As Introduced

133rd General Assembly
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H. B. No. 439

Representative Stephens
Cosponsors: Representatives Hambley, Kick, Koehler, Riedel, Scherer, Crossman

A BILL

To amend sections 323.152 and 4503.065 of the Revised Code to adjust for inflation the $25,000 homestead exemption and the enhanced homestead exemption for disabled veterans.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 323.152 and 4503.065 of the Revised Code be amended to read as follows:

Sec. 323.152. In addition to the reduction in taxes required under section 319.302 of the Revised Code, taxes shall be reduced as provided in divisions (A) and (B) of this section.

(A)(1)(a) Division (A)(1) of this section applies to any of the following persons:

(i) A person who is permanently and totally disabled;

(ii) A person who is sixty-five years of age or older;

(iii) A person who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in taxes under this division in the year of death,
provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies.

(b) Real property taxes on a homestead owned and occupied, or a homestead in a housing cooperative occupied, by a person to whom division (A)(1) of this section applies shall be reduced for each year for which an application for the reduction has been approved. The reduction shall equal one of the following amounts, as applicable to the person:

(i) If the person received a reduction under division (A)(1) of this section for tax year 2006, the greater of the reduction for that tax year or the amount computed under division (A)(1)(c) of this section;

(ii) If the person received, for any homestead, a reduction under division (A)(1) of this section for tax year 2013 or under division (A) of section 4503.065 of the Revised Code for tax year 2014 or the person is the surviving spouse of such a person and the surviving spouse is at least fifty-nine years of age on the date the deceased spouse dies, the amount computed under division (A)(1)(c) of this section. For purposes of divisions (A)(1)(b)(ii) and (iii) of this section, a person receives a reduction under division (A)(1) of this section or under division (A) of section 4503.065 of the Revised Code for tax year 2013 or 2014, respectively, if the person files a late application for that respective tax year that is approved by the county auditor under section 323.153 or 4503.066 of the Revised Code.

(iii) If the person is not described in division (A)(1)(b)(i) or (ii) of this section and the person's total income does not exceed thirty thousand dollars, as adjusted under division
(A)(1)(d) of this section, the amount computed under division (A)(1)(c) of this section.

(c) The amount of the reduction under division (A)(1)(c) of this section equals the product of the following:

(i) Twenty-five thousand dollars of the true value of the property in money, as adjusted under division (A)(1)(e) of this section;

(ii) The assessment percentage established by the tax commissioner under division (B) of section 5715.01 of the Revised Code, not to exceed thirty-five per cent;

(iii) The effective tax rate used to calculate the taxes charged against the property for the current year, where "effective tax rate" is defined as in section 323.08 of the Revised Code;

(iv) The quantity equal to one minus the sum of the percentage reductions in taxes received by the property for the current tax year under section 319.302 of the Revised Code and division (B) of section 323.152 of the Revised Code.

(d) Each calendar year, the tax commissioner shall adjust the total income threshold described in division (A)(1)(b)(iii) of this section by completing the following calculations in September of each year:

(i) Determine the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year;

(ii) Multiply that percentage increase by the total income
threshold for the current tax year;

(iii) Add the resulting product to the total income threshold for the current tax year;

(iv) Round the resulting sum to the nearest multiple of one hundred dollars.

The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the following tax year for persons described in division (A)(1)(b) (iii) of this section. The commissioner shall not make the adjustment in any calendar year in which the amount resulting from the adjustment would be less than the total income threshold for the current tax year.

(e) The commissioner shall adjust the true value threshold described in division (A)(1)(c)(i) of this section by completing the following calculations in September of each year:

(i) Multiply the percentage increase in the gross domestic product deflator determined under division (A)(1)(d) of this section by the true value threshold for the current tax year;

(ii) Add the resulting product to the true value threshold for the current tax year;

(iii) Round the resulting sum to the nearest multiple of one hundred dollars.

The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the following tax year. The commissioner shall not make the adjustment in any year in which the amount resulting from the
adjustment would be less than the true value threshold for the current tax year.

(2) Real property taxes on a homestead owned and occupied, or a homestead in a housing cooperative occupied, by a disabled veteran shall be reduced for each year for which an application for the reduction has been approved. The reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money, adjusted each year in the manner described in division (A)(1)(e) of this section, by the amounts described in divisions (A)(1)(c)(ii) to (iv) of this section. The reduction is in lieu of any reduction under section 323.158 of the Revised Code or division (A)(1) of this section. The reduction applies to only one homestead owned and occupied by a disabled veteran.

If a homestead qualifies for a reduction in taxes under division (A)(2) of this section for the year in which the disabled veteran dies, and the disabled veteran is survived by a spouse who occupied the homestead when the disabled veteran died and who acquires ownership of the homestead or, in the case of a homestead that is a unit in a housing cooperative, continues to occupy the homestead, the reduction shall continue through the year in which the surviving spouse dies or remarry.

(B) To provide a partial exemption, real property taxes on any homestead, and manufactured home taxes on any manufactured or mobile home on which a manufactured home tax is assessed pursuant to division (D)(2) of section 4503.06 of the Revised Code, shall be reduced for each year for which an application for the reduction has been approved. The amount of the reduction shall equal two and one-half per cent of the amount of taxes to be levied by qualifying levies on the homestead or the
manufactured or mobile home after applying section 319.301 of the Revised Code. For the purposes of this division, "qualifying levy" has the same meaning as in section 319.302 of the Revised Code.

(C) The reductions granted by this section do not apply to special assessments or respread of assessments levied against the homestead, and if there is a transfer of ownership subsequent to the filing of an application for a reduction in taxes, such reductions are not forfeited for such year by virtue of such transfer.

(D) The reductions in taxable value referred to in this section shall be applied solely as a factor for the purpose of computing the reduction of taxes under this section and shall not affect the total value of property in any subdivision or taxing district as listed and assessed for taxation on the tax lists and duplicates, or any direct or indirect limitations on indebtedness of a subdivision or taxing district. If after application of sections 5705.31 and 5705.32 of the Revised Code, including the allocation of all levies within the ten-mill limitation to debt charges to the extent therein provided, there would be insufficient funds for payment of debt charges not provided for by levies in excess of the ten-mill limitation, the reduction of taxes provided for in sections 323.151 to 323.159 of the Revised Code shall be proportionately adjusted to the extent necessary to provide such funds from levies within the ten-mill limitation.

(E) No reduction shall be made on the taxes due on the homestead of any person convicted of violating division (D) or (E) of section 323.153 of the Revised Code for a period of three years following the conviction.
Sec. 4503.065. (A)(1) Division (A) of this section applies to any of the following persons:

(a) An individual who is permanently and totally disabled;
(b) An individual who is sixty-five years of age or older;
(c) An individual who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in assessable value under this section in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies.

(2) The manufactured home tax on a manufactured or mobile home that is paid pursuant to division (C) of section 4503.06 of the Revised Code and that is owned and occupied as a home by an individual whose domicile is in this state and to whom this section applies, shall be reduced for any tax year for which an application for such reduction has been approved, provided the individual did not acquire ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the reduction. An owner includes a settlor of a revocable or irrevocable inter vivos trust holding the title to a manufactured or mobile home occupied by the settlor as of right under the trust.

(a) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(2) of that section, the reduction shall equal one of the following amounts, as applicable to the person:

(i) If the person received a reduction under this section for tax year 2007, the greater of the reduction for that tax
year or the amount computed under division (A)(2)(b) of this section;

(ii) If the person received, for any homestead, a reduction under division (A) of this section for tax year 2014 or under division (A)(1) of section 323.152 of the Revised Code for tax year 2013 or the person is the surviving spouse of such a person and the surviving spouse is at least fifty-nine years of age on the date the deceased spouse dies, the amount computed under division (A)(2)(b) of this section. For purposes of divisions (A)(2)(a)(ii) and (iii) of this section, a person receives a reduction under division (A) of this section or division (A)(1) of section 323.152 of the Revised Code for tax year 2014 or 2013, respectively, if the person files a late application for that respective tax year that is approved by the county auditor under section 4503.066 or 323.153 of the Revised Code.

(iii) If the person is not described in division (A)(2)(a)(i) or (ii) of this section and the person's total income does not exceed thirty thousand dollars, as adjusted under division (A)(2)(e) of this section, the amount computed under division (A)(2)(b) of this section.

(b) The amount of the reduction under division (A)(2)(b) of this section equals the product of the following:

(i) Twenty-five thousand dollars of the true value of the property in money, as adjusted under division (A)(2)(f) of this section;

(ii) The assessment percentage established by the tax commissioner under division (B) of section 5715.01 of the Revised Code, not to exceed thirty-five per cent;
(iii) The effective tax rate used to calculate the taxes
charged against the property for the current year, where
"effective tax rate" is defined as in section 323.08 of the
Revised Code;

(iv) The quantity equal to one minus the sum of the
percentage reductions in taxes received by the property for
the current tax year under section 319.302 of the Revised Code and
division (B) of section 323.152 of the Revised Code.

(c) For manufactured and mobile homes for which the tax
imposed by section 4503.06 of the Revised Code is computed under
division (D)(1) of that section, the reduction shall equal one
of the following amounts, as applicable to the person:

(i) If the person received a reduction under this section
for tax year 2007, the greater of the reduction for that tax
year or the amount computed under division (A)(2)(d) of this
section;

(ii) If the person received, for any homestead, a
reduction under division (A) of this section for tax year 2014
or under division (A)(1) of section 323.152 of the Revised Code
for tax year 2013 or the person is the surviving spouse of such
a person and the surviving spouse is at least fifty-nine years
of age on the date the deceased spouse dies, the amount computed
under division (A)(2)(d) of this section. For purposes of
divisions (A)(2)(c)(ii) and (iii) of this section, a person
receives a reduction under division (A) of this section or under
division (A)(1) of section 323.152 of the Revised Code for tax
year 2014 or 2013, respectively, if the person files a late-
application for a refund of overpayments for that respective tax
year that is approved by the county auditor under section
4503.066 of the Revised Code.
(iii) If the person is not described in division (A)(2)(c) (i) or (ii) of this section and the person's total income does not exceed thirty thousand dollars, as adjusted under division (A)(2)(e) of this section, the amount computed under division (A)(2)(d) of this section.

(d) The amount of the reduction under division (A)(2)(d) of this section equals the product of the following:

(i) Twenty-five thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D)(1) of section 4503.06 of the Revised Code, and as adjusted under division (A)(2)(f) of this section;

(ii) The percentage from the appropriate schedule in division (D)(1)(b) of section 4503.06 of the Revised Code;

(iii) The assessment percentage of forty per cent used in division (D)(1)(b) of section 4503.06 of the Revised Code;

(iv) The tax rate of the taxing district in which the home has its situs.

(e) Each calendar year, the tax commissioner shall adjust the income threshold described in divisions (A)(2)(a) (iii) and (A)(2)(c)(iii) of this section by completing the following calculations in September of each year:

(i) Determine the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year;

(ii) Multiply that percentage increase by the total income
threshold for the ensuing tax year;

(iii) Add the resulting product to the total income threshold for the ensuing tax year;

(iv) Round the resulting sum to the nearest multiple of one hundred dollars.

The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the second ensuing tax year. The commissioner shall not make the adjustment in any calendar year in which the amount resulting from the adjustment would be less than the total income threshold for the ensuing tax year.

(f) The commissioner shall adjust the true value, cost, and market value thresholds described in divisions (A)(2)(b)(i) and (d)(i) of this section by completing the following calculations in September of each year:

(i) Multiply the percentage increase in the gross domestic product deflator determined under division (A)(2)(e) of this section by the true value, cost, and market value thresholds for the ensuing tax year;

(ii) Add the resulting product to the true value, cost, and market value thresholds for the ensuing tax year;

(iii) Round the resulting sums to the nearest multiple of one hundred dollars.

The commissioner shall certify the amounts resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amounts apply to the second ensuing tax year. The commissioner shall not make the
adjustment in any year in which the amount resulting from the adjustment would be less than the threshold for the ensuing tax year.

(B) The manufactured home tax levied pursuant to division (C) of section 4503.06 of the Revised Code on a manufactured or mobile home that is owned and occupied by a disabled veteran shall be reduced for any tax year for which an application for such reduction has been approved, provided the disabled veteran did not acquire ownership from a person, other than the disabled veteran's spouse, related by consanguinity or affinity for the purpose of qualifying for the reduction. An owner includes an owner within the meaning of division (A)(2) of this section.

(1) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(2) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money, adjusted each year in the manner described in division (A)(2)(f) of this section, by the amounts described in divisions (A)(2)(b)(ii) to (iv) of this section.

(2) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(1) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D)(1) of section 4503.06 of the Revised Code, adjusted each calendar year in the manner described in division (A)(2)(f) of this section, by the amounts described in divisions (A)(2)(d)(ii) to (iv) of this section.
The reduction is in lieu of any reduction under section 4503.0610 of the Revised Code or division (A) of this section. The reduction applies to only one manufactured or mobile home owned and occupied by a disabled veteran.

If a manufactured or mobile home qualifies for a reduction in taxes under this division for the year in which the disabled veteran dies, and the disabled veteran is survived by a spouse who occupied the home when the disabled veteran died and who acquires ownership of the home, the reduction shall continue through the year in which the surviving spouse dies or remarries.

(C) If the owner or the spouse of the owner of a manufactured or mobile home is eligible for a homestead exemption on the land upon which the home is located, the reduction to which the owner or spouse is entitled under this section shall not exceed the difference between the reduction to which the owner or spouse is entitled under division (A) or (B) of this section and the amount of the reduction under the homestead exemption.

(D) No reduction shall be made with respect to the home of any person convicted of violating division (C) or (D) of section 4503.066 of the Revised Code for a period of three years following the conviction.

Section 2. That existing sections 323.152 and 4503.065 of the Revised Code are hereby repealed.

Section 3. The amendment by this act of section 323.152 of the Revised Code applies to tax year 2020 and each tax year thereafter, and the amendment by this act of section 4503.065 of the Revised Code applies to tax year 2021 and each tax year thereafter.
thereafter.