

## Tax Cut Opponents Say GOP's Policies Shift Burden To Local Voters –

Thursday, June 5, 2014

Democrats, local officials and advocacy groups predicted Thursday that new tax cuts Republicans approved this week would continue a trend of shifting the burden of taxation to local governments and issued two new studies to back up their claim.

One Ohio Now, a coalition of health and human service organizations, labor unions, and advocacy groups, posted new information on its "[Cuts Hurt Ohio](#)" website indicating that state budget cuts to schools and local governments add up to \$1.86 billion when comparing the years 2010-2011 to 2014-2015.

Meanwhile, Innovation Ohio issued a [new report](#) finding that local taxpayers approved \$670 million in new school operating levies school during the past three years, which represents a 34% increase over the corresponding three-year period before [Gov. John Kasich](#) took office in 2011.

Kasich spokesman Rob Nichols said groups with ties to the previous Strickland administration were in no position to criticize the governor's tax policy.

"The brain powers and the architects behind the \$8 billion budget hole and the 400,000 lost jobs now think that they have the credibility to comment on how we go about cleaning up their galactic mess?" he said about widespread unemployment and budget shortfalls related to the Great Recession.

"Instead of holding attack press conferences, they should go around the state and apologize to Ohioan for turning our economy into a roaring, raging dumpster fire," he added.

The mid-biennium review measure ([HB 483](#)) that Republicans approved this week would accelerate the 10% personal income tax cut included in the biennial budget ([HB 59](#)) for full implementation this year. It would also increase the 50% small business income tax cut up to as much as 75% for 2014, increase the individual tax exemption, and expand the state Earned Income Tax Credit.

Taken together, the tax policy changes are expected to reduce revenue flowing into state coffers by about \$400 million.

Democrats' gubernatorial candidate Ed FitzGerald said the Innovation Ohio report disproves Gov. Kasich's claims about cutting taxes for working Ohioans.

Gov. Kasich has used his scheme of income tax cuts to help Ohio's most well off, while shifting to the vast majority of Ohioans higher taxes in the form of increases in property and sales taxes," he said in a statement.

The Democrat said Gov. Kasich's tax policy also threatens future economic development in the state.

"With his shifting of taxes, he has hurt local governments, jeopardized public safety and provided Ohio's students with fewer resources and less opportunity in the classroom. The one thing you can say about Gov. Kasich is that he is very clear on which side he is on and it is not the middle class," he said.

During a conference call with reporters, Cincinnati City Councilman Chris Seelbach said a \$21 million deficit in the budget that the city council approved Wednesday closely tracks reductions to the city stemming from state cuts to the Local Government Fund.

The 50% reduction to the LGF and elimination of the estate tax are headwinds for local leaders' efforts to revitalize Cincinnati, he said.

"We're increasing our population, things are going really well here, but we're still having to make cuts because the governor has taken the money away," Mr. Seelbach said. "The health of the city is well, if it just weren't for the government taking away our local revenue."

Athens City School Superintendent Tom Gibbs noted that his district closed an elementary school and eliminated multiple teaching positions in recent years.

Although local voters have approved property tax levies and an income tax, the Department of Education's five-year forecast shows the district faces deficit spending again this year, something that will accelerate each year, he said.

Mark Donaghy, Greater Dayton Regional Transit Authority, said the system has had to eliminate 25% of its service while doubling fares to cope with meager state funding for public transit.

"This idea that we're just going to hand the problem off to local citizens to me is really not the right way to do this," he said. "We've got a revenue crisis and we've got to do something about it because if we want Ohio to come back, if we want to see new businesses come here, they're going to need adequate infrastructure."

Innovation Ohio said Republican policymakers' move last year to repeal the property tax rollback, which for decades required the state to pay 12.5% of the cost of local tax issues, added nearly \$11 million to the cost of new levies that have since passed.

The Columbus-based think tank also said there has been a 13% increase in the number of school operating levies on local ballots, valued at nearly \$1.7 billion over the past three years.

IO Communications Director Dale Butland said the growing number of levies and their increased cost are directly attributable to policies pursued by Gov. Kasich and legislative Republicans.

"They cast themselves in the roles of budget and tax cutters. But in reality, their budget cuts have only put taxpayers on the hook for \$700 million in higher local taxes - and left school officials holding the bag and struggling to explain why these tax hikes are necessary," he said in a statement.

"Worse yet, the con continues," he said, pointing to the current \$1 billion budget surplus stemming from higher than projected revenues and lower than anticipated expenditures.

"But instead of using this money to restore the funds they slashed from schools and local governments, Kasich and his allies are pushing for even more income tax cuts that will primarily benefit the wealthy," he said. "Ohioans aren't stupid. They know a shell game when they see one. And sooner or later, they're going to hold the con men accountable."

Mr. Nichols dismissed IO's findings, saying there have been fewer new school levies on the ballot during the Kasich administration than the Strickland years when not counting renewal levies.

- See more at: [http://www.gongwer-oh.com/programming/news.cfm?article\\_id=831080201#sthash.qYvtW99v.ngW6uoy9.dpuf](http://www.gongwer-oh.com/programming/news.cfm?article_id=831080201#sthash.qYvtW99v.ngW6uoy9.dpuf)

**Read More (subscription required):**

[http://www.gongwer-oh.com/programming/news.cfm?article\\_id=831080201#sthash.qYvtW99v.ngW6uoy9.dpbs](http://www.gongwer-oh.com/programming/news.cfm?article_id=831080201#sthash.qYvtW99v.ngW6uoy9.dpbs)