
Detailed Fiscal Analysis

Under current law, the board of county commissioners may levy a uniform transfer tax rate up to thirty cents for each one hundred dollars (permissive) on the conveyance of real property or a manufactured home located in the county. In tax year 1997, sixty-seven counties levied this permissive tax. All counties levy a ten-cent per one hundred dollars of value tax to cover administration costs. The grantor named in the deed pays this levy to the county auditor. S.B 41 would allow the board of county commissioners to apply a separate and lower transfer (permissive) tax rate to real property conveying a homestead.

To estimate the fiscal impact of S.B. 41, data on real and manufactured home property that currently receives the homestead exemption and is sold to an individual who may or may not qualify for the homestead exemption the following tax year is needed. This information is not readily available, but Cuyahoga County Auditor's Office supplied data for their county. In 1997, 3,200 of their 27,255 (11.7%) conveyances were homestead properties. In tax year 1997, Cuyahoga County levied a permissive tax of thirty cents per one hundred dollars of value, which raised \$11 million in county revenue. The state total collection of permissive levies was \$49.5 million in 1997. If Cuyahoga County is representative of the state as a whole, then approximately \$5.8 million dollars in homestead transfer fees were collected statewide in 1997. If *all counties* lowered their real property transfer tax rate to zero for homestead properties, there would be an approximate annual loss of \$5.8 million in county revenues, or an average of \$87,000 per county (for the 67 counties levying the permissive transfer tax). Losses would range from about \$1 million in Cuyahoga County to a few thousand dollars in the smallest counties.

County Permissive Real Property Transfer Tax Rates, 1997

<u>Rate per \$100 of value</u>	<u>Counties</u>
3.0	Carroll, Columbiana, Cuyahoga, Erie, Fulton, Geauga, Harrison, Henry, Holmes, Jackson, Lake, Lawrence, Lorain, Mahoning, Perry, Sandusky, Seneca, Stark, Summit, Trumbull, Tuscarawas, Vinton.
2.0	Allen, Ashland, Athens, Belmont, Brown, Clermont, Defiance, Delaware, Guernsey, Hancock, Hardin, Knox, Lucas, Medina, Monroe, Morrow, Paulding, Pickaway, Portage, Putnam, Warren, Washington, Williams, Wood, Wyandot
1.5	Hamilton
1.0	Butler, Clark, Coshocton, Crawford, Licking, Logan, Marion, Miami, Montgomery, Muskingum, Noble, Ottawa, Pike, Preble, Richland, Shelby, Union, Van Wert, Wayne
0.0	Adams, Ashtabula, Auglaize, Champaign, Clinton, Darke, Fairfield, Fayette, Franklin, Gallia, Greene, Highland, Hocking, Huron, Jefferson, Madison, Meigs, Mercer, Morgan, Ross, Scioto.

□ LBO staff: *Jeff Petry, Economist*

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