

Vehicle Registration Permissive Tax FAQs

For County, Municipality and Township Officials

Revised February 8, 2018

What is “vehicle registration permissive tax?”

“Vehicle registration permissive tax “(hereinafter referred to as “permissive tax”) is an optional tax that can be levied by counties, municipalities, and/or townships on vehicle registrations. It is defined in Ohio Revised Code (ORC) Chapter 4504: Local Motor Vehicle License Tax. There are nine \$5.00 levies that are available to be enacted, but only five can be in effect at any one time in any single taxing district.

Permissive tax revenue is to be used by the counties and taxing districts per ORC Chapter 4504, which includes planning, constructing, improving, maintaining and repairing public roads, highways, streets, and for the maintaining and repair of bridges and viaducts.

What is a “taxing district?”

A taxing district is either a municipality (incorporated village or city) or a township.

How is a levy enacted?

Counties, municipalities and townships pass a resolution/ordinance per ORC. Once the resolution/ordinance has been passed, a copy is sent to the Ohio Bureau of Motor Vehicles, Tax Distribution Section by July 1 to be effective the following registration year (ORC section 4504.08). For a sample resolution/ordinance, or for additional information, please contact the Tax Distribution Section (see below).

How do we find out if our taxing district has already enacted all levies allowed?

The 2018 Taxing District Code Book is published on the BMV website at the following site: <http://www.publicsafety.ohio.gov/links/Taxing-District-Code-Book.pdf>. This publication lists all the taxing districts within each county and the current permissive tax rates. The current maximum permissive tax for registration year 2018 in any single taxing district is \$20.00 per registration per registration year. If \$20.00 is the listed rate for a taxing district, no new permissive tax levies can be enacted for that taxing district.

PLEASE NOTE: Beginning with the 2019 registration year, the maximum permissive tax in any single taxing district will be \$25.00 per registration per registration year. If \$25.00 is the listed rate for a taxing district in the 2019 Taxing District Code Book, no new county, municipality or township permissive tax levies can be enacted for that taxing district.

Please contact the Tax Distribution Section for additional information.

Enacting Permissive Tax

Counties have the option of enacting levies under ORC sections 4504.02, 4504.15, 4504.16, and, beginning with the 2019 registration year, 4504.24. Enacting the first three levies is contingent on the respective municipal levies of 4504.06, 4504.17 and 4504.171. For example, if City X in County Y has already enacted 4504.06,

then County Y now levying 4504.02 will not be able to collect permissive tax from vehicle registrations of the residents of City X under 4504.02. ORC section 4504.24 is not contingent on any other levy, so a county can pass a resolution at any time to enact this.

Municipalities have the option of enacting levies under ORC sections 4504.06, 4504.17, 4504.171 and 4504.172. Enacting 4504.06, 4504.17, and 4504.171 are contingent on the respective county levies 4504.02, 4504.15 and 4504.16. For example, if County X has enacted 4504.02, then City Y cannot enact 4504.06. ORC section 4504.172 is not contingent on any other levy, so a municipality can pass an ordinance at any time to enact this.

Townships have the option of enacting a levy under ORC section 4504.18. ORC 4504.18 is not contingent on any other levy, so a township can pass a resolution at any time to enact this.

How much of the permissive tax does the county/taxing district receive for each of the levies?

The percentage each county/taxing district receives in permissive tax depends on which levies are enacted in that county/taxing district. Please refer to the following charts:

County Levies

ORC Section	Amount	Distribution Rules
4504.02	\$ 5.00	100% of the revenue collected is distributed to the county (Municipalities can request from the county a portion of this revenue, per ORC Section 4504.05) (Counties have the authority to enact this tax at any time, however cannot collect revenue from municipalities already enacting 4504.06)
4504.15	\$ 5.00	If a municipal registration: 50% to the municipality, 50% to the county If a township registration: 30% to the township, 70% to the county. (Counties have the authority to enact this tax at any time, however cannot collect revenue from municipalities already enacting 4504.17)
4504.16*	\$ 5.00	If a municipal registration: 100% is distributed to the county If a township registration: 30% to the township, 70% to the county. (*Effective January 2002, 4504.051 allows an increase or decrease in the allocation to townships by passage of a resolution and county approval.) (Counties have the authority to enact this tax at any time, however cannot collect revenue from municipalities already enacting 4504.171)
4504.24	\$5.00	100% of the revenue collected is distributed to the county (Counties have the authority to enact this tax at any time)

Municipal Levies

ORC Section	Amount	Distribution Rules
4504.06	\$ 5.00	100% to the municipality (Municipalities cannot enact this tax if the County is already enacting 4504.02)
4504.17	\$ 5.00	100% to the municipality (Municipalities cannot enact this tax if the County is already enacting 4504.15)
4504.171	\$ 5.00	100% to the municipality (Municipalities cannot enact this tax if the County is already enacting 4504.16)
4504.172	\$ 5.00	100% to the municipality (Municipalities have the authority to enact this tax at any time)

Township Levy

ORC Section	Amount	Distribution Rules
4504.18	\$ 5.00	100% to the Township (Townships have the authority to enact this tax at any time)

How do I contact the Tax Distribution Section?

The Tax Distribution Section office hours are 7:30 a.m. – 4:30 p.m. Monday through Friday; we are closed on state holidays.

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