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H.B. 40
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Richardson and Dovilla

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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 \$56,000 of its value to \$100,000 of its value for disabled veterans with an income below \$125,000.

DETAILED ANALYSIS

Homestead exemption for disabled veterans

The bill enhances 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 \$56,000 of the homestead's value, indexed to inflation under continuing law. The bill enhances this exemption by increasing the amount of the exemption to \$100,000 for disabled veterans with an income at or below \$125,000, computed in aggregate with the veteran's spouse's income. The increased exemption amount and income limitation are indexed to inflation like all other homestead exemption amounts and thresholds under continuing law. Disabled veterans with an income above that threshold continue to receive the existing \$56,000 exemption.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

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

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

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, based on the spouse's own income, until the spouse dies or remarries.³

Application date

The tax reduction applies beginning in tax year 2025 for real property and tax year 2026 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.)⁴

HISTORY

Action	Date
Introduced	02-03-25

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³ R.C. 323.152(A)(2)(b) and 4503.065(B)(2).

⁴ Section 3.