



**Sub. S.B. 47**

125th General Assembly  
(As Reported by H. Ways & Means)

**Sens. Stivers, Coughlin, Schuler, Mumper, Dann, Carey, Jacobson, Goodman, Carnes, Schuring, Jordan, Herington, Wachtmann, Fedor, Fingerhut, Harris, Nein, Armbruster, Amstutz, Spada, Miller, White, Randy Gardner, Austria, Robert Gardner**

**Reps. Kilbane, Blasdel, Carano, Collier, Core, Gilb, Hartnett, Jerse, Latta, McGregor, Niehaus, Raussen, Schaffer, Skindell, Sykes, Taylor, Ujvagi, Yates**

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**BILL SUMMARY**

- Extends the time within which members of the National Guard and reserve components of the armed forces of the United States who have been called to active duty must pay real property and manufactured home taxes.
- Extends educator licenses for teachers while serving on active duty.
- Exempts leases of computer equipment and related software from the use tax if the equipment and software are held in Ohio temporarily.
- Delays the effective date of previously enacted changes in the sales tax law.
- Declares an emergency.

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**CONTENT AND OPERATION**

**Property tax extensions for military members**

The bill authorizes an extension of the time within which taxes must be paid on any real property or manufactured or mobile home that is owned by any of the following: (1) a member of the National Guard or a member of a reserve component of the armed forces of the United States who is called to active duty, (2) the spouse of such a member, (3) such a member jointly with that member's spouse or dependent parent, or (4) the dependent parent of such a member who

dies during such duty or as the result of wounds or illness incurred during such duty (sec. 323.122(B)).

**Who may apply for the extension**

Under the bill, the member, or the spouse or parent of the member, may apply to the county treasurer for an extension for the payment of taxes and assessments charged against the real property or manufactured or mobile home and payable during the period of the member's duty and the six months ensuing termination thereof. (An application may be made on a member's behalf by another person acting under a power of attorney for the member.) Application must be made not later than the last day of the sixth month after the month in which the member's duty terminates. The applicant must provide evidence satisfactory to the county treasurer to demonstrate eligibility for the extension. (Sec. 323.122(C).)

**Contract requirements**

If the county treasurer determines that the applicant qualifies for an extension under the bill, the treasurer is required to enter into a contract with the applicant for payment of the taxes and assessments in installments, in the same manner as, and subject to the same terms and conditions of, delinquent tax contracts, except that the contract must specify that payments begin in the seventh month after the member's duty terminates. (Existing law permits a person who owns agricultural real property or owns and occupies residential real property or a manufactured or mobile home to have at least one opportunity to pay delinquent or unpaid current taxes charged against the property. To do so, the person must enter into a delinquent tax contract that provides for the payment of taxes in specific installments over a period not to exceed five years.)

Taxes and assessments, payment of which has been extended under the bill, do not constitute delinquent taxes and cannot be placed on the delinquent land list or delinquent manufactured home tax list, notwithstanding existing laws regarding when property is placed on delinquent tax lists or delinquent land lists or duplicates, when it is subject to penalties and interest, and how delinquent taxes are paid for real property and manufactured or mobile homes. But if the contract becomes void, and a new contract is not entered into pursuant to the delinquent tax contract law, those existing laws do apply. (Sec. 323.122(C).)

**Tax payments through mortgage companies, other agents**

If a member, or a spouse or parent of a member, qualifies for the bill's extension, and that member, spouse, or parent has designated an agent for the payment of taxes and assessments that has been extended, that agent is prohibited from requiring the member, spouse, or parent to pay to the agent any such taxes



and assessments for the period for which payment is extended. If those taxes or assessments are paid by the member, spouse, or parent to an agent as part of a mortgage loan installment payment, the agent must deduct the portion of the payment that represents such taxes and assessments from the amount of each such payment payable during the period of extension. (Sec. 323.122(D).)

### **No penalties or interest during contract period**

If the member, or the member's spouse or parent has entered into a contract under the bill before the first day of the seventh month after the month in which the member's duty terminates, the county auditor and treasurer must remove from the tax list and duplicate any penalties and interest that were charged under existing law during the member's duty and before the first day of the seventh month after the month in which the member's duty terminates. (Sec. 323.122(E).)<sup>1</sup>

### **Notice regarding the extension**

County treasurers must include a notice of, and information about, the extension provided by the bill on or with real property or manufactured home tax bills mailed or delivered under existing law, or by providing for a notice to appear in a newspaper of general circulation in the county. (Sec. 323.122(F).)

### **Extension of educator licenses**

The bill authorizes an extension of educator licenses for National Guard and Armed Forces Reserve members serving on active duty. The extension applies to a member or reservist who holds a valid educator license at the time of deployment and who is honorably released from active duty. The license is extended for a time commensurate with the length of active duty service, but does not expire before the following June 30. (Sec. 3319.284.)

### **Use tax exemption for computer leases**

The bill exempts certain leased computer equipment and related software from the use tax. To be exempted, computers and software must be leased from a lessor located outside Ohio, and they must be initially received in Ohio on behalf of the consumer by a third party that retains the computers and software for no more than 90 days, and, within that 90-day period, delivers the computers and

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<sup>1</sup> For real property taxes, existing law requires that the full amount be paid on or before December 31, or ½ of the current taxes together with delinquent taxes before that date, and the remaining ½ on or before the following June 20. For manufactured home taxes, ½ of the tax is due on or before March 1 and the balance is due on or before July 31, or the tax for the entire year may be paid in full on March 1.

software to the consumer outside Ohio. Any taxable charges other than the lease are not exempted while the computers or software are in Ohio, and the exemption does not apply to computers and software that become subject to the use tax because they are later used, stored, or consumed in Ohio. (Sec. 5741.02(C)(8).)

**Delay in sales tax provisions**

The bill delays the effective dates of two previously enacted sales tax provisions. Both provisions originally were enacted by S.B. 143 of the 124th General Assembly. One of the provisions increased the minimum length of time before a county sales tax rate change takes effect, from 30 days to 60 days. The other provision changed rules governing where a sale occurs for the purpose of determining whether the sale is taxable in Ohio and applying the appropriate sales tax rate. The effective dates are delayed from July 1, 2003, to January 1, 2004. (Sections 6 to 11.)

**Effective date**

The bill is declared to be an emergency measure taking immediate effect for the reason that active duty military personnel may face real economic hardships while serving their country and urgently need the financial relief provided by the real property and manufactured home tax extensions (Section 12).

**Definitions**

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of Congress, an order of the Governor to the Ohio National Guard, or a Governor's proclamation for the Ohio organized militia to aid the civil authorities. A "dependent parent" is a parent, who, at the time the member was activated, received from the member at least half of the dependent parent's support, including food, shelter, clothing, and medical and dental care. (Sec. 323.122(A).)

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	03-06-03	p. 169
Reported, S. State & Local Gov't & Veterans Affairs	04-08-03	p. 249
Passed Senate (33-0)	04-09-03	pp. 274-275
Reported, H. Ways & Means	05-22-03	pp. 509-510

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