



**Session 7**  
**Wednesday, May 8<sup>th</sup>**  
**11:00am – 12:00pm**  
**Dublin Marriott**

***Tax Roots and How the System has Grown – A Comprehensive Overview of Ohio's Property Tax System***



**Our Guest**

**Larry Long**

**Retired Executive Director  
County Commissioners Association  
of Ohio**



**Lecturer, OSU John Glenn College  
of Public Affairs**



**CEO, The Ohio Projects Group LLC**



# Jean Baptiste Colbert

First French Minister of  
State

1661-1683



***“The art of taxation  
consists in so plucking the  
goose as to get the most  
feathers with the least  
hissing.”***



# Ancient Forms of Property Tax . . .

## 6000 BC (Tithes & Tributes)



*Records from  
City State of  
Lagash on Clay  
Tablets*



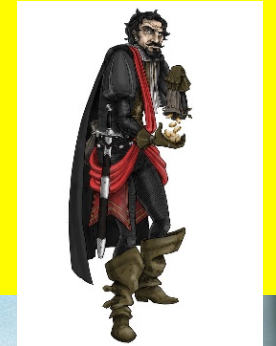
# Property Taxes . . . 11<sup>th</sup> Century Medieval England



## *The Domesday Book: “Day of Judgement”*



*Shire- Reeve*



*How many ploughs are there in the manor ?*

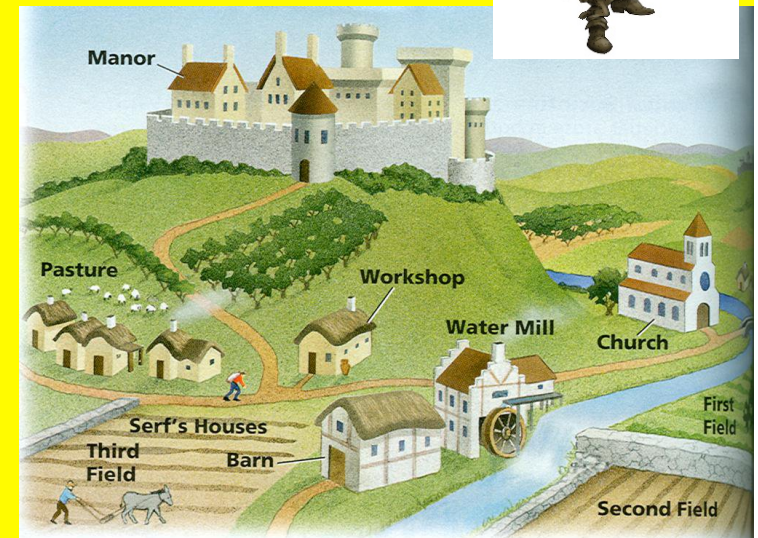
*How many mills and fishponds ?*

*How many freemen, villagers and slaves are there in the manor ?*

*How much woodland, pasture, meadow ?*

*What does each freeman owe in the manor ?*

*How much is the manor worth ?*



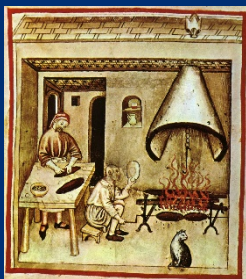
# 17<sup>th</sup> Century English Property Taxes

moved from England and used on the Continent

## The English Hearth Tax 1662-1689



Property Value less than 20 shillings: tax = 1 shilling per hearth annually; value greater than 20 shillings: tax = 2 shillings per hearth



Hearth Tax also used in Germany



## The English Windows Tax 1696

- Rate = 2 shillings/ house + 4 shillings for 10-20 windows; 8 shillings if more than 20 windows
- 1709 top rate = 20 shillings for 30 or more windows
- 1748 Scottish tax for homes with 7 or more windows.
- French windows tax 1798
- Tax window tax was repealed in England in 1851 (156 years); repealed in France in 1926.

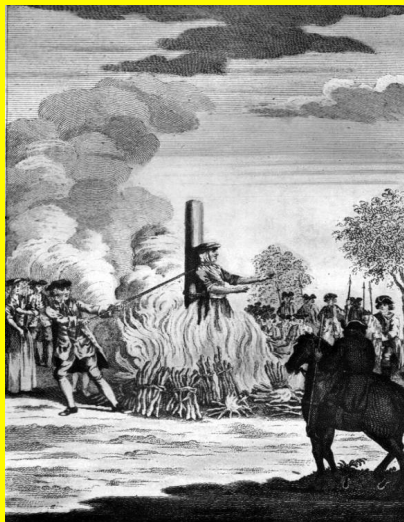
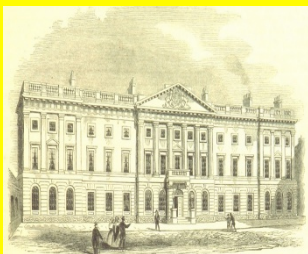


# The **English** Windows Tax Comes & . . . . . Goes

*Windows Tax enacted because of currency devaluation of gold & silver coins from "Coin Clipping, Sweating, & Plugging"*

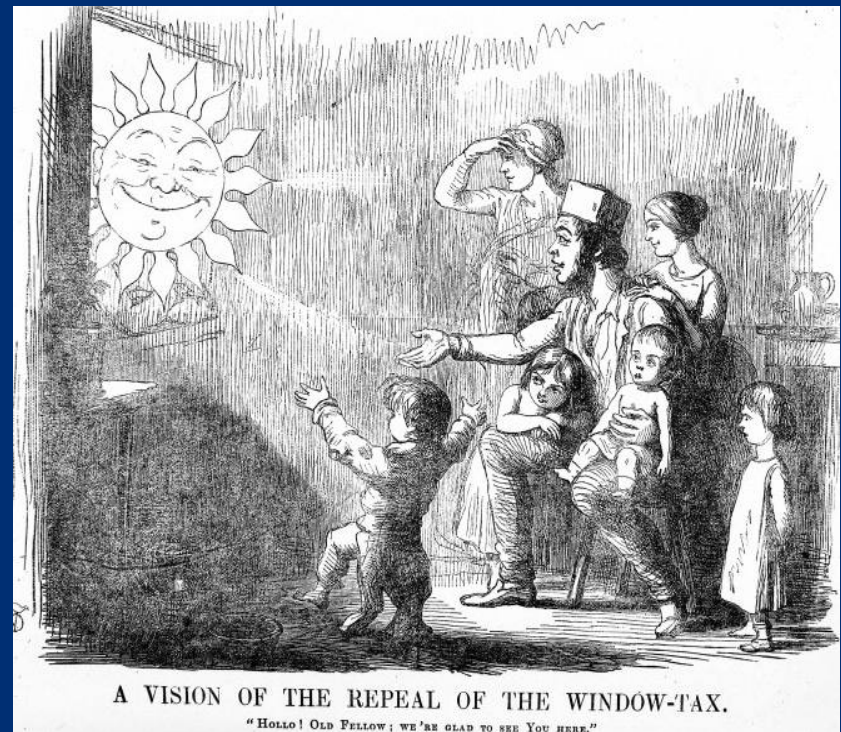


**Treason:  
Burned at Stake**



**"Not Worth a Plugged  
Nickle"**

**"Tax on Health"  
"Tax on Light & Air"**

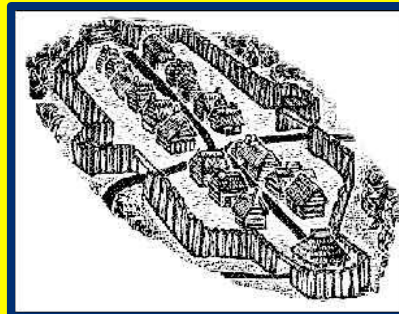


**Repealed in 1851**

# Northern Colonial Taxes



## *Pilgrims of Plymouth Colony*



## *Taxes and Assessments*

More productive land assessed at higher rates

1633--ranged from 9 shillings to 3 pounds, 11 schillings

A bushel of corn = 6 shillings

## *Puritans of Boston*

**Sheriff was assessor/collector until 1733**

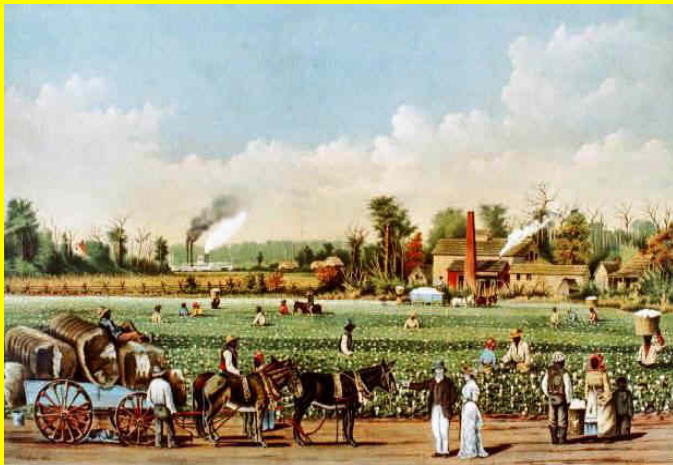
**By 1822 assessments for real, personal, & intangible property**

**Sick, aged, poverty stricken exempted & sometimes helped (welfare)**

**Public meetings & publication of tax lists as there were complaints over abatements, irregularities, & residency fraud**

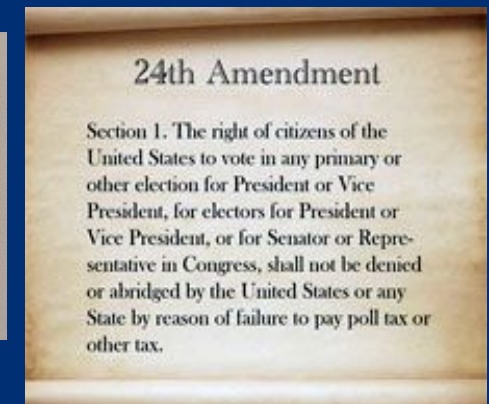
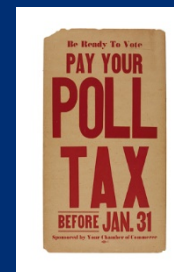
# Colonial **Poll Tax** in the South—*not what you think it is today*

***Poll Taxes Favored by Plantation Owners and & Power Structure***



**What is a Poll Tax? A flat tax per person—a Head Tax • Capitation Tax**

**Poll Taxes Re-established After Civil War to stop poor and blacks from voting**



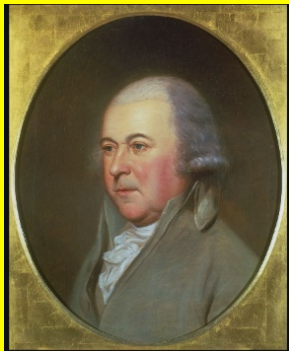
\$1.50	<b>POLL TAX RECEIPT</b>	No. 1219
COUNTY OF RANDOLPH, ALA., <i>Jan 3</i> 1915		
Received of <i>Henry L. Foster</i>		
the sum of ONE DOLLAR AND FIFTY CENTS, for Poll Taxes due by him for 1915.		
District No. _____ Precinct No. <i>11</i> Color <i>1/2</i>		
COUNTERSIGNED BY <i>m. c. Allgood</i>		
State Auditor.		Tax Collector



# A Property Tax for the Federal Government?

## U. S. Direct Tax of 1798 (Property, Land, Slaves)

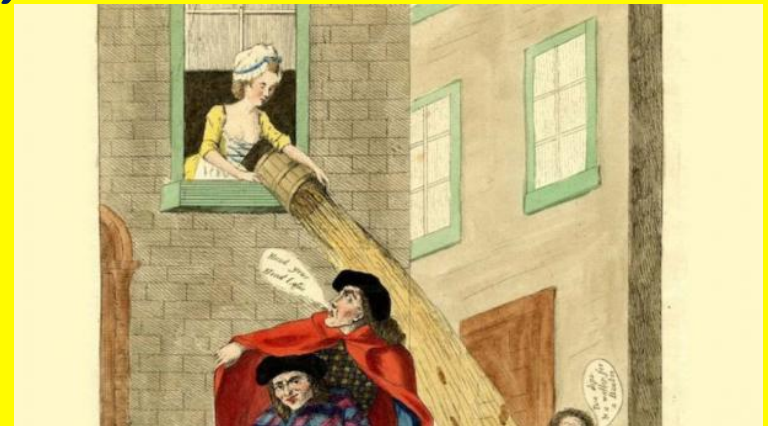
*“for the valuation of lands and dwelling houses and the enumeration of slaves within the United States,”*



### “Windows Tax”

*“Hot Water Tax”*

*“Chamber Pot Tax”*



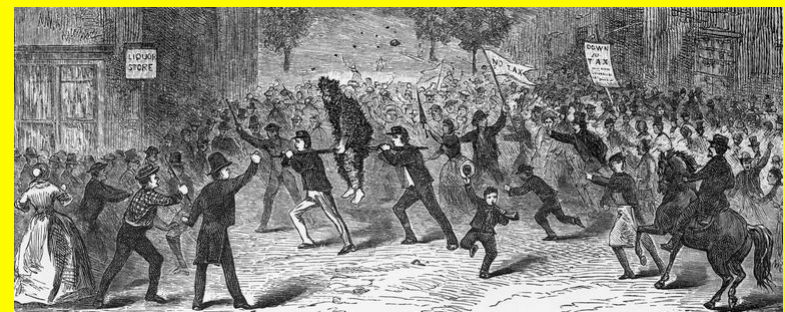
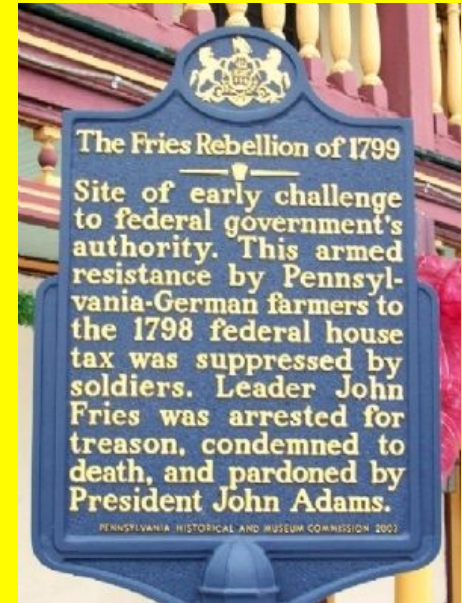
- John Adams proposes
- Fear of imminent War with France
- To raise \$2 M and divided into state shares by population
- *Federal assessors riding around counting and measuring windows—the basis of assessment*
- Thomas Jefferson abolishes it in 1802

# The Fries Rebellion Over the Windows Tax

**Pennsylvania Portion of \$2 Million = \$237,000. Pennsylvania Dutch in Eastern Pa. revolted as reminded them of the German Hearth Tax**



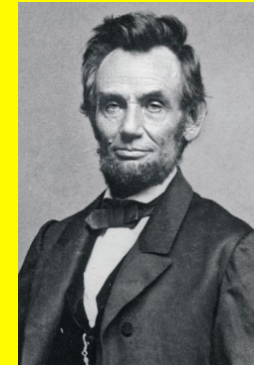
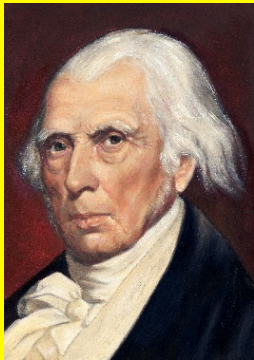
**John Fries led revolt; assessors, beaten, run off, or held; Fries sentenced to death, but pardoned**



**Federal Window Assessors captured and held at Enoch Roberts Tavern**

# Other “Experiments” with U. S. Property Tax

## Twice Enacted for Wars



**1813**—for **War of 1812**, if collected by states discount received for collection and remittance of tax—automatically repealed when hostilities with Britain ended

**1861**—for **Civil War**—collected by states and ended when war ended--\$20 Million

# Property Tax . . . A State & Local Tax

**After Civil War the property tax became a State & Local tax**



**State Reliance on the Tax Reduced over the years so it became primarily a Local Tax**

## **Property Tax History**

### **Use By State Governments**

#### **State Reliance on Property Taxes**

(As a Per Cent of General Revenue)

Year	Per Cent
1902	45
1913	39
1932	15
1942	6
1952	3
1992	1.7

Source: Economic History Association from U.S Census data;  
<https://eh.net/encyclopedia/history-of-property-taxes-in-the-united-states/>

# Ohio Property Taxes—Territorial Period & Early Statehood



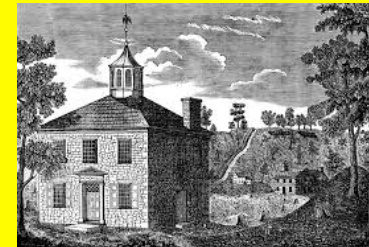
**Land Classification based on soil type/quality**

**Three Classes**

**First, Second & Third Rate**

**1802 Constitution— “Virtually Unlimited Power to Tax”**

**Poll Taxes Specifically Excluded**



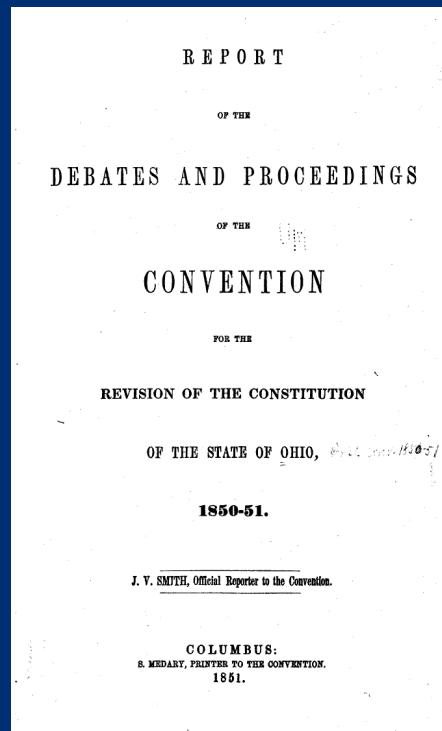
- **1821—Tax Authority for Township Schools**
- **1825—Statutory Ad-Valorem System— “True Value in Money”**
- **1825—Statewide Mandatory .5 Mill tax for “common schools”**

*When property tax money was expended in a Township—children went home unless parents could pay*

- **1831—First Personal Property Tax Enacted**

# Property Taxes . . . Constitutional Limitations in Mid 19<sup>th</sup> Century

## 1851 Ohio Constitution



## Original Article XII § 2

Laws shall be passed taxing by a **uniform rule** all moneys, credits, investments in bonds, stock, joint stock companies, or otherwise; and also all **real and personal property** according to its **true value in money** . . .

**(Constitution Mandated an Ad Valorem System)**

***Business interests unsuccessfully try to change uniform rule provisions 6 times from 1851-1912***

# Ohio Property Tax Issues . . . 1851-1932

**1866**

## ***Property tax rates fixed by General Assembly Statewide***

- 1.0 Mill for State Government
- 1.2 Mills for State Debt
- 1.3 Mills for Schools

**1878**

## ***Legislature requires local tax millage to decrease as property values increase***



**1902** → OGA repeals state property tax for General Fund (state levies statewide remain for universities, schools, highways)

**1911** → **Statutory 10 mill limit passed**

**1927** → **Statutory 15 mill limit passed**

**1929** → **CA reduced 15 mill limit to 10 mill limit**

**1932** → **All statewide property taxes eliminated; 3% state sales tax & Local Government Fund (LGF) established**

# But . . . One More Statewide Property Tax



*Ohio Voters approved Constitutional Amendment for a \$90 Million Bonus for Korean War Veterans in 1956.*

- Statewide Property tax (0.2 mills+-) levied to retire bonds used to fund the Bonus.
- The bonds were paid off in 1968
- Last time for state levied property tax .



# Types of Property Subject to Taxation

## CURRENT TAXES

- **Real Property**
- **Public Utility Tangible Personal Property**
  - **Generating plants, distribution lines, other**

## REPEALED TAXES

- **General Business Tangible Personal Property**
  - **Machinery/Equipment, inventories, furniture & fixtures**
- **Intangible Personal Property**
  - **Financial Related Shares of stock, bonds, capital employed, insurance, dealers**

# Loss of Local Government Funds from Dealers in Intangibles Tax Redirection to State & Repeal

*The local situs dealers intangible property tax used to be a source of funding to the County Undivided Local Government Fund until 2012. These funds were redirected to the State starting 6-30-12 followed by repeal on 12-31-13*

## Firms having an office in Ohio and engaged in:

- lending money;
- discounting, buying, or selling bills of exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness; or
- buying or selling bonds, stocks, or other investment securities.

Calendar Year	Intangible Taxes (in millions unless otherwise noted)
2001	15.9
2004	10.4
2006	13.9
2009	13.2
2011	13.8
2012	\$6,619
2013	0

Source: Ohio Department of Taxation

# The Constitutional Basis & Limitations on Property Taxes



## Constitution of 1851

- Original constitution led to much corruption throughout the state and through laws passed in the General Assembly
- Convention to draft new constitution addressed the issue of checks and balances within the state government
- New Constitution would evenly distribute power amongst the branches
- Structure of the Ohio government currently follows this constitution



# The Constitutional Basis & Limitations on Property Taxes

## Article XII, Section 2 (Ten Mill Limit)

No property, taxed according to **value**, shall be so taxed in excess of **one per cent of its true value** in money for all state and local purposes, **but** laws may be passed authorizing **additional taxes** to be levied outside of such limitation, either when approved by at least a **majority of the electors** of the taxing district voting on such proposition, or when provided for by the **charter of a municipal corporation**

# The Constitutional Basis & Limitations on Property Taxes

## Article XII, Section 2 (Property Tax Credit Programs-Homestead)

Land and improvements thereon shall be taxed by **uniform rule according to value**, that laws may be passed to reduce taxes by providing for a **reduction in value** of the **homestead** of permanently and totally **disabled residents**, residents **sixty-five years of age** and older, and residents **sixty years of age** or older who are **surviving spouses** of deceased residents who were sixty-five years of age or older or **permanently and totally disabled** and receiving a reduction in the value of their homestead at the time of death, provided the surviving spouse continues to reside in a qualifying homestead, and providing for **income and other qualifications** to obtain such reduction.

# The Constitutional Basis & Limitations on Property Taxes

## Article XII, Section 2 (Property Tax Exemptions)

Without limiting the general power, subject to the provisions of Article I of this constitution, to determine the subjects and methods of taxation or exemptions therefrom, **general laws** may be passed to **exempt burying grounds, public school houses, houses used exclusively for public worship, institutions used exclusively for charitable purposes, and public property used exclusively for any public purpose**, but all such laws shall be subject to alteration or repeal; and the value of all property so exempted shall, from time to time, be ascertained and published as may be directed by law.

# The Constitutional Basis & Limitations on Property Taxes

## Article XII, Section 2a (C)(1) (Class 1 & Class 2 Property)

(C) **Notwithstanding Section 2** of this article, laws may be passed that provide all of the following:

(1) Land and improvements thereon in each taxing district shall be placed into one of **two classes** solely **for the purpose of separately reducing the taxes** charged against all land and improvements in each of the two classes as provided in division(C)(2) of this section. The classes shall be:

- (a) **Residential and agricultural** land and improvements;
- (b) **All other** land and improvements.

# The Constitutional Basis & Limitations on Property Taxes

## Article XII, Section 2a (C)(2) (Tax Reduction Factors)

C(2) With respect to each voted tax authorized to be levied by each taxing district, the **amount of taxes imposed** by such tax against all land and improvements thereon **in each class** shall be **reduced** in order that the amount charged for collection against all land and improvements in that class **in the current year**, exclusive of land and improvements not taxed by the district in both the **preceding year** and in the **current year** and those **not taxed in that class in the preceding year**, **equals the amount charged for collection against such land and improvements in the preceding year.**



# The Constitutional Basis & Limitations on Property Taxes

## Article II, Section 36 (Forest & Ag. Land Exceptions)

Laws may be passed to **encourage forestry and agriculture**, and to that end areas devoted **exclusively to forestry may be exempted, in whole or in part, from taxation.**

# The Constitutional Basis & Limitations on Property Taxes

## Article II, Section 36

Notwithstanding the provisions of section 2 of Article XII, **laws may be passed** to provide **that land devoted exclusively to agricultural use be valued for real property tax purposes at the current value such land has for such agricultural use.**

# The Constitutional Basis & Limitations on Property Taxes

Article II, Section 36 (CAUV Assessment for Agricultural Land/  
Recoupment)

Laws may also be passed to provide for the deferral or recoupment of any part of the difference in the dollar amount of real property tax levied in any year on land valued in accordance with its agricultural use and the dollar amount of real property tax which would have been levied upon such land had it been valued for such year in accordance with section 2 of Article XII.

# Constitutional Provisions Summarized

## Article XII, Section 2

- **Limits taxes on real & personal property to 1% of true value— “Ten Mill Limit”, “Inside Millage” & “Unvoted Millage”**
  - **Exceptions—Voted & Municipal Charter Levies**
- **Prohibits classification of real property by requiring taxation to be by “Uniform Rule”**
  - **All property assessed at 35% of true value unless otherwise exempted**

# Constitutional Exceptions to the “Uniform Rule” Summarized

## Homestead Exemption

- **1970—Homestead exemption for those 65+**
- **1975—For permanently & totally disabled**
- **1990—For surviving spouses 60+**

# Constitutional Changes on “Uniform Rule” Summarized

## Forestry Land—1912

- Article II, Section 36 to allow forests to be exempted wholly or partly from taxation

## Agricultural Land --1973

- Article II, Section 36 to allow agricultural land to be taxed at current use value not highest and best use value and to allow for recoupment

## Classes of Real Property--1980

- Article XII, Section 2a allows a reduction in assessed value of residential and agricultural property (**Class 1** (Res. & Ag) & **Class 2** (Business, Ind., & Mineral) (**Tax Reduction Factors**))

# Article XII, Section 2 Property Tax Exemptions Summarized

## Property Tax Exemptions

- Cemeteries
- Public Schools
- Houses use **exclusively** for worship
- Institutions used **exclusively** for charitable purposes
- Public property used **exclusively** for public purposes

# Tangible Personal Property (TPP) “Reform”

(Repealed but not Forgotten)





# Tangible Personal Property (TPP)

## “THE MOST HATED TAX BY BUSINESS”

- Elimination of Agricultural Personal Property
- **First \$10,000 of Value Exempted**
- Phased Reduction of assessment rate from 35% of its “true value”
- Total Phase out between 2006 – 2009 enacted in 2005 State Budget.
- TPP Collected for Local Governments & Schools + \$1.65 B+-
- Original Law--Full Reimbursement for Limited Number of Years to Both Schools and Political Subdivisions; **Phased Down Thereafter Based On General Fund Reliance**

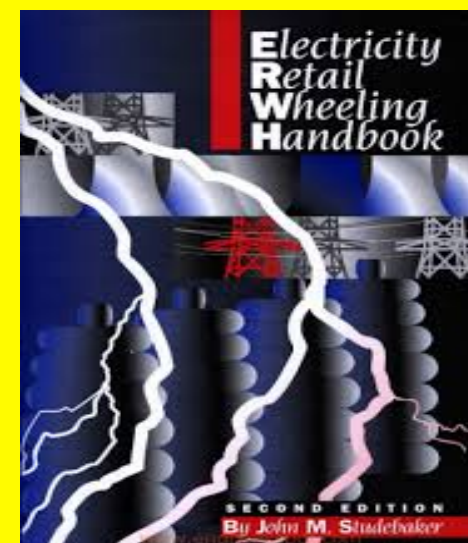


# Public Utility Tangible Personal Property Tax "Reform"



# Public Utility Tangible Personal Property Tax

- Higher Assessment Rates on Public Utilities than other business—direct pass through by PUCO.
- 1999—Electric Assessment Rates Reduced on Generating Equipment from 100% to 35%
- 2000—Natural Gas Assessment Rates Reduced
- Original Estimated Base Revenue Loss from PUPPT = \$237 Million
- First Kasich Budget FY 12/13) did same thing that it did for TPP—reimbursements based on a **General Fund Reliance Figure**—the less reliant the subdivision was on the revenue, the faster the loss in reimbursements were.



# Estimated Local Government Losses Resulting from TPP & PUPPT “Reform”

(in dollars & Percentages)

Type of Tax	Base Amount	FY 18 Appropriations	FY 19 Appropriations	% Reduction FY 19 from Base
TPP Schools	1.2 Billion	207 Million	165 Million	88%
PUPPT Schools	166 Million			
Schools Subtotal	1.37 Billion			
TPP Other Local Governments	450 Million	31 Million	17 Million	97%
PUPPT Other Local Governments	71 Million			
Other Locals Subtotal	521 Million			
<b>Total Schools &amp; Other Local Governments</b>	<b>1.887 Billion</b>	<b>238 Million</b>	<b>182 Million</b>	<b>96%</b>

# Real Property Tax Issues



# Oversight of Appraisal Process by Ohio Department of Taxation (ODT)

- **IAAO Standard:** Median sales ratio should be between 90% & 110% percent for taxable values
- **Goal of ODT:** Sales ratios in the year of **reappraisal or triennial update** are at least 90% & preferably, in the 92-94% range.

## Residential Examples

Year	City of Bexley (Franklin County) Sales Ratio (%)	City of Columbus (Franklin County) Sales Ratio (%)
2012	94.83	81.59
2013	88.46	87.39
2014	85.75	91.80
2015	80.56	86.78
2016	76.76	72.18

**Source:** Ohio Department of Taxation. Residential Sales Data by County and Jurisdiction 2005-2016  
[https://www.tax.ohio.gov/tax\\_analysis/tax\\_data\\_series/real\\_property/residential\\_sales\\_data.aspx](https://www.tax.ohio.gov/tax_analysis/tax_data_series/real_property/residential_sales_data.aspx)

# Appraisal Methodologies

- Market Approach—Comparable Sales
- Cost Approach—Depreciated Cost or Replacement Cost
- Income Approach—Ability of Property to generate and maintain a stream of revenue

# Valuation of Manufactured & Mobile Homes

## Three Methods for Valuation

Personal Property Method (Depreciation Schedules)

Taxed LIKE Real Property

Taxed AS Real Property (On Permanent Foundation)



# Current Agricultural Use Value (CAUV)

- Assessment on basis of current use instead of market value (highest & best use)—uses an “modified” income appraisal approach to valuation.
- Must be devoted exclusively to commercial ag.
- Does not apply to farmsteads
- Woodlots may qualify or may qualify under Ohio’s Forest Tax Law
- 3 year tax recoupment if land is converted to non-agricultural use

# Current Agricultural Use Value (CAUV)

Changes Phased in by HB 49 of 132<sup>nd</sup> General Assembly

- Values established by Tax Commissioner for each of 3,500 different soil types
- Factors used to calculate values:
  - ✓ Cropping patterns—acreage in corn, beans and wheat (5 year average of harvested acres)
  - ✓ Crop prices (7 years/h/l out)
  - ✓ Crop Yields (update from 1984)
  - ✓ Non Land Production Costs
  - ✓ Capitalization or Interest Rate



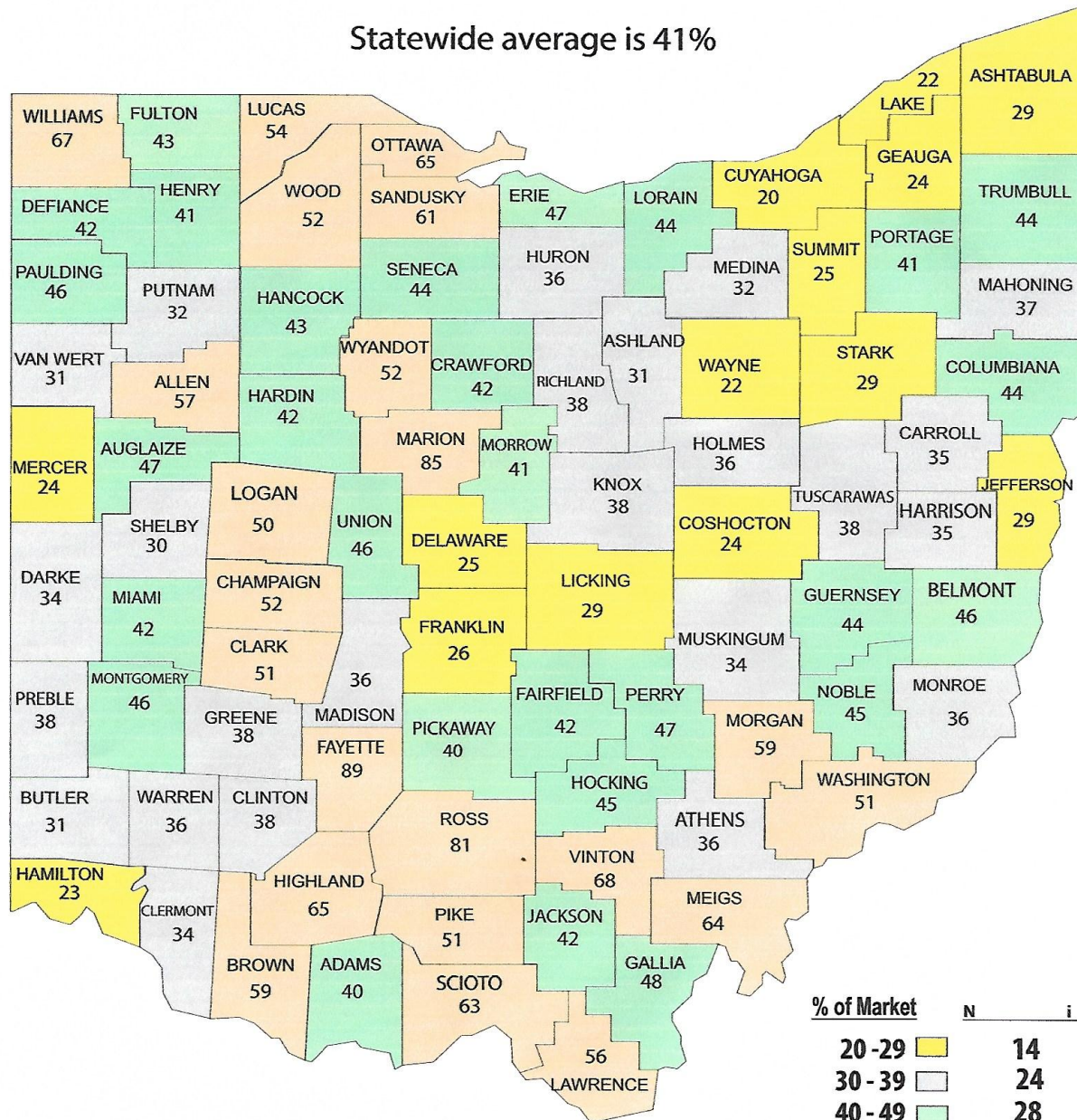
# CAUV Values for Selected Years

2000-2017

Parameter	2005	2009	2012	2015	2017
# Parcels	381,958	395,874	404,059	409,501	409,316
# Acres (millions)	16.0	16.1	16.2	16.1	16.0
CAUV Values (billions)	1.8	3.1	5.6	11.5	9.99
Market Value (billions)	12.9	15.4	17.2	21.2	24.6
<b>CAUV Values as % of Market Values</b>	<b>14%</b>	<b>20%</b>	<b>33%</b>	<b>54%</b>	<b>41%</b>

## 2017 CAUV Value as a Percent of Market Value

Statewide average is 41%



% of Market	N	i
20 - 29	14	
30 - 39	24	
40 - 49	28	
≥ 50	22	

# Income Approach to Mineral Valuation by Tax Commissioner (2019)

- Minerals are only on the tax duplicate in 56 Counties
- Tax Commissioner Rules establish how appraisal occurs
- Appraisal is primarily when there is production



Average daily production of oil and gas for TY 2019 values:

## **ALL GRADES OF OIL TAXABLE VALUE**

- Average Daily Production: one barrel or more \$3,370/barrel
- Average Daily Production: less than one barrel \$2,020/barrel

## **NATURAL GAS TAXABLE VALUE**

- Average Daily Production: eight MCF or more \$170/MCF
- Average Daily Production: less than eight MCF \$85/MCF

# Millage & Other Issues



**No!! . . . Not That Kind of a Mill**

# Types of Millage

- **Inside Millage** is **Unvoted Millage**
- **Outside Millage** in **Voted Millage**
- **Guaranteed Inside Millage** is a type of Millage that was in effect before the Constitution was changed to limit unvoted taxes to 1% or 10 mills —prior limit was 1.5% or 15 mills
- **Fixed Sum and Fixed Rate Millage**

# Guaranteed Inside Millage

- **1929-1933 Constitutional limit was 1.5% or 15 mills.**
- **1932 Constitution amended during Great Depression to reduce unvoted millage limit from 1.5% or 15 mills to 1% or 10 mills.**
- **All political subdivisions received 2/3rds of what they received from 1929-1933 permanently.**



# Guaranteed Inside Millage

Subdivision	1929	1930	1931	1932	1933	5 Year Aggregate State School Levy-2.65 Mills	Total 5 year Aggregate	Avg. Annual Rate	2/3 Avg. Levy	Rounded Avg.
<b>FAIRFIELD COUNTY</b>	<b>4.20</b>	<b>4.00</b>	<b>4.00</b>	<b>3.50</b>	<b>3.60</b>	<b>NA</b>	<b>19.30</b>	<b>3.86</b>	<b>2.57</b>	<b>2.60</b>
<b>TOWNSHIPS</b>										
Amanda Mun. Corp.	2.50 .50	2.45 .45	2.45 .45	2.45 .45	2.25 .45	NA	12.10 2.30	2.42 .46	1.61 .31	1.60 .30
Berne Mun. Corp.	2.40 .40	2.40 .40	2.80 .80	2.80 .80	2.60 .60	NA	13.00 3.00	2.60 .60	1.73 .40	1.70 .40
Bloom Mun. Corp.	2.30 .30	2.30 .30	2.30 .30	2.50 .50	2.40 .50	NA	11.80 1.90	2.36 .38	1.57 .253	1.60 .30
Clearcreek	3.50	3.20	2.70	2.70	2.50	NA	14.60	2.92	1.946	1.90

# Reduction of Millage by County Budget Commission

- **County Budget Commission—Auditor, Treasurer, & Prosecutor**
- **CBC has the **authority** and **responsibility** to reduce either inside or outside millage (including Charter Millage) IF the taxing district does not show that the revenue is clearly **required or needed** as shown tax budget (or another document if tax budget has been waived)**

# Reduction of Millage by County Budget Commission

## ORC Section 5705.341

Nothing in this section or any section of the Revised Code shall permit or require the levying of any rate of taxation, whether within the ten-mill limitation or whether the levy has been approved by the electors of a taxing district, political subdivision, library district, or association library district, or by the charter of a municipal corporation in excess of such ten-mill limitation, *unless such rate of taxation for the ensuing fiscal year is clearly required by a budget of the taxing district or political subdivision* properly and lawfully adopted under this chapter, or by other information that must be provided under section 5705.281 of the Revised Code if a tax budget was waived (Emphasis added).

# Property Tax Reduction Factors

- Began in 1976 & are calculated for each voted tax levy.
- Method intended to stop inflationary tax increases when property was reappraised—for the taxing district not necessarily for each property owner.
- Only applies to voted levies, not inside millage or fixed sum levies.
- Does not apply to “carryover property”—essentially new property or improvements.

# Property Tax Reduction Factors

## 3 Different Tax Rates for Each Voted Levy

- **Voted Rate**
- **Effective Rate for Class 1 Property**—after the application of Tax Reduction Factors
- **Effective Rate for Class 2 Property**—after the application of Tax Reduction Factors

# Property Tax Credit Programs

## Non-Business Credit

- Formerly called the 10% Credit or Rollback

## Owner Occupancy Credit

- Formerly called 2½% Credit or Rollback

## Homestead Exemption

- For those over 65, permanently and totally disabled and for surviving spouses

# Recent Changes to Non Business & Owner Occupancy Credits

- Homeowners **may** no longer get a **full** 10% or 2½% Credit on their tax bills
- Started in TY 2014 (*levies passed after September 29, 2013*)
- Homeowners **do not receive** full credit for **new**, **additional**, and **replacement** levies
- Homeowners **continue to receive** the full credit for **inside millage** and **renewal levies**
- Local governments do not lose money but homeowners **do not receive** full credit on specified levies



**TAX INCREASE**



# Recent Changes to Homestead Exemption

- **Prior to 2007**--Program was *means tested*
- **Strickland**—*removed the income* limit so that anyone over 65 qualified, irrespective of income
- **Kasich**—moved back to *means tested* program so that only persons over a certain income qualify, but “grandfathered” those receiving it in 2013



# Recent Changes to Homestead Exemption

## Cost to the State when Strickland Removed Means Testing

2006--\$70 Million • 2011--\$400 Million

### Current Income Limit

\$32,800 for 2019, indexed annually

### Impact of Exemption on Eligible Property Owners

\$25,000 of Appraised Value; \$8,750 of Assessed Value

#### For Disabled Veterans

\$50,000 of Appraised Value; \$17,500 of Assessed Value

# Impact of Removing Means Testing on Homestead Exemption Program

Calendar Year	Number of Homestead Exemptions	Dollar Savings/ Reimbursements to Local Governments (in Millions)
2006	216,810	\$70.1
<b>2007</b>	<b>776,154</b>	<b>318.0</b>
2008	813,848	344.6
2009	835,224	364.3
2010	854,251	378.7
2011	870,568	400.1
<b>2014</b>	<b>902,352</b>	<b>448.9</b>
<b>2016</b>	<b>868,123</b>	<b>429.5</b>
<b>2017</b>	<b>842,691</b>	<b>423.4</b>

Source: Ohio Department of Taxation. Tax Data Series, Tables HE-1—2006 to 2017

# Other Facts on Ohio's Property Tax Credit Programs

- In TY 2016 more than 842,000 homes qualified for homestead exemption program (Down from 868,123 previous year)
- **Average tax reduction statewide = \$502.00**
- **Veterans must be “permanently” disabled to qualify**
- **“Grandfathered” owners may sell and move to a new home and still qualify**

Program	Cost
Homestead Exemption	\$243.4 Million
Non-Business Credit (10%)	\$1.14 Billion
Owner Occupancy Credit (2.5%)	\$211.1 Million
<b>Total</b>	<b>\$1.78 Billion</b>

Source: Ohio Department of Taxation. Tax Data Series. Table HE-1, September 12, 2017; Table PD-1, No. 58, September 4, 2018

# Delinquent Taxes

Selected Years TY 1990 – 2017; Figures in Billions of dollars; special assessments in Millions

Tax Year	Real & PUPP (Billions)	Special Assessment (Millions)	Total	% Change	TPP (Millions)
2017	1.36	398	1.76	.8	
2016	1.36	382	1.75	(4.5)	
2015	1.46	370	1.83	(7.4)	
2014	1.65	321	1.97	2.5	
2013	1.62	304	1.93	1.3	
2012	1.64	260	1.90	(2.1)	
2011	1.71	233	1.94	11.7	
2010	1.53	207	1.74		274
2000	599	77	675M		309
1990	376	69	445M		204

# Tax Exempt Property

TY 1990, 2000, 2010, 2016, & 2017

Tax Year	Assessed Value (Billions)	Tax Exempt Value (Billions)	% Exempt
2017	301.3	54.4	18.1
2016	289.9	51.6	17.8
2010	238.2	44.8	18.8
2000	167.9	27.1	16.1
1990	93.9	15.7	16.7

Source: Ohio Department of Taxation. Tax Data Series. Table PE-2 for various years

# Types of Tax Exempt Property

TY 2017

Type of Property	Amount of Tax Exempt Property (In dollars)	% of Total Tax Exempt Property
U. S. Government	1.6 Billion	2.9
State of Ohio	5.9 Billion	10.8
County Government	3.1 Billion	5.7
Township Government	440 Million	.81
Municipal Government	5.8 Billion	10.7
School Boards	8.3 Billion	15.3
Conservancy & Park Districts	782 Million	1.4
Private School, Colleges, & Academies	3.5 Billion	6.4
Private Charitable Institutions	7.1 Billion	13.1
Churches	4.5 Billion	8.3
Cemeteries & Monuments	269 Million	.5
<b>Tax Abatements</b>	<b>12.1 Billion</b>	<b>22.2</b>
<b>TOTALS* (Rounding)</b>	<b>54.4 (54.3) Billion</b>	<b>99.8</b>

**18.1 % of Total Assessed Value of Real Property of 301.3 Billion is tax exempt for 2017**

Source: Ohio Department of Taxation. Tax Data Bulletin PE-2 #74, October 11, 2018

# Tax Abatements Are 22.2% of Total Tax Exempt Property in 2017

Type of Tax Abatement	Value of Tax Abatements (in dollars)	% of Total Tax Abatements
Community Urban Redevelopment Corporation	87 Million	.7
Community Reinvestment Area	3.5 Billion	28.9
<b>Urban Redevelopment Tax Increment Financing (TIF)</b>	<b>6.3 Billion</b>	<b>52.1</b>
Municipal Urban Renewal	458 Million	3.8
Other—Primarily Enterprise Zones	1.7 Billion	14.0
<b>TOTALS* (Rounding)</b>	<b>12.1 (12.05) Billion</b>	<b>99.5</b>

Source: Ohio Department of Taxation. Tax Data Series. Table PE-3, October 10, 2018

# Questions?

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