

Greenbook

LBO Analysis of Enacted Budget

Board of Tax Appeals

Philip A. Cummins, Senior Economist
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LBO Greenbook

Board of Tax Appeals

Quick look...

- The Board of Tax Appeals (BTA), Ohio’s administrative tax court, resolves controversies between taxpayers and taxing authorities.
- Most appeals are of county boards of revision decisions involving real property valuations.
- Other types of tax-related cases may also be appealed to BTA.
- Funding is from the GRF. Appellants are not charged a filing fee.
- The Board consists of three members appointed by the Governor with consent of the Senate.
- Overseen by an executive director, the agency employs 13 including Board members.
- The enacted budget totals approximately \$3.7 million over the biennium, mostly personnel cost.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 116321, Operating Expenses					
\$1,640,752	\$1,864,823	\$1,425,735	\$1,515,237	\$1,845,494	\$1,857,751
% change	13.7%	-23.5%	6.3%	21.8%	0.7%

Agency overview

The Board of Tax Appeals (BTA) consists of three members who are appointed by the Governor and serve six-year terms. As an independent, quasi-judicial, single-purpose body, BTA provides an expert forum outside the court system to resolve controversies between taxpayers and taxing authorities.

Most BTA cases arise from real estate valuations by county boards of revision. The second largest category of cases is appeals of determinations or rules adopted by the Tax Commissioner. Additional details about the types of cases BTA hears are provided below. Decisions of BTA may be appealed to an Ohio court of appeals, except that small claims decisions cannot be appealed. BTA decisions regarding final determinations of the Tax Commissioner or a local board of tax review are allowed to be appealed directly to the Ohio Supreme Court as well as a court of appeals.

Analysis of enacted budget

BTA’s single GRF appropriation item is mainly used to pay for its payroll expenses. Board staffing consists of an executive director, chief counsel, three hearing officers, and five other staff members. The Board reorganized its legal staff in FY 2018, and operated for a time with reduced staff. As of July 2019, BTA has 13 employees including the three Board members.

The FY 2020 appropriation amount is 21.8% greater than actual spending in FY 2019, but slightly less than actual spending in FY 2017. The appropriation is slightly higher, by 0.7%, in FY 2021. The Board's spending declined in FY 2018, and remained lower in FY 2019, as spending for supplies and maintenance fell back from elevated levels in FY 2017, as well as due to temporarily reduced staffing.

The Board's online case management system is accessible through the internet, and filers use the system to enter information on their appeals. This system has increased the efficiency of Board operations, and thereby facilitated resolution of appeals more quickly than in the past.

Decisions summary

The following table is based on statistics published in the Board's 2018 annual report, the latest published as of this writing. It illustrates that the majority of cases are appeals of local boards of revision decisions, generally regarding real property values. Appeals of determinations or rules adopted by the Tax Commissioner, including the Division of Tax Equalization, constitute the second largest category of cases. Other sources of cases include appeals of allocations by county budget commissioners of tax receipts to political subdivisions, appeals of decisions of municipal boards of appeal regarding municipal income tax obligations, and appeals of decisions by the Director of the Department of Development that enterprises are not qualified for tax incentive qualification certificates. Although the total number of decisions is down, the number of decisions increased on cases that are typically more complex and time-consuming such as appeals of decisions of the Tax Commissioner. These more challenging cases may involve multi-day trials and extensive questioning of witnesses.

Summary, Board of Tax Appeals Decisions, FY 2016-FY 2018			
Type of Case	FY 2016	FY 2017	FY 2018
Board of Revision	2,483	2,183	2,070
Tax Commissioner	297	355	396
Sales & Use Tax	108	175	151
Tax Exemption	85	66	75
Commercial Activity Tax	17	16	30
Municipal Income Tax	2	5	5
All Other	87	98	140
Total Decisions	3,079	2,898	2,867
Appeals Filed	2,588	2,771	2,040