

**As Reported by the House Ways and Means Committee**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 24**

**Representative Ginter**

**Cosponsors: Representatives Schaffer, Rogers, Cera, Green, Hambley,  
Retherford, Ryan**

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**A BILL**

To amend section 5709.17 of the Revised Code to  
modify the existing tax exemption for veterans  
organizations' property to include property of  
certain veterans organizations exempt from  
federal taxation under section 501(c) (4) of the  
Internal Revenue Code and to exclude property  
that is not used primarily for meetings,  
administration, and the provision of programs  
and services to past and present members of the  
United States armed forces.

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

**Section 1.** That section 5709.17 of the Revised Code be  
amended to read as follows:

**Sec. 5709.17.** The following property shall be exempted  
from taxation:

(A) Real estate held or occupied by an association or  
corporation, organized or incorporated under the laws of this  
state relative to soldiers' memorial associations, monumental

building associations, or cemetery associations or corporations, 18  
which in the opinion of the trustees, directors, or managers 19  
thereof is necessary and proper to carry out the object intended 20  
for such association or corporation; 21

(B) Real estate and tangible personal property held or 22  
occupied by a qualifying veterans' organization ~~that qualifies~~ 23  
~~for exemption from taxation under section 501(c)(19) or 501(c)~~ 24  
~~(23) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26~~ 25  
~~U.S.C.A. 1, as amended, and is incorporated under the laws of~~ 26  
~~this state or the United States~~ and used primarily for meetings 27  
and administration of the qualifying veterans' organization or 28  
for providing, on a not-for-profit basis, programs and 29  
supportive services to past or present members of the armed 30  
forces of the United States and their families, except real 31  
estate held by such an organization for the production of rental 32  
income in excess of thirty-six thousand dollars in a tax year, 33  
before accounting for any cost or expense incurred in the 34  
production of such income. For the purposes of this division, 35  
rental income includes only income arising directly from renting 36  
the real estate to others for consideration. 37

As used in this division, "qualifying veterans' 38  
organization" means an organization that is incorporated under 39  
the laws of this state or the United States and that meets 40  
either of the following requirements: 41

(1) The organization qualifies for exemption from taxation 42  
under section 501(c)(19) or 501(c)(23) of the Internal Revenue 43  
Code. 44

(2) The organization meets the criteria for exemption 45  
under section 501(c)(19) of the Internal Revenue Code and 46  
regulations adopted pursuant thereto, but is exempt from 47

taxation under section 501(c)(4) of the Internal Revenue Code. 48

(C) Tangible personal property held by a corporation 49  
chartered under 112 Stat. 1335, 36 U.S.C.~~A.~~ 40701, described in 50  
section 501(c)(3) of the Internal Revenue Code, and exempt from 51  
taxation under section 501(a) of the Internal Revenue Code shall 52  
be exempt from taxation if it is property obtained as described 53  
in 112 Stat. 1335-1341, 36 U.S.C.~~A.~~ Chapter 407. 54

(D) Real estate held or occupied by a fraternal 55  
organization and used primarily for meetings of and the 56  
administration of the fraternal organization or for providing, 57  
on a not-for-profit basis, educational or health services, 58  
except real estate held by such an organization for the 59  
production of rental income in excess of thirty-six thousand 60  
dollars in a tax year before accounting for any cost or expense 61  
incurred in the production of such income. As used in this 62  
division, "rental income" has the same meaning as in division 63  
(B) of this section, and "fraternal organization" means a 64  
domestic fraternal society, order, or association operating 65  
under the lodge, council, or grange system that qualifies for 66  
exemption from taxation under section 501(c)(5), 501(c)(8), or 67  
501(c)(10) of the "Internal Revenue Code of 1986," 100 Stat. 68  
2085, 26 U.S.C. 1, as amended; that provides financial support 69  
for charitable purposes, as defined in division (B)(12) of 70  
section 5739.02 of the Revised Code; and that operates under a 71  
state governing body that has been operating in this state for 72  
at least eighty-five years. 73

**Section 2.** That existing section 5709.17 of the Revised 74  
Code is hereby repealed. 75

**Section 3.** That the amendment by this act of section 76  
5709.17 of the Revised Code applies to tax years ending on or 77

after the effective date of this act.