

# A Resident's Guide to Understanding Local Taxes



There are many reasons to make Dublin, Ohio your home. According to the City's community survey, the top three reasons residents choose to live in Dublin are quality of life, location and schools. These attributes are made possible through funding provided by both income and property taxes.

As a Dublin resident, you may have questions about the sources of the City's revenue and how your tax dollars are spent. We hope this brochure will provide you with a better understanding of:

- How local income tax is administered and calculated
- How property taxes are administered and calculated
- Funding sources for City services and programs
- Funding for capital improvement projects

## How Income Tax is Administered

Dublin's largest funding source is income tax revenues, which are allocated 75 percent to the General Fund and 25 percent to the Capital Improvements Tax Fund. In 2014, income tax collections totaled \$88.1 million, an increase of 7.3 percent over the previous year. This revenue allows the City to provide high-quality municipal services, invest in capital improvement projects like parks and roadways, and maintain existing public infrastructure that benefits residents and businesses alike.

Ohio law authorizes a municipal income tax at a rate of up to 1 percent without voter authorization. Many central Ohio cities, including Dublin, have a 2 percent income tax, with 1 percent of that being voter approved.

The City of Dublin levies a 2 percent income tax on gross wages, salaries and other personal service compensation as well as on the net profits of Dublin businesses. However, the City does provide 100 percent credit up to 2 percent for taxes paid to the municipality where you work.

The local income tax is first assessed and collected by the municipality in which the taxpayer is employed. For example, a Dublin resident who is employed within the City of Columbus has 2.5 percent withheld from

his/her paycheck. This amount is remitted to the City of Columbus. The City of Dublin, recognizing that this resident has already paid at least 2 percent to another municipality, does not assess any additional income tax on that individual.

For residents who work in a city that has a tax rate of less than Dublin's 2 percent, the difference between what they paid their workplace municipality through withholding and 2 percent of their gross wages is due to the City of Dublin. For example, a resident who works in the City of Gahanna, whose tax rate is 1.5 percent, will owe an additional 0.5 percent to the City of Dublin.

### Central Ohio Income Tax Rates

Columbus	2.5%
Dublin	2.0%
Gahanna	1.5%
Grove City	2.0%
Hilliard	2.0%
Upper Arlington	2.5%
Westerville	2.0%
Worthington	2.5%



## How Income Tax is Calculated

Income taxes are paid first to the city where an individual works and then where they live. Although there is no reciprocity between municipalities, the City of Dublin provides credit for taxes paid to the workplace municipality. The following are three scenarios for an individual who lives in Dublin and earns \$50,000. The examples illustrate income taxes that would be due based on where the resident works.

### Example 1: An individual who lives in Dublin and works in Dublin

Dublin Tax:  $\$50,000 \times 2\% = \$1,000$  due to Dublin

### Example 2: An individual who lives in Dublin and works in Columbus

Columbus Tax:  $\$50,000 \times 2.5\% = \$1,250$  due to Columbus

Dublin Tax:  $\$50,000 \times 2\% = \$1,000$  less \$1,000 credit provided by Dublin for taxes paid to Columbus = **\$0 due to Dublin\***

*\*Dublin provides 100 percent credit for up to 2 percent of taxes paid to the workplace municipality. Under this scenario, the individual would not have to pay income tax to Dublin since more than 2 percent was paid to Columbus.*

### Example 3: An individual who lives in Dublin and works in Gahanna

Gahanna Tax:  $\$50,000 \times 1.5\% = \$750$  due to Gahanna

Dublin Tax:  $\$50,000 \times 2\% = \$1,000$  less \$750 credit provided by Dublin for taxes paid to Gahanna = **\$250 due to Dublin\***

*\*Dublin gives 100 percent credit for up to 2 percent of taxes paid to the workplace municipality. Under this scenario, the individual would receive credit for the \$750 paid to Gahanna, but also would be required to pay \$250 to Dublin for a total income tax of \$1,000 or 2 percent.*

#### **Did you know?**

*More than 75% of Dublin's residents work outside of the City of Dublin. Therefore, the majority of the income tax received by the City of Dublin is from non-residents. For this reason, efforts to strengthen and diversify the business base are essential to the fiscal well-being of the City.*

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*All residents of Dublin over the age of 18 are required to file an annual income tax return.*

## Funding Sources for City Services and Programs

The City is proud of the world-class services and programs that are provided to our residents. The City relies on income tax revenues more than any other funding source making commercial development critical to our financial success.

**\$125,027,946\***  
2014 Revenues | City Funding

\* Excludes refunds, reimbursements, debt proceeds, agency and trust fund revenue, transfers and advances.

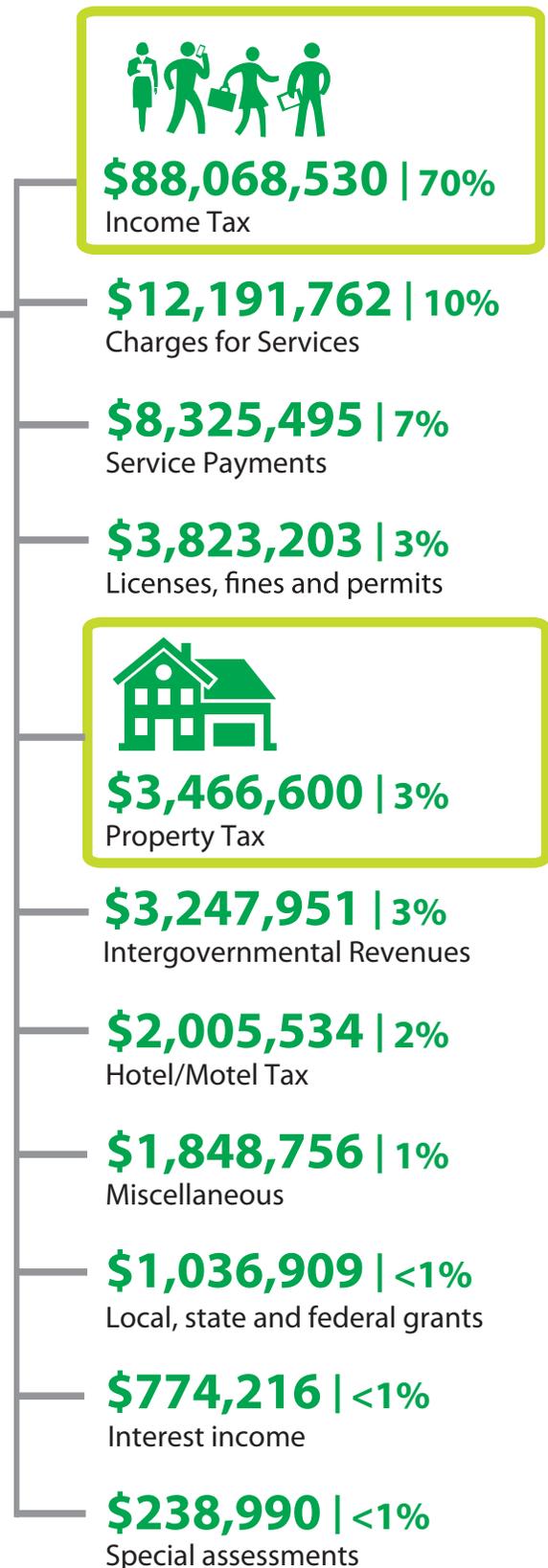
## 2014 Expenditures

How is the City's revenue spent?

Expenditures	Amount	Percent of Total
Capital outlay	\$49,938,288	35%
General operations	\$39,640,740	28%
Debt service	\$22,139,935*	16%
Police	\$11,059,935	8%
Recreation	\$8,090,996	6%
Transportation	\$5,225,251	4%
Special events	\$4,028,556	3%
Sanitary sewer maintenance	\$968,492	<1%
Water maintenance	\$542,925	<1%
Miscellaneous	\$367,948	<1%
Cemeteries	\$202,878	<1%
<b>TOTAL</b>	<b>\$142,205,944**</b>	

\*Includes \$11,690,000 of refunded debt, the proceeds of which are excluded from the 2014 revenues shown above.

\*\* Excludes refunds, self insurance and agency fund expenses, transfers and advances.



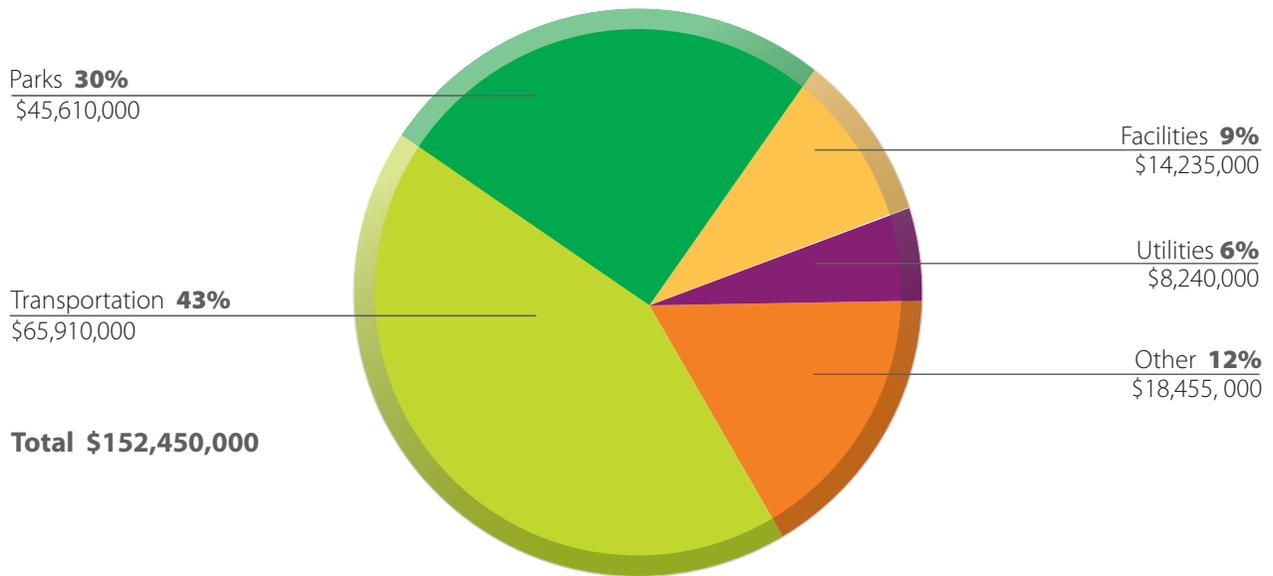
### Funding for Capital Improvements Program

Dublin’s Capital Improvements Program (CIP) is a five-year outlook for anticipated capital projects which is reviewed and updated annually. The CIP establishes a fiscally sound plan for Dublin’s future investment in capital infrastructure and provides financial guidelines that identify available revenue sources, debt capacity

and policies for projecting revenues and designating reserves to be maintained.

The 2015 – 2019 CIP programs over \$152.4 million in potential investment in major capital improvement projects in Dublin within the next five years.

### 2015-2019 CIP Major Project



## How Property Taxes are Calculated

Property taxes are based on the tax rate where the property is located and the taxable value of your property as determined by the county auditor (taxable value is based on 35 percent of the market value of the property). Property taxes consist of two parts – inside and outside millage. The City of Dublin receives approximately 2 percent of your property taxes which equates to 3 percent of the City’s overall revenue.

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

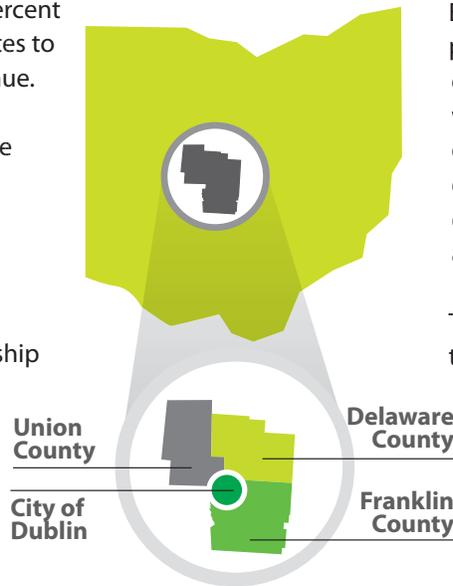
Inside millage is split between the municipality, the county, the township and the school districts within each taxing district.

**Outside millage** is voter approved millage and is the

most significant portion of the millage assessed. Voter approved millage is approximately 85 percent of the total effective millage. Dublin voters have the opportunity to authorize additional property taxes for the township, county, schools and other agencies during elections.

Each county treasurer collects the property taxes which are then distributed to the taxing entities which can include the local school district, local joint vocational school district, the county, township fire departments, and other entities, as approved by voters.

The following table shows the effective tax rate for 2013 (collected in 2014) on residential and commercial property within each of the taxing districts in the City of Dublin. The effective tax rate is based on each \$1,000 of taxable value.



Taxing District (Franklin County)	Residential Tax Rate	Commercial Tax Rate
273 – Washington Township/Dublin City Schools	91.43	100.67
274 – Washington Township/Hilliard City Schools	90.85	101.53
275 – Washington Township/ Jonathan Alder Local Schools	59.12	63.65

Taxing District (Delaware County)	Residential Tax Rate	Commercial Tax Rate
10 – Dublin City Schools	78.66	87.88

Taxing District (Union County)	Residential Tax Rate	Commercial Tax Rate
39 – Washington Township/Dublin City Schools	79.27	89.81
16 – Washington Township/Hilliard City Schools	78.69	90.66
40 – City of Dublin/Dublin City Schools	69.98	79.65

**Did you know?**

Outside millage is voter approved millage and is the most significant portion of the millage assessed.

**Did you know?**

The City of Dublin and Dublin City Schools are two separate entities, each with their own independent elected officials and budgets. The Dublin City School District is funded primarily with property taxes; the City of Dublin is funded primarily with income taxes.



**\$200,000**

Home in Dublin  
(in taxing district 273)

$(\$200,000 \times 0.35) / 1000 \times 91.43 =$

**\$6,400**

**Total Property Taxes\***

\*Tax reductions may be available through the county auditor.



**\$3,993 | 62%**

Dublin City Schools



**\$919 | 14%**

Children's Services  
MRDD, Senior Options



**\$686 | 11%**

Washington Township



**\$196 | 3%**

Columbus Metropolitan  
Library



**\$154 | 2%**

Alcohol, Drug &  
Mental Health Services



**\$136 | 2%**

**City of Dublin**



**\$112 | 2%**

Vocational School -  
Tolles Career & Technical Center



**\$103 | 2%**

Franklin County  
General Fund



**\$52 | 1%**

Metro Parks



**\$49 | 1%**

Columbus Zoo

## Common Financial Terms

**CAFR** – The Comprehensive Annual Financial Report (CAFR) provides a detailed presentation of the City’s financial position. It is audited annually in accordance with Ohio Revised Code. Links to the 2014 CAFR as well as prior years audited financials are available on the Ohio Auditor of State’s website ([www.auditor.state.oh.us](http://www.auditor.state.oh.us)).

**Effective rate** - The effective rate is used when calculating your property tax bill. The effective rate is established from the full voted tax rate and a state-determined reduction factor that ensures taxing agencies don’t receive financial windfall as property values increase as the result of reappraisal.

**E-filing** - Electronic filing is available for all residents of the City. Please visit the City’s website at [dublinohiousa.gov/taxation/e-file](http://dublinohiousa.gov/taxation/e-file) or call 614.410.4431 for additional information.

**Hotel/Motel Tax** - This is often called the “bed tax.” It is added to each night’s hotel and motel bill and is

used to fund City and community special events, beautification projects, the Dublin Convention and Visitors Bureau and the Dublin Arts Council.

**Income tax** - Dublin’s 2 percent municipal income tax is levied on all income earned in the City and on all income earned by Dublin residents that isn’t taxed or taxed at a lesser rate in another municipal jurisdiction. The rate is determined locally, and the maximum rate without voter approval is 1 percent. Dublin’s additional 1 percent was approved by voters in 1987.

**Mill** - A mill is equal to one dollar for each \$1,000 of taxable value. For example, one mill levied on a home taxed at \$35,000 (\$100,000 appraised value) would generate \$35 in revenue.

**Property tax** - Property taxes are based on the assessed valuation of all property within the Dublin corporate limits.



## At your service

### City of Dublin

**Finance Director Angel Mumma**  
614.410.4401  
[amumma@dublin.oh.us](mailto:amumma@dublin.oh.us)  
[www.dublinohiousa.gov](http://www.dublinohiousa.gov)

### Dublin City Schools

**Treasurer Steve Osborne**  
614.764.5913  
[Osborne\\_stephen@dublinschools.net](mailto:Osborne_stephen@dublinschools.net)  
[www.dublinschools.net](http://www.dublinschools.net)

Information regarding your property valuation or property taxes can be directed to one of the following county auditors (based on the location of your property):

**Franklin County Auditor** - [www.franklincountyauditor.com](http://www.franklincountyauditor.com) | 614.525.4663

**Union County Auditor** – [www.co.union.oh.us](http://www.co.union.oh.us) | 937.645.3003

**Delaware County Auditor** – [www.delawarecountyauditor.org](http://www.delawarecountyauditor.org) | 740.833.2900