

As Reported by the House Ways and Means Committee

132nd General Assembly

Regular Session

2017-2018

H. B. No. 24

Representative Ginter

**Cosponsors: Representatives Schaffer, Rogers, Cera, Green, Hambley,
Retherford, Ryan**

A BILL

To amend section 5709.17 of the Revised Code to
modify the existing tax exemption for veterans
organizations' property to include property of
certain veterans organizations exempt from
federal taxation under section 501(c) (4) of the
Internal Revenue Code and to exclude property
that is not used primarily for meetings,
administration, and the provision of programs
and services to past and present members of the
United States armed forces.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5709.17 of the Revised Code be
amended to read as follows:

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Sec. 5709.17. The following property shall be exempted
from taxation:

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(A) Real estate held or occupied by an association or
corporation, organized or incorporated under the laws of this
state relative to soldiers' memorial associations, monumental

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building associations, or cemetery associations or corporations, 18
which in the opinion of the trustees, directors, or managers 19
thereof is necessary and proper to carry out the object intended 20
for such association or corporation; 21

(B) Real estate and tangible personal property held or 22
occupied by a qualifying veterans' organization ~~that qualifies~~ 23
~~for exemption from taxation under section 501(c)(19) or 501(c)~~ 24
~~(23) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26~~ 25
~~U.S.C.A. 1, as amended, and is incorporated under the laws of~~ 26
~~this state or the United States~~ and used primarily for meetings 27
and administration of the qualifying veterans' organization or 28
for providing, on a not-for-profit basis, programs and 29
supportive services to past or present members of the armed 30
forces of the United States and their families, except real 31
estate held by such an organization for the production of rental 32
income in excess of thirty-six thousand dollars in a tax year, 33
before accounting for any cost or expense incurred in the 34
production of such income. For the purposes of this division, 35
rental income includes only income arising directly from renting 36
the real estate to others for consideration. 37

As used in this division, "qualifying veterans' 38
organization" means an organization that is incorporated under 39
the laws of this state or the United States and that meets 40
either of the following requirements: 41

(1) The organization qualifies for exemption from taxation 42
under section 501(c)(19) or 501(c)(23) of the Internal Revenue 43
Code. 44

(2) The organization meets the criteria for exemption 45
under section 501(c)(19) of the Internal Revenue Code and 46
regulations adopted pursuant thereto, but is exempt from 47

taxation under section 501(c)(4) of the Internal Revenue Code. 48

(C) Tangible personal property held by a corporation 49
chartered under 112 Stat. 1335, 36 U.S.C.~~A.~~ 40701, described in 50
section 501(c)(3) of the Internal Revenue Code, and exempt from 51
taxation under section 501(a) of the Internal Revenue Code shall 52
be exempt from taxation if it is property obtained as described 53
in 112 Stat. 1335-1341, 36 U.S.C.~~A.~~ Chapter 407. 54

(D) Real estate held or occupied by a fraternal 55
organization and used primarily for meetings of and the 56
administration of the fraternal organization or for providing, 57
on a not-for-profit basis, educational or health services, 58
except real estate held by such an organization for the 59
production of rental income in excess of thirty-six thousand 60
dollars in a tax year before accounting for any cost or expense 61
incurred in the production of such income. As used in this 62
division, "rental income" has the same meaning as in division 63
(B) of this section, and "fraternal organization" means a 64
domestic fraternal society, order, or association operating 65
under the lodge, council, or grange system that qualifies for 66
exemption from taxation under section 501(c)(5), 501(c)(8), or 67
501(c)(10) of the "Internal Revenue Code of 1986," 100 Stat. 68
2085, 26 U.S.C. 1, as amended; that provides financial support 69
for charitable purposes, as defined in division (B)(12) of 70
section 5739.02 of the Revised Code; and that operates under a 71
state governing body that has been operating in this state for 72
at least eighty-five years. 73

Section 2. That existing section 5709.17 of the Revised 74
Code is hereby repealed. 75

Section 3. That the amendment by this act of section 76
5709.17 of the Revised Code applies to tax years ending on or 77

after the effective date of this act.