

Sub. H.B. 33
As Passed by the Senate
TAXCD52

_____ moved to amend as follows:

In line 37 of the title, after "319.202," insert "323.152," 1

In line 133 of the title, after "4503.038," insert 2
"4503.065," 3

In line 789, after "319.202," insert "323.152," 4

In line 860, after "4503.038," insert "4503.065," 5

After line 23343, insert: 6

"**Sec. 323.152.** In addition to the reduction in taxes required 7
under section 319.302 of the Revised Code, taxes shall be reduced 8
as provided in divisions (A) and (B) of this section. 9

(A)(1)(a) Division (A)(1) of this section applies to any of 10
the following persons: 11

(i) A person who is permanently and totally disabled; 12

(ii) A person who is sixty-five years of age or older; 13

(iii) A person who is the surviving spouse of a deceased 14
person who was permanently and totally disabled or sixty-five 15
years of age or older and who applied and qualified for a 16
reduction in taxes under this division in the year of death, 17
provided the surviving spouse is at least fifty-nine but not 18

sixty-five or more years of age on the date the deceased spouse dies.

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(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:

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(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;

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(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.~~

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(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.

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(c) The amount of the reduction under division (A)(1)(c) of this section equals the product of the following:	49 50
(i) Twenty-five thousand dollars of the true value of the property in money, <u>as adjusted under division (A)(1)(d) of this section</u> ;	51 52 53
(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;	54 55 56
(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;	57 58 59 60
(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.	61 62 63 64
(d) Each calendar year, the <u>The</u> tax commissioner shall adjust the total income threshold described in division (A)(1)(b)(iii) <u>and the reduction amounts described in divisions (A)(1)(c)(i), (A)(2), and (A)(3)</u> of this section by completing the following calculations in September of each year:	65 66 67 68 69
(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;	70 71 72 73 74
(ii) Multiply that percentage increase by the total income threshold <u>or reduction amount</u> for the current tax year, <u>as applicable</u> ;	75 76 77

(iii) Add the resulting product to the total income threshold 78
or the reduction amount, as applicable, for the current tax year; 79

(iv) Round the resulting sum to the nearest multiple of one 80
 hundred dollars. 81

The commissioner shall certify the amount resulting from ~~the~~ 82
each adjustment to each county auditor not later than the first 83
 day of December each year. The certified total income threshold 84
 amount applies to the following tax year for persons described in 85
 division (A)(1)(b)(iii) of this section. The certified reduction 86
amount applies to the following tax year. The commissioner shall 87
 not make the applicable adjustment in any calendar year in which 88
 the amount resulting from the adjustment would be less than the 89
 total income threshold or the reduction amount for the current tax 90
 year. 91

(2) Real property taxes on a homestead owned and occupied, or 92
 a homestead in a housing cooperative occupied, by a disabled 93
 veteran shall be reduced for each year for which an application 94
 for the reduction has been approved. The reduction shall equal the 95
 product obtained by multiplying fifty thousand dollars of the true 96
 value of the property in money, as adjusted under division 97
(A)(1)(d) of this section, by the amounts described in divisions 98
 (A)(1)(c)(ii) to (iv) of this section. The reduction is in lieu of 99
 any reduction under section 323.158 of the Revised Code or 100
 division (A)(1) or (3) of this section. The reduction applies to 101
 only one homestead owned and occupied by a disabled veteran. 102

If a homestead qualifies for a reduction in taxes under 103
 division (A)(2) of this section for the year in which the disabled 104
 veteran dies, and the disabled veteran is survived by a spouse who 105
 occupied the homestead when the disabled veteran died and who 106
 acquires ownership of the homestead or, in the case of a homestead 107

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 remarries.

(3) Real property taxes on a homestead owned and occupied, or
a homestead in a housing cooperative occupied, by the surviving
spouse of a public service officer killed in the line of duty
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, as adjusted under division (A)(1)(d) 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) or
(2) of this section. The reduction applies to only one homestead
owned and occupied by such a surviving spouse. A homestead
qualifies for a reduction in taxes under division (A)(3) of this
section for the tax year in which the public service officer dies
through the tax year in which the surviving spouse dies or
remarries.

(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."

After line 77204, insert:

"**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;	167
(c) An individual who is the surviving spouse of a deceased	168
person who was permanently and totally disabled or sixty-five	169
years of age or older and who applied and qualified for a	170
reduction in assessable value under this section in the year of	171
death, provided the surviving spouse is at least fifty-nine but	172
not sixty-five or more years of age on the date the deceased	173
spouse dies.	174
(2) The manufactured home tax on a manufactured or mobile	175
home that is paid pursuant to division (C) of section 4503.06 of	176
the Revised Code and that is owned and occupied as a home by an	177
individual whose domicile is in this state and to whom this	178
section applies, shall be reduced for any tax year for which an	179
application for such reduction has been approved, provided the	180
individual did not acquire ownership from a person, other than the	181
individual's spouse, related by consanguinity or affinity for the	182
purpose of qualifying for the reduction. An owner includes a	183
settlor of a revocable or irrevocable inter vivos trust holding	184
the title to a manufactured or mobile home occupied by the settlor	185
as of right under the trust.	186
(a) For manufactured and mobile homes for which the tax	187
imposed by section 4503.06 of the Revised Code is computed under	188
division (D)(2) of that section, the reduction shall equal one of	189
the following amounts, as applicable to the person:	190
(i) If the person received a reduction under this section for	191
tax year 2007, the greater of the reduction for that tax year or	192
the amount computed under division (A)(2)(b) of this section;	193
(ii) If the person received, for any homestead, a reduction	194
under division (A) of this section for tax year 2014 or under	195
division (A)(1) of section 323.152 of the Revised Code for tax	196

year 2013 or the person is the surviving spouse of such a person 197
 and the surviving spouse is at least fifty-nine years of age on 198
 the date the deceased spouse dies, the amount computed under 199
 division (A)(2)(b) of this section. ~~For purposes of divisions~~ 200
~~(A)(2)(a)(ii) and (iii) of this section, a person receives a~~ 201
~~reduction under division (A) of this section or division (A)(1) of~~ 202
~~section 323.152 of the Revised Code for tax year 2014 or 2013,~~ 203
~~respectively, if the person files a late application for that~~ 204
~~respective tax year that is approved by the county auditor under~~ 205
~~section 4503.066 or 323.153 of the Revised Code.~~ 206

(iii) If the person is not described in division (A)(2)(a)(i) 207
 or (ii) of this section and the person's total income does not 208
 exceed thirty thousand dollars, as adjusted under division 209
 (A)(2)(e) of this section, the amount computed under division 210
 (A)(2)(b) of this section. 211

(b) The amount of the reduction under division (A)(2)(b) of 212
 this section equals the product of the following: 213

(i) Twenty-five thousand dollars of the true value of the 214
 property in money, as adjusted under division (A)(2)(e) of this 215
section; 216

(ii) The assessment percentage established by the tax 217
 commissioner under division (B) of section 5715.01 of the Revised 218
 Code, not to exceed thirty-five per cent; 219

(iii) The effective tax rate used to calculate the taxes 220
 charged against the property for the current year, where 221
 "effective tax rate" is defined as in section 323.08 of the 222
 Revised Code; 223

(iv) The quantity equal to one minus the sum of the 224
 percentage reductions in taxes received by the property for the 225

current tax year under section 319.302 of the Revised Code and 226
 division (B) of section 323.152 of the Revised Code. 227

(c) For manufactured and mobile homes for which the tax 228
 imposed by section 4503.06 of the Revised Code is computed under 229
 division (D)(1) of that section, the reduction shall equal one of 230
 the following amounts, as applicable to the person: 231

(i) If the person received a reduction under this section for 232
 tax year 2007, the greater of the reduction for that tax year or 233
 the amount computed under division (A)(2)(d) of this section; 234

(ii) If the person received, for any homestead, a reduction 235
 under division (A) of this section for tax year 2014 or under 236
 division (A)(1) of section 323.152 of the Revised Code for tax 237
 year 2013 or the person is the surviving spouse of such a person 238
 and the surviving spouse is at least fifty-nine years of age on 239
 the date the deceased spouse dies, the amount computed under 240
 division (A)(2)(d) of this section. ~~For purposes of divisions 241~~
~~(A)(2)(c)(ii) and (iii) of this section, a person receives a 242~~
~~reduction under division (A) of this section or under division 243~~
~~(A)(1) of section 323.152 of the Revised Code for tax year 2014 or 244~~
~~2013, respectively, if the person files a late application for a 245~~
~~refund of overpayments for that respective tax year that is 246~~
~~approved by the county auditor under section 4503.066 of the 247~~
~~Revised Code. 248~~

(iii) If the person is not described in division (A)(2)(c)(i) 249
 or (ii) of this section and the person's total income does not 250
 exceed thirty thousand dollars, as adjusted under division 251
 (A)(2)(e) of this section, the amount computed under division 252
 (A)(2)(d) of this section. 253

(d) The amount of the reduction under division (A)(2)(d) of 254
 this section equals the product of the following: 255

(i) Twenty-five thousand dollars of the cost to the owner, or 256
the market value at the time of purchase, whichever is greater, as 257
those terms are used in division (D)(1) of section 4503.06 of the 258
Revised Code, and as adjusted under division (A)(2)(e) of this 259
section; 260

(ii) The percentage from the appropriate schedule in division 261
(D)(1)(b) of section 4503.06 of the Revised Code; 262

(iii) The assessment percentage of forty per cent used in 263
division (D)(1)(b) of section 4503.06 of the Revised Code; 264

(iv) The tax rate of the taxing district in which the home 265
has its situs. 266

(e) ~~Each calendar year, the~~ The tax commissioner shall adjust 267
the income threshold described in divisions (A)(2)(a)(iii) and 268
(A)(2)(c)(iii) and the reduction amounts described in divisions 269
(A)(2)(b)(i), (A)(2)(d)(i), (B)(1), (B)(2), (C)(1), and (C)(2) of 270
this section by completing the following calculations in September 271
of each year: 272

(i) Determine the percentage increase in the gross domestic 273
product deflator determined by the bureau of economic analysis of 274
the United States department of commerce from the first day of 275
January of the preceding calendar year to the last day of December 276
of the preceding calendar year; 277

(ii) Multiply that percentage increase by the total income 278
threshold or reduction amount for the ensuing tax year, as 279
applicable; 280

(iii) Add the resulting product to the total income threshold 281
or reduction amount, as applicable for the ensuing tax year; 282

(iv) Round the resulting sum to the nearest multiple of one 283
hundred dollars. 284

The commissioner shall certify the amount resulting from ~~the~~ 285
each adjustment to each county auditor not later than the first 286
day of December each year. The certified amount applies to the 287
second ensuing tax year. The commissioner shall not make the 288
applicable adjustment in any calendar year in which the amount 289
resulting from the adjustment would be less than the total income 290
threshold or the reduction amount for the ensuing tax year. 291

(B) The manufactured home tax levied pursuant to division (C) 292
of section 4503.06 of the Revised Code on a manufactured or mobile 293
home that is owned and occupied by a disabled veteran shall be 294
reduced for any tax year for which an application for such 295
reduction has been approved, provided the disabled veteran did not 296
acquire ownership from a person, other than the disabled veteran's 297
spouse, related by consanguinity or affinity for the purpose of 298
qualifying for the reduction. An owner includes an owner within 299
the meaning of division (A)(2) of this section. 300

(1) For manufactured and mobile homes for which the tax 301
imposed by section 4503.06 of the Revised Code is computed under 302
division (D)(2) of that section, the reduction shall equal the 303
product obtained by multiplying fifty thousand dollars of the true 304
value of the property in money, as adjusted under division 305
(A)(2)(e) of this section, by the amounts described in divisions 306
(A)(2)(b)(ii) to (iv) of this section. 307

(2) For manufactured and mobile homes for which the tax 308
imposed by section 4503.06 of the Revised Code is computed under 309
division (D)(1) of that section, the reduction shall equal the 310
product obtained by multiplying fifty thousand dollars of the cost 311
to the owner, or the market value at the time of purchase, 312
whichever is greater, as those terms are used in division (D)(1) 313
of section 4503.06 of the Revised Code, as adjusted under division 314

(A)(2)(e) of this section, by the amounts described in divisions 315
 (A)(2)(d)(ii) to (iv) of this section. 316

The reduction is in lieu of any reduction under section 317
 4503.0610 of the Revised Code or division (A) or (C) of this 318
 section. The reduction applies to only one manufactured or mobile 319
 home owned and occupied by a disabled veteran. 320

If a manufactured or mobile home qualifies for a reduction in 321
 taxes under this division for the year in which the disabled 322
 veteran dies, and the disabled veteran is survived by a spouse who 323
 occupied the home when the disabled veteran died and who acquires 324
 ownership of the home, the reduction shall continue through the 325
 year in which the surviving spouse dies or remarries. 326

(C) The manufactured home tax levied pursuant to division (C) 327
 of section 4503.06 of the Revised Code on a manufactured or mobile 328
 home that is owned and occupied by the surviving spouse of a 329
 public service officer killed in the line of duty shall be reduced 330
 for any tax year for which an application for such reduction has 331
 been approved, provided the surviving spouse did not acquire 332
 ownership from a person, other than the surviving spouse's 333
 deceased public service officer spouse, related by consanguinity 334
 or affinity for the purpose of qualifying for the reduction. An 335
 owner includes an owner within the meaning of division (A)(2) of 336
 this section. 337

(1) For manufactured and mobile homes for which the tax 338
 imposed by section 4503.06 of the Revised Code is computed under 339
 division (D)(2) of that section, the reduction shall equal the 340
 product obtained by multiplying fifty thousand dollars of the true 341
 value of the property in money, as adjusted under division 342
(A)(2)(e) of this section, by the amounts described in divisions 343
 (A)(2)(b)(ii) to (iv) of this section. 344

(2) For manufactured and mobile homes for which the tax 345
imposed by section 4503.06 of the Revised Code is computed under 346
division (D)(1) of that section, the reduction shall equal the 347
product obtained by multiplying fifty thousand dollars of the cost 348
to the owner, or the market value at the time of purchase, 349
whichever is greater, as those terms are used in division (D)(1) 350
of section 4503.06 of the Revised Code, as adjusted under division 351
(A)(2)(e) of this section, by the amounts described in divisions 352
(A)(2)(d)(ii) to (iv) of this section. 353

The reduction is in lieu of any reduction under section 354
4503.0610 of the Revised Code or division (A) or (B) of this 355
section. The reduction applies to only one manufactured or mobile 356
home owned and occupied by such a surviving spouse. A manufactured 357
or mobile home qualifies for a reduction in taxes under this 358
division for the tax year in which the public service officer dies 359
through the tax year in which the surviving spouse dies or 360
remarries. 361

(D) If the owner or the spouse of the owner of a manufactured 362
or mobile home is eligible for a homestead exemption on the land 363
upon which the home is located, the reduction to which the owner 364
or spouse is entitled under this section shall not exceed the 365
difference between the reduction to which the owner or spouse is 366
entitled under division (A), (B), or (C) of this section and the 367
amount of the reduction under the homestead exemption. 368

(E) No reduction shall be made with respect to the home of 369
any person convicted of violating division (C) or (D) of section 370
4503.066 of the Revised Code for a period of three years following 371
the conviction." 372

In line 124612, after "319.202," insert "323.152," 373

In line 124683, after "4503.038," insert "4503.065," 374

In line 277213, delete "\$638,360,000 \$638,360,000" and insert "\$642,160,000 \$647,960,000" 375
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In line 277214, delete "\$1,207,556,000 \$1,219,632,000" and insert "\$1,214,756,000 \$1,238,032,000" 377
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In line 277215, add \$11,000,000 to fiscal year 2024 and \$28,000,000 to fiscal year 2025 379
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In line 277249, add \$11,000,000 to fiscal year 2024 and \$28,000,000 to fiscal year 2025 381
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After line 281738, insert: 383

"**Section 803.____**. The amendment by this act of section 323.152 of the Revised Code applies to tax year 2023 and every tax year thereafter. The amendment by this act of section 4503.065 of the Revised Code applies to tax year 2024 and every tax year thereafter." 384
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The motion was _____ agreed to.

SYNOPSIS

Index homestead exemption to inflation 389

R.C. 323.152 and 4503.065; Sections 387.10 and 803.____ 390

Reinstates a provision, added by the House but removed by the Senate, that adjusts the homestead exemption for inflation each year, beginning in 2023 for real property and 2024 for homes subject to the manufactured and mobile home tax. The adjustment applies to both the standard \$25,000 exemption and the enhanced \$50,000 exemption for disabled veterans and spouses of public service officers killed in the line of duty. 391
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Increases GRF ALI 110908, Property Tax Reimbursement - Local	398
Government, by \$3,800,000 in FY 2024 and by \$9,600,000 in FY 2025.	399
Increases GRF ALI 200903, Property Tax Reimbursement - Education,	400
by \$7,200,000 in FY 2024 and by \$18,400,000 in FY 2025.	401