

MEGAN N. KILGORE

City Auditor

DARLENE WILDES, CPA

Deputy City Auditor

THE CITY OF
COLUMBUS

OFFICE OF MEGAN N. KILGORE,
CITY AUDITOR

To: Mayor Andrew J. Ginther
Columbus City Councilmembers
City Attorney Zach Klein

From: City Auditor Megan Kilgore

Date: October 30, 2025

2026 Official Revenue Estimate

Dear Colleagues:

Columbus enters 2026 with durable economic momentum. The City's economy remains broad and resilient—anchored by healthcare and higher education, strengthened by steady population growth, and energized by continued investment in technology and research.

Employers across these sectors continue to expand, major medical facilities are under construction, and wages remain stable. While we are beginning to observe the workforce impacts of robotic process automation (RPA) and offshoring, particularly in administrative and support functions, these effects have thus far been offset by job creation in the City's growing sectors. These fundamentals also position Columbus to sustain consistent revenue performance even as national growth moderates.

To prepare this estimate, our office relied on real-time data from the City's revenue system, supplemented by information available from state and federal sources (as constrained by the ongoing federal shutdown). We also conducted numerous interviews with local employers, financial institutions, economists, and other key contributors to our economy.

General Fund resources for 2026 are forecasted to be \$1,256,877,066, an increase of 2.49% relative to the 2025 Original Revenue Estimate of \$1,226,353,408 (dated 1/31/2025 after budget hearing). We will closely monitor the actual impact on revenues in the first quarter of 2026 and will update projections as needed.

The detailed notes attached provide additional context and assumptions supporting this estimate. Please feel free to contact me with any follow-up questions.



Megan N. Kilgore
City Auditor



October 30, 2025

2026 Official Revenue Estimate

Per the Charter of the City of Columbus, the Mayor's estimate of the expense of conducting the affairs of the City for the following fiscal year shall be submitted to City Council on or before the fifteenth day of November in each year. The estimate shall be compiled from certain information obtained from various City departments, including a statement from the City Auditor of the total probable revenue for the period covered by the Mayor's estimate. This statement shall serve as the City Auditor's Statement of Available Resources for Fiscal Year 2026.

ESTIMATED GENERAL OPERATING FUND REVENUE:

Income taxes	\$950,533,000.00
Property taxes	86,394,000
Investment earnings	47,646,000
Licenses and permits fees	6,100,000
Shared revenue	37,723,000
Charges for services	81,824,000
Fines, forfeitures and penalties	10,400,000
Miscellaneous revenue	5,750,000
TOTAL ESTIMATED RESOURCES FROM REVENUE	\$1,226,370,000
TOTAL TRANSFERS IN	-
TOTAL ESTIMATED RESOURCES AND TRANSFERS	\$1,226,370,000
Estimated prior year encumbrance cancellations	10,000,000
Estimated 2025 Year End Fund Balance	20,507,066
TOTAL ESTIMATED AVAILABLE RESOURCES GENERAL OPERATING FUND	\$1,256,877,066

UNENCUMBERED CASH AVAILABLE IN OTHER GENERAL FUND SUBFUNDS:

Estimated Unencumbered Cash – JOB GROWTH [100015]	887,881
Estimated Unencumbered Cash – PUBLIC SAFETY INITIATIVE [100016]	41,345
Estimated Unencumbered Cash – NEIGHBORHOOD INITIATIVE [100018]	1,683,536
Estimated Unencumbered Cash – REIMAGINE SAFETY [100019]	1,066,492
TOTAL ESTIMATED AVAILABLE RESOURCES	\$1,260,556,320



This estimate includes an increase in 2026 income tax revenue of 4% as compared to the estimated income tax revenue of \$914.0 million for the year ended December 31, 2025.

In addition to the total resources estimated for the General Operating Fund, there is an estimated \$3.7 million in unencumbered cash in other General Fund subfunds, which could be transferred to the General Operating Fund to cover the cost of basic city services. If the unencumbered balances in these General Fund subfunds were transferred to the General Operating Fund, total estimated available resources would be \$1.261 billion for 2026.

See “Notes to the City Auditor’s Statement of 2026 Estimated Available Resources” for additional information.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

NOTE 1 – GENERAL OPERATING FUND RESOURCES

The 2026 General Operating Fund total estimated *revenues* for the City of Columbus (“City”) are approximately \$1.226 billion. The revenue is generated through income tax, property tax, licenses and permit fees, fines, forfeitures and penalties, investment earnings, charges for services, shared revenue, and miscellaneous revenue.

Total estimated revenues for 2026 represent an increase of \$35.4 million, or 3.0 percent, compared to the revised 2025 revenue estimate of \$1.191 billion. Likewise, total estimated resources for 2026 are projected to rise by \$15.5 million, or 1.25 percent, compared to the 2025 total resource estimate of \$1.242 billion.

The table below presents the amount of revenue attributed to each major category for 2024 actual results, the revised 2025 estimate, and the 2026 estimate.

(\$ in thousands)

Revenue Categories	2024		2025		2026	
	Actual	% to Total	Revised Estimate	% to Total	Original Estimate	% to Total
Income Taxes	\$862,237	77.2%	\$913,974	76.8%	\$950,533	77.5%
Property Taxes	83,783	7.5%	85,679	7.2%	86,394	7.0%
License and permit fees	6,151	0.6%	6,100	0.5%	6,100	0.5%
Fines, forfeitures and penalties	10,279	0.9%	10,000	0.8%	10,400	0.9%
Investment earnings	44,293	3.9%	51,000	4.3%	47,646	3.9%
Charges for service	67,420	6.0%	82,664	6.9%	81,824	6.7%
Shared revenue	35,654	3.2%	35,805	3.0%	37,723	3.1%
Miscellaneous revenue	6,649	0.7%	5,750	0.5%	5,750	0.4%
Resources from revenue	\$1,116,466	100.0%	\$1,190,972	100.0%	\$1,226,370	100.0%

NOTE 2 – INCOME TAXES

Income tax revenue represents approximately 77.5% of total General Fund revenues estimated for 2026.

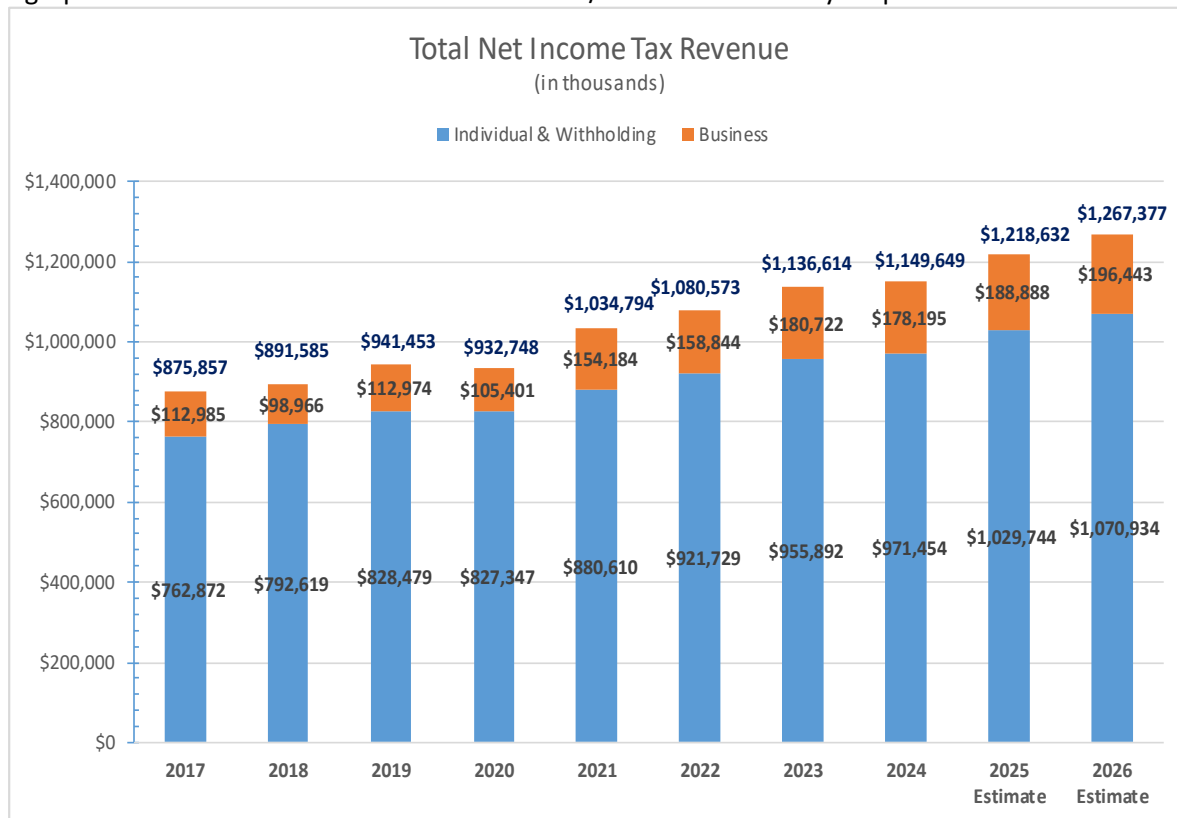
Total income tax collections for 2026, after providing for taxpayer refunds, are estimated at \$1.267 billion. In accordance with City policy, one-fourth of all collections will be deposited into the Income Tax Set-Aside Subfund (a subfund of the General Fund) to support capital improvements. The remaining three-fourths, or roughly \$950.5 million, will be deposited into the General Operating Subfund of the General Fund.

The City’s current income tax rate is 2.5%, levied on all wages, salaries, commissions, and other compensation paid to employees, as well as on the net profits of business operations within the City.

The 2026 income tax estimate reflects projections for employment levels, realized wage inflation, and work-from-home trends. These factors together shape the City’s primary revenue stream.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

The graph below shows total income tax collections/estimates for a 10-year period.



National Economic Context

As 2026 approaches, the U.S. economy continues to experience moderate growth, easing but persistent inflation, and a tight labor market. Policymakers are balancing efforts to sustain expansion while containing price pressures.

At the time this estimate was prepared, the federal government was in its fifth week of a shutdown. While the City's overall fiscal exposure is limited, such events can affect local income tax collections in several ways. Withholding from federal employees and contractors may be temporarily reduced, and federally funded positions at local employers—including hospitals, universities, and research institutions—can also be disrupted. In addition, a shutdown can dampen consumer spending, delay business decisions, and interrupt the flow of federal labor and wage data that inform the City's economic forecasts.

Extended or repeated shutdowns can erode business confidence, slow hiring, or constrain wage growth—all of which directly influence the City's income tax base.

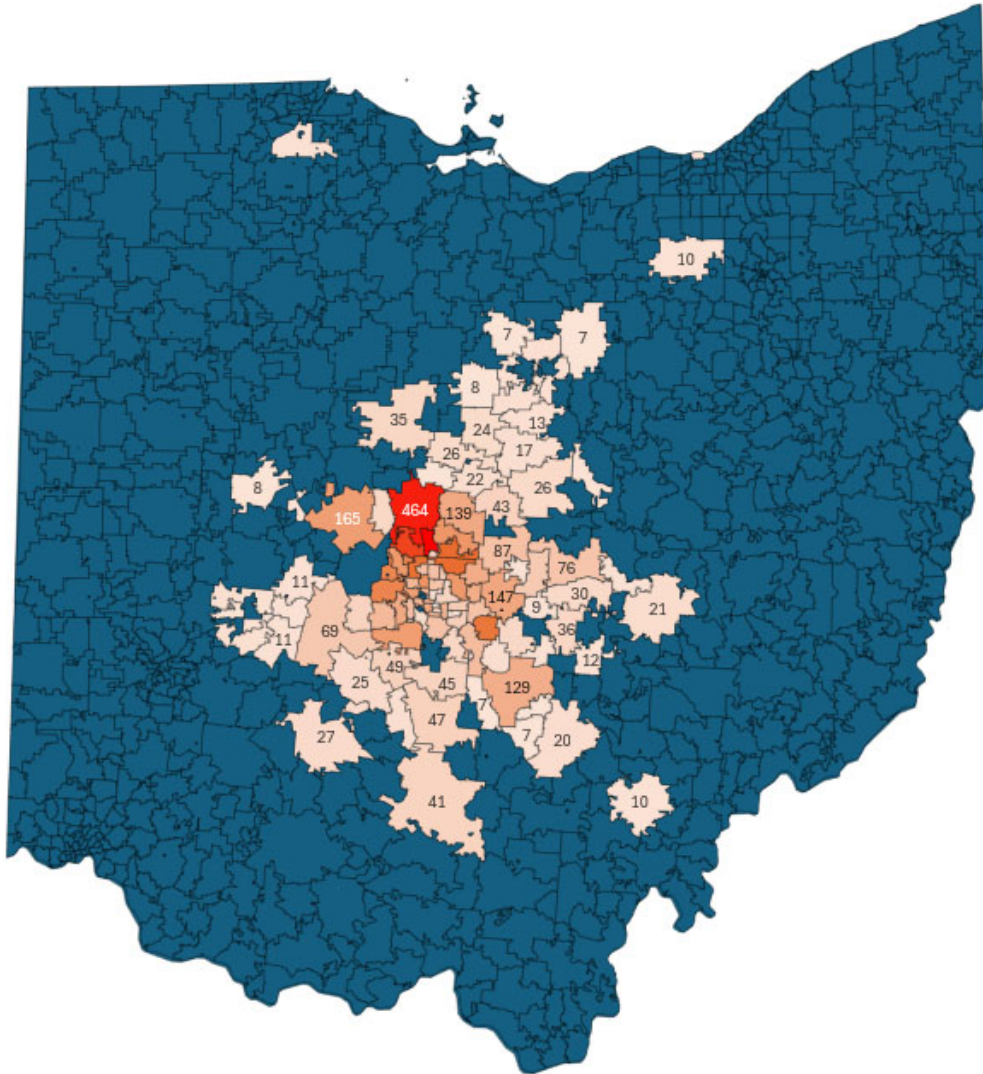
Remote Work and Income Tax Effects

By 2025, remote and hybrid work patterns have largely stabilized, with most major employers having adopted permanent arrangements. While this shift continues to influence refund activity—particularly

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

among commuters working from home outside city limits—its overall impact has been partially offset by steady wage gains and the relocation of new residents into the City.

The heat map below highlights the residential areas with the greatest number of refund requests through September 2025.



Columbus continues to attract professionals who can live and work anywhere, including those employed by national firms. This trend, combined with ongoing job growth in healthcare, technology, and higher education, has helped sustain healthy income tax collections despite the redefined workplace landscape.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

Local Employment Trends

The City's economy through 2025 remains fundamentally strong, supported by a stable foundation of public, institutional, and private-sector employers. Government, higher education, and healthcare continue to provide steady employment and economic stability for the City's tax base, while growth in technology and innovation-related industries adds new layers of diversification. Some sectors are normalizing, while others—especially healthcare and technology-driven industries—continue to generate long-term opportunities for workforce and wage growth.

- Healthcare remains the region's dominant employer, supported by continued construction of new towers, clinics, and specialized facilities across the City's major hospital systems. These investments are not only expanding capacity but also generating sustained demand for skilled labor in nursing, medical technology, and facilities operations.
- Technology and innovation continue to show robust growth, with companies in software development, data analytics, and healthcare innovation increasing their local presence. Partnerships between universities, startups, and corporate innovation labs are deepening Columbus's role as a national technology hub.
- Professional and technical services remain elevated as the Columbus economy shifts toward higher-knowledge roles.

Job Market Dynamics

Columbus continues to benefit from low unemployment, steady in-migration of skilled workers, and a strong concentration of knowledge-based employment within its boundaries. In recent years, several industries have streamlined operations through automation, process redesign, and selective off-shoring, leading to targeted workforce reductions—most notably in back-office and administrative functions. These efficiency gains, while moderating job counts in certain sectors, have not materially weakened the City's income tax base. Instead, they have been partially offset by stronger corporate net-profits tax collections and sustained hiring in high-value occupations related to medical and healthcare innovation, research, digital infrastructure, and technology development.

Looking ahead to 2026, the City anticipates continued expansion in health-related and innovation-driven employment, supported by the construction of new medical facilities, ongoing university research investments, and the growth of local technology enterprises. Collectively, these forces are expected to outpace workforce contractions in other areas, underpinning a moderate but positive income tax outlook for 2026.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

A three-year analysis of jobs, by North American Industry Classification System (NAICS) code designation, and their respective +/- changes is below. *Note: figures in this table are presented on an unrounded basis; as a result, totals may not sum precisely.*

INDUSTRY	2023		2024		2025	
	Columbus Annual Avg.	% Change	Columbus Annual Avg.	% Change	Columbus Annual Avg. through July	% Change
Agriculture, Forestry, Fishing and Hunting	N/A		N/A			
Mining, Quarrying, and Oil and Gas Extraction	N/A		N/A			
Utilities	2,687	5.0%	2,711	0.9%	3,005	10.8%
Construction	27,590	6.1%	29,964	8.6%	29,851	-0.4%
Manufacturing	26,595	0.7%	27,058	1.7%	27,342	1.1%
Wholesale Trade	18,989	3.1%	18,767	-1.2%	18,457	-1.7%
Retail Trade	49,136	1.2%	49,089	-0.1%	49,136	0.1%
Transportation and Warehousing	35,523	-7.9%	34,536	-2.8%	32,327	-6.4%
Information	10,306	-0.5%	10,193	-1.1%	10,137	-0.6%
Finance and Insurance	30,707	-5.1%	29,145	-5.1%	29,760	2.1%
Real Estate and Rental and Leasing	12,646	5.3%	12,858	1.7%	13,070	1.6%
Professional, Scientific, and Technical Services	39,773	5.9%	39,352	-1.1%	39,983	1.6%
Management of Companies and Enterprises	15,466	6.4%	15,987	3.4%	15,949	-0.2%
Administrative and Support and Waste Management and Remediation Services	33,661	-4.1%	32,486	-3.5%	33,842	4.2%
Educational Services	10,960	4.5%	11,431	4.3%	11,902	4.1%
Health Care and Social Assistance	97,808	5.9%	102,898	5.2%	104,187	1.3%
Arts, Entertainment, and Recreation	8,649	6.5%	8,862	2.5%	8,490	-4.2%
Accommodation and Food Services	48,980	4.3%	48,928	-0.1%	48,203	-1.5%
Other Services (except Public Administration)	25,951	5.8%	26,365	1.6%	26,838	1.8%
Government	108,448	2.7%	112,250	3.5%	114,473	2.0%
	603,875	2.3%	612,881	1.5%	616,954	0.7%

Source: BLS; 2025 data through July.

NOTE 3 – PROPERTY TAXES

The City's share of real property taxes to be collected in 2026 is estimated at \$86.4 million, net of approximately \$2.5 million retained by the counties (Franklin, Fairfield, and Delaware) and the State for administrative costs and fees. Amounts paid directly to the City by the State, known as "rollbacks," are included in this total.

Property tax revenues are estimated based on trends in assessed valuations as determined by the county auditors. Under Ohio law, assessed value is established at 35 percent of appraised market value. A sexennial revaluation of all property must be completed every six years, with triennial updates occurring midway between full reappraisals. Franklin County completed its most recent reappraisal in 2023; the previous triennial update occurred in 2020. The triennial update that will take place in 2026 will impact 2027 property tax revenue.

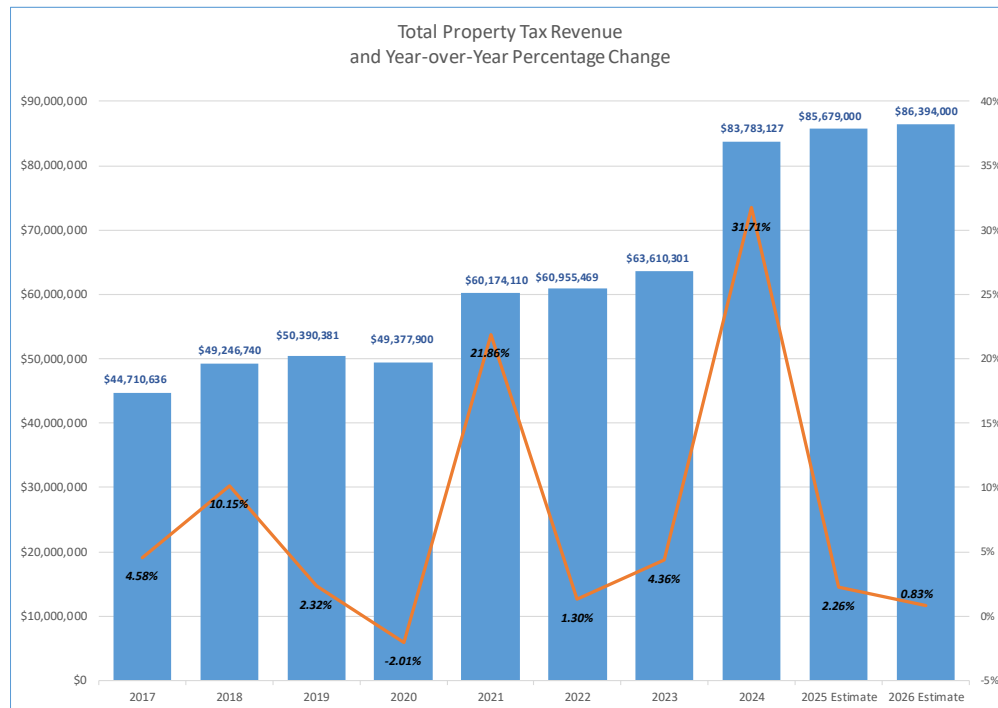
The Ohio Constitution limits the total property taxes levied by all taxing authorities within a county to one percent of assessed value without voter approval. Under current procedures, the City's share is 3.14 mills, or 0.314 percent of assessed value. Any increase in this rate would require voter authorization.

Franklin County assessed values for tax year 2025 (which determine taxes to be collected in 2026) will be available in December 2025.

CITY OF COLUMBUS, OHIO
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The estimate excludes any potential effects from property tax reform proposals pending before the Ohio General Assembly, as their enactment, effective dates, and fiscal impacts cannot be reasonably determined at this time.

The graph below shows total property tax revenue and the year-over-year percentage change for a 10-year period.



NOTE 4 – INVESTMENT EARNINGS

The City pools its cash and investments for maximum investing efficiency. Investment income from this pool is allocated among individual funds in accordance with City Code and Council direction, after meeting certain requirements. Interest earnings in excess of required allocations are recorded as revenue in the General Fund.

Based on the estimated amount of pooled cash and investments and projected interest rates, it is estimated that \$47.6 million will be posted as revenue to the General Fund in 2026. The 2026 investment earnings estimate is marginally lower than the \$51 million expected to be realized for 2025. This slight decrease from 2025 expectations, reflects an anticipated easing of interest rates partially offset by a modest increase in average invested balances.

NOTE 5 – LICENSES AND PERMIT FEES

Licenses and permit fees are estimated at \$6.1 million, which is consistent with that expected to be collected for 2025. Much of this revenue, \$5.5 million, is from cable permits. Traditional cable TV is being replaced with streaming; therefore, this revenue sources is expected to remain static.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

NOTE 6 – SHARED REVENUE

Shared revenues are estimated at \$37.7 million for 2026. These revenues include the City's portion of various State-shared taxes, such as the Local Government Fund (LGF) and municipal motor vehicle license fees, which together are estimated to provide \$27.2 million in 2026.

The City also receives casino tax revenues from two sources: a county share allocation and a host city allocation. Total casino tax receipts are projected at \$15.0 million in 2026. The City has entered into multiple agreements funded through these revenues; after accounting for those commitments, approximately \$9.0 million in casino tax receipts are expected to remain in the General Operating Fund.

Another potential source of shared revenue is the Adult Use Cannabis tax. On November 7, 2023, Ohio voters approved Issue 2, known as *An Act to Control and Regulate Adult Use Cannabis*, permitting adults aged 21 and older to purchase and possess cannabis for recreational use. Retail sales began on August 6, 2024, and are subject to a 10 percent excise tax collected at the point of sale. Of that tax, 36 percent is allocated to the Host Community Cannabis Fund, which will provide revenue to cities and townships hosting dispensaries.

The State did not appropriate expenditures from the Host Community Cannabis Fund in its Fiscal Years 2025–2026 biennial budget. As a result, the City will not receive any proceeds from this source until after July 1, 2026. The State continues to review potential changes to tax rates and distribution formulas, and the amount the City will ultimately receive remains uncertain.

On December 16, 2024, City Council approved Ordinance 3436-2024, creating the Cannabis Host Community Special Revenue Fund and directing the City Auditor to deposit future proceeds from the Adult Use Cannabis tax into this fund. The specific uses of this fund will be determined through subsequent Council legislation. Accordingly, no cannabis-related revenues have been included in the 2026 General Fund estimate.

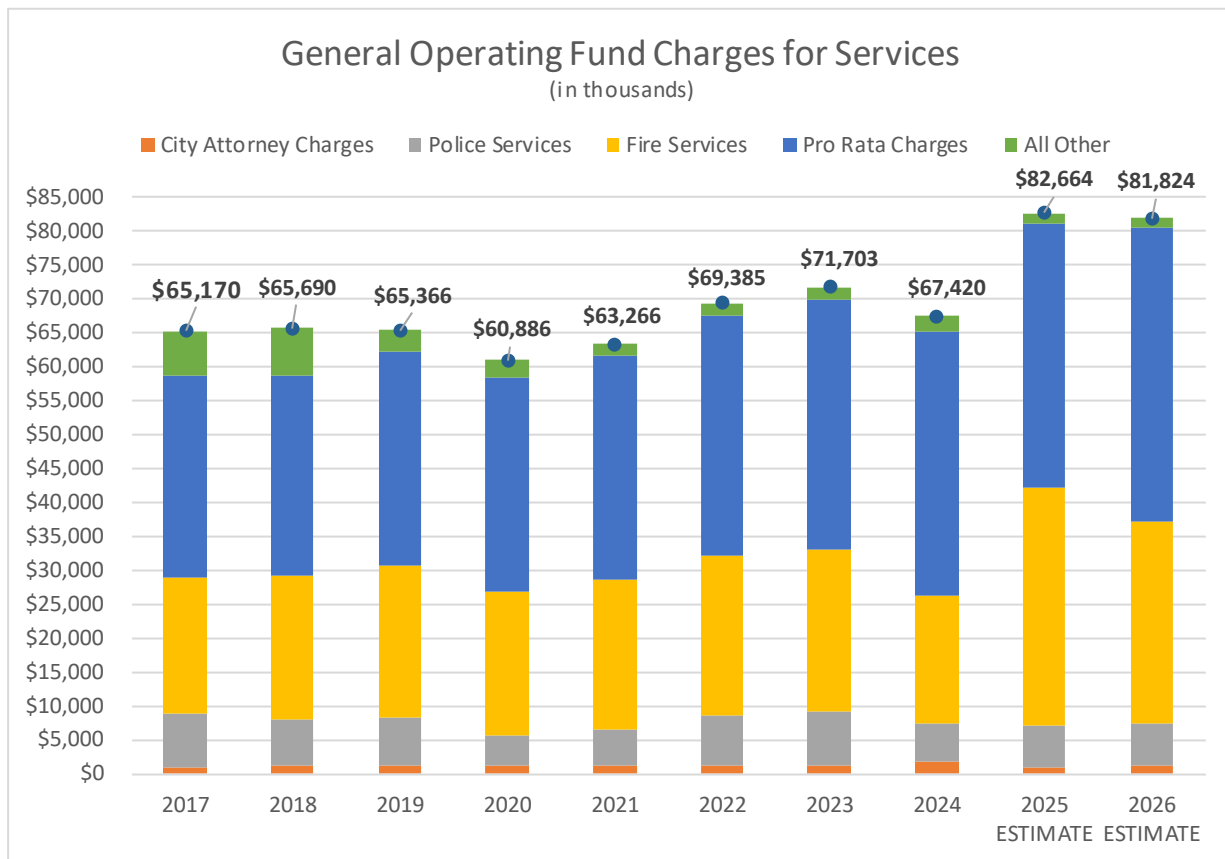
NOTE 7 – CHARGES FOR SERVICES

Charges for services in 2026 are estimated at \$81.8 million. The most significant revenue sources included in charges for services are for Pro Rata, Division of Fire Emergency Medical Services (EMS) Billing, and special Police services. Pro Rata (or administrative charges to non-General Operating Fund divisions) represents certain operating costs borne by the General Operating Fund which are allocated to other funds of the City. Ordinance 3200-2021 calls for an assessment rate of 4.5% of revenues of the funds assessed, resulting in revenue to the General Operating Fund estimated at \$43.4 million for 2026.

The Fire EMS Billing for fees related to emergency medical transportation services are estimated at \$30 million for 2026. The 2025 estimate of \$35.2 million included a catch-up amount related to 2024 EMS billing amounts that were not collected in 2024 due to a cyberattack on the City's EMS Billing third-party administrator. Special Police services which include policing special community and other events are estimated to generate revenue of \$6 million in 2026.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

The following graph illustrates charges for services revenue by source over a 10-year period.



NOTE 8 – FINES, FORFEITURES AND PENALTIES

Revenue from fines, forfeitures and penalties consists primarily of court costs. Court costs resulting from operations of the Franklin County Municipal Court should produce approximately \$10.4 million in 2026. This estimate represents a 4% increase over the 2025 estimate, as the municipal court revenue continues to recover from the impact of the pandemic.

NOTE 9 – MISCELLANEOUS REVENUES

Miscellaneous revenues are estimated at \$5.8 million for 2026. Kilowatt hour (kWh) tax is permitted to be levied on users of electricity provided by the City's Division of Electricity. State statutes provide for the kWh tax to be deposited into the City's General Operating Fund and the City reports this amount as miscellaneous revenue. The kWh tax for 2026 is estimated at \$3.5 million. The remaining \$2.3 million estimated in miscellaneous revenue is for rents, refunds, reimbursements, and other miscellaneous payments.

NOTE 10 – TRANSFERS IN

There are currently no transfers in estimated for 2026.

CITY OF COLUMBUS, OHIO
NOTES TO THE CITY AUDITOR'S STATEMENT OF 2026 ESTIMATED AVAILABLE RESOURCES
GENERAL OPERATING FUND

NOTE 11 – PRIOR YEAR ENCUMBRANCE CANCELLATIONS

Encumbrances which will be carried forward to 2026, but not used, are estimated at \$10.0 million. These cancellations will increase unencumbered cash in 2026 to be used for operations. Cancellations are estimated based on previous trends of encumbrance amounts carried forward from year to year, as well as the amounts cancelled each year.

NOTE 12 – ESTIMATED AVAILABLE BEGINNING BALANCE

The estimated available 2026 beginning balance was determined using estimates of year-end 2025 revenues and expenses based on year-to-date actual revenues and expenditures through the third quarter of 2025.

The 2026 beginning cash balance was estimated as follows:

General Operating Fund Estimated Beginning Cash Balance	(in thousands)
Beginning Cash Balance - January 1, 2025	\$ 126,498
Less - Outstanding Encumbrances at December 31, 2024	110,963
Unencumbered Cash Balance - January 1, 2025	\$ 15,535
Add City Auditor's Official Revised Estimate dated January 1, 2025	-
Add - City Auditor's Estimated 2025 Receipts	\$ 1,190,972
Add - City Auditor's Estimated Encumbrance Cancellations	13,784
Add - Transfers In	21,562
Total Amount Available for Appropriations	\$ 1,241,853
Add - Estimate of Revenue in Excess of Official Estimate dated Jan 2025	8,000
Less - 2025 Projected Expenditures	1,229,346
Projected Available Cash Balance - December 31, 2025	\$ 20,507