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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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Legislative Budget  
Office

**H.B. 483**  
**136<sup>th</sup> General Assembly**

## Fiscal Note & Local Impact Statement

[Click here for H.B. 483's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. A. Mathews and Williams

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill creates a property tax deferral program beginning in tax year (TY) 2026 and continuing through TY 2033, allowing eligible homeowners in counties undergoing a reappraisal or triennial update to defer a portion of their increase in property taxes.
- In the year a property is reappraised or updated, a homeowner may defer any tax increase above 20% of the previous year's taxes charged. For the next two years, the homeowner may defer one-half of that deferred amount.
- LBO estimates homeowners will defer between \$367.5 million and \$734.9 million in TY 2026 and between \$610.2 million and \$1.22 billion in TY 2027, with cumulative deferrals reaching \$2.71 billion to \$5.43 billion by TY 2033.
- The bill establishes a revolving fund that reimburses local governments for deferred taxes, with counties required to deposit repaid deferred taxes and accrued interest back into the fund, and it authorizes the Director of Budget and Management to transfer GRF funds as needed to meet reimbursement obligations.

### Detailed Analysis

Beginning in tax year (TY) 2026, the bill establishes a property tax deferral program that becomes available to homesteads located in counties undergoing a reappraisal or triennial update in that year. As each county completes its scheduled valuation cycle, the program will apply statewide by TY 2028. Eligibility is determined if the home has a market value below \$750,000, and the homeowner's income is below the limits established for TY 2026 – \$600,000 for joint filers and \$250,000 for all other filers. These thresholds are set to increase by 3% annually beginning in TY 2027. Income is calculated using Ohio adjusted gross income with required add-backs for business income and certain capital gains.

Applications to this program may be submitted only in a reappraisal or update year between TY 2026 and TY 2033. Once approved, the deferral applies for a three-year period. The amount eligible for deferral is based on the difference between the current year tax liability and 120% of the prior year's liability. Any increase above that threshold may be deferred in the first year, with one-half of that amount eligible for deferral in each of the next two years. Interest accrues at 3% annually on deferred taxes. The bill caps the combined total of deferred taxes and interest at 10% of the property's market value. If the accumulated interest exceeds this limit, the homeowner must pay the excess within 30 days.

Deferred taxes and interest become due upon the sale of the property or the homeowner's death, except when the property transfers to a surviving spouse. Transfers to a land bank result in full forgiveness of deferred amounts. The bill requires counties to certify deferred totals to the Tax Commissioner twice per year.

The state reimburses local governments for deferred taxes through the Property Tax Deferral Revolving Fund, which is created by the bill, and counties remit repaid amounts back to the fund upon collection. The bill does not appropriate money to the revolving fund but requires the Director of Budget and Management to transfer GRF funds as needed to meet reimbursement obligations.

## Fiscal effect

Beginning in TY 2026, the bill applies to properties that undergo a reappraisal or triennial update in that year. As a result, the policy will apply statewide by TY 2028, once every county completes its scheduled valuation cycle. Statewide revenues from residential property taxes for TY 2025 to TY 2033 are based on projections from Moody's Analytics. The firm projects Ohio-specific values for the Federal Housing Finance Agency's (FHFA) All Transactions Home Price Index and the Commercial Real Estate Index for Ohio.

Chart 1 shows Moody's Analytics three-year residential property growth projections for Ohio. This analysis establishes a range in which the lower bound assumes that statewide residential value growth trends downward in future years according to Moody's projections. The upper bound of the range is consistent with trends recorded during prior valuation cycles in each affected county; namely those years that reflect the historical norm rather than the extraordinary valuation growth observed during the post-pandemic years.

**Chart 1: Moody's Analytics Statewide Projected Residential Property Value  
Three-Year Growth Rates for TY 2025 to TY 2033 Revaluations**

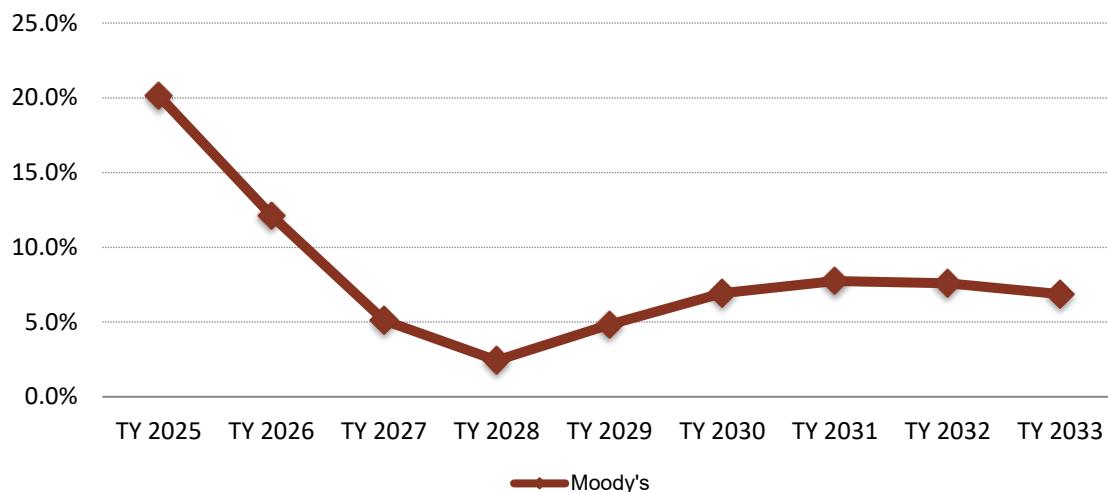
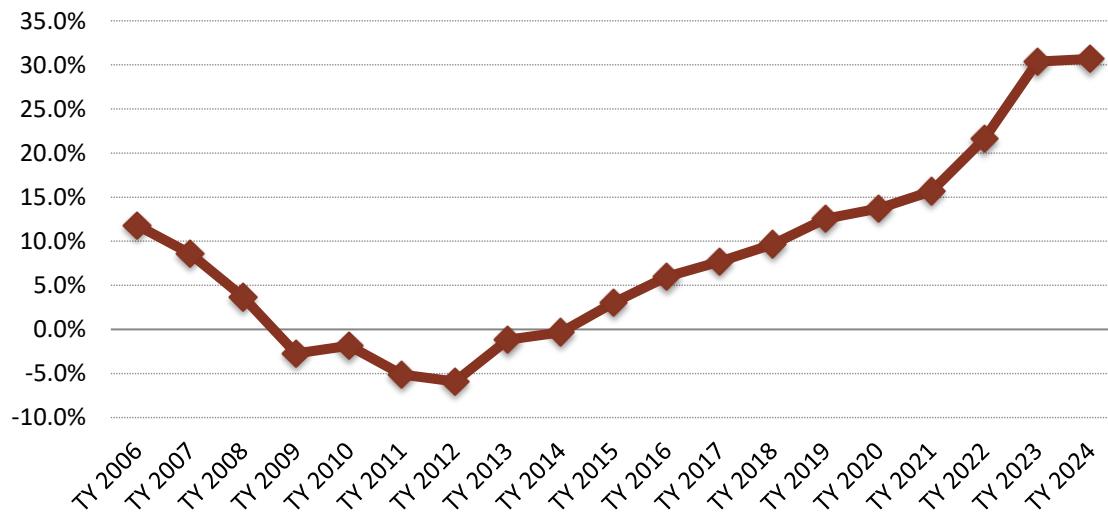


Chart 2 displays the average percentage change in residential property values for each tax year from TY 2006 through TY 2024, considering only counties that underwent a reappraisal or triennial update in the corresponding year. This data is tabulated by LBO staff of applicable real property tax abstracts, as compiled by the Ohio Department of Taxation from annual reports submitted by Ohio county auditors.

**Chart 2: Statewide Residential Property Valuation Increases from  
Reappraisal/Update, as Compared to Prior Year, TY 2006-TY 2024**



According to the 2024 American Community Survey (ACS), the most recently available edition, approximately 95.5% of homeowners in the state would be eligible to apply for the tax deferral program based on their applicable income metric and home value. Table 1 presents the distribution of eligible homeowners by income decile. This analysis assumes that all eligible homeowners will apply for the maximum allowable deferral in each reappraisal year.

The bill's definition of income is modified adjusted gross income (MAGI), which is reported on the state tax form. Notably, this definition excludes tax-exempt income such as Social Security and certain types of retirement income. Homeowners in lower income deciles that do not qualify for the bill are excluded because their estimated home values exceed \$750,000.

**Table 1. Number of Eligible Homeowners by Income Decile and Home Value under H.B. 483**

MAGI Deciles	Homeowners' MAGI	Number of Homeowners	Number of Eligible Homeowners	Eligible Homeowners (% of Total)
1	\$0-\$4,772	315,690	310,922	98.5%
2	\$4,773-\$18,275	302,129	296,956	98.3%
3	\$18,276-\$34,315	317,852	311,306	97.9%
4	\$34,316-\$50,255	331,378	325,846	98.3%
5	\$50,256-\$65,991	347,253	342,127	98.5%
6	\$65,992-\$86,296	339,520	333,381	98.2%
7	\$86,297-\$110,662	342,156	335,814	98.1%
8	\$110,663-\$144,369	350,888	341,989	97.5%
9	\$144,370-\$200,380	351,834	339,041	96.4%
10	\$200,381 and above	349,873	259,863	74.3%
<b>Total</b>	<b>N/A</b>	<b>3,348,573</b>	<b>3,197,245</b>	<b>95.5%</b>

Using this framework, LBO staff estimated that homeowners statewide will defer between \$367.5 million and \$734.9 million in TY 2026. By the time the program concludes in TY 2033, the cumulative amount of deferred taxes is projected to total between \$2.7 billion and \$5.4 billion. Table 2 presents the estimated dollar amounts for each tax year.

**Table 2. Estimated Property Tax Deferred by H.B. 483 from TY 2026 to TY 2033**

Tax Year	Deferred Taxes as Share of Current Year Total	Cumulative Deferred Tax (in millions)
2026	2.5%-5.0%	\$367.5-\$734.9
2027	1.5%-3.0%	\$610.2-\$1,220.5
2028	1.5%-3.0%	\$865.9-\$1,731.9

<b>Table 2. Estimated Property Tax Deferred by H.B. 483 from TY 2026 to TY 2033</b>		
<b>Tax Year</b>	<b>Deferred Taxes as Share of Current Year Total</b>	<b>Cumulative Deferred Tax (in millions)</b>
2029	2.5%-5.0%	\$1,306.7-\$2,613.4
2030	1.5%-3.0%	\$1,612.0-\$3,223.9
2031	1.5%-3.0%	\$1,947.0-\$3,894.1
2032	1.5%-3.0%	\$2,313.9-\$4,627.8
2033	1.5%-3.0%	\$2,712.9-\$5,425.9
<b>Total</b>	<b>1.5%-3.0%</b>	<b>\$2,712.9-\$5,425.9</b>

Based on actual residential property tax data from Clark and Fairfield counties, acquired from each county auditor for TY 2025, LBO staff estimated the fiscal effect of this bill at the statewide level. The bill would take effect in TY 2026, when 41 of Ohio's 88 counties undergo reappraisal or update, including counties such as Delaware, Franklin, and Hamilton, where the effects are expected to be larger.

Because the statewide estimates are derived from Clark and Fairfield data, the next section presents the estimated fiscal effects specifically for these two counties, assuming similar increases in property values for their next scheduled reappraisal years. Among counties undergoing revaluation in TY 2025, these two counties have some of the largest number of owner-occupied households. Their recent experience is deemed a better proxy for future years than other observed statistics for the post-pandemic era (refer to Chart 2), as TY 2025 is expected to be an inflection point in which residential property value growth begins reverting to historical norm. These county-level estimates suggest that homeowners would defer between 1.5% and 5% of their taxes charged in each tax year. This assumption would vary across Ohio, depending on individual revaluation growth rates in those local marketplaces.

The values presented in Table 2 are estimates based on each county's previous reappraisal history and the property value projections produced by Moody's Analytics, which indicate a downward growth trend. If residential property values were to increase at similar rates to the ones observed in the most recent reappraisals, the projected figures would be substantially higher.

Finally, this analysis does not account for the potential effects of other property tax legislation, such as H.B. 335, which limits growth in property tax revenues from inside millage levies – those mills that may be imposed without voter approval – to the rate of the gross domestic product (GDP) deflator over the preceding three years. If H.B. 483 were enacted at the same time, the fiscal effect would be slightly lower, as property value growth on inside millage would be capped by inflation, as determined by the GDP deflator.

## Clark and Fairfield counties example

LBO staff estimated the effect of this bill using actual TY 2025 reappraisal data. Based on residential property tax information received from each county auditor, Fairfield County experienced a 17.2% increase in residential taxes charged, while Clark County reported an 11.7% increase from TY 2024 to TY 2025. This analysis assumes that H.B. 483 would be in effect beginning in TY 2026 and estimates its effects for these two counties going forward. The next scheduled reappraisal or update for these counties will occur in TY 2028 and TY 2031.

Table 3 provides statistics for both counties regarding their TY 2025 revaluation. Although 41% of owner-occupied homes in Clark County would be eligible, only \$3.4 million of the \$91.5 million charged to all owner-occupied homes exceeded the bill's threshold. Similarly, for Fairfield County, only \$8.6 million of the \$223.2 million in taxes charged would be eligible to be deferred under H.B. 483.

**Table 3. Number of Owner-Occupied Homes and Taxes Charged in Clark and Fairfield Counties in TY 2025 under H.B. 483**

Number of Homes	Clark County	Fairfield County
<b>Eligible Homes due to Home Value (less than \$750,000)</b>		
Taxes Declined More than 1% (\$ taxes charged)	2,497 (\$7.6 million)	2,500 (\$12.9 million)
Taxes Do Not Change More than 1% (\$ taxes charged)	676 (\$2.3 million)	816 (\$4.8 million)
Taxes Increased up to 10% (\$ taxes charged)	5,339 (\$19.6 million)	7,354 (\$43.3 million)
Taxes Increased 10% to 20% (\$ taxes charged)	8,624 (\$27.3 million)	13,099 (\$69.1 million)
Taxes Increased More than 20% (\$ taxes charged)	12,212 (\$32.2 million)	17,411 (\$76.2 million)
<b>Total Eligible Homes (\$ taxes charged)</b>	<b>29,348 (\$89.1 million)</b>	<b>41,180 (\$206.4 million)</b>
<b>Ineligible Homes due to Home Value (more than \$750,000)</b>		
Taxes Declined More than 1% (\$ taxes charged)	16 (\$0.2 million)	44 (\$0.4 million)
Taxes Do Not Change More than 1% (\$ taxes charged)	46 (\$0.0 million)	12 (\$0.2 million)
Taxes Increased up to 10% (\$ taxes charged)	66 (\$1.5 million)	123 (\$1.8 million)

**Table 3. Number of Owner-Occupied Homes and Taxes Charged  
in Clark and Fairfield Counties in TY 2025 under H.B. 483**

Number of Homes	Clark County	Fairfield County
Taxes Increased 10% to 20% (\$ taxes charged)	16 (\$0.3 million)	255 (\$3.6 million)
Taxes Increased More than 20% (\$ taxes charged)	25 (\$.5 million)	919 (\$10.8 million)
<b>Total Ineligible Homes (\$ taxes charged)</b>	<b>169 (\$2.4 million)</b>	<b>1,353 (\$16.8 million)</b>
<b>Total Owner-Occupied Homes (\$ taxes charged)</b>	<b>29,517 (\$91.5 million)</b>	<b>42,533 (\$223.2 million)</b>

Table 4 shows the estimated number of eligible homeowners based on TY 2025 information. Eligibility is expected to decline over time because the bill increases the home value threshold by 3% annually, while home values are projected to grow somewhat faster. Overall, about 40% of homeowners in each county would qualify for tax deferral in TY 2028. The difference between TY 2028 and TY 2031 also reflects slower projected growth in property taxes charged, capturing homeowners whose property tax liability remains below the 20% threshold.

**Table 4. Eligible Homeowners under H.B. 483 in Clark and Fairfield Counties**

Eligible Homeowners	Clark		Fairfield	
	TY 2028	TY 2031	TY 2028	TY 2031
Number of Eligible Owner-Occupied Homes under H.B. 483	12,184	6,617	17,404	13,149
Estimated Total Number of Owner-Occupied Homes	29,517	29,517	42,533	42,533
Share of Eligible Homes (%) under H.B. 483	41.3%	22.4%	40.9%	30.9%

As mentioned before, LBO staff estimated owner-occupied residential property value growth in both counties using the actual TY 2025 growth rates in conjunction with the statewide home value projections from Moody's Analytics for future years. Based on these inputs, the bill enables Clark County homeowners to defer about \$3.4 million in TY 2028, which represents about 3.4% of current taxes charged, with an accumulated deferred amount of \$12.8 million by TY 2033. Fairfield County homeowners would defer about \$8.6 million in TY 2028, or 3.3% of current taxes charged, with an accumulated deferred amount of \$40.3 million by TY 2033. Accumulated deferred taxes are estimated using an interest rate of 3% per year, as specified in the bill. Tables 5 and 6 summarize this information.

**Table 5. Clark County Estimated Property Tax Deferred (in millions) for Owner-Occupied Homes under H.B. 483 from TY 2026 to TY 2033**

Tax Year	Current Year Tax Liability	Deferred Tax (% of Total)	Accumulated Deferred Tax
2026	\$91.5	0%	\$0
2027	\$91.5	0%	\$0
2028	\$106.1	3.4%	\$3.4
2029	\$106.1	1.6%	\$5.2
2030	\$106.1	1.6%	\$7.1
2031	\$117.8	2.1%	\$9.7
2032	\$117.8	1.0%	\$11.2
2033	\$117.8	1.0%	\$12.8
<b>Total</b>	<b>\$854.6</b>	<b>1.5%</b>	<b>\$12.8</b>

**Table 6. Fairfield County Estimated Property Tax Deferred (in millions) for Owner-Occupied Homes under H.B. 483 from TY 2026 to TY 2033**

Tax Year	Current Year Tax Liability	Deferred Tax (% of Total)	Accumulated Deferred Tax
2026	\$223.2	0%	\$0
2027	\$223.2	0%	\$0
2028	\$263.5	3.3%	\$8.6
2029	\$263.5	1.6%	\$13.1
2030	\$263.5	1.6%	\$17.8
2031	\$305.6	3.3%	\$28.4
2032	\$305.6	1.6%	\$34.3
2033	\$305.6	1.6%	\$40.3
<b>Total</b>	<b>\$2,153.7</b>	<b>1.9%</b>	<b>\$40.3</b>