

## Reporting: Nixing Ohio property tax could lead to 15% income tax, 18% sales tax

Dayton Daily News – February 11, 2026

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Ohio Gov. Mike DeWine addresses reporters in Columbus on Feb. 5, 2026. AVERY KREEMER / STAFF

The grassroots effort to eliminate property taxes entirely is gathering steam, and elected officials — including the Ohio governor and others — say if it comes to fruition, it would be a crisis.

“It would just be devastating to all kinds of local governments starting with schools but also police and fire and children services, mental retardation levies, all of those would go away,” Gov. Mike DeWine said recently, adding sales tax might have to be hiked to 20% to fill the void. “We would be in a huge crisis in the state of Ohio.

His remarks stemmed from a memo by Kimberly Murnieks, director of the Office of Budget and Management, that said filling the \$24 billion property tax void with income or sales taxes would be “fiscally impractical and economically harmful.” She wrote income tax rates “would need to quadruple or more reaching 11% to 15%” and the state sales tax would have to increase from 5.75% to 15% to 18% which “is significantly higher than any other state.”

To put things in perspective, the 5.75% rate adds \$1,725 to the price of a \$30,000 car and \$5,400 if the sales tax rate jumped to 18%. For a \$1,300 refrigerator the sales tax would jump from \$75 to \$234.

“Such astronomical increases would drive citizens and businesses to tax avoidance, pushing consumer spending out of state especially in border counties, harming small businesses and local economies,” Murnieks wrote. “To moderate the potential rate increase, the sales tax base could be broadened to tax food, healthcare, or other goods or services that are currently exempt. Note that base-broadening would require statutory and, in some cases, constitutional, changes.”

Last year, the state legislature enacted a flat 2.75% income tax rate that Murnieks said is the second lowest rate in the country, which provides “a competitive economic environment.” She said if income taxes were levied locally to replace property taxes they could go as high as 27% in some counties, according to a report by the Tax Foundation.

That report, entitled “There’s No Good Way to Pay for Property Tax Repeal” showed to cover lost property tax revenue, income tax rates would need to increase to these levels: Butler 11.3%, Clark 12.54%, Green 13.18%, Miami 10.67%, Montgomery 14.92% and Warren 9.92%.

The state levies a sales tax and individual counties, and some transit systems have piggyback sales taxes. The auditors in Butler, Greene, Montgomery and Warren counties calculated the potential impact on sales taxes if property taxes disappeared, based on 2024 collections. Butler County would go from 6.5% to roughly 14.83%; Greene would likely jump from 6.75% to 17.2%; Montgomery County 7.5% to 18.5% and Warren County would have to jump to 18% up from 6.75%.

Citizens for Property Tax Reform and AxOHTax are circulating a petition — approved by the state attorney general and ballot board — to put a constitutional amendment to eliminate property taxes entirely on the statewide November 2026 ballot.

Brian Massie, one of the leaders of AxOHTax, said their pleas fell on deaf ears so they started the tax elimination campaign.

“When we couldn’t get anyone to talk to us we came up with this phrase, in order to get the attention from these legislators, who are paying more attention to their donor base than the average citizen: We have to starve the beast,” he said and later added. “We’re saying the public sector has outgrown the private sector’s ability to pay for services and unless the government starts to cut down the size of bureaucracy we’re going to implode, it’s not sustainable.”

In general, there are three taxing mechanisms for local governments. All local entities collect property taxes; cities and schools can collect income tax and townships may collect income tax but only in partnerships with municipalities within Joint Economic Development Districts; counties impose sales taxes, but none get all three.

The state doesn’t receive property taxes but does subsidize local property taxpayers through the Homestead exemption for the elderly and disabled, plus the 10% non-business and 2.5% owner-occupied property tax rollbacks for tax levies approved prior to 2013.

## **Risky proposal**

Murnieks told DeWine in her memo that a switch from property taxes to the other revenue streams is risky.

“Property taxes give local governments a steady, predictable source of funding that supports essential services year after year. In contrast, income and sales taxes swing sharply during economic downturns, leaving communities vulnerable to budget shortfalls when residents need public services the most,” she wrote adding local control would be lost.

”Local property taxes empower residents to shape their communities through direct voting and accountability, ensuring that decisions about spending and priorities remain in the hands of local citizens. By approving or rejecting property tax measures, voters exercise real control over service quality, scope, and responsiveness.”

Post-pandemic property value spikes first produced hefty tax increases after the 2023 value update in this area. Values jumped by an average 37% in Butler County, 34% in Montgomery County and 30% in Greene County.

Butler County officials began asking state legislators for relief after the values exploded, but there was little action until the threat of the constitutional amendment arose. Late last year lawmakers in Columbus approved roughly \$3.8 billion in property tax relief that will take effect over the next three to four years.

They approved reforms aimed at curbing unvoted tax increases, giving taxpayers tax credits for overly high taxes they already paid, beefing up credits in the future and expanding the powers of local budget commissions to rein in spending by taxing districts.

## **‘Bring it on’**

Ed Maloof of Beavercreek, who is a regional captain for the eight counties in southwest Ohio for the AxOHTax group, told this news outlet “most of the people I talk to, nobody’s against paying their taxes, this ain’t saying we don’t want to pay taxes, just don’t tie it to my house.”

“I believe in my heart we’re going to make the ballot and I believe once it’s on the ballot it’s going to pass,” Maloof said. “That’s why we’re seeing all these Band-Aids coming out of the statehouse, they’re realizing the people are serious.”

Beth Blackmarr, the spokesperson for Citizens for Property Tax Reform, told this news outlet the legislative efforts thus far aren’t enough to deter voters from voting for property tax elimination because their new tax bills are higher not lower. She said people shouldn’t be scared by DeWine’s warning about a 20% sales tax.

“Bring it on,” she said. “I did the math and for me last year that would have saved me 65%. Last year, if I had to pay a 20% sales tax, I would have saved 65% over what I would have paid in property tax.”

The two groups have until July 1 to collect the required 413,487 valid signatures from voters in at least 44 of Ohio’s 88 counties. They are shooting for 600,000-plus to offset invalidated signatures. Both Blackmarr and Massie are pretty optimistic they’ll make the ballot, if they don’t, they’ll keep trying.

Massie said they won’t reveal how far they are from their goal, because he said they are “at war” with state lawmakers and “when you’re at war you just never give the enemy any intel.”