



H.B. 143

123rd General Assembly
(As Introduced)

Reps. Cates, Buchy, Coughlin, Evans, Ford, Grendell, Haines, Harris, Hood, Jordan, Luebbers, Mottley, Netzley, Olman, Roman, Taylor, Tiberi, Trakas, Van Vyven, Jacobson

BILL SUMMARY

- Reduces, for property taxation purposes, the rate of assessment on inventory from 25% to 15% over five years.

CONTENT AND OPERATION

Reduction in the assessment rate of inventory

(secs. 5711.16, 5711.22, 5727.111, and 5727.12)

Current law

Tangible personal property used in business, which includes inventory held by manufacturers and merchants, currently is assessed for taxation at 25% of its true value in money. (True value in money is approximately equivalent to depreciated book value; the assessment rate multiplied by true value determines the "taxable value" of property, against which the local property tax rate is applied; inventory is assessed on the basis of the average value on hand over the course of a year.) The current 25% assessment rate became permanent in 1993, following an extended series of 1% per year reductions in the assessment rate.

Assessment rate reduction for inventory

The bill reduces the rate of assessment for inventory from 25% to 15%. The assessment rate is reduced by two percentage points per year over five years, beginning in 1999. The bill affects inventory held by either a manufacturer or merchant, but not certain "stored property" that is temporarily held in Ohio warehouses for transshipment, because taxation of this property is being phased out (secs. 5711.15, 5711.16(A), and 5711.22(C) and (D)).

Other, noninventory tangible personal property used in business, including merchants' furniture and fixtures and manufacturers' engines, machinery, tools, and implements will continue to be assessed at 25% of true value.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-08-99	p. 168

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