



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Mackenzie Damon

S.B. 302

131st General Assembly
(As Introduced)

Sens. Schiavoni and Gentile, Cafaro, Hughes, Skindell

BILL SUMMARY

- Exempts the primary home of a totally and permanently disabled veteran from real property taxation or the manufactured home tax.
- Reimburses taxing units for the taxes forgone by the exemption from the state General Revenue Fund.

CONTENT AND OPERATION

Property tax exemption for disabled veteran homesteads

The bill provides a full exemption from taxation for the primary residences of disabled veterans. The exemption expands upon the existing homestead exemption for such homeowners.

Current homestead exemption

Current law provides an enhanced homestead exemption for the primary residence of a disabled veteran. The exemption is a property tax credit equal to the taxes that would be charged on up to \$50,000 of the appraised market value of the veteran's primary home. (By comparison, the standard homestead exemption – for individuals who are 65 years of age or older, permanently and totally disabled but not a veteran, or a surviving spouse of such a person – is a reduction of \$25,000 of the market value of the homestead property. There are also income limitations for many such property owners that do not apply to disabled veterans.) The exemption also applies to manufactured and mobile homes regardless of whether they are taxed as real property

or taxed under the manufactured homes tax (except that manufactured and mobile homes are assessed at 40% of cost or market value and are depreciated).¹

Full property tax exemption

The bill entirely exempts a disabled veteran's primary home from taxation. The requirements that a homeowner must meet to receive the bill's full exemption are the same as those for the existing enhanced homestead exemption. The homeowner must (1) be a veteran of the United States armed forces or reserves, or of the National Guard, (2) have been discharged or released from active duty under honorable conditions, and (3) have received a total disability rating or a total disability rating for compensation based on individual unemployability for a service-connected disability or combination of service-connected disabilities.

As with the existing homestead exemption, a disabled veteran must apply to the county auditor to receive the full exemption, and must provide written confirmation of disability from the U.S. Department of Veterans Affairs or other federal agency. If a disabled veteran dies while receiving the exemption, the exemption continues for the homestead if a surviving spouse acquires ownership of the homestead and resides there. The exemption continues through the year in which the surviving spouse dies, ceases to own or occupy the homestead, or remarries. (If the homestead is a unit in a housing cooperative, the surviving spouse would not have to acquire ownership, but would have to occupy the unit.)²

Local government reimbursement

As with the existing homestead exemption, local taxing units would be reimbursed by the state, from the General Revenue Fund, for any taxes foregone due to the exemption. And, county auditors and treasurers would receive an amount equal to 2% of the exempted taxes to defray their administrative costs.³

Effective date

The full exemption is first available in the 2016 tax year for homesteads subject to the real property tax, and the 2017 tax year for homes subject to the manufactured home tax. (The discrepancy is because real property taxes are payable in arrears, while manufactured home taxes are payable on a current-year basis.) In order to receive the exemption for the 2016 tax year, the bill allows homeowners to file late applications

¹ R.C. 323.152 and 4503.065.

² R.C. 323.151, 323.152, 323.153, 4503.064, 4503.065, and 4503.066.

³ R.C. 323.156.



during the 2017 filing period and to receive a refund for any tax year 2016 taxes already paid.⁴

HISTORY

ACTION	DATE
Introduced	03-29-16

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⁴ Section 3.

