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H.B. 17
133rd General Assembly

Final Analysis

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Version: As Passed by the General Assembly

Primary Sponsor: Rep. Ginter

Effective Date: January 15, 2021

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SUMMARY

- Grants a homestead exemption for the widow or widower of a peace officer, firefighter, or other emergency responder who dies in the line of duty or by an injury or illness sustained in the line of duty.
- Exempts $50,000 of the home's appraised value or cost from property taxation or the manufactured home tax.
- Exempts such a widow or widower from the income means test, currently $33,600 in modified adjusted gross income.
- Reimburses local taxing units for the resulting reduction in taxes in the same manner as other homestead exemptions.
- Affects taxes payable in 2021 and thereafter.

DETAILED ANALYSIS

Homestead exemption: emergency responder's surviving spouse

Continuing law provides a property tax credit for the residence, or "homestead," of certain qualifying individuals. This "homestead exemption" equals the taxes that would be charged on up to $25,000 of the true value of a home owned by 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. ("True value" is the appraised fair market value.) The credit essentially exempts $25,000 of the value of a homestead from taxation. The amount of the tax savings for a qualifying homestead depends on the local tax rate: the higher the tax rate, the greater the tax reduction.

Also under continuing law, a special "enhanced" exemption of $50,000 is available for homes of military veterans who are totally disabled.

Both the $25,000 homestead exemption and the homestead exemption for disabled veterans apply to manufactured and mobile homes regardless of whether they are taxed as real property or taxed under the manufactured home tax (except that manufactured and mobile homes are assessed at 40% of cost or market value and are depreciated).

Homeowners who first receive the $25,000 homestead exemption for tax year 2014 or later (or tax year 2015 for homeowners who pay the manufactured home tax) must have an Ohio modified adjusted gross income of $33,600 or less, as computed for state income tax purposes. (Modified adjusted gross income includes all business income and excludes Social Security and disability benefits). This income limit is increased each year to adjust for inflation. Homeowners who received the exemption before 2014 are not subject to the income limit, and no income limit applies to the homestead exemption for disabled veterans.

The act extends the homestead exemption to the surviving spouse of a "public service officer" who has either been killed in the line of duty or died from a fatal injury or illness sustained in the line of duty, including a heart attack. Similar to the homestead exemption for disabled veterans, the credit equals the tax on $50,000 of the true value of a homestead owned and occupied by the public service officer's surviving spouse, and no income limit applies.

For the exemption, a public service officer is a paramedic, emergency medical technician (including EMT-basic, EMT-I, and "first responder" classes), a paid or volunteer firefighter, or a police officer, sheriff, deputy sheriff, or other class of peace officer as defined in the law governing the authority to arrest or issue citations.[1] The exemption continues until the surviving spouse dies or remarries, and, like the $25,000 homestead exemption and the homestead exemption for disabled veterans, it is portable among homes so long as it applies to only one home at a time. If a surviving spouse also qualifies for the exemption as an elderly or disabled individual or a disabled veteran, the spouse must decide which exemption to apply; they are not cumulative.[2]

Application requirements

Before qualifying for the new exemption, a surviving spouse must apply to the county auditor and provide a letter from either a state pension fund or the department or agency that the public service officer served when the officer died confirming that the officer was killed in the line of duty.[3]

Reimbursement of local taxing units

As with the $25,000 homestead exemption and the homestead exemption for disabled veterans, local taxing units are reimbursed by the state for the reduction in property tax

[1] R.C. Chapter 2935.

[2] R.C. 323.151, 323.152, 4503.064, and 4503.065.

[3] R.C. 323.153 and 4503.066.

revenue that results from the new homestead exemption. The reimbursement is paid from the state General Revenue Fund semiannually or annually.[4]

Application

The homestead exemption for a public service officer's surviving spouse begins to apply in tax year 2020 or, in the case of homes that are subject to the manufactured home tax, in tax year 2021. 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	02-12-19
Reported, H. Ways & Means	11-13-19
Passed House (92-0)	11-19-19
Reported, S. Ways & Means	09-22-20
Passed Senate (33-0)	09-23-20

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[4] R.C. 323.156 and 4503.068, not in the act.

[5] Section 3.