


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Abstract

Proponents of eliminating the tax on capital will boost employment in capital-intensive industries. This study is the first effort to estimate the employment impact of exempting tangible personal property from the property tax in the manufacturing sector in Ohio. Using the synthetic control method, we find that manufacturing employment in Ohio is lower than what it would have been had the tax not been eliminated. From our preferred model, the estimated effect is 19,300 fewer jobs per year on average, but we consider other models that produce estimates between 13,400 and 28,400 fewer jobs per year, on average.

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