



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 274*
135th General Assembly

Bill Analysis

[Click here for H.B. 274's Fiscal Note](#)

Version: As Reported by House Ways and Means

Primary Sponsors: Reps. Mathews and Dell'Aquila

Zachary P. Bowerman, Attorney

SUMMARY

- Establishes an enhanced homestead exemption for certain long-term homeowners who qualify for the general homestead exemption.
- Reimburses local taxing authorities from the GRF for forgone revenue resulting from the new enhanced exemption.

DETAILED ANALYSIS

Homestead exemptions

The bill expands a property tax credit available on the homestead of certain qualifying individuals. Under current law, this "homestead exemption" equals the taxes that would be charged on up to \$26,200 of the fair market value of a home owned by a person who is 65 years of age or older, permanently and totally disabled, or at least 59 years old and the surviving spouse of an individual who previously received the exemption (referred to in this analysis as the "general homestead exemption"). The credit essentially exempts \$26,200 of the value of a homestead from taxation.

Also under current law, special "enhanced" exemptions of \$52,300 are available for the homesteads of military veterans who are totally disabled and their surviving spouses (referred to in this analysis as the "disabled veteran exemption") and for surviving spouses of peace officers, firefighters, or other emergency responders who die in the line of duty or by an injury or illness sustained in the line of duty (referred to in this analysis as the "public service officer exemption").

* This analysis was prepared before the report of the House Ways and Means Committee appeared in the House Journal. Note that the legislative history may be incomplete.

All three current homestead exemptions also apply to manufactured and mobile homes, regardless of whether they are taxed as real property or taxed under the manufactured home tax. They also apply to housing cooperatives, though the requirement for the individual to own the home does not apply in that context. Under continuing law, the exemption amounts are indexed to increase with inflation.

Homeowners who first receive the general homestead exemption for tax year 2014 or later (or tax year 2015 for homeowners who pay the manufactured home tax) must have an Ohio modified adjusted gross income of \$38,600 or less, as computed for state income tax purposes (including all business income and excluding Social Security and disability benefits). Under continuing law, this income limit is increased each year to adjust for inflation. Homeowners who received the general homestead exemption before 2014 are not subject to the income limit, and no income limit applies to the disabled veteran exemption or public service officer exemption.

Long-term owner homestead exemption

The bill establishes a third enhanced homestead exemption of \$50,000 for long-term homeowners. To qualify, a person must satisfy the criteria for the general homestead exemption, including meeting the income limit, and also have continuously owned and occupied the homestead or manufactured home for 20 or more consecutive years. This enhanced exemption also extends to the homeowner's surviving spouse until the spouse remarries, provided the spouse meets the income limit for the general homestead exemption.¹ As with all current homestead exemptions, local taxing units are reimbursed by the state for the reduction in property tax revenue that results from the bill's enhanced homestead exemption. The reimbursement is paid from the GRF semiannually or annually.² The \$50,000 exemption amount is indexed to increase with inflation in line with the existing homestead exemptions.

The new enhanced homestead exemption applies beginning in tax year 2025 for real property and tax year 2026 for manufactured or mobile homes. (The difference accounts for the fact that property taxes are paid one year in arrears, while manufactured and mobile home taxes are paid in the current year.)³

¹ R.C. 323.152(A)(4), 323.153, 4503.065(F), and 4503.066.

² R.C. 323.156 and 4503.068, not in the bill.

³ Section 3.

HISTORY

Action	Date
Introduced	09-18-23
Reported, H. Ways & Means	--
