



OHIO BOARD OF TAX APPEALS

Annual Report Fiscal Year 2015

R.C. 149.01 requires the Ohio Board of Tax Appeals to file an annual report with the governor, the secretary of state and the state library, on every August first summarizing the official acts of the board...“and any suggestions and recommendations that are proper.”

This report fulfills the annual reporting requirement for the fiscal year ending June 30, 2015.

**Governor John R. Kasich
Secretary of State Jon Husted
State Librarian Beverly Cain**

Executive Summary:

Fiscal 2015 was a transformational year for the Board of Tax Appeals (BTA). Under the direction of Chairman Jim Williamson, Vice-Chairman Michael Johrendt (retired, April 2015), Vice-Chairman David Harbarger and member Jasmine Clements (appointed April, 2015), the board continued to refine new processes and procedures. Building upon provisions enacted in House Bill 138 and operational improvements developed in a kaizen event with LeanOhio (both in July, 2013), the board continued to streamline office processes and change long-held practices to better serve parties to tax appeals.

The results of these changes are clearly demonstrated in the board's end-of-fiscal-year statistics:

- A reduction in the board's overall active docket from 3,912 to 1,693, a reduction of over 50%.
- A reduction in the median days appeals are open with the board from 560 days to 273 (50% improvement)
- A reduction in the total cost per BTA decision to Ohio's taxpayers from \$214 to \$189 (12% improvement)

The BTA has fully-implemented a new case management system for the next generation of tax appeal filings in the state of Ohio. The new case management system is cloud-based, user-driven and accessible to everyone 24/7/365 from anywhere in the world with internet access.

Fiscal Year 2016 will see the board continue to refine the improvements made in FY2015. The appeals process is now largely party-driven and is yielding improved operational efficiency and shortened resolution times. The larger result is greater clarity for all Ohio regarding tax related matters.

Jim Williamson
Chairperson

David Harbarger
Vice-Chairperson

Jasmine Clements
Member

Mission

The mission of the Board of Tax Appeals, as Ohio's administrative tax court, is to provide taxpayers and taxing authorities with an accessible, fair and efficient appeals process and to resolve appeals in a timely and judicious manner by facilitating settlement or by issuing comprehensive written decisions, which are based upon Ohio statutes, case law, and board precedent.

Function

The BTA is Ohio's administrative tax court. It is a quasi-judicial body established by Ohio Revised Code 5703.02, and comprised of three (3) members appointed by the governor to overlapping six-year terms. The BTA adjudicates state tax disputes, relieving an overburdened state judicial system and providing taxpayers with a non-partisan forum in which to resolve tax disputes. In this forum, taxpayers are assured appeals will be addressed by individuals with considerable expertise focused exclusively on tax issues.

The BTA adjudicates appeals of all tax types from Ohio's 88 counties and various levels of government. The vast majority (about 90%), are appeals of county Boards of Revision (BOR) decisions regarding real property valuation. Other appeals are of final determinations of Ohio's Tax Commissioner, decisions of municipal boards of appeal, and actions of county budget commissions.

Process

Most appeals involve real property valuation disputes, for which the process is as follows:

1. A notice of appeal from a decision of a BOR is filed with the BTA.
 - a. On the appeal form, the appellant indicates whether they require an evidentiary hearing, or if a review of the existing BOR record will suffice
2. Depending on the appellant's decision, the board establishes either an evidentiary hearing date, or a date by which all written argument is due from the parties to the appeal.
3. The BOR files a transcript of the proceedings that occurred at the county level with the BTA within 45 days.
4. The discovery process is completed within 120 days.
5. All evidence is considered and a decision is rendered by the board thereafter.

Filers enter appeal information directly into the BTA's case management system from anywhere (with internet access) at any time (24/7/365). Once submitted, reviewed and accepted, all parties are notified electronically that an appeal has been filed, the case number assigned and the evidentiary hearing or written argument date.

After the evidentiary hearing or the written argument date, an Attorney Examiner reviews the entire record and drafts a decision for the board to consider. After consideration, the decision of the board is announced.

Statistical Summary**Active Appeals at Fiscal Year End**

2014 Counts	2015 Counts	Change
3903	1693	-56.62%

New Appeals

	2014 Counts	2015 Counts	Change
All Appeals	6799	3030	-55.43%
RPV	6428	2759	-57.08%
RPV Pro Se	2677	414	-84.53%
RPV Counsel	3751	2345	-37.48%
Tax Commisisoner	370	271	-26.76%

Board Decisions

	2014 Counts	2015 Counts	Change in Decision Volume
All Decisions	8934	5499	-38.45%
RPV	8367	5071	-39.39%
RPV Pro Se	3581	685	-80.87%
RPV Counsel	4786	4386	-8.36%
Tax Commisisoner	567	428	-24.51%

In FY2014 and FY2015, the board implemented significant procedural changes to better meet the needs of Ohio's taxpayers. Legacy practices included a two-step process of docketing a notice of appeal, and then establishing a case management schedule (including hearing date) several months later. Additionally, all cases – regardless of complexity or the expertise of the parties involved – were scheduled for an in-person hearing at the BTA's offices in Columbus, Ohio.

In order to address these operational issues, the BTA implemented the following changes in FY2015:

- The establishment of case management schedules at the time an appeal is filed, including the hearing or written argument date. This has provided an end-point to which all parties can work to resolve their appeals, and has virtually eliminated the number of cases that are open for abnormally long periods
- The introduction of an optional Small Claims case docket, which allows qualifying appeal filers to take part in informal, telephonic proceedings before the board, and to have their appeal decided on an accelerated case management track

- The provision for allowing parties to determine if a formal BTA evidentiary hearing is required or if written argument and a review of the lower court transcript is sufficient. This has eliminated unnecessary hearings and allowed staff to focus on value-added activities

Technology enhancements and procedural efficiencies have enabled the board to eliminate its previous backlog, and to resolve new appeals, on average, in less than nine months. New Board of Revision appeals are lower than previous years due to the rebounding real estate market and the rotating county real property valuation cycle. Appeals from final determinations of Ohio's Tax Commissioner are also fewer but represent an increasing share of the board's docket. The improvements the board has made will enable it to continue to provide a high level of service in the face of this shift in its docket toward more complex cases of statewide application.

Results – Appeals Filed

Appeals Filed		FY2013	FY2014	FY2015	%
County Boards of Revision		4,602	6,428	2,759	91%
Tax Commissioner:		623	427	271	9%
	Commercial Activity Tax	25	13	16	
	Sales Tax	121	111	57	
	Use Tax	36	27	32	
	Exemption	126	75	70	
	All Other Tax Types	315	201	93	
Municipal Income Tax		2	3	3	<1%
County Budget Commissions		2	1	-	0%
Total		5,229	6,859	3,030	100%

Most appeals are from county Board of Revision decisions, which accounted for 91% of the board's filings.

Results – Decisions, Orders and Certifications Issued

Decisions, Orders & Certifications Issued	FY2013	FY2014	FY2015	%
County Boards of Revision	7,337	8,367	5,071	92%
Tax Commissioner:	646	562	420	8%
Commercial Activity Tax	16	27	22	
Sales Tax	155	137	97	
Use Tax	34	39	44	
Exemption	79	165	126	
All Other Tax Types	362	194	131	
Municipal Income Tax	3	10	8	<1%
County Budget Commissions	2	-	-	0%
Decisions Finalizing Appeals	7,988	8,939	5,499	100%

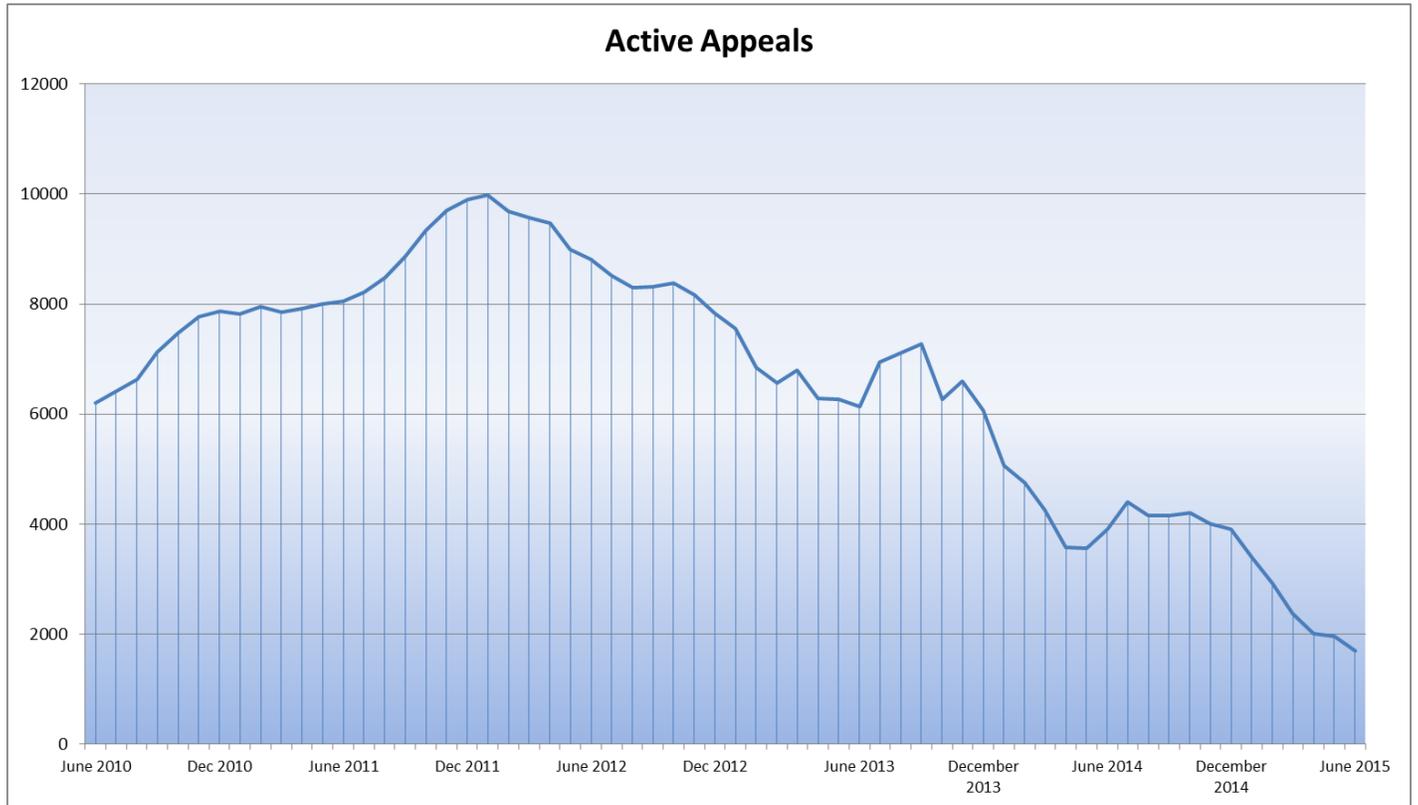
Resolution volumes dropped in FY2015 as the board's docket became current and new filings declined.

Results – Active Case Docket

Appeals Pending	FY2013	FY2014	FY2015	%
County Boards of Revision	8,062	3,632	1,443	85%
Tax Commissioner:	505	271	249	15%
Municipal Income Tax	13	6	1	<1%
County Budget Commissions	8	3	-	0%
Active Cases Pending	8,588	3,912	1,693	100%

The board has reduced its active case docket from 3,912 at the end of FY2014, to 1,693 at the end of FY2015. The number of hearings scheduled has dropped significantly requiring far fewer resources to manage that process. This, in turn, has freed up Attorney Examiner time to focus on reviewing case files and drafting decisions.

Results – Active Case Docket FY2011-FY2015



Official Acts

The BTA met 13 times in FY2015. During the fiscal year, the board issued 5,499 decisions and orders which resolved active appeals. The board also made rule changes to support the passage of Sub. HB 138 and to support other operational changes at the BTA.

Suggestions and Recommendations

The challenges for the next fiscal year are further assimilation and refinement of the transformational changes enacted by the board in FY2015. The board looks forward to broader use and acceptance of the BTA's new case management system as parties adopt the self-service capabilities of the system. BTA board and staff members will focus on value-added activities, increasing process efficiency and keeping the board's docket current while issuing high quality decisions.