

As Introduced

133rd General Assembly

Regular Session

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H. B. No. 439

Representative Stephens

Cosponsors: Representatives Hambley, Kick, Koehler, Riedel, Scherer, Crossman

A BILL

To amend sections 323.152 and 4503.065 of the Revised Code to adjust for inflation the \$25,000 homestead exemption and the enhanced homestead exemption for disabled veterans.

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

Section 1. That sections 323.152 and 4503.065 of the Revised Code be amended to read as follows:

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

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

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

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

(iii) A person who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in taxes under this division in the year of death,

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 19
dies. 20

(b) Real property taxes on a homestead owned and occupied, 21
or a homestead in a housing cooperative occupied, by a person to 22
whom division (A) (1) of this section applies shall be reduced 23
for each year for which an application for the reduction has 24
been approved. The reduction shall equal one of the following 25
amounts, as applicable to the person: 26

(i) If the person received a reduction under division (A) 27
(1) of this section for tax year 2006, the greater of the 28
reduction for that tax year or the amount computed under 29
division (A) (1) (c) of this section; 30

(ii) If the person received, for any homestead, a 31
reduction under division (A) (1) of this section for tax year 32
2013 or under division (A) of section 4503.065 of the Revised 33
Code for tax year 2014 or the person is the surviving spouse of 34
such a person and the surviving spouse is at least fifty-nine 35
years of age on the date the deceased spouse dies, the amount 36
computed under division (A) (1) (c) of this section. ~~For purposes~~ 37
~~of divisions (A) (1) (b) (ii) and (iii) of this section, a person~~ 38
~~receives a reduction under division (A) (1) of this section or~~ 39
~~under division (A) of section 4503.065 of the Revised Code for~~ 40
~~tax year 2013 or 2014, respectively, if the person files a late~~ 41
~~application for that respective tax year that is approved by the~~ 42
~~county auditor under section 323.153 or 4503.066 of the Revised~~ 43
~~Code.~~ 44

(iii) If the person is not described in division (A) (1) (b) 45
(i) or (ii) of this section and the person's total income does 46
not exceed thirty thousand dollars, as adjusted under division 47

(A) (1) (d) of this section, the amount computed under division 48
(A) (1) (c) of this section. 49

(c) The amount of the reduction under division (A) (1) (c) 50
of this section equals the product of the following: 51

(i) Twenty-five thousand dollars of the true value of the 52
property in money, as adjusted under division (A) (1) (e) of this 53
section; 54

(ii) The assessment percentage established by the tax 55
commissioner under division (B) of section 5715.01 of the 56
Revised Code, not to exceed thirty-five per cent; 57

(iii) The effective tax rate used to calculate the taxes 58
charged against the property for the current year, where 59
"effective tax rate" is defined as in section 323.08 of the 60
Revised Code; 61

(iv) The quantity equal to one minus the sum of the 62
percentage reductions in taxes received by the property for the 63
current tax year under section 319.302 of the Revised Code and 64
division (B) of section 323.152 of the Revised Code. 65

(d) ~~Each calendar year, the~~ The tax commissioner shall 66
adjust the total income threshold described in division (A) (1) 67
(b) (iii) of this section by completing the following 68
calculations in September of each year: 69

(i) Determine the percentage increase in the gross 70
domestic product deflator determined by the bureau of economic 71
analysis of the United States department of commerce from the 72
first day of January of the preceding calendar year to the last 73
day of December of the preceding calendar year; 74

(ii) Multiply that percentage increase by the total income 75

threshold for the current tax year;	76
(iii) Add the resulting product to the total income	77
threshold for the current tax year;	78
(iv) Round the resulting sum to the nearest multiple of	79
one hundred dollars.	80
The commissioner shall certify the amount resulting from	81
the adjustment to each county auditor not later than the first	82
day of December each year. The certified amount applies to the	83
following tax year for persons described in division (A) (1) (b)	84
(iii) of this section. The commissioner shall not make the	85
adjustment in any calendar year in which the amount resulting	86
from the adjustment would be less than the total income	87
threshold for the current tax year.	88
<u>(e) The commissioner shall adjust the true value threshold</u>	89
<u>described in division (A) (1) (c) (i) of this section by completing</u>	90
<u>the following calculations in September of each year:</u>	91
<u>(i) Multiply the percentage increase in the gross domestic</u>	92
<u>product deflator determined under division (A) (1) (d) of this</u>	93
<u>section by the true value threshold for the current tax year;</u>	94
<u>(ii) Add the resulting product to the true value threshold</u>	95
<u>for the current tax year;</u>	96
<u>(iii) Round the resulting sum to the nearest multiple of</u>	97
<u>one hundred dollars.</u>	98
<u>The commissioner shall certify the amount resulting from</u>	99
<u>the adjustment to each county auditor not later than the first</u>	100
<u>day of December each year. The certified amount applies to the</u>	101
<u>following tax year. The commissioner shall not make the</u>	102
<u>adjustment in any year in which the amount resulting from the</u>	103

adjustment would be less than the true value threshold for the 104
current tax year. 105

(2) Real property taxes on a homestead owned and occupied, 106
or a homestead in a housing cooperative occupied, by a disabled 107
veteran shall be reduced for each year for which an application 108
for the reduction has been approved. The reduction shall equal 109
the product obtained by multiplying fifty thousand dollars of 110
the true value of the property in money, adjusted each year in 111
the manner described in division (A) (1) (e) of this section, by 112
the amounts described in divisions (A) (1) (c) (ii) to (iv) of this 113
section. The reduction is in lieu of any reduction under section 114
323.158 of the Revised Code or division (A) (1) of this section. 115
The reduction applies to only one homestead owned and occupied 116
by a disabled veteran. 117

If a homestead qualifies for a reduction in taxes under 118
division (A) (2) of this section for the year in which the 119
disabled veteran dies, and the disabled veteran is survived by a 120
spouse who occupied the homestead when the disabled veteran died 121
and who acquires ownership of the homestead or, in the case of a 122
homestead that is a unit in a housing cooperative, continues to 123
occupy the homestead, the reduction shall continue through the 124
year in which the surviving spouse dies or remarries. 125

(B) To provide a partial exemption, real property taxes on 126
any homestead, and manufactured home taxes on any manufactured 127
or mobile home on which a manufactured home tax is assessed 128
pursuant to division (D) (2) of section 4503.06 of the Revised 129
Code, shall be reduced for each year for which an application 130
for the reduction has been approved. The amount of the reduction 131
shall equal two and one-half per cent of the amount of taxes to 132
be levied by qualifying levies on the homestead or the 133

manufactured or mobile home after applying section 319.301 of 134
the Revised Code. For the purposes of this division, "qualifying 135
levy" has the same meaning as in section 319.302 of the Revised 136
Code. 137

(C) The reductions granted by this section do not apply to 138
special assessments or respread of assessments levied against 139
the homestead, and if there is a transfer of ownership 140
subsequent to the filing of an application for a reduction in 141
taxes, such reductions are not forfeited for such year by virtue 142
of such transfer. 143

(D) The reductions in taxable value referred to in this 144
section shall be applied solely as a factor for the purpose of 145
computing the reduction of taxes under this section and shall 146
not affect the total value of property in any subdivision or 147
taxing district as listed and assessed for taxation on the tax 148
lists and duplicates, or any direct or indirect limitations on 149
indebtedness of a subdivision or taxing district. If after 150
application of sections 5705.31 and 5705.32 of the Revised Code, 151
including the allocation of all levies within the ten-mill 152
limitation to debt charges to the extent therein provided, there 153
would be insufficient funds for payment of debt charges not 154
provided for by levies in excess of the ten-mill limitation, the 155
reduction of taxes provided for in sections 323.151 to 323.159 156
of the Revised Code shall be proportionately adjusted to the 157
extent necessary to provide such funds from levies within the 158
ten-mill limitation. 159

(E) No reduction shall be made on the taxes due on the 160
homestead of any person convicted of violating division (D) or 161
(E) of section 323.153 of the Revised Code for a period of three 162
years following the conviction. 163

Sec. 4503.065. (A) (1) Division (A) of this section applies	164
to any of the following persons:	165
(a) An individual who is permanently and totally disabled;	166
(b) An individual who is sixty-five years of age or older;	167
(c) An individual who is the surviving spouse of a	168
deceased person who was permanently and totally disabled or	169
sixty-five years of age or older and who applied and qualified	170
for a reduction in assessable value under this section in the	171
year of death, provided the surviving spouse is at least fifty-	172
nine but not sixty-five or more years of age on the date the	173
deceased 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	181
the individual's spouse, related by consanguinity or affinity	182
for the purpose of qualifying for the reduction. An owner	183
includes a settlor of a revocable or irrevocable inter vivos	184
trust holding the title to a manufactured or mobile home	185
occupied by the settlor 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	189
of the following amounts, as applicable to the person:	190
(i) If the person received a reduction under this section	191
for tax year 2007, the greater of the reduction for that tax	192

year or the amount computed under division (A) (2) (b) of this section; 193
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(ii) If the person received, for any homestead, a reduction under division (A) of this section for tax year 2014 or under division (A) (1) of section 323.152 of the Revised Code for tax year 2013 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) (2) (b) of this section. ~~For purposes of divisions (A) (2) (a) (ii) and (iii) of this section, a person receives a reduction under division (A) of this section or division (A) (1) of section 323.152 of the Revised Code for tax year 2014 or 2013, respectively, if the person files a late application for that respective tax year that is approved by the county auditor under section 4503.066 or 323.153 of the Revised Code.~~ 195
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(iii) If the person is not described in division (A) (2) (a) (i) or (ii) of this section and the person's total income does not exceed thirty thousand dollars, as adjusted under division (A) (2) (e) of this section, the amount computed under division (A) (2) (b) of this section. 209
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(b) The amount of the reduction under division (A) (2) (b) of this section equals the product of the following: 214
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(i) Twenty-five thousand dollars of the true value of the property in money, as adjusted under division (A) (2) (f) of this section; 216
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(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; 219
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(iii) The effective tax rate used to calculate the taxes 222
charged against the property for the current year, where 223
"effective tax rate" is defined as in section 323.08 of the 224
Revised Code; 225

(iv) The quantity equal to one minus the sum of the 226
percentage reductions in taxes received by the property for the 227
current tax year under section 319.302 of the Revised Code and 228
division (B) of section 323.152 of the Revised Code. 229

(c) For manufactured and mobile homes for which the tax 230
imposed by section 4503.06 of the Revised Code is computed under 231
division (D) (1) of that section, the reduction shall equal one 232
of the following amounts, as applicable to the person: 233

(i) If the person received a reduction under this section 234
for tax year 2007, the greater of the reduction for that tax 235
year or the amount computed under division (A) (2) (d) of this 236
section; 237

(ii) If the person received, for any homestead, a 238
reduction under division (A) of this section for tax year 2014 239
or under division (A) (1) of section 323.152 of the Revised Code 240
for tax year 2013 or the person is the surviving spouse of such 241
a person and the surviving spouse is at least fifty-nine years 242
of age on the date the deceased spouse dies, the amount computed 243
under division (A) (2) (d) of this section. ~~For purposes of~~ 244
~~divisions (A) (2) (c) (ii) and (iii) of this section, a person~~ 245
~~receives a reduction under division (A) of this section or under~~ 246
~~division (A) (1) of section 323.152 of the Revised Code for tax~~ 247
~~year 2014 or 2013, respectively, if the person files a late~~ 248
~~application for a refund of overpayments for that respective tax~~ 249
~~year that is approved by the county auditor under section~~ 250
~~4503.066 of the Revised Code.~~ 251

(iii) If the person is not described in division (A) (2) (c)	252
(i) or (ii) of this section and the person's total income does	253
not exceed thirty thousand dollars, as adjusted under division	254
(A) (2) (e) of this section, the amount computed under division	255
(A) (2) (d) of this section.	256
(d) The amount of the reduction under division (A) (2) (d)	257
of this section equals the product of the following:	258
(i) Twenty-five thousand dollars of the cost to the owner,	259
or the market value at the time of purchase, whichever is	260
greater, as those terms are used in division (D) (1) of section	261
4503.06 of the Revised Code, <u>and as adjusted under division (A)</u>	262
<u>(2) (f) of this section;</u>	263
(ii) The percentage from the appropriate schedule in	264
division (D) (1) (b) of section 4503.06 of the Revised Code;	265
(iii) The assessment percentage of forty per cent used in	266
division (D) (1) (b) of section 4503.06 of the Revised Code;	267
(iv) The tax rate of the taxing district in which the home	268
has its situs.	269
(e) Each calendar year, the <u>The</u> tax commissioner shall	270
adjust the income threshold described in divisions (A) (2) (a)	271
(iii) and (A) (2) (c) (iii) of this section by completing the	272
following calculations in September of each year:	273
(i) Determine the percentage increase in the gross	274
domestic product deflator determined by the bureau of economic	275
analysis of the United States department of commerce from the	276
first day of January of the preceding calendar year to the last	277
day of December of the preceding calendar year;	278
(ii) Multiply that percentage increase by the total income	279

threshold for the ensuing tax year;	280
(iii) Add the resulting product to the total income	281
threshold for the ensuing tax year;	282
(iv) Round the resulting sum to the nearest multiple of	283
one hundred dollars.	284
The commissioner shall certify the amount resulting from	285
the 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
adjustment in any calendar year in which the amount resulting	289
from the adjustment would be less than the total income	290
threshold for the ensuing tax year.	291
<u>(f) The commissioner shall adjust the true value, cost,</u>	292
<u>and market value thresholds described in divisions (A) (2) (b) (i)</u>	293
<u>and (d) (i) of this section by completing the following</u>	294
<u>calculations in September of each year:</u>	295
<u>(i) Multiply the percentage increase in the gross domestic</u>	296
<u>product deflator determined under division (A) (2) (e) of this</u>	297
<u>section by the true value, cost, and market value thresholds for</u>	298
<u>the ensuing tax year;</u>	299
<u>(ii) Add the resulting product to the true value, cost,</u>	300
<u>and market value thresholds for the ensuing tax year;</u>	301
<u>(iii) Round the resulting sums to the nearest multiple of</u>	302
<u>one hundred dollars.</u>	303
<u>The commissioner shall certify the amounts resulting from</u>	304
<u>the adjustment to each county auditor not later than the first</u>	305
<u>day of December each year. The certified amounts apply to the</u>	306
<u>second ensuing tax year. The commissioner shall not make the</u>	307

adjustment in any year in which the amount resulting from the 308
adjustment would be less than the threshold for the ensuing tax 309
year. 310

(B) The manufactured home tax levied pursuant to division 311
(C) of section 4503.06 of the Revised Code on a manufactured or 312
mobile home that is owned and occupied by a disabled veteran 313
shall be reduced for any tax year for which an application for 314
such reduction has been approved, provided the disabled veteran 315
did not acquire ownership from a person, other than the disabled 316
veteran's spouse, related by consanguinity or affinity for the 317
purpose of qualifying for the reduction. An owner includes an 318
owner within the meaning of division (A) (2) of this section. 319

(1) For manufactured and mobile homes for which the tax 320
imposed by section 4503.06 of the Revised Code is computed under 321
division (D) (2) of that section, the reduction shall equal the 322
product obtained by multiplying fifty thousand dollars of the 323
true value of the property in money, adjusted each year in the 324
manner described in division (A) (2) (f) of this section, by the 325
amounts described in divisions (A) (2) (b) (ii) to (iv) of this 326
section. 327

(2) For manufactured and mobile homes for which the tax 328
imposed by section 4503.06 of the Revised Code is computed under 329
division (D) (1) of that section, the reduction shall equal the 330
product obtained by multiplying fifty thousand dollars of the 331
cost to the owner, or the market value at the time of purchase, 332
whichever is greater, as those terms are used in division (D) (1) 333
of section 4503.06 of the Revised Code, adjusted each calendar 334
year in the manner described in division (A) (2) (f) of this 335
section, by the amounts described in divisions (A) (2) (d) (ii) to 336
(iv) of this section. 337

The reduction is in lieu of any reduction under section 338
4503.0610 of the Revised Code or division (A) of this section. 339
The reduction applies to only one manufactured or mobile home 340
owned and occupied by a disabled veteran. 341

If a manufactured or mobile home qualifies for a reduction 342
in taxes under this division for the year in which the disabled 343
veteran dies, and the disabled veteran is survived by a spouse 344
who occupied the home when the disabled veteran died and who 345
acquires ownership of the home, the reduction shall continue 346
through the year in which the surviving spouse dies or 347
remarries. 348

(C) If the owner or the spouse of the owner of a 349
manufactured or mobile home is eligible for a homestead 350
exemption on the land upon which the home is located, the 351
reduction to which the owner or spouse is entitled under this 352
section shall not exceed the difference between the reduction to 353
which the owner or spouse is entitled under division (A) or (B) 354
of this section and the amount of the reduction under the 355
homestead exemption. 356

(D) No reduction shall be made with respect to the home of 357
any person convicted of violating division (C) or (D) of section 358
4503.066 of the Revised Code for a period of three years 359
following the conviction. 360

Section 2. That existing sections 323.152 and 4503.065 of 361
the Revised Code are hereby repealed. 362

Section 3. The amendment by this act of section 323.152 of 363
the Revised Code applies to tax year 2020 and each tax year 364
thereafter, and the amendment by this act of section 4503.065 of 365
the Revised Code applies to tax year 2021 and each tax year 366

thereafter.

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