In 1997, Ohio’s state government collected $16 billion in tax revenues. This came to $1,468 per person, a little less than the national average of $1,660, and put Ohio in 35th place among the states. As a share of personal income, Ohio’s state taxes amounted to 6.2%, compared to the national average of 6.9%.

About half of Ohio’s tax revenue comes from sales taxes. Individual income taxes are the second-largest source, bringing in about 37% of all tax revenue.

The state also collects revenue from many nontax sources. In fact, taxes provide only 36% of Ohio’s total revenue of $45 billion, while federal funds supply $9 billion, or 20% of the total. Revenue from state insurance trusts like employee retirement funds, workers’ compensation, and unemployment compensation brings in another 31%, almost as much as taxes provide. Other sources include various charges and fees as well as liquor store revenue.

The Ohio government’s largest expenditure is education, which accounts for 37% of general state spending. The second-largest expenditure is welfare, which takes another 26% of the budget. All told, Ohio spent $30 billion on general expenditures in 1997, and a total of $37 billion.

There is a difference of about $8 billion between total revenue and total expenditures, but the difference is almost entirely accounted for by a buildup in state insurance trusts to fund future obligations.