As Introduced

135th General Assembly
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2023-2024

H. B. No. 90

Representative Patton

A BILL

To amend sections 323.152 and 4503.065 of the Revised Code to authorize a total property tax exemption for the homesteads of totally disabled veterans and their surviving spouses.

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

sixty-five or more years of age on the date the deceased spouse dies.

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

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

(ii) If the person received, for any homestead, a reduction under division (A)(1) of this section for tax year 2013 or under division (A) of section 4503.065 of the Revised Code for tax year 2014 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)(1)(c) of this section. For purposes of divisions (A)(1)(b)(ii) and (iii) of this section, a person receives a reduction under division (A)(1) of this section or under division (A) of section 4503.065 of the Revised Code for tax year 2013 or 2014, respectively, if the person files a late application for that respective tax year that is approved by the county auditor under section 323.153 or 4503.066 of the Revised Code.

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

(A)(1)(c) of this section.

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

(i) Twenty-five thousand dollars of the true value of the property in money;

(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;

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

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

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

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

(ii) Multiply that percentage increase by the total income threshold for the current tax year;

(iii) Add the resulting product to the total income

threshold for the current tax year;

(iv) Round the resulting sum to the nearest multiple of one hundred dollars.

The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the following tax year for persons described in division (A)(1)(b)(iii) of this section. The commissioner shall not make the adjustment in any calendar year in which the amount resulting from the adjustment would be less than the total income threshold for the current tax year.

(2) ~~Real property taxes on a~~ A homestead owned and occupied~~, or a homestead in a housing cooperative occupied,~~ by a disabled veteran shall be ~~reduced~~ exempted from taxation, and real property taxes on a homestead in a housing cooperative occupied by a disabled veteran shall be reduced by the portion of taxes attributed to the homestead under section 323.159 of the Revised Code, for each year for which an application for the exemption or reduction has been approved. ~~The reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money by the amounts described in divisions (A)(1)(c)(ii) to (iv) of this section.~~ The exemption or reduction is in lieu of any reduction under section 323.158 of the Revised Code or division (A)(1) or (3) of this section. The exemption or reduction applies to only one homestead owned and occupied by, or one homestead in a housing cooperative occupied by, a disabled veteran. For the purposes of sections 323.153, 323.154, 323.155, 323.156, and 4503.064 of the Revised Code, an exemption under division (A)(2) of this section is a reduction in taxes of the amount of current taxes that

would have been charged and payable against the homestead if the homestead had not been exempted.

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

(3) Real property taxes on a homestead owned and occupied, or a homestead in a housing cooperative occupied, by the surviving spouse of a public service officer killed in the line of duty shall be reduced for each year for which an application for the reduction has been approved. The reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money by the amounts described in divisions (A)(1)(c)(ii) to (iv) of this section. The reduction is in lieu of any reduction under section 323.158 of the Revised Code or division (A)(1) or (2) of this section. The reduction applies to only one homestead owned and occupied by such a surviving spouse. A homestead qualifies for a reduction in taxes under division (A)(3) of this section for the tax year in which the public service officer dies through the tax year in which the surviving spouse dies or remarries.

(B) To provide a partial exemption, real property taxes on any homestead, and manufactured home taxes on any manufactured or mobile home on which a manufactured home tax is assessed pursuant to division (D)(2) of section 4503.06 of the Revised

Code, shall be reduced for each year for which an application for the reduction has been approved. The amount of the reduction shall equal two and one-half per cent of the amount of taxes to be levied by qualifying levies on the homestead or the manufactured or mobile home after applying section 319.301 of the Revised Code. For the purposes of this division, "qualifying levy" has the same meaning as in section 319.302 of the Revised Code.

(C) The reductions and exemption granted by this section do not apply to special assessments or respread of assessments levied against the homestead~~, and if~~ . If there is a transfer of ownership subsequent to the filing of an application ~~for a reduction in taxes~~under section 323.153 of the Revised Code, ~~such reductions are~~ the reduction or exemption is not forfeited for such year by virtue of such transfer.

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

(E) No reduction in taxes or exemption from taxation shall be made ~~on the taxes due on~~ under this section for the homestead of any person convicted of violating division (D) or (E) of section 323.153 of the Revised Code for a period of three years following the conviction.

Sec. 4503.065. (A)(1) Division (A) of this section applies to any of the following persons:

(a) An individual who is permanently and totally disabled;

(b) An individual who is sixty-five years of age or older;

(c) An individual 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 assessable value under this section in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies.

(2) The manufactured home tax on a manufactured or mobile home that is paid pursuant to division (C) of section 4503.06 of the Revised Code and that is owned and occupied as a home by an individual whose domicile is in this state and to whom this section applies, shall be reduced for any tax year for which an application for such reduction has been approved, provided the individual did not acquire ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the reduction. An owner includes a settlor of a revocable or irrevocable inter vivos trust holding the title to a manufactured or mobile home occupied by the settlor as of right under the trust.

(a) For manufactured and mobile homes for which the tax

imposed by section 4503.06 of the Revised Code is computed under division (D)(2) of that section, the reduction shall equal one of the following amounts, as applicable to the person:

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

(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.

(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.

(b) The amount of the reduction under division (A)(2)(b) of this section equals the product of the following:

(i) Twenty-five thousand dollars of the true value of the

property in money;

(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;

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

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

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

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

(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)(d) of this section. For purposes of divisions (A)(2)(c)(ii) and (iii) of this section, a person receives a reduction under division (A) of this section or under

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 a refund of overpayments for that respective tax year that is approved by the county auditor under section 4503.066 of the Revised Code.

(iii) If the person is not described in division (A)(2)(c)(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)(d) of this section.

(d) The amount of the reduction under division (A)(2)(d) of this section equals the product of the following:

(i) Twenty-five thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D)(1) of section 4503.06 of the Revised Code;

(ii) The percentage from the appropriate schedule in division (D)(1)(b) of section 4503.06 of the Revised Code;

(iii) The assessment percentage of forty per cent used in division (D)(1)(b) of section 4503.06 of the Revised Code;

(iv) The tax rate of the taxing district in which the home has its situs.

(e) Each calendar year, the tax commissioner shall adjust the income threshold described in divisions (A)(2)(a)(iii) and (A)(2)(c)(iii) of this section by completing the following calculations in September of each year:

(i) Determine the percentage increase in the gross domestic product deflator determined by the bureau of economic

analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year;

(ii) Multiply that percentage increase by the total income threshold for the ensuing tax year;

(iii) Add the resulting product to the total income threshold for the ensuing tax year;

(iv) Round the resulting sum to the nearest multiple of one hundred dollars.

The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the second ensuing tax year. The commissioner shall not make the adjustment in any calendar year in which the amount resulting from the adjustment would be less than the total income threshold for the ensuing tax year.

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

~~(1) For manufactured and mobile homes for which the tax~~

~~imposed by section 4503.06 of the Revised Code is computed under division (D)(2) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money by the amounts described in divisions (A)(2)(b)(ii) to (iv) of this section.~~

~~(2) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(1) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D)(1) of section 4503.06 of the Revised Code, by the amounts described in divisions (A)(2)(d)(ii) to (iv) of this section.~~

The ~~reduction~~ exemption is in lieu of any reduction under section 4503.0610 of the Revised Code or division (A) or (C) of this section. The reduction applies to only one manufactured or mobile home owned and occupied by a disabled veteran. For the purposes of sections 4503.064 to 4503.069 of the Revised Code, the exemption under division (B) of this section is a reduction in manufactured home taxes of the amount of current manufactured home taxes that would have been charged and payable against the homestead if the homestead had not been exempted.

If a manufactured or mobile home qualifies for ~~a reduction in taxes~~ an exemption under this division for the year in which the disabled veteran dies, and the disabled veteran is survived by a spouse who occupied the home when the disabled veteran died and who acquires ownership of the home, the ~~reduction~~ exemption shall continue through the year in which the surviving spouse dies or remarries.

(C) The manufactured home tax levied pursuant to division

(C) of section 4503.06 of the Revised Code on a manufactured or mobile home that is owned and occupied by the surviving spouse of a public service officer killed in the line of duty shall be reduced for any tax year for which an application for such reduction has been approved, provided the surviving spouse did not acquire ownership from a person, other than the surviving spouse's deceased public service officer spouse, related by consanguinity or affinity for the purpose of qualifying for the reduction. An owner includes an owner within the meaning of division (A)(2) of this section.

(1) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(2) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money by the amounts described in divisions (A)(2)(b)(ii) to (iv) of this section.

(2) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(1) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D)(1) of section 4503.06 of the Revised Code, by the amounts described in divisions (A)(2)(d)(ii) to (iv) of this section.

The reduction is in lieu of any reduction under section 4503.0610 of the Revised Code or division (A) or (B) of this section. The reduction applies to only one manufactured or mobile home owned and occupied by such a surviving spouse. A manufactured or mobile home qualifies for a reduction in taxes under this division for the tax year in which the public service

officer dies through the tax year in which the surviving spouse dies or remarries.

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

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

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

Section 3. The amendment by this act of section 323.152 of the Revised Code applies to tax year 2023 and every tax year thereafter. The amendment by this act of section 4503.065 of the Revised Code applies to tax year 2024 and every tax year thereafter.