STATEHOUSE REPORT

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209 East State Street · Columbus OH 43215-4309 · Phone: 614-221-5627 · Fax: 614-221-6986 · www.ccao.org

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Property Tax Overview: By the Numbers

As Ohio heads towards the November election, property taxes remain a focus on the campaign trail at all levels of government. *Statehouse Report*, for the next three weeks, will provide information about property taxes. This week focuses on data: the revenue generated by property taxes and what that revenue is used for.

Next week's *Statehouse Report* will build on the data presented below and discuss the implications of property tax elimination.

Finally, the following *Statehouse Report* will focus on the legislation that the 136th General Assembly has passed thus far, with real examples of their effects, and discussion of other concepts.

By the Numbers

Property taxation is the largest source of tax revenue in the state and is used by virtually all local forms of government. The figures cited throughout this article are CCAO estimates based off data from the Department of Taxation.

How Much?

In TY 2025, property taxes generated $25.1 billion for local services. The majority of property tax revenue is generated by school districts.

Estimated Property Tax Revenue by Taxing Entity Type, TY 2025		
Local Government Type	Estimated Property Tax Revenue	Share of Total Estimated Revenue
School Districts (incl. JVSDs)	$16.0 billion	63.8%
Counties	$4.1 billion	16.4%
Townships	$1.9 billion	7.4%
Municipalities	$1.6 billion	6.3%

Estimated Property Tax Revenue by Taxing Entity Type, TY 2025		
Local Government Type	Estimated Property Tax Revenue	Share of Total Estimated Revenue
Special Districts	$1.5 billion	6.1%
Total	***$25.1 billion***	***100%***

Examples of special districts include park districts, library districts, cemetery districts, fire districts, and EMS districts, among others.

Even taken alone, $25.1 billion is a large figure. But including these local governments' other source of tax revenue shows the true scale of how important property taxation is to local services.

Estimate Property Tax Revenue and Other Key Tax Stream by Entity Type, TY 2025				
Local Government Type	Estimated Property Tax Revenue	Other Key Tax Source	Other Source Revenue	Other Source as % of Property Tax
School Districts (incl. JVSDs)	$16.0 billion	Income Tax	$0.7 billion	4.7%
Counties	$4.1 billion	Sales Tax	$3.0 billion	72.2%
Townships	$1.9 billion	N/A	$0	0%
Municipalities	$1.6 billion	Income Tax	$7.3 billion*	465.9%
Special Districts	$1.5 billion	N/A	$0	0%
Total	***$25.1 billion***		***$11.0 billion***	***44.0%***

*CY 2024 data used

If property taxes were eliminated with no replacement, local governments would be left with about 44% of the resources they currently have to continue providing services. Townships and special districts, which do not have a significant alternative revenue stream, would essentially suffer an extinction event, absent significant state intervention.

The table doesn't incorporate smaller sources of tax revenue or user fees, intergovernmental revenue sharing, or dedicated funding from other sources (such as casino revenue). However, these smaller revenue streams do not contribute the scale of resources to have more than a marginal effect on the aggregate level.

Inside or Outside?

Inside millage is unconstrained by the tax reduction factors that hold collections of levies relatively constant. Thus, when a property's value increases by 30%, the portion of their tax bill applicable to inside millage has traditionally also increased by 30% (a reform passed last year will cap these changes at inflation, which will be discussed in more depth in a subsequent Statehouse Report).

The other type of millage is "outside" millage and is affected by reduction factors. A levy to generate $750,000 for a fire district will generally collect that same figure regardless of taxable values of the property. When a county goes through a reappraisal or update, each outside millage levy has its millage adjusted to a new "effective millage" to keep collections relatively constant. Statute does allow for revenue growth in outside millage levies following new construction in the taxing district.

Another key distinction between inside millage and outside millage is that outside millage is voted on by the electorate of the taxing entity. For example, a county cannot levy a tax for a children services agency without the levy being explicitly authorized by an affirmative vote of the county's electorate. The same is true for all of the taxing entity types and many levy purposes.

Of the $25.1 billion raised via property taxes in TY 2025, less than one-sixth was generated by levies that did not require voter approval.

Estimated Revenue Generated by Inside Millage and Outside Millage by Entity Type, TY 2025			
Local Government Type	**Inside Millage Revenue**	**Outside Millage Revenue**	**% of Revenue from Voter-Approved Levies**
School Districts (incl. JVSDs)	$2.1 billion	$13.9 billion	87.1%
Counties	$878 million	$2.4 billion	78.7%
Townships	$479 million	$1,4 billion	74.2%
Municipalities	$667 million	$901 million	57.5%
Special Districts	$6 million	$1.5 billion	99.6%
Total	***$4.1 billion***	***$21.0 billion***	***83.7%***

Why Levy?

Property taxes can be levied for many purposes. R.C. 5705.19 is the primary Revised Code section that sets the allowable purposes for property tax levies; it lists 53 purposes. There are several other sections that authorize additional purposes. A CCAO document listing just levy purposes for which the board of county commissioners is the taxing authority identified 61 different purposes.

While there are dozens of specific purposes, they can be collapsed into more generalized categories.

Estimated Revenue Generated by Levy Purpose Classification, TY 2025		
Levy Purpose Classification	**Estimated Revenue**	**Share of Total Estimated Revenue**
Primary and Secondary Education	$14.2 billion	56.6%
Human Services	$2.6 billion	10.4%
General Operations	$1.9 billion	7.7%
Safety Services	$1.9 billion	7.5%
Bonds and Debt Service	$1.6 billion	6.3%
All Other Purposes	*$2.9 billion*	*11.5%*

The top two categories are influenced by the figures shown in the first table; how much revenue each entity type generates. Schools represent nearly 64% of all property tax revenue, so it is natural that levies for primary and secondary education dominate the levy purpose classification totals.

Counties generate the second most property tax revenue and, as the next table shows, more than half of county property tax revenue is used for human services purposes. In fact, counties represent 97.2% of the revenue collected for human services purposes. Levies for boards of developmental disabilities, children services agencies, ADAMHS boards, and senior services, among others, are classified as “Human Services.”

Estimated County Revenue Generated by Levy Purpose Classification, TY 2025		
Levy Purpose Classification	**Estimated Revenue**	**Share of Total Estimated Revenue**
Human Services	$2.5 billion	61.4%
General Operations	$832 million	20.2%
Health	$364 million	8.8%
Recreation	$175 million	4.3%
Safety Services	$98 million	2.4%
Bonds and Debt Service	$34 million	0.8%
All Other Purposes	*$84.0 million*	*2.0%*

As mentioned above, the commissioners as the taxing authority for 61 specific levy purposes, many of which generate revenue for entities that the commissioners do not have substantial oversight powers. This is particularly true for the “Health” classification and “Recreation” classification. These are levies for health districts and park districts, which are governed by independent boards.

What Does It All Mean?
Property taxation generates a world of data, a world on whose crust this article has made only the faintest scratch. That said, what can we take away from the numbers presented above?

- Property taxation is a significant source of tax revenue for all local government types.
    - Townships and special districts are especially dependent on property taxation as they have no other significant source of tax revenue.
- Voter-approved levies account for nearly 84% of property tax revenue.
- Human services functions are the primary purpose for which counties levy property taxes.

Next Week

Ax Ohio Tax, a campaign to place a constitutional amendment on the ballot to eliminate property taxation, may have missed the November 2026 ballot, but they have stated their intent to continue gathering with the new target of November 2027.

The data presented above hint at the implications of property tax abolishment. Next week's *Statehouse Report* will provide a more detailed analysis of what the elimination of property taxes would mean for counties.