

INNOVATION OHIO

BUDGET UPDATE

Messaging for Kasich's Introduced Budget

The 2018-19 Executive Budget introduced by Gov. John Kasich is a two-year, \$66.9 billion plan that once again prioritizes a major shift in the tax code. Despite yet another increase in overall spending, the unfair tax changes in this plan continue to squeeze middle-class families.

Instead of seriously addressing Ohio's opioid crisis, investing in our schools, or strengthening our local communities, this budget doubles down on ten years of tax shifting that hasn't fundamentally improved our economy.

What The Budget Does: Kasich's budget fails to invest in our safety, our schools and our communities. It also raises taxes on middle class families to help pay for a tax cut that mostly benefits those at the top.

The plan would cut income tax rates across the board and reduce the number of tax brackets from 9 to 5, which only benefits those with the greatest ability to pay. The flatter tax doesn't mean it's a fairer tax.

To cover this \$3.1 billion cost, Ohio's sales tax, cigarette tax, beer and wine taxes, and oil and gas severance tax rates will go up, and Ohioans will be asked to pay new taxes on cable subscriptions, yard work and home redecorating, among other things.

The *Dispatch* estimates the average Ohioan would pay \$4 less as a result of the changes, but who pays for essential government services would continue to shift from rich to poor. This tax shift to the rest of us has been a hallmark of Kasich's administration.



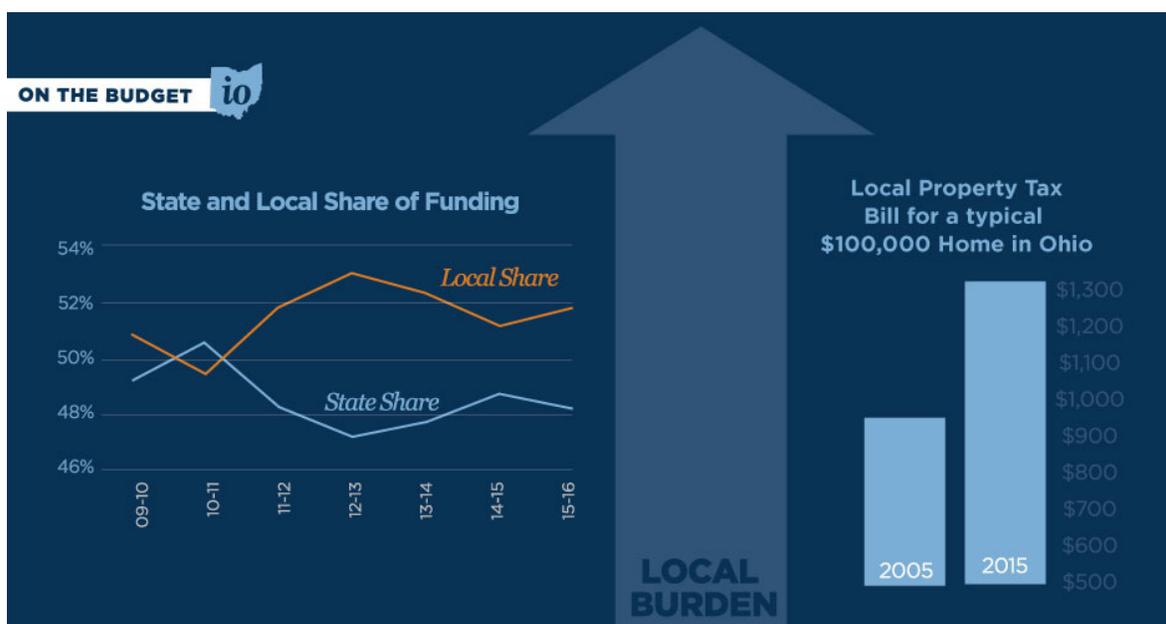
What To Talk About

- The governor found billions for a tax cut that **primarily benefits the wealthy**, but nothing for the rest of us.
- Kasich proposed **10 new taxes and 13 tax increases** on Ohioans to pay for an income tax cut that primarily helps the wealthy. This budget **increases Ohio's sales tax by more than 8%**.
- This doesn't work. Kasich did this same tax shifting in past budgets as an attempt to create jobs, and yet our state's **job growth last year was half of the national rate**.
- Shoveling tax money to the wealthiest while **neglecting our state's real needs** (jobs, schools, infrastructure, workforce, addiction) doesn't work.
- **What works is investing in our children's schools, in our workforce, in our infrastructure.** That grows the economy and brings us good paying jobs.
- **Our schools are in need, opioid abuse is devastating families, jobs aren't coming back, our communities are scrambling to even provide basic public safety services** and we're supposed to be excited about a \$4 tax cut?

Other Themes

EDUCATION

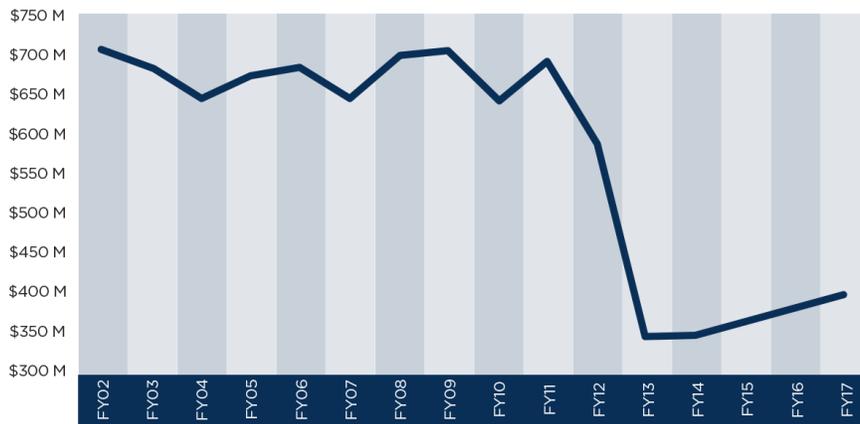
- Under Kasich, Ohio has dropped from 5th to 22nd in national education rankings.
- This budget has a 1% school district increase, but this feeble increase, that doesn't even keep up with inflation, is then offset by cuts the same budget proposes to school transportation, TPP phase out, Special Ed and CTE Enhancements, Commodity Foods and the TPP supplement, along with larger deductions for charter school facilities and voucher expansion?
- Kasich seems to forget, but it's constitutionally the state's responsibility to make sure our schools are adequately funded.
- The state is leaving us high and dry and we're having to raise local property taxes to make sure our kids are getting the education they deserve.
- In a decade, the average property tax bill has increased by 22%, while the state pays less of the cost of education.



WHERE WE LIVE

- Our communities must get by with \$1.2 billion less each year than seven years ago because the state has taken significant sums of money away from us.
- Since 2005, state funding for local governments and libraries dropped by 39%.
- This budget does not give us any restoration of that money.
- As a result of state cuts, it's no wonder we are having to raise our local taxes just to keep basic services like police and fire.

LOCAL GOVERNMENT FUND DISTRIBUTIONS to Ohio Cities and Communities



TAKE ACTION

Want to do your part to advocate for budget policies that actually help?

Here are a few things you can do today:

Call the office of House Finance Committee Chair Ryan Smith
at (614) 466-1366 and ask to receive email notifications when
Finance committee hearings are scheduled.

Contact your State Representative
and let them know what priorities they should fund instead of providing
another income tax cut that mainly helps the rich.

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#ohbudget, like our Facebook page, and sign up for our budget emails at
www.innovationohio.org. We'll keep you informed on developments and
aware of opportunities to make your voice heard.



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