

School District Property Taxes in Ohio

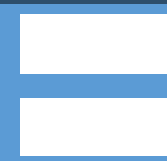
Ohio Legislative Service Commission

November 2018

Taxable Value



Tax Rates

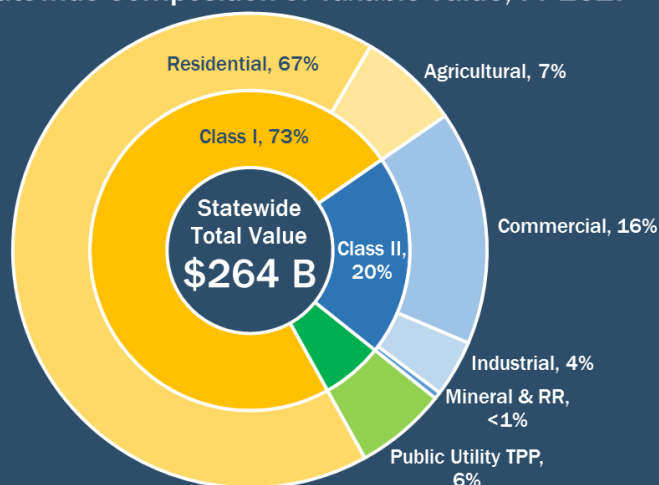


Tax Revenue

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%**.

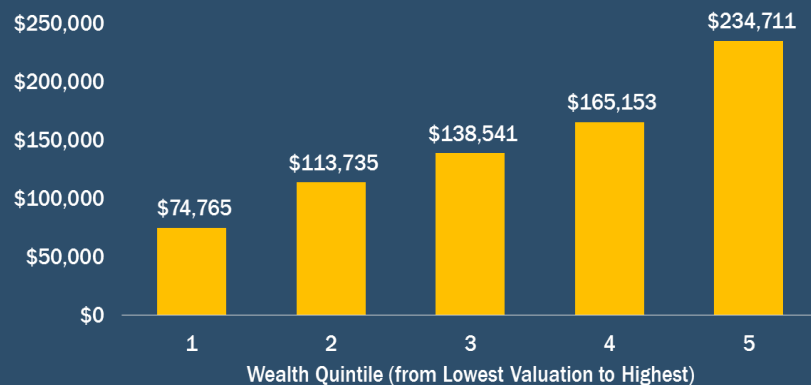
Residential and agricultural property comprise over **73%** of state total taxable value

Statewide Composition of Taxable Value, TY 2017



District property values per pupil vary widely

Average Taxable Value Per Pupil by Wealth Quintile, FY 2018



Types of property tax levies

Generally, school districts use five different types of levies:

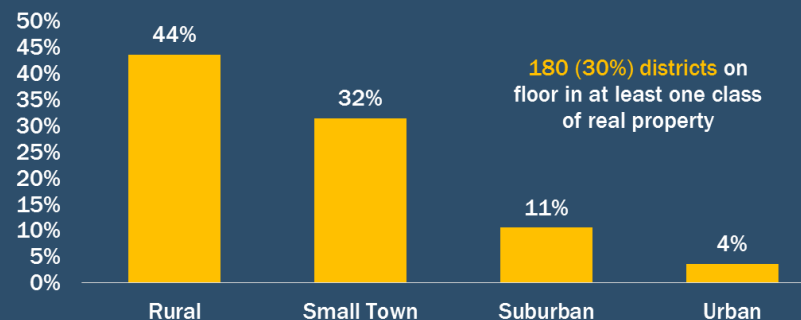
Unvoted	Within 10 mill limitation (inside mills)
Require voter approval	Current expense (operating) levies Emergency and substitute levies Permanent improvement levies Bond debt service levies

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").

Rural districts are most likely to be on the 20 mill floor

Percentage of Each Type of District on the 20 Mill Floor, TY 2017

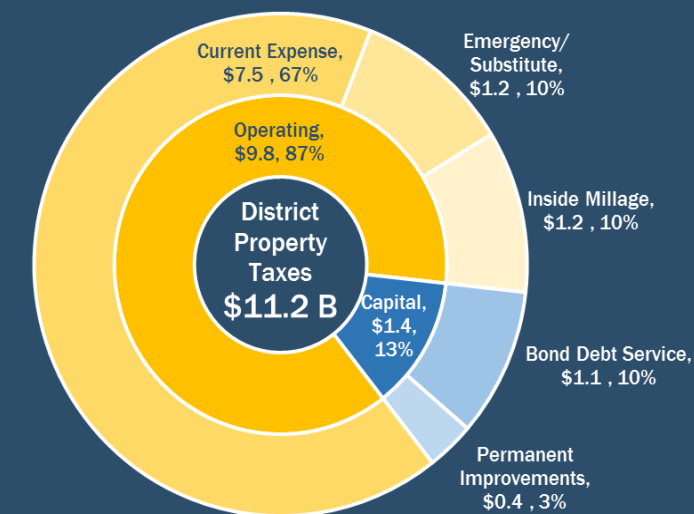


Statewide, school districts levied a weighted average of about **43 effective mills** across all types of property taxes in TY 2017

The median district levied **33 effective mills**
66% of districts levied between **25 and 46 effective mills**

School districts levied **\$11.2 billion** in property taxes in TY 2017, mostly for operating expenses

School District Property Tax by Levy Purpose and Major Levy Type (\$ in billions), TY 2017



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 2019, eligibility is generally limited to otherwise eligible individuals earning \$32,800 or less.