OHIO LEGISLATIVE SERVICE COMMISSION

www.lsc.ohio.gov

Office of Research and Drafting

Legislative Budget Office

H.B. 483

136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. A. Mathews and Williams

Mackenzie Damon, Attorney

SUMMARY

- Establishes a pilot program under which homeowners can apply, between 2026 and 2033, to defer a portion of their property taxes.
- Limits the program to owner-occupied homes valued at $750,000 or less and to homeowners with an annual income under a specified limit.
- Specifies that, in the year of a reappraisal or update, a homeowner can defer the amount by which the property's taxes increase more than 20% and, in each of the following two years, one-half of that amount.
- Requires interest to accrue on deferred taxes at the rate of 3%.
- Limits the total amount that can be deferred, plus interest, to 10% of the home's market value.
- Requires the repayment of deferred taxes upon the sale of the property or upon the homeowner's death, unless the home is transferred to the owner's surviving spouse.
- Establishes a revolving fund, through which the state will reimburse local governments for deferred taxes, and into which counties will deposit deferred taxes when paid.

DETAILED ANALYSIS

Property tax deferral pilot program

The bill authorizes a pilot program that would allow eligible homeowners to defer the payment of a portion of their property taxes. The program is available to individuals who own and occupy a home valued at less than $750,000 and whose income is within a specified limit. Eligibility for the program sunsets after 2033.[1]

Eligibility

Under the bill, property tax deferral is available for homes, including manufactured and mobile homes, that are owned and occupied by the homeowner (commonly referred to as "homesteads") and whose market value is less than $750,000.

The homeowner must also meet certain income limits. For 2026, those limits are $600,000 for couples who file a joint state income tax return and $250,000 for all other homeowners. These limits are increased by 3% each year, beginning in 2027. A homeowner's income is calculated by determining their Ohio adjusted gross income, as computed for income tax purposes, and adding back deductions taken for business income and certain capital gains.[2]

Application

To participate in the program, a homeowner must apply to the county auditor. Applications are made for three-year terms. A homeowner applies in a year in which the county undergoes a reappraisal or triennial update and, if approved, the credit will apply to that tax year and the following two tax years. The program is temporary, so auditors may only accept applications between 2026 and 2033. For example, if a homestead is located in a county that undergoes a reappraisal in 2027, the homeowner can apply for deferral in 2027, 2030, and 2033. If approved in each of those years, taxes on that home could be deferred from 2027 through 2035.

A homeowner must apply by December 31 of the tax year in which the county undergoes a reappraisal or triennial update. The county auditor has 30 days to approve or deny the application. If a homeowner believes that an application has been erroneously denied, the homeowner can appeal that decision to the county board of revision, which consists of the county auditor, treasurer, and a county commissioner.[3]

Taxes deferred

The amount of taxes eligible for deferral depends on the tax year and is limited by the home's value. In the first tax year for which an application is approved (the year of the reappraisal or triennial update), the homeowner can defer the amount by which the property's taxes increase by more than 20% of the preceding year's value. For each of the next two years, the deferred amount is one-half of the amount deferred in the first year of the cycle.

For example, a home is reappraised in tax year 2027. Its tax liability increases from $2,000, for tax year 2026, to $2,600, for tax year 2027. Since 120% of $2,000 is $2,200, the homeowner

[1] R.C. 323.21 and 323.22, with conforming changes in R.C. 319.202, 319.302, 323.155, 323.158, 4503.0610, and 5323.02.

[2] R.C. 323.21(A).

[3] R.C. 323.21(B) and Section 3.

can defer the difference between that amount and the current year's taxes – $400. In each of the next two years, the homeowner can defer one-half of that amount – $200 per year.

Interest is charged on all deferred taxes at the rate of 3% per year.[4]

Limit on deferred amount

Under the bill, the total amount of deferred taxes and interest cannot exceed 10% of the market value of the property. If the accrual of interest would cause this threshold to be exceeded, the homeowner must pay the excess interest within 30 days.[5]

Notice and voluntary payments

Each year, homeowners will receive a notice detailing the amount deferred that year, the total amount deferred, and the total interest accrued. The notice must also inform homeowners that the county will accept voluntary payments, which do not affect the status of any remaining deferred taxes. Voluntary payments will be credited first against any interest that has accrued, then against deferred taxes.[6]

Events requiring repayment

Deferred taxes and interest become due upon the sale of the property or upon the homeowner's death, unless the home is transferred to the owner's surviving spouse. However, if a property is transferred to a land bank, the deferred taxes and interest are forgiven.[7] At the time any property is sold, the property conveyance form filed with the county auditor must contain an affirmation that the seller has disclosed to the buyer whether or not there are deferred taxes charged on the property.[8]

Revolving fund

The bill establishes a revolving fund, through which the state will reimburse local governments for any deferred taxes, and into which counties will deposit deferred amounts and interest when they are repaid. Twice per year, counties must certify to the Tax Commissioner the total amount deferred since the last certification. The Commissioner provides for payment to the county from the revolving fund, and the county auditor distributes those payments to each local government as though they had been collected as taxes. When a homeowner repays any deferred taxes and interest, the county remits those amounts to the state's revolving fund.

---

[4] R.C. 323.21(C)(1) and (2).

[5] R.C. 323.21(C)(3).

[6] R.C. 323.21(D) and (F).

[7] R.C. 323.21(E) and (G).

[8] R.C. 319.202(D).

The bill does not appropriate money to the revolving fund but does require the Director of Budget and Management to transfer money to the fund from the GRF as necessary to make the required payments to local governments.[9]

HISTORY

Action	Date
Introduced	09-29-25

ANHB0483IN-136/ar

[9] R.C. 323.22.