



## **H.B. 16**

125th General Assembly  
(As Introduced)

**Reps. Miller, McGregor, Carano, DePiero, Ujvagi, Domenick, Allen, Koziura, DeBose, Sferra, S. Smith, Jerse, Skindell, Cirelli, Harwood**

---

### **BILL SUMMARY**

- Increases the tax reduction available to elderly and disabled homeowners under the homestead exemption.
- Requires the Tax Commissioner to round homestead exemption inflation adjustments to the nearest multiple of \$10.

---

### **CONTENT AND OPERATION**

#### **Ohio homestead exemption**

(R.C. 323.152 and 4503.065)

The homestead exemption is available for residences (including manufactured and mobile homes) that are owned and occupied by persons who are elderly or disabled and who have limited incomes. To be eligible for the homestead exemption, a household must have income (after certain adjustments) of \$24,100 or less, and the owner or the owner's spouse must be either (1) disabled, (2) at least 65 years of age, or (3) at least 60 years of age and the surviving spouse of a person who received the exemption at the time of death. The exemption is in the form of a reduction in the taxable value of the residence, which translates into a reduction in the tax bill. The extent of the reduction in taxable value depends on a person's income, with greater reductions afforded to those with relatively lower incomes, as follows:

<u>Income</u>	<u>Reduction in Taxable Value</u>
\$0 to 12,500	\$5,000 or 75% (lesser of the two) <sup>1</sup>
\$12,501 to 18,400	\$3,000 or 60% (lesser of the two)
\$18,401 to 24,100	\$1,000 or 25% (lesser of the two)

The Tax Commissioner indexes the foregoing income limits and taxable value reduction amounts annually to account for increases in general price inflation.

**Increase in the tax reduction**

The bill increases the amount of the reduction in taxable value corresponding with each of the three income brackets. The existing \$1,000 reduction is increased to \$2,500; the \$3,000 reduction is increased to \$5,000; and the \$5,000 reduction is increased to \$7,500. The increase in the reduction amounts applies to both real property and manufactured and mobile homes.

**Inflation adjustments rounded to nearest multiple of \$10**

Current law requires that, in indexing income limits and taxable value reductions to account for inflation, the Tax Commissioner must round the resulting amounts to the nearest multiple of \$100. The bill requires the Tax Commissioner to round these sums to the nearest multiple of \$10.

**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	01-28-03	p. 76

H0016-I-125.doc/jc

<sup>1</sup> The lesser of the two is usually the dollar amount. In order for a residence to receive a 60% reduction in taxable value, for example, it would have to have a taxable value of \$5,000 or less, which equates to an appraised market value of only \$14,286.