

# Understanding Local Taxes



## A Brief Guide

In recent years the City of Groveport has been the beneficiary of strong economic development activity and resulting increases in revenue. This money, the largest percentage of which comes from income tax, has been prudently invested in those things that help make Groveport the livable community it is: strong infrastructure, parks and recreational activities and safe streets.

**This guide is provided to help you, our residents, better understand two of our community's most talked about revenue sources – Income Taxes and Property Taxes – and how this money is spent.**

## Income Taxes

Groveport's largest funding source is income tax revenues, which, after the first \$150,000 is set aside for the City's Rainy Day Fund, is allocated 80% to the General Fund and 20% to the Debt Service Fund to pay for infrastructure and major capital improvement projects. **In 2018, income tax collections totaled \$17,379,991** of which this revenue was expended for municipal services, capital improvements, parks, our Recreation Center, Golf Course, roadways and infrastructure that benefits residents and businesses alike.

The City of Groveport levies a 2% income tax on gross wages, salaries and other personal service compensation as well as on the net profits of Groveport businesses. Ohio law authorizes a municipal income tax on both corporate income tax and employee wages and salaries of up to 1% without voter authorization. Groveport, like most central Ohio communities, has a 2% income tax and allows a credit up to 2% for residents who work outside but live within the City. A 1% income tax was approved by a vote of its residents in 1984.

As one can see, a significant portion of the City's income taxes come from businesses, primarily warehouses. **Therefore, the majority of the income tax received by the City of Groveport is from non-residents.** For this reason, efforts to strengthen and grow our business and industrial base are critical to the financial well-being of the City.

# \$23,416,724

## 2018 Revenues | City Funding

**\$ 17,379,991** | 74.2%  
Income Tax

**\$ 2,424,424** | 10.4%  
Charges for Services

**\$ 601,733** | 2.6%  
Property & Other Taxes

**\$ 369,196** | 1.6%  
Fines, Licenses & Permits

**\$ 1,273,370** | 5.4%  
Other | Miscellaneous

**\$ 1,264,582** | 5.4%  
Intergovernmental

**\$ 103,428** | 0.4%  
Interest

### Income Tax Sources

Source of Revenue	Amount
Business Withholding Taxes	\$14,759,088
Business Net Profit Taxes	2,162,071
Resident Taxes	<u>458,832</u>
<b>Total Income Taxes</b>	<b><u>\$17,379,991</u></b>

For calendar year 2018, the City received 97.4% of income taxes from local businesses and 2.6% from residents.

**Source:** Information obtained from the City's 2018 audited financial statements.

# Property Taxes

Property taxes are based on the tax rate of the municipality or township where the property is located and the taxable value of your property as determined by the County Auditor. The property taxes collected in Groveport consist of two parts—inside and outside millage. The City of Groveport receives approximately 1% of your property taxes. The total of all property taxes received equates to around 2% of the City's General Fund revenue sources.

**Inside millage** refers to the millage that is inside the 10-mill limit allowed by Ohio law and does not require voter approval.

**Outside millage** is voter-approved millage and is the most significant portion of the millage assessed. **Voter approved millage is 91.3% of the total effective millage.** Groveport voters have the opportunity to authorize additional property taxes for the township, county, schools and other agencies during elections.

## Example:

In Groveport, the property tax for district 185 (Madison Township/Groveport Corp.) is 77.86 mills for every \$1,000 of taxable value. Taxable value is 35% of the market value as established by the County Auditor.



**\$100,000**

Home in Groveport  
 $(\$100,000 \times .35) / 1000 \times 77.86 =$

**\$2725.10**

**Total Property Taxes**



**\$1,505 | 55%**  
**Groveport-Madison Schools**



**\$622.69 | 23%**  
**Madison Township**



**\$445 | 16.33%**  
**Franklin County\***

\*Includes General Fund, Children's Services, MRDD, Senior Options and ADAMH



**\$47.15 | 1.73%**  
**Eastland-Fairfield**



**\$32.71 | 1.2%**  
**City of Groveport**



**\$65.41 | 2.4%**  
**Library**

**Jason Carr, CPA**  
**City of Groveport Finance Director**  
 jcarr@groveport.org  
 614-836-5301  
[www.groveport.org](http://www.groveport.org)