

## Local News

> [News](#) > [Local News](#)

[Print this Page](#)

[«--back to story](#)

### Tax cut delay hits 2009 returns

Report: Most Ohio residents will miss out on saving less than \$100

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Thursday's approval of Ohio Gov. Ted Strickland's plan to delay a tax cut will cost a majority of residents less than \$70.

For the 20 percent of taxpayers making more than \$76,000, the difference will be in the three- or even four-digit range.

The Ohio Senate narrowly approved the proposal Thursday as a way of filling an \$850 million hole opened in the upcoming budget when a court challenge put Strickland's plan to allow video slot machines at state horse-racing tracks on hold. Without the delay or cutting that amount from elsewhere in the state budget, the money would have been taken from school districts.

"So it's a good thing," Little Hocking resident Nancy Finn said of the delay. "That's how I see it ... because our schools are falling short."

Washington County's six school districts would have stood to lose a combined \$8.8 million in state funding and related federal money, according to statistics provided by state Rep. Jennifer Garrison, D-Marietta.

According to statistics compiled by the Institute on Taxation and Economic Policy and provided by Policy Matters Ohio, taxpayers in the lowest income levels, less than \$18,000 a year, will on average pay just \$2 more on their 2009 taxes without the cut. Those making more than \$319,000 a year, which is about 1 percent of taxpayers, will see an average jump of \$1,980.

Those making between \$32,000 and \$49,000 a year, described by Ohio Policy Matters research director Zach Shiller as the basic middle class, would see an average increase of \$37.

"For most people, you're not talking about a giant sum here," he said.

Vincent resident Kay Place, 66, said the increase won't bother her and she understands it's needed. Still, she's of two minds on the subject.

"I guess I'm torn between the two because the schools need more money, but people are having trouble making ends meet without taxes going up," she said.

Some opponents have tried to paint the move as a tax increase, but Strickland has called it a temporary delay. The 4.2 percent reduction was the last of an overall 21 percent decrease begun under former Gov. Bob Taft.

"I think it's a reasonable way to plug the gap, as long as they follow through the next year with cutting it," said Marietta resident Dan Benson, 53.

However, he said he can see the delay being used as a political weapon to make it look as though Strickland and Democratic lawmakers raised taxes. Benson said the governor and his allies are only dealing with the fallout of policies put into place when Republicans occupied the governor's mansion and held majorities in both houses of the General Assembly.

"I truly feel we're in this shape because of the previous administration," he said.

David Pitzer, 28, of Lowell, said he doesn't mind waiting a year for the tax cut.

"I think either way it's going to happen," he said.

Policy Matters Ohio, a nonprofit research organization aimed at creating "a more fair, prosperous, sustainable and inclusive Ohio," favors the move, Shiller said. However, he added that the group advocates for other changes to the state's tax structure, including placing more of the burden on the wealthiest residents.

"Even the extension of this proposal would only scratch the surface" of future projected deficits, Shiller said.

While residents contacted this week seemed to be satisfied with the tax cut delay, the move has its

#### Fact Box

Tax cut delayed

Average increase on 2009 taxes, per income level:

Less than \$18,000 - \$2.

\$18,000 to \$32,000 - \$15.

\$32,000 to \$49,000 - \$37.

\$49,000 to \$76,000 - \$69.

\$76,000 to \$138,000 - \$146.

\$138,000 to \$319,000 - \$363.

\$319,000 or more - \$1,980.

Source: [policymattersohio.org](http://policymattersohio.org)

detractors. Only enough Senate Republicans to ensure its passage actually voted for the measure - in return for Democrats' agreement to a pilot project to test proposed construction contracting changes - and House Republicans called it a "job killer."

Sen. Jimmy Stewart, R-Athens, said in a release Friday he was glad the school districts will not lose money, but he voted against the bill despite receiving thousands of e-mails in support of it.

"I believe there was a better way to accomplish this goal without raising taxes," Stewart said. "But, perhaps most of all, I voted against the bill, because I believe the Legislature and the governor missed a golden opportunity to make some real progress toward reducing spending and building a more efficient and accountable government for Ohio taxpayers."

Stewart said Republicans offered a number of viable alternatives to make up the funding gap during debate over the bill, but the governor "rejected these reasonable ideas out of hand." He said delaying the tax cut is just a temporary measure and more must be done to solve long-term budget problems facing the state.

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