



Taxes

State Tax Reform

Reduce operating costs with the lowest taxes in the Midwest.

A business-friendly tax environment is an absolute must in today's economy. In Ohio, we're doing something about it. Ohio's tax reforms have **lowered business tax burdens**, eliminating taxes on inventory, corporate profit and investments in equipment.

Ohio's taxation system means businesses can:

- Reduce operating costs - No tax on inventory or corporate income
- Enhance productivity - No tax on investments in machinery and equipment
- Attract talent - Shrink labor costs through reductions in personal income tax
- Enjoy a level playing field - All companies taxed at the same low rate
- Boost return on investment - No tax on product sold to customers outside Ohio
- Reward entrepreneurship - First \$1 million in gross receipts are tax-free

With these reforms, Ohio and communities like Wapakoneta will become even more competitive. Ohio's favorable business climate and high quality of living, combined with low business and personal costs, make us an increasingly viable location for business growth.

[Learn more about Ohio's aggressive tax reforms](#) [1]

Ohio is one of the top five states ranked with the lowest effective tax rate on new investment

A 2011 Ernst & Young analysis of key manufacturing and service industries in these Midwestern states -- Illinois, Indiana, Michigan, Minnesota, and Wisconsin -- found that:

- Ohio's effective tax rate on new capital investment by manufacturing industries will be 40% lower than the five-state average.
- Ohio's effective tax rate on selected service industries will be 29% lower than the five-state average.
- For all industries studied, Ohio's effective state and local tax rate is 37% lower than the five-state average.

[2]

State Tax Rates

Ohio's tax on new investment is the lowest in the Midwest.

STATE TAXES

Corporate Income Tax - None

Corporate Franchise Tax - None

Gross Receipts Tax - The Commercial Activities Tax (CAT) is 0.26% on sales within the State of Ohio. Sales outside of Ohio are exempt. The first \$1 million in eligible sales are exempt from the CAT.

Personal Income Tax - Nine bracket system with a bottom bracket of .0587% for income under \$5,000 and a top bracket of 5.925% for income over \$250,000. This reflects a 21% reduction through 2009.

Sales and Use Tax - 5.50% on taxable purchases

Sales and Use Tax on Production Machinery & Equipment - Exempt

[Learn more about Ohio tax rates](#) [3]

Local Taxes

Wapakoneta and Auglaize County, Ohio have some of the lowest tax rates in the U.S. They help our local businesses reduce their operating cost and increase profitability.

Total tax rates for business operations in the City of Wapakoneta, Ohio

Sales and Use Tax - 7.0% (state and county)

Income Tax - 2.25% (1.5% city and .75% school district)

Real Estate Tax - \$44.90 per \$1000 of tax value with 35% assessment (combined city, county, school & township)

Personal Property Tax - None

Auglaize County Taxes

Sales and Use Tax - 1.5% on taxable purchases

Personal Income Tax - None

Personal Property Tax - None

[Learn more about Auglaize County tax rates](#) [4]

City of Wapakoneta Taxes

Sales and Use Tax - None

Personal Income Tax - 1.0% for residents and individuals working in Wapakoneta

Personal Property Tax - None

[Learn more about City of Wapakoneta tax rates](#) [5]

Wapakoneta City School District Taxes

Personal Income Tax - 0.75%, applies to school district residents only

Personal Property Tax - None

Township Tax Rates

Personal Income Tax - None

Personal Property Tax - None

Links:

[1] http://jobs-ohio.com/images/ohio_tax_reform.pdf

[2] http://www.ohiomeansbusiness.com/docs/ohio_key_benefits.pdf

[3] http://www.tax.ohio.gov/online_services/thefinder.aspx

[4] <http://www.auglaizeauditor.ddti.net>

[5] <http://www.wapakoneta.net/departments/income>