



S.B. 276

126th General Assembly
(As Introduced)

Sens. Cates, Coughlin, Clancy, Hagan, Schuring, Grendell

BILL SUMMARY

- Authorizes a taxing authority to reduce property taxes or manufactured home taxes levied on the homesteads of individuals age 65 or older, by doing so in the resolution under which the taxes are first levied, or are replaced or renewed.
- Provides that homeowners must apply for the reduction in substantially the same way they apply for the homestead exemption, if they are applying for that exemption based on age, and the reduction is administered in similar fashion.
- No income limits apply for an elderly homeowner to be eligible for the property tax reduction; the state does not reimburse local governments for revenue denied them because of the reduction.

CONTENT AND OPERATION

Property tax reduction for elderly homeowners if authorized by a taxing authority

(R.C. 323.152(C), 4503.065(C), and 5705.17)

The bill authorizes a taxing authority (see **COMMENT**, below) to declare in a resolution authorizing the levy of a property tax that it is a public purpose to exempt "homesteads" owned and occupied by persons 65 years of age or older from the property tax levied under the resolution, and that therefore the total taxes otherwise charged and payable against these homesteads are reduced by exempting the amount of "taxes charged and payable" from the tax levied under the resolution. "Taxes charged and payable" are the taxes charged and payable against a homestead after reductions are made for the H.B. 920 credit, the 10% rollback, the homestead exemption (if the homeowner is eligible), and the 2.5%

reduction for owner-occupied homes, or, in the case of a manufactured or mobile home, the taxes charged against the manufactured or mobile home.

The tax reduction provided for in the resolution applies to the renewal or replacement of the property tax levied under the resolution, unless the taxing authority declares in the resolution that the reduction in taxes does not apply to the renewal or replacement tax. A resolution renewing or replacing a tax that was in effect on the bill's effective date may provide that the reduction in taxes authorized by the bill applies to the renewal or replacement tax.

Eligibility

(R.C. 323.152(C), 4503.065(C), and 5705.17(C))

To be eligible for the tax reduction, an individual must turn 65 years of age at some time during the year for which an application for the reduction is first made. The individual's "homestead" must be a dwelling, unit in a housing cooperative, manufactured home, or mobile home, including up to one acre surrounding it, and must be owned and occupied as a home by the individual whose domicile is in Ohio, and must not have been acquired from a relative, other than the individual's spouse, for the purpose of qualifying for the tax reduction. No income limits apply. The bill's tax reduction applies to manufactured or mobile homes, whether they are taxed as real property or taxed under the manufactured home tax, but the manufactured or mobile home must be situated in a taxing district the tax authority of which adopted a resolution for reduction of taxes under the bill.

Application for the reduction; administration

(R.C. 323.152(C), 323.153, 323.154, 323.156, 323.159, 4503.065(C), 4503.066, 4503.067, and 4503.068)

The bill requires that eligible homeowners apply to the county auditor for the tax reduction in substantially the same way they apply for the homestead exemption, if they are applying for the homestead exemption based on being age 65 or older. The real property or manufactured home taxes are reduced each year for which a homeowner obtains a certificate of reduction from the county auditor.

Homeowners need to apply for the reduction only once, and do not have to reapply unless there is a change in ownership of the homestead. They also are subject to the same penalties for falsifying eligibility claims as are recipients of the homestead exemption. In most respects, the tax reduction is to be administered in the same manner as the homestead exemption, except that no income verification

is required, and the state does not reimburse local governments for revenue denied them because of the tax reduction.

Acknowledgment of tax reduction when selling home

(R.C. 319.202(A)(1) and (2)(a))

As is the case with the homestead exemption, homeowners who receive the bill's tax reduction must, when selling a home, indicate that the buyer has been informed whether the taxes on the real property or manufactured or mobile home will or will not be reduced in the year of the sale.

COMMENT

A "taxing authority" is a board of county commissioners; the council or legislative authority of a municipal corporation; a board of education; a board of trustees of a community college district or technical college district; a joint board of county commissioners for a detention facility district; a board of township trustees; a board of fire district trustees; a joint recreation district board of trustees; a board of alcohol, drug addiction, and mental health services; the board of trustees of a joint ambulance district or fire and ambulance district; the legislative authority of a municipal corporation and the board of township trustees for a union cemetery district; the board of county commissioners for a drainage improvement district; a joint board of county commissioners for a joint emergency medical services district; the board of township trustees for a township police district, township fire district, township road district, or township waste disposal district; and an educational service center governing board.

HISTORY

ACTION	DATE
Introduced	02-23-06

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