



H.B. 27

123rd General Assembly
(As Introduced)

Reps. Grendell, Metelsky

BILL SUMMARY

- Temporarily authorizes the Tax Commissioner to abate the collection of past-due taxes that have been charged against otherwise exempt property because a tax exemption application was not filed.

CONTENT AND OPERATION

Tax exemption for qualifying property

Current law

Certain classes of property are entitled to exemption from taxation on the basis of how the property is used. The classes include the following:

- Churches and certain church-related property, including books and furniture in a church, the land where the church stands, and real property owned and operated by a church that is used primarily for church retreats or church camping (sec. 5709.07).
- Public schools and colleges that are not operated for profit, including real and personal property owned by a school board (secs. 3313.44 and 5709.07).
- Government-owned and publicly owned real and personal property that is used for a public purpose (secs. 5709.08 and 5709.10).
- Property used exclusively for charitable purposes, including the property of private corporations operated for the advancement of science (sec. 5709.12).
- Cemeteries that are not operated for a profit (sec. 5709.14).

To obtain a tax exemption, property owners must file an application with the Tax Commissioner. However, the Tax Commissioner is prohibited from considering an exemption application if there are outstanding or unresolved tax or assessment charges against the property. Upon the owner's request, the Tax Commissioner is authorized to abate ("remit") up to three years' worth of outstanding taxes, but any taxes that are not abated must be paid before the property may be considered for exemption. (Secs. 5713.08 and 5713.081.)

The bill

The bill provides a temporary procedure whereby qualifying property may be exempted from taxation, and all past-due taxes, penalties, and interest may be abated, even if more than three years' worth of past-due taxes have accrued because an exemption application was not filed.

To qualify for the special abatement and exemption, owners of qualifying property would be required to apply to the Tax Commissioner within six months of the bill's effective date. The application would have to include the name of the county in which the property is located; a legal description of the property; the property's taxable value; the amount of outstanding taxes, penalties, and interest; the date of acquisition of the property; the use of the property during the time taxes accrued; and any other information required by the Tax Commissioner. Upon the request of the owner, any of this information must be supplied by the county auditor. Property owners also would have to obtain and include with this application for abatement a certificate from the county treasurer indicating that all special assessments have been paid in full, and that any taxes that were charged before the property was used for the exempt purpose have been paid in full.

If the Tax Commissioner determines that the applicant qualifies for exemption and abatement under the terms of the bill, the Commissioner must issue an order directing that the property be placed on the list of exempt property and that unpaid taxes, penalties, and interest be remitted for every year the property qualified for exemption.

If, however, the Tax Commissioner determines that the property currently is being used for a purpose that would foreclose its right to exemption, the Commissioner must deny the application. If the Commissioner finds that the property is not entitled to exemption and abatement for any of the years for which exemption and abatement is sought, the Commissioner would be required to order the county treasurer to collect all of the taxes, penalties, and interest charged against the property for those years.

The bill permits the Tax Commissioner to apply the provisions of the bill (1) to any property that is the subject of an application for exemption pending on the effective date of the bill, without requiring the property owner to file an additional application, and (2) to such property that is the subject of an application for exemption filed on or after the bill's effective date, but within six months of the effective date, even if the application does not specifically request abatement of unpaid taxes.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-20-99	p. 89

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