School District Property Taxes in Ohio

**Taxable Value**

Real Property is generally assessed at 35% of true value. Public Utility Tangible Personal Property (TPP) is assessed at rates ranging between 24% and 88%.

Residential and agricultural property comprise roughly 72% of state total taxable value.

Statewide Composition of Taxable Value, TY 2020

- Residential, 67%
- Agricultural, 5%
- Commercial, 15%
- Industrial, 4%
- Mineral & RR, < 1%
- Public Utility TPP, 9%

**Statewide Total Value**

$307 B

**District property values per pupil vary widely**

Est. Average Taxable Value Per Pupil by Wealth Quintile, FY 2022

- Wealth Quintile 1 (lowest variation to highest)
  - $106,692
  - $151,025
  - $189,244
  - $217,632
  - $300,140

**Tax Rates**

Types of property tax levies

- Generally, school districts use five different types of levies:
  - Unvoted: Within 10 mill limitation (inside mills)
  - Require voter approval: Current expense (operating) levies, Emergency and substitute levies, Permanent improvement levies, Bond debt service levies

**Tax reduction factors**

Ohio limits tax revenue growth on existing (previously taxed) real property by applying tax reduction factors to certain levies, lowering millage rates below the voted rate. However, a school district's combined real property millage from current expense levies and inside mills for operating expenses cannot fall below 20 effective mills (the "20 mill floor").

Small town districts are most likely to be on the 20 mill floor.

**Tax Revenue**

School districts levied $12.6 billion in property taxes in TY 2020, mostly for operating expenses

School District Property Tax by Levy Purpose and Major Levy Type ($ in billions), TY 2020

- Current Expense, $8.43, 67%
- Inside Millage, $1.30, 11%
- Operating, $11.06, 88%
- Emergency/Substitute, $1.29, 10%
- Capital, $1.58, 12%
- Permanent Improvement, $0.43, 3%
- Bond Debt Service, $1.15, 9%

The state pays $1.2 billion of school property taxes each year through various property tax relief programs.

- The state reimburses school districts for the following credits that lower the tax paid by qualifying property taxpayers:
  - 10% of tax on all residential and agricultural property
  - Additional 2.5% of tax on owner-occupied homes
  - Homestead exemption for the elderly or disabled (spares from taxation the first $25,000 of true value—$8,750 of taxable value)

The 10% and 2.5% credits do not apply to new levies enacted in November 2013 and onward. The Homestead Exemption is means-tested; in 2021, eligibility is generally limited to otherwise eligible individuals earning $34,200 or less.