

Name \_\_\_\_\_

## Cracking the Code: Understanding Ohio's Tax Structure



Taxes are an essential part of how states fund public services and infrastructure. In Ohio, the tax system is structured to provide revenue for various state and local needs. Let's dive into Ohio's tax structure to understand how it works.

### State Income Tax

One of the key components of Ohio's tax structure is the state income tax. This tax is based on how much money you earn. Ohio has a progressive income tax system, which means that as your income increases, the percentage of your income that you pay in taxes also increases. The more you earn, the higher your tax rate.

### Sales Tax

Another important aspect of Ohio's tax structure is the sales tax. When you make a purchase, you pay a percentage of the item's price in sales tax. The current statewide sales tax rate in Ohio is 5.75%, but local jurisdictions may add additional sales taxes. This means that the actual sales tax rate you pay can vary depending on where you are in the state.

### Property Tax

Property tax is a tax on the value of real estate property you own, such as your home. In Ohio, property tax rates are determined by local governments, including school districts, municipalities, and counties. Property taxes fund local services like schools and public safety.

### Excise Taxes

Ohio also imposes excise taxes on specific goods and services. For example, there are excise taxes on gasoline, cigarettes, and alcohol. These taxes help fund programs related to transportation, public health, and addiction prevention.

### Inheritance Tax

Ohio used to have an inheritance tax, which was a tax on the assets inherited by individuals after someone passed away. However, as of January 1, 2013, Ohio no longer imposes an inheritance tax.

