

A Resident's Guide to Understanding Local Taxes



City of Worthington General Fund Overview

Worthington is proud of its reputation as a vibrant community that provides high quality services and programs to its residents. In order to fund operations, the City relies largely upon income tax revenues, which can be an unpredictable revenue stream.

Our City’s economic-development efforts must work to assist the quality employers that already exist here, while also being proactive in the pursuit of new business opportunities. Jobs can move in and out of our community, which makes it a top priority for the City to support and strengthen our business community so that we may maintain the quality of life Worthington residents have come to expect.

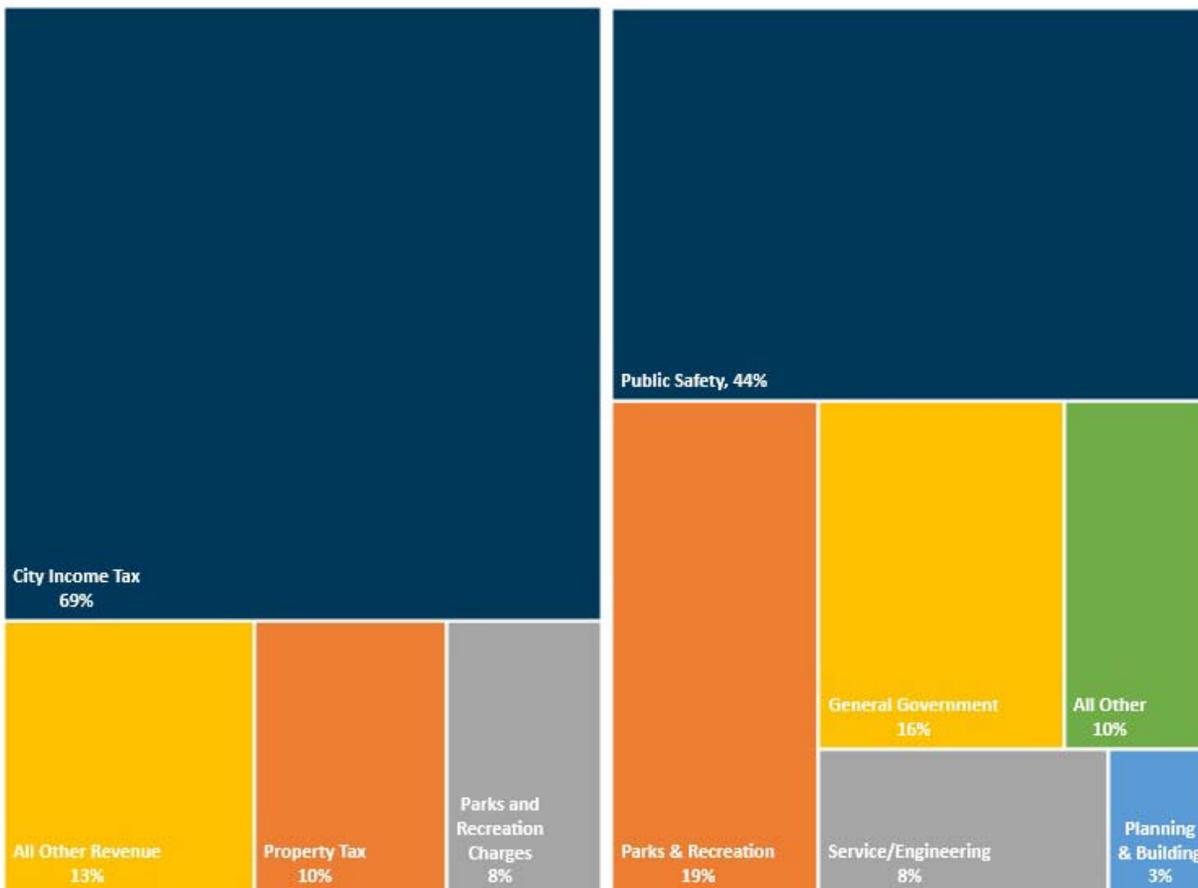
Property taxes make up only 10% of the City’s annual revenues. The majority of a resident’s property tax bill goes to fund the Worthington School District and other various taxpayer approved levies.

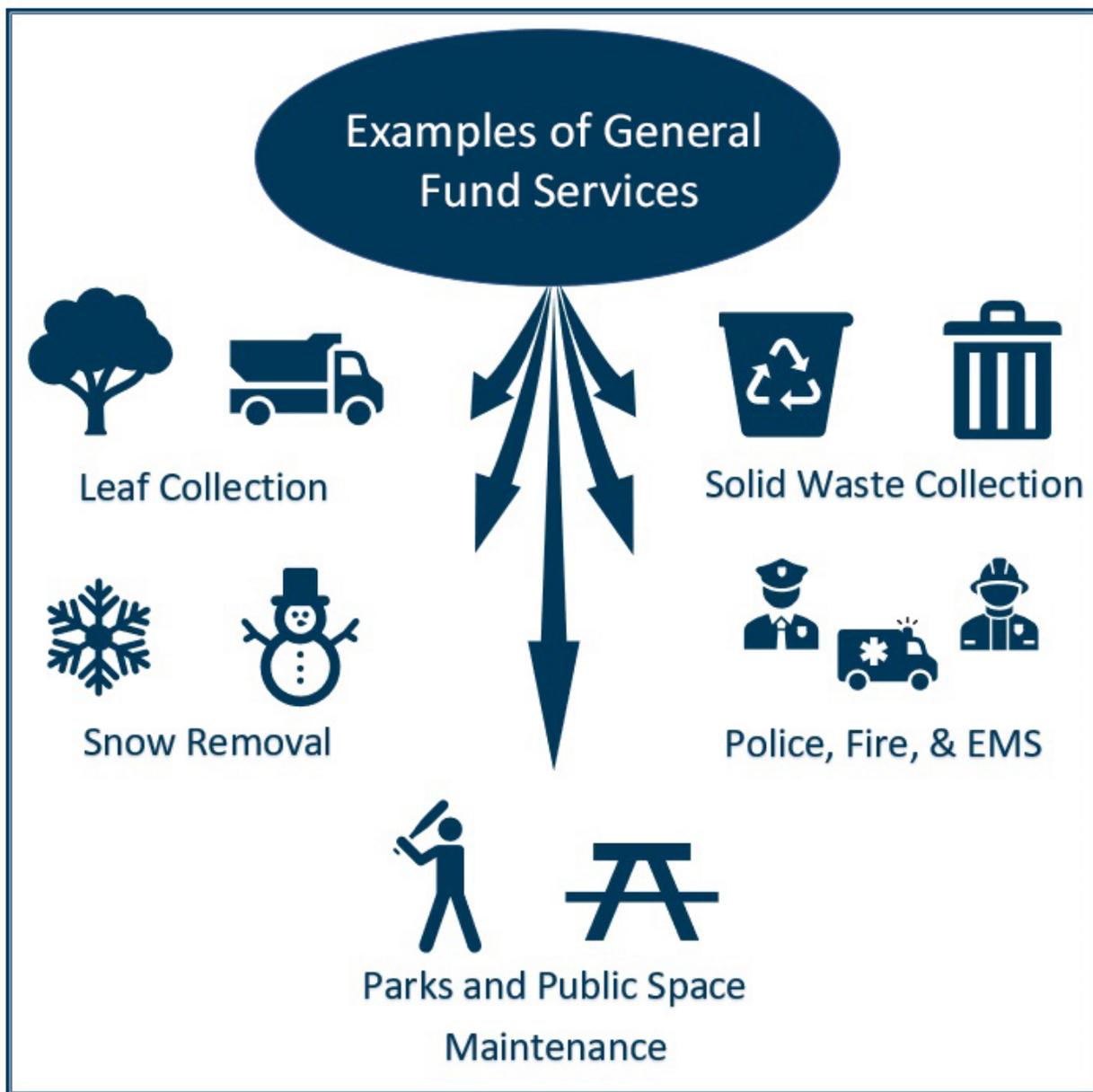
\$30,435,328

2019 General Fund Revenues

\$28,653,820

2019 General Fund Expenses





Did You Know?

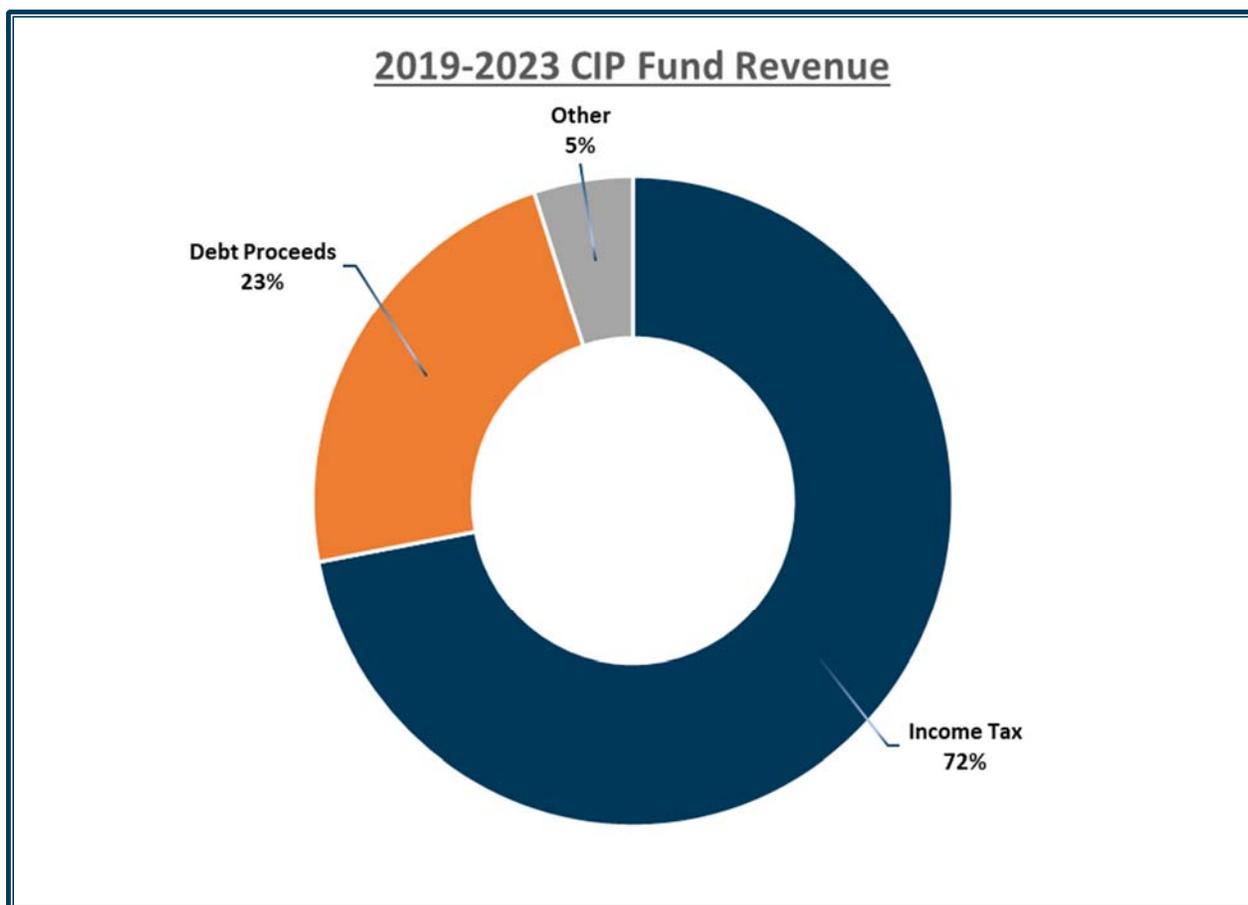


Unlike most communities in Central Ohio, Worthington does not charge a separate fee for solid waste collection. This service is available free of charge to every resident in a single-family home, duplex, or three family building in the City. The bill is paid by the City and funded through the collection of income and property taxes.

City of Worthington Capital Improvements Fund Overview

The five-year Capital Improvement Program (CIP) presents the City’s plan for infrastructure development and improvements. The CIP is evaluated annually to ensure funding and to update project and equipment needs and costs of the City. Worthington is a built-out, historic community, so much of the City’s capital investments are focused upon maintaining the existing infrastructure.

In the 2019-2023 CIP, income taxes make up 72% of the CIP Fund revenue, with debt proceeds making up 23%. Similar to the General Fund, the CIP is highly dependent upon Income Tax Revenues to fund much needed programs and projects that renovate and repair the City’s streets, buildings, parks, and other infrastructure.



How Income Tax is Administered

Worthington’s largest funding source is income tax revenues which are collected by the Regional Income Tax Agency (RITA). Income tax revenues are then allocated 80% to the General Fund and 20% to the Capital Improvements Fund. In 2018, income tax collections totaled \$26,065,135. This revenue allows the City to provide the high-quality services our community enjoys such as curbside leaf collection, snow removal, and no extra fees for weekly trash, recycling, and yard-waste collections. Additionally, it allows the city to invest in capital improvement projects like parks and roadways and maintaining existing public infrastructure that benefits both businesses and residents.

The City of Worthington levies a 2.5% income tax on gross wages, salaries, and other personal service compensations as well as on the net profits of Worthington businesses. However, the City provides a 100% credit up to 2.5% for taxes paid to the municipality where a resident works.

Central Ohio Income Tax Rates	
Bexley	2.50%
Columbus	2.50%
Gahanna	2.50%
Grandview Heights	2.50%
Reynoldsburg	2.50%
Upper Arlington	2.50%
Whitehall	2.50%
Worthington	2.50%
Dublin	2.00%
Grove City	2.00%
Hilliard	2.00%
New Albany	2.00%
Westerville	2.00%
Powell	0.75%

The local income tax is first assessed and collected by the municipality in which a resident is employed. For example, a Worthington resident who is employed within the City of Columbus has 2.5% withheld from their paycheck. This amount is remitted to the City of Columbus. The City of Worthington, recognizing that this resident has already paid 2.5% 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 that is less than Worthington’s 2.5%, the difference between what they paid their workplace municipality through withholding and 2.5% of their gross wages is due to the City of Worthington. For example, a resident who works in the City of Dublin, whose tax rate is 2.0%, will owe an additional 0.5% to the city of Worthington.

Did You Know? 

Most retirement income is considered non-taxable income for the purpose of municipal income taxes. This includes income earned from:

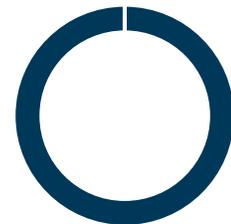
- *Social Security Benefits*
- *Income from Qualified Pension Plans*
- *Annuity Distributions*
- *Interest or Dividends*

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 Worthington provides a credit for taxes paid to the workplace municipality. The following are three scenarios for a typical Worthington household approximately earning the median annual income of \$100,000 per year.* The examples below illustrate income taxes that would be paid based upon where the wage earners work.

A Worthington household with \$100,000 of wages earned in Worthington:

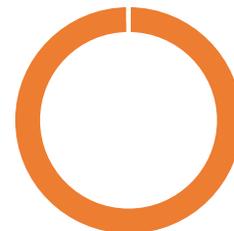
- Worthington Tax: $\$100,000 \times 2.5\% = \mathbf{\$2,500 \text{ due to Worthington}}$



100% Paid to Worthington

A Worthington household with \$100,000 of wages earned in Columbus:

- Columbus Tax: $\$100,000 \times 2.5\% = \mathbf{\$2,500 \text{ due to Columbus}}$
- Worthington Tax: $\$100,000 \times 2.5\% = \$2,500$ less $\$2,500$ credit provided by Worthington to taxes paid to Columbus = $\mathbf{\$0 \text{ due to Worthington}}$



100% Paid to Columbus

A Worthington household with \$100,000 of wages earned in Dublin:

- Dublin Tax: $\$100,000 \times 2.0\% = \mathbf{\$2,000 \text{ due to Dublin}}$
- Worthington Tax: $\$100,000 \times 2.5\% = \$2,500$ less $\$2,000$ credit provided by Worthington for taxes paid to Dublin = $\mathbf{\$500 \text{ due to Worthington}}$



80% Paid to Dublin
20% Paid to Worthington

Did You Know?

Historically, 68% of working Worthington residents pay no income taxes to the City. Approximately 44% of working Worthington residents are employed in Columbus and pay no income taxes to the City of Worthington. 56% of the income tax revenue received by the City of Worthington is collected from non-residents. For this reason, efforts to strengthen and diversify the business base are essential to the fiscal well-being and sustainability of the City.

*As of 2017 Worthington’s median household income was \$98,784 according to <https://datausa.io/profile/geo/worthington-oh/>

How Property Taxes are Administered

Property taxes are one of the largest tax bills that a property owner receives and those taxes primarily go towards funding the Worthington School District. Property taxes represent a very small amount of revenue to the City with approximately six cents of every dollar of property tax paid supporting City operations.

Property taxes are based on the tax rate where the property is located and the taxable value of your property as determined by the Franklin County Auditor (taxable value is based on 35% of the market value of the property). Property taxes consist of two parts – inside and outside millage. The City of Worthington receives approximately 6% of your property taxes which equates to approximately 9% 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.

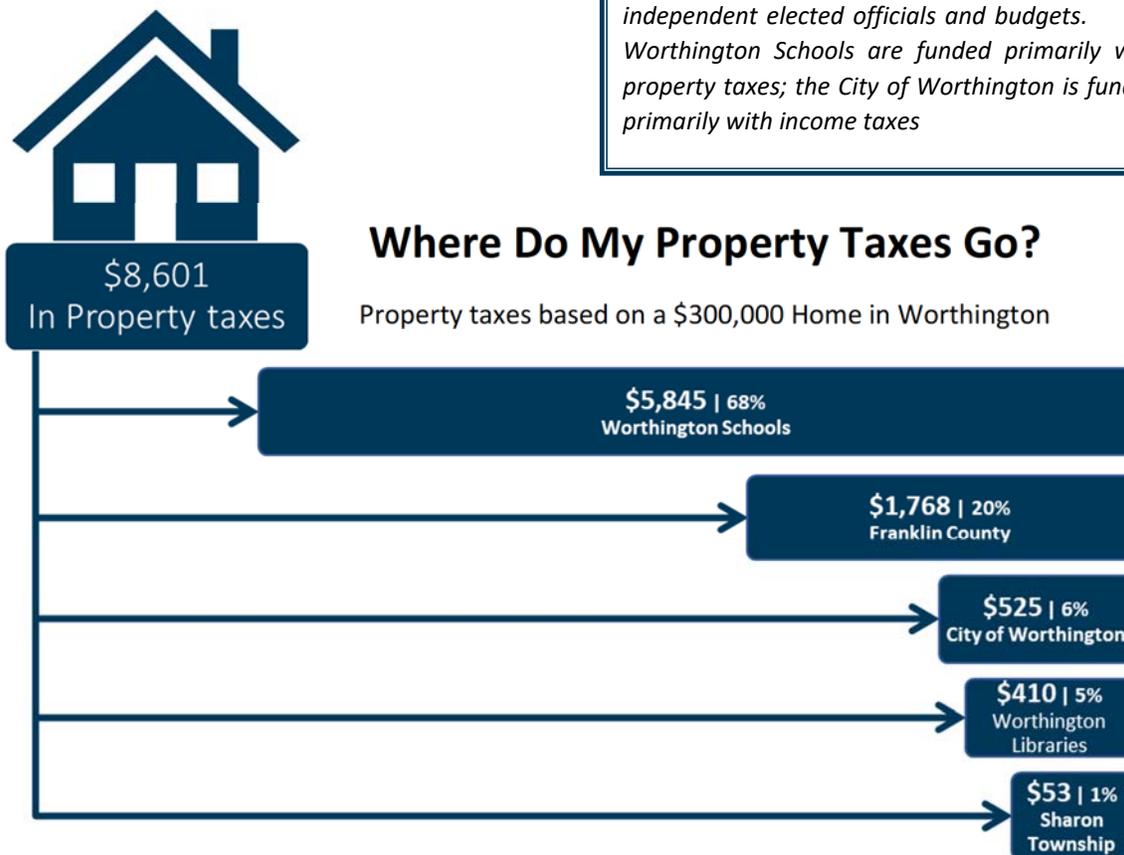
Outside Millage is voter approved millage and is the most significant portion of the millage assessed. Worthington voters have the opportunity to authorize additional property taxes for the township, county schools, and other agencies during elections.

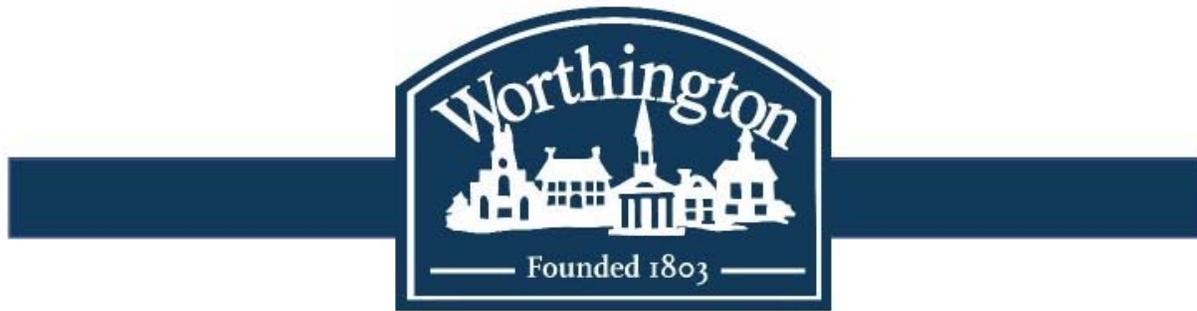
The Franklin County Treasurer collects the property taxes which are then distributed to the taxing entities which can include the local school district, the county, and other entities as approved by voters.

Did You Know?



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





For questions about Worthington finances please contact the Finance Department:

City of Worthington Finance Department | www.worthington.org | 614-436-3100

Worthington Income Tax is administered by the Regional Income Tax Agency (RITA). Questions about income taxes should be directed to RITA:

Regional Income Tax Agency | www.ritaohio.com | 866-721-7482

For more information regarding your property valuation or property taxes, please contact the county auditor's office:

Franklin County Auditor | www.franklincountyauditor.com | 614-525-4663

Did You Know?

RITA's Central Ohio office can be found right here in Worthington. It is located at 760 Lakeview Plaza Boulevard, Worthington, Ohio 43085, just north of I-270.

City of Worthington
6550 North High Street
Worthington, Ohio 43085

Office Hours: M-F, 8am – 5pm
P: 614-436-3100
www.worthington.org