



Ohio Board of Tax Appeals

**Testimony of Kathleen Crowley, Executive Director
Board of Tax Appeals
Finance Subcommittee on
Transportation
March 15, 2023**

Chairman Patton, Ranking Member Skindell and members of the Finance Subcommittee on Transportation, my name is Kathleen Crowley, and I am the Executive Director of the Ohio Board of Tax Appeals. Thank you for the opportunity to present information on the Board of Tax Appeals' budget request for fiscal years FY2024/2025.

Introduction

The Ohio Board of Tax Appeals is Ohio's sole administrative tax court. Millions of dollars of revenue pass through our doors every year. Ohio taxpayers and taxing authorities bring thousands of tax disputes to the Board for us to settle. Some taxes affect local revenue, such as real property taxes, and some affect state revenue, like sales tax. The Board aims to decide those cases fairly and efficiently based on Ohio law. The Board has statewide jurisdiction meaning the Board's decisions set statewide precedent. Taxpayers are assured their appeals will be reviewed and considered by Board members and a staff of attorney examiners who focus exclusively on tax law. Board Members and attorney examiners are appointed because of their expertise because tax law is a specialized field of law. The Board relieves the overburdened state judicial system because most tax cases can (and sometimes must) be taken to us.

Accomplishments

Many in-person hearings were continued during the pandemic. When the Board resumed in-person hearings, we prioritized appeals filed before January 1, 2021. In FY2022, the Board set a goal that all such cases would receive an in-person hearing by the end of the calendar year 2022. The Board accomplished that goal.

Also, in FY2022, the Board created a decision database which can be accessed from our website. The database allows the public to search for Board decisions free of charge.

The Board is currently working on creating a basic guide for those taxpayers who wish to represent themselves or are unable to hire an attorney.

Challenges

The Board has encountered many challenges, a personnel shortage and an increased number of heavily litigated cases and increased costs for the Board's case management system. If funded at the level proposed by Governor DeWine, the Board hopes to bring on another attorney examiner and potentially a paralegal. Those increases are necessary because the Board has seen a substantial increase in heavy litigation. Since the spring of 2022, the Board's settlement rate has dropped below 30%. Parties (both taxpayers and school boards) are litigating more cases, which requires the Board to use more resources per case.

Still, the Board is proud that it has not suffered a backlog. Our staff has worked very hard, and the Board has fewer active cases than before the pandemic. During calendar year 2022, over 3,100 cases were resolved.

That being said, I am concerned that being staffed inadequately will lead to a similar backlog the Board encountered nearly a decade ago. During that backlog, understaffing meant taxpayers often waited years for a decision. That was unacceptable then, and it is unacceptable now. The Board of Tax Appeals understands that the certainty of future revenue and expense streams contributes to job creation and encourages investment. However, parties to a tax appeal are effectively put into a financial holding pattern while their case is pending before the Board, and cases that linger unresolved for years create uncertainty and contribute to fiscal constraint.

Request

Today we ask the committee and General Assembly to fund the Board at the amount provided in the Governor's budget. If the General Assembly wishes to prioritize the resolution of tax disputes, a funding amount listed in the Governor's budget would be appropriate. That amount would permit us adequately staff the Board.

Again, thank you for the opportunity to testify today. With my written testimony, I have included a basic tax appeal flow chart. I am happy to answer any questions.

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Basic Tax Appeals Flow Chart

