

# POLICY MEMO

## PROPERTY TAX TRANSPARENCY: WHAT ARE WE PAYING FOR DECEMBER 4, 2023

### The Buckeye Institute's Recommendation

Ohio should adopt a mandatory, easy-to-use online database that shows *all* tax levies that apply to individual parcels of property, such as the **Levy Estimator** created by Franklin County. This online database should be overseen by the Ohio state treasurer.

### Background

Ohio has been wisely pursuing **tax reform** at the state level, but the local tax burden remains high. As a percentage of income, Ohio's local tax burden ranks **13<sup>th</sup>** in the country as of 2020, and property taxes comprise a significant share of that burden. As property values rise along with **record inflation**, property taxes have risen, too—often to taxpayers' **great surprise**.

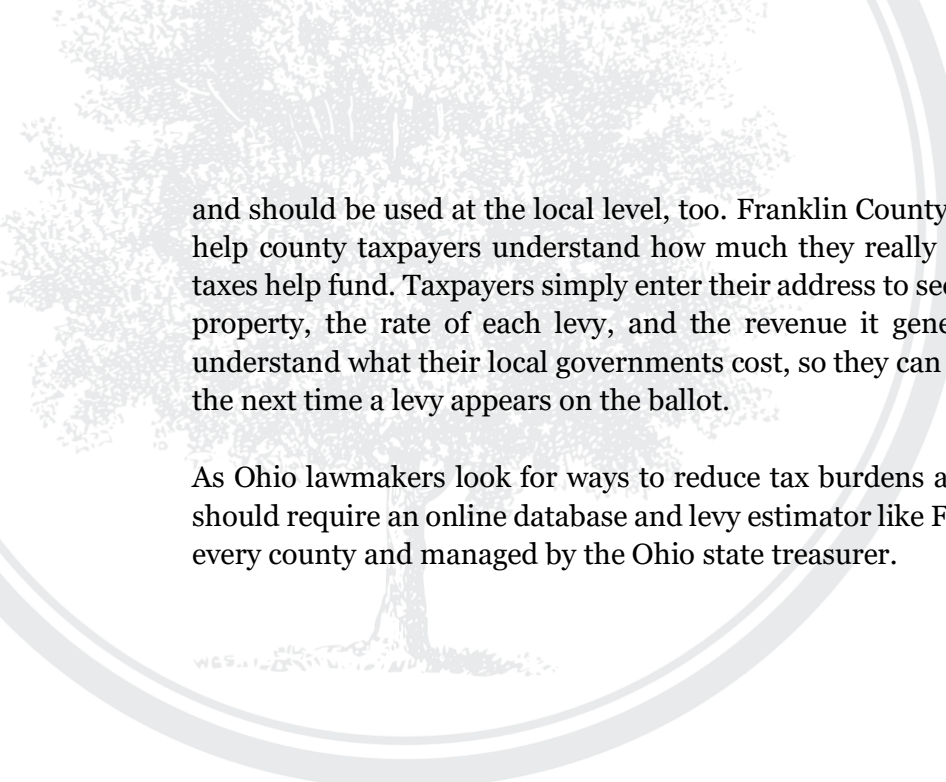
The Ohio General Assembly hopes to reduce property tax volatility by legislatively **changing** how localities calculate property taxes. And some state lawmakers want to freeze property taxes for senior citizens. But these are temporary measures at best. Real solutions require local action, and that action will only occur if and when taxpayers understand their local governments' inefficiencies and demand changes. For that, taxpayers need better, more transparent information.

Local taxpayers must understand that local tax burdens derive from numerous sources, including the costs of running local governments and their various bureaucracies. To remedy local property taxes and increases requires inseparable remedies for local government run amuck. As The Buckeye Institute has **highlighted**, Ohio's large and unwieldy local government system includes more than 900 municipalities, over 600 school districts, more than 1,300 townships, 88 counties, too many courts to count, and other entities ranging from **councils of government** to **port authorities** to public zoos and **joint economic development districts**. Separate levies from each of these bodies compound year after year and decade after decade such that a single piece of property may owe 20 different taxing authorities, some eligible for periodic taxpayer review, but many not.

### Transparency Helps Taxpayers

Because most taxpayers are generally unaware of the breadth of these bureaucratic bodies, or how many levies affect their property, they cannot identify the source of their frustration or dissatisfaction with government services. Often, all they know is that their property taxes went up—again.

At the state level, transparency initiatives like the **Ohio Checkbook** championed and **inspired** by The Buckeye Institute have helped make Ohio a public spending **leader**. But new tools can



and should be used at the local level, too. Franklin County's **Levy Estimator**, for example, will help county taxpayers understand how much they really pay in property taxes and what those taxes help fund. Taxpayers simply enter their address to see an itemized list of all the levies on the property, the rate of each levy, and the revenue it generates. This tool helps citizens better understand what their local governments cost, so they can make better, more informed decisions the next time a levy appears on the ballot.

As Ohio lawmakers look for ways to reduce tax burdens and increase public transparency, they should require an online database and levy estimator like Franklin County's be made available for every county and managed by the Ohio state treasurer.