending on the last day of March, June, September, and December, the director of budget and management shall make a payment from the school district income tax fund to each school district for which school district income tax revenue was received during that quarter. The amount of the payment shall equal the balance in the school district's account at the end of that quarter.

- (b) After a school district ceases to levy an income tax, the director of budget and management shall adjust the payments under division (D)(1)(a) of this section to retain sufficient money in the school district's account to pay refunds. For the calendar quarters ending on the last day of March and December of the calendar year following the last calendar year the tax is levied, the director shall make the payments in the amount required under division (D)(1)(a) of this section. For the calendar quarter ending on the last day of June of the calendar year following the last calendar year the tax is levied, the director shall make a payment equal to nine-tenths of the balance in the account at the end of that quarter. For the calendar quarter ending on the last day of September of the calendar year following the last calendar year the tax is levied, the director shall make no payment. For the second and succeeding calendar years following the last calendar year the tax is levied, the director shall make one payment each year, within thirty days of the last day of June, in an amount equal to the balance in the district's account on the last day of June.
- (2) Moneys paid to a school district under this division shall be deposited in its school district income tax fund. All interest earned on moneys in the school district income tax fund shall be apportioned by the tax commissioner pro rata among the school districts in the proportions and at the times the districts are entitled to receive payments under this division.