ECONOMIC INDICATORS

PER CAPITA PERSONAL INCOME
- 2012: $39,289
- Percent of National Average: 92.0 percent
- Percent Change from 2011: 3.8 percent
- 2002-2012 Compound Annual Growth Rate: 2.8 percent

CURRENT DOLLAR GDP
- 2011: $484.0 billion
- U.S. Rank: 8

REAL GDP
- 2011 Growth Rate: 1.1 percent
- 2001-2011 Compound Annual Growth Rate: 0.0 percent

LARGEST INDUSTRY CONTRIBUTORS TO GDP IN 2011
Government (11.5 percent); real estate and rental and leasing (10.3 percent)

LARGEST INDUSTRY CONTRIBUTORS TO NEGATIVE GDP GROWTH, 2010-11
Durable goods manufacturing (0.42 percentage points); professional, scientific and technical services (0.30 percentage points)

KEY TAX RATES

STATE INDIVIDUAL INCOME TAXES
- Tax Rate Range (percent)
  » Low: 0.587
  » High: 5.925
- Income Brackets*
  » Lowest: $5,200
  » Highest: $208,500
- Number of Tax Brackets: 9

CORPORATE INCOME TAX RATES
- Tax Rate: *see note

EXCISE TAX RATES
- General Sales and Gross Receipts Tax: 5.5 percent
- Cigarettes: $1.25 per pack
- Distilled spirits: **see note
- Motor Fuel Tax Rates (cents per gallon)***
  » Gasoline: 28.0
  » Diesel: 28.0
  » Gasohol: 28.0

*Ohio no longer levies a tax based on income, except for a particular subset of corporations; instead, it imposes a commercial activity tax equal to $150 for gross receipts in Ohio of between $150,000 and $1 million, plus 0.26 percent of gross receipts more than $1 million. Banks continue to pay a franchise tax of 1.3 percent of net worth. For those few corporations on which the franchise tax on net worth or net income still applies, a litter tax also applies.

**In Ohio, the government directly controls the sales of distilled spirits. Revenue is generated from various taxes, fees, price markups and net liquor profits.

***Additional 3 cents per gallon commercial.
COMMON BUSINESS INCENTIVE PROGRAMS

- Research and Development Sales Tax Exemption — Companies that purchase equipment for research and development activities can receive an exemption from the usual state and county sales tax.
- Targeted Investment Program — This program supports the growth and expansion of targeted small businesses in Ohio’s manufacturing, technology and logistics industries that have received first or second round equity funding. It also offers debt financing at or below market interest rates tailored to the specific needs of the company.
- Technology Investment Tax Credit Program — Ohio taxpayers who invest in small, research and development, and technology-oriented firms are eligible for tax reductions.
- Qualified Energy Project Tax Exemption — Ohio promotes the deployment of alternative energy sources by allowing energy facilities to pay a fixed annual payment in lieu of the public utility tangible personal property tax and the real property tax for the life of the facility.
- Alternative Fuel Transportation Program — Businesses, non-profit organizations, school districts and local governments can receive financial assistance for the purchase and installation of alternative fuel refueling, blending or distribution facilities and terminals.
- Conversion Facilities Tax Exemption — Property used in energy conservation, thermal-efficiency improvements and the conversion of solid waste to energy can receive an exemption for property state sales and use taxes.
- Ohio Motion Picture Tax Incentive — Motion pictures produced in Ohio are eligible for a refundable credit against the corporation franchise or income tax.
- Ohio Enterprise Zone Program — Businesses that expand or locate in certain designated zones are eligible for real property tax incentives.
- Ohio Minority Business Bonding Program — State certified minority-owned businesses that are unable to obtain bonding through standard surety companies can receive bid, performance and payment surety bonds.
- Ohio Minority Business Direct Loan Program — Certified minority-owned businesses that are purchasing or improving fixed assets and creating or retaining jobs are eligible for fixed, low-interest rate loans.
- Ohio New Markets Tax Credit Program — Investors can receive state tax credits in exchange for delivering below-market-rate investment options to Ohio businesses in low-income communities.
- Ohio Vacant Facilities Fund — Businesses can receive grants to create new jobs in vacant and underutilized commercial buildings and business parks.
- Regional 166 Direct Loan — Eligible businesses can receive low-interest loans for land and building acquisition, construction, expansion or renovation and equipment purchases through this program administered by local economic development agencies. Eligible projects include those related to industry, commerce and distribution or research activities.
- Research and Development Investment Tax Credit — Ohio’s corporations are encouraged to invest in increased research and development activities to receive a nonrefundable tax credit against the commercial activity tax.
- Ohio Capital Access Program — This program encourages lending to businesses creating or retaining jobs by establishing a unique credit enhancement reserve account at participating Capital Access Program lenders. The state, the lender and the business each make a small contribution to the account. The reserve account is available to the lender for recovery of losses associated with any loan the lender has enrolled in the program.
- InvestOhio — Investors that infuse new equity into Ohio small businesses to acquire an ownership interest in the company can receive a nonrefundable personal income tax credit.
- Ohio Third Frontier — This program provides several funding options to Ohio technology-based companies, universities, nonprofit research institutions and other organizations to create new technology-based products, companies, industries and jobs, from the startup phase through commercialization and retention.

OVERSIGHT AND ACCOUNTABILITY MEASURES

All economic development incentives managed by the state have an annual reporting requirement. Participating businesses file their annual reports electronically and the applicable data get integrated into a comprehensive database to determine compliance. This process allows the Ohio Development Services Agency to track the status of projects and have a real-time view of a project’s compliance with its commitments to payroll, jobs, investment, wages and operations maintenance.

The Ohio Development Services Agency makes remedial action determinations on a continual basis and communicates them to the company in advance of the implementation. All tax incentives are governed by statute, which also determines if a company is eligible for the tax credit program. The program is performance-based and companies receive credits only upon creation of new jobs. The statute also states the clawback rates that apply in different scenarios.

RECENT LEGISLATIVE HIGHLIGHTS

Senate Bill 1 and House Bill 1, identical bills passed in 2013, were designed to enhance workforce development efforts in Ohio by providing $25 million from casino licensing fees for the Ohio-MeansJobs Workforce Development Revolving Loan Fund. Senate Bill 112 provides for the extension of the Enterprise Zone Program for an additional two years. The program is now authorized through Oct. 15, 2015. Ohio’s recently passed state budget included a number of provisions designed to boost economic activity in Ohio by providing incentives to entrepreneurs to start and expand new businesses, and to attract existing businesses to relocate to Ohio. For example:
- Ohio small businesses will be entitled to take a 50 percent tax deduction on the first $250,000 of business income.
- An expanded Alternative Fuel Transportation Loan Program is designed to take advantage of Ohio’s new shale gas development.
- A redesigned Minority Business Development Division with an expanded Minority Business Loan Program now includes the ability to provide loans for contract financing.
- The Ohio Incumbent Workforce Training Fund will receive $30 million in appropriations each year of the biennium.
- The sales and use tax exemption now allows for a single agreement authorizing a sales and use tax exemption on purchases of equipment by multiple businesses operating in a single data center.