OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

S.B. 206
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Cutrona

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SUMMARY

- Authorizes a 50% property tax reduction for homesteads and certain surrounding land owned and occupied by persons aged 65 or older.
- Reimburses local taxing units for the resulting reduction in taxes in the same manner as existing homestead exemptions.

DETAILED ANALYSIS

Property tax reduction for an expanded homestead

Background: homestead exemption

Continuing law provides a property tax credit for the residence, or "homestead," including up to one surrounding acre of land, of certain qualifying individuals, which may include a house or a manufactured or mobile home. To qualify, an individual must be a homeowner 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. In most cases, the individual must also have an income below a certain inflation-indexed threshold (currently $40,000) to qualify. Additionally, special higher-value homestead exemptions are available for homes of military veterans who are totally disabled, and their surviving spouses, and for the homes of surviving spouses of public service officers killed in the line of duty.[1]

Reduction

The bill establishes an additional property tax reduction for an expanded homestead owned and occupied by a person aged 65 or older. Under the bill, an "expanded homestead" is not subject to the one-acre limitation applicable to the homestead exemptions but includes any

[1] R.C. 323.152(A); R.C. 323.151, 4503.064, and 4503.065, not in the bill.

amount of surrounding property that is necessary for the use of the building as a home. The amount of the reduction is 50% of the property or manufactured home taxes owed after any other tax reduction.[2] As with the homestead exemptions, a homeowner must apply to the county auditor to qualify for the reduction. After this initial application, no further application is needed to maintain the reduction, but the auditor must be notified if the homestead no longer qualifies.[3] (This notification is required under continuing law to report ineligibility for all homestead exemptions.)

Reimbursement of local taxing units

As with the homestead exemptions, local taxing units are reimbursed by the state for the reduction in property tax revenue that results from the bill's reduction. The reimbursement is paid from the GRF semiannually or annually.[4]

Application date

The expanded homestead reduction begins to apply for tax years ending after the bill's effective date or, in the case of homes that are subject to the manufactured home tax, tax years commencing after that date. The difference in application is accounted for by the fact that manufactured home tax is payable on a current-year basis, whereas property tax is payable in arrears.[5]

HISTORY

Action	Date
Introduced	05-20-25

ANSB0206IN-136/ar

[2] R.C. 323.152(C), 323.158, 4503.06, 4503.067, 4503.069, 4503.0610, and 4503.0612.

[3] R.C. 323.153 and 4503.066.

[4] R.C. 4503.068; R.C. 323.156, not in the bill.

[5] Section 3.