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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 673
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Stephens

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SUMMARY

- Expands the statewide owner-occupied residence property tax rollback to all tax levies.

DETAILED ANALYSIS

Owner-occupied residence property tax credit

Continuing law authorizes a property tax credit, or “rollback,” that directly reduces the tax liability on an owner-occupied dwelling that serves as a taxpayer’s primary residence and up to one acre of land (“homestead”). The credit amount had traditionally equaled 2.5% of taxes from eligible levies, but will increase to 5.70% in tax year 2026, 8.92% in 2027, 12.15% in 2028, and 15.38% in 2029, corresponding to the phase-out of the nonbusiness property tax credit for residential property recently enacted by H.B. 186 of the 136th General Assembly.¹

Under current law, new and replacement levies approved at elections held in or after November 2013 are not eligible to be reduced by the homestead rollback. The bill repeals this restriction, expanding the credit to cover all property tax levies.

Continuing law allows a county to authorize up to a 2.5% tax reduction for homesteads that piggybacks on the state’s homestead rollback. Under the bill, this local reduction still applies to only those levies approved by voters before November 2013.²

¹ See R.C. 319.302, not in the bill.

² R.C. 323.152(B), 323.153, 323.158, and 5747.85.

Reimbursement of local taxing units

As under continuing law, local taxing units are reimbursed by the state for the reduction in property tax revenue that results from the bill's expanded tax credit. The reimbursement is paid from the GRF semiannually or annually.³

Application date

The expansion begins to apply for tax years ending after the bill's effective date or, in the case of homes that are subject to the manufactured home tax, tax years commencing after that date. The difference in application is accounted for by the fact that manufactured home tax is payable on a current-year basis, whereas property tax is payable in arrears.⁴

HISTORY

Action	Date
Introduced	02-03-26

ANHB0673IN-136/ks

³ R.C. 323.156.

⁴ Section 3.