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H.B. 254
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Richardson and Holmes

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SUMMARY

- Enhances a property tax exemption for the homestead of a totally disabled veteran by increasing the amount of the exemption for such a homestead from \$50,000 of its value to its full taxable value.
- Authorizes a homestead exemption of \$5,000 or \$10,000 for veterans with at least a 50% but less-than-total disability rating, depending on the rating.

DETAILED ANALYSIS

Homestead exemption for disabled veterans

The bill enhances and expands a property tax reduction for certain homeowners who are disabled veterans, including owners of manufactured or mobile homes. Under current law, the homestead of a disabled veteran who has received a total disability rating or a total disability rating for compensation based on individual unemployability (“totally disabled veteran”) qualifies for an exemption that, in essence, exempts from tax \$50,000 of the homestead’s value. The bill enhances this exemption by increasing the amount of the exemption to equal all taxes owed on the homestead for the tax year. In other words, the bill increases the value of the disabled veterans homestead exemption so that a totally disabled veteran pays no property taxes on the veteran’s homestead, though the homestead remains subject to special assessments.

The bill also expands the class of disabled veterans who can qualify for the homestead exemption from only totally disabled veterans to veterans who have received a disability rating of at least 50% but less than 100%. The amount of this expanded homestead exemption depends upon the veteran’s disability rating. A veteran who has received a disability rating of greater than 70% but less than 100% qualifies for an exemption equal to \$10,000 of their

homestead's value. A veteran who has received a disability rating of at least 50% and up to 70% qualifies for an exemption equal to \$5,000 of the homestead's value.¹

Similar to all other homestead exemptions, the bill requires the state to reimburse local taxing units for tax reductions resulting from the bill's enhanced and expanded homestead exemption.²

Homeowner application

To receive the bill's enhanced and expanded reduction, a qualifying disabled veteran must file an application with the county auditor of the county in which the property is located, as is required for the current disabled veteran homestead exemption. However, the bill specifies that the veteran's application must include documentation that states the veteran's disability rating.³

Surviving spouse

Under continuing law and under the bill, if the disabled veteran who qualified for the exemption dies and is survived by a spouse who occupied the homestead at the time of death and who acquires ownership of the homestead, such surviving spouse will continue to receive the reduction until the spouse dies or remarries.⁴

Application date

The tax reduction applies beginning in the tax year ending after the bill's 90-day effective date for real property and the tax year beginning after that date for manufactured or mobile homes. (The difference accounts for the fact that property taxes are paid one year in arrears, while manufactured and mobile home taxes are paid in the current year.)⁵

HISTORY

Action	Date
Introduced	09-12-23

ANHB0254IN-135/ts

¹ R.C. 323.151, 323.152(A)(2), and 4503.065(B).

² R.C. 323.156 and 4503.068, not in the bill.

³ R.C. 323.153 and 4503.066.

⁴ R.C. 323.152(A)(2) and 4503.065(B).

⁵ Section 3.