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Jason Stephens
State Representative

Sponsor Testimony for H.B. 357

Chairman Merrin, Vice-Chair Riedel, Ranking Member Sobecki, and members of the House Ways and Means Committee. Thank you for allowing me the opportunity to provide sponsor testimony for House Bill 439 which seeks to adjust the Homestead Exemption for inflation.

The Homestead Exemption is a great benefit for property owners who qualify. In Ohio, it results in an average savings of over \$500 in eligible homeowners' property taxes each year. Over 800,000 Ohio homeowners take advantage of the homestead exemption every year.

As it currently stands, Ohio's Homestead Exemption allows low-income senior citizens and disabled veterans to reduce their property tax burden by lowering the market value of their homes for tax purposes. This exempts the first \$25,000 of market value for homeowners who are either permanently and totally disabled, or who are at least 65 years of age and meet income guidelines. It also exempts the first \$50,000 of market value for disabled veteran homeowners who qualify in the calculation of property tax bills.

The Ohio Department of Taxations website says that across Ohio, qualified homeowners saved an average of about \$504 per taxpayer during the 2019 tax year. The tax exemption is limited to the homestead, which Ohio law defines as an owner's dwelling and up to one acre of land. The value of the exemption may not exceed the value of the homestead, where the current 2021 threshold is \$34,200.

My proposed legislation supports the Ohio Homestead Exemption, and makes the Homestead Exemption more effective in helping homeowners on the program combat inflation of property taxes.

Most homeowners who are eligible for the Homestead Exemption here in Ohio are living on a fixed income. As we know, one of the biggest enemies of people on a fixed income is the compounding cost of inflation.

The Homestead Exemption in Ohio currently does not adjust for inflation. It has remained the same dollar amount for many years. This bill would change that.

This proposed legislation is designed to increase the amount of the Homestead Exemption every year by the same rate of inflation in current law used to calculate the income eligibility of the Homestead Exemption.

I have seen first-hand as a county auditor the great relief that the Homestead Exemption provides for senior and disabled veteran homeowners. I also know that this change in law would be easy for county auditors to administer and would have no impact on school funding or other local government funding.

This bill is a simple bill. The adjustment each year will be relatively small, but for those who are most disadvantaged by inflation—those living on a fixed income, the benefit, over time, will be significant.

Thank you for your time here today. I welcome any questions.