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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 22**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 22's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Lorenz and D. Thomas

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill's exemption from property tax on a primary residence of a surviving spouse of a military veteran killed in the line of duty could increase the cost of homestead exemptions by an estimated roughly \$3 million per year.
- Revenue losses of school districts and local governments would be fully reimbursed from the state GRF. If the bill is effective for tax year (TY) 2025, GRF expenditures would increase by \$1.5 million in FY 2026 and \$3.0 million in FY 2027 and years thereafter.

### **Detailed Analysis**

The bill would provide an exemption from all property taxes for a surviving spouse of a member of the United States uniformed services, including reserves and national guard, who was killed in the line of duty while serving. "Killed in the line of duty" is defined in the bill to mean either that death occurred in the line of duty, or that death resulted from injury sustained in the line of duty, including heart attack or other fatal injury or illness caused while in the line of duty. The exemption would apply for the tax year in which the qualifying service member died through the tax year when the surviving spouse dies, remarries, or cohabitates with a person not related to the surviving spouse by common ancestry.

The United States Department of Defense publishes data on active duty military deaths by year, war, and manner of death. The data are at the national level and include no information on surviving spouses. From 1980 through 2022, about 61,000 active duty military deaths were

reported, about 9% of which were attributed to hostile action.<sup>1</sup> Of these deaths attributed to hostile action, perhaps around 2,100 may have been Ohioans, based on the state's 3.5% share of the population. Additional numbers of active duty military deaths occurred in the Vietnam (58,220) and Korea (36,574) conflicts. World War II is not included here because the number of surviving spouses of those who died in that war are expected to be extremely low.

Of active duty military deaths among Ohioans in the past 44 years, perhaps half of the deceased persons were married. This is no more than an educated guess, in the absence of a source for this information, based on the fact that many of those who died were young.<sup>2</sup> According to the 2023 American Community Survey (ACS), 70% of surviving spouses in Ohio owned their homes. Combining these two estimates, surviving spouses who are also homeowners may be some 35% of the estimated active duty military deaths of Ohioans. In addition, Ohio homeowners who were married to military members who died on active duty in Vietnam and continue to survive may amount to a few hundred, and fewer still for the Korean conflict.

Based on these considerations, Ohio has perhaps very roughly 1,100 surviving spouse homeowners whose military veteran spouses were killed in the line of duty. If they pay average amounts of taxes paid by surviving homeowners in Ohio, about \$2,700 per year, the total property taxes they pay would be around \$3 million per year.<sup>3</sup> However, this average is based on Census data that censored property taxes paid for homeowners that paid more than \$10,000 to protect the privacy of survey respondents. Therefore, the average reported here is a lower bound estimate and the actual property taxes paid could be substantially higher depending on the actual property taxes owed for surviving spouses in high-valued homes. Additionally, the full tax exemption provides a modest incentive to purchase and reside in a more expensive home as the annual cost of doing so would be lowered. Inasmuch as the recipients of the full exemption respond to this incentive, the overall cost may be somewhat higher.

Information from the Ohio Adjutant General's Office lends some support to the plausibility of an estimate around this order of magnitude. That agency indicated to LSC that it is currently tracking about 301 surviving spouses living in Ohio. These are spouses of Army and Air Force National Guard who died in the line of duty, not including casualties in the regular Army, Air Force, or other service branches.

The bill's benefit for surviving spouses is written as amendments of the Revised Code sections that provide for the homestead exemption. Revenue losses to school districts and local governments as a result of homestead exemptions are fully reimbursed from the state GRF. Consequently, the revenue losses from the bill would also be fully reimbursed.

The bill's provisions could apply as soon as TY 2025 for real property and TY 2026 for manufactured or mobile homes, both payable in calendar year 2026. Under this timeline, GRF

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<sup>1</sup> Source: [U.S. Active Duty Military Deaths by Year and Manner, 1980-2022](https://dcas.dmdc.osd.mil/dcas/app/home) which is accessible from [dcas.dmdc.osd.mil/dcas/app/home](https://dcas.dmdc.osd.mil/dcas/app/home).

<sup>2</sup> An indication of the ages of active duty Ohioans who died in service is found in this compilation of pictures: [ohiofallenheroes.org/fallen-heroes](https://ohiofallenheroes.org/fallen-heroes).

<sup>3</sup> This average was calculated from the [2023 American Community Survey](https://www.census.gov/data/tables/2023/acs/2023-acs.html).

expenditures would increase by \$1.5 million in FY 2026 and \$3.0 million in FY 2027 and years thereafter. All such expenditures would be sourced from appropriation item 200903, Property Tax Reimbursement – Education, and appropriation item 110908, Property Tax Reimbursement – Local Government. Section 387.20 of the main operating budget appropriates additional amounts as necessary to make the reimbursement payments authorized by the applicable section of the Revised Code.