

As Introduced

**126th General Assembly
Regular Session
2005-2006**

S. B. No. 372

Senator Schuring

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A BILL

To amend sections 319.202, 319.302, 323.01, 323.152, 1
323.153, 323.154, 323.156, 323.99, 4503.065, 2
4503.066, 4503.068, 5747.01, 5747.24, 5748.01, 3
6101.48, 6101.53, and 6101.99, to enact sections 4
323.16, 323.161, 323.162, 323.163, 323.164, 5
323.165, 5703.90, 6101.85, 6101.851, 6101.852, 6
6101.853, 6101.854, 6101.855, and 6101.856, and to 7
repeal section 5747.25 of the Revised Code to 8
authorize political subdivisions to extend to 9
certain property owners enhanced homestead 10
exemptions or property tax deferrals; to permit 11
permanently and totally disabled property owners 12
to file late homestead applications for the five 13
years preceding the date of the original 14
application; to require the Tax Commissioner to 15
furnish taxpayers with annual tax statements 16
regarding their residences; to require that two 17
public hearings be conducted before the imposition 18
of a conservancy district assessment; to create a 19
procedure for submitting conservancy district 20
assessments to a referendum; to increase the 21
amount of time an individual may spend in Ohio 22
before being presumed to be a resident for income 23
tax purposes; and to create a committee to study 24
Ohio's local property tax laws. 25

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 319.202, 319.302, 323.01, 323.152, 26
323.153, 323.154, 323.156, 323.99, 4503.065, 4503.066, 4503.068, 27
5747.01, 5747.24, 5748.01, 6101.48, 6101.53, and 6101.99 be 28
amended and sections 323.16, 323.161, 323.162, 323.163, 323.164, 29
323.165, 5703.90, 6101.85, 6101.851, 6101.852, 6101.853, 6101.854, 30
6101.855, and 6101.856 of the Revised Code be enacted to read as 31
follows: 32

Sec. 319.202. Before the county auditor indorses any real 33
property conveyance or manufactured or mobile home conveyance 34
presented to the auditor pursuant to section 319.20 of the Revised 35
Code or registers any manufactured or mobile home conveyance 36
pursuant to section 4503.061 of the Revised Code, the grantee or 37
the grantee's representative shall submit in triplicate a 38
statement, prescribed by the tax commissioner, and other 39
information as the county auditor may require, declaring the value 40
of real property or manufactured or mobile home conveyed, except 41
that when the transfer is exempt under division (F)(3) of section 42
319.54 of the Revised Code only a statement of the reason for the 43
exemption shall be required. ~~Each statement submitted under this 44~~
~~section shall contain the information required under divisions (A) 45~~
~~and (B) of this section.~~ 46

(A) Each statement submitted under this section shall either: 47

(1) Contain an affirmation by the grantee that the grantor 48
has been asked by the grantee or the grantee's representative 49
whether to the best of the grantor's knowledge either the 50
preceding or the current year's taxes on the real property or the 51
current or following year's taxes on the manufactured or mobile 52
home conveyed will be reduced under division (A) of section 53

323.152 or under section 4503.065 of the Revised Code and that the
grantor indicated that to the best of the grantor's knowledge the
taxes will not be so reduced; or

(2) Be accompanied by a sworn or affirmed instrument stating:

(a) To the best of the grantor's knowledge the real property
or the manufactured or mobile home that is the subject of the
conveyance is eligible for and will receive a reduction in taxes
for or payable in the current year under division (A) of section
323.152 or under section 4503.065 of the Revised Code and that the
reduction or reductions will be reflected in the grantee's taxes;

(b) The estimated amount of such reductions that will be
reflected in the grantee's taxes;

(c) That the grantor and the grantee have considered and
accounted for the total estimated amount of such reductions to the
satisfaction of both the grantee and the grantor. The auditor
shall indorse the instrument, return it to the grantee or the
grantee's representative, and provide a copy of the indorsed
instrument to the grantor or the grantor's representative.

(B) ~~Each~~ For the conveyance of real property, each statement
submitted under this section shall either:

(1) Contain an affirmation by the grantee that the grantor
has been asked by the grantee or the grantee's representative
whether to the best of the grantor's knowledge the real property
conveyed qualified for the current agricultural use valuation
under section 5713.30 of the Revised Code either for the preceding
or the current year and that the grantor indicated that to the
best of the grantor's knowledge the property conveyed was not so
qualified; or

(2) Be accompanied by a sworn or affirmed instrument stating:

(a) To the best of the grantor's knowledge the real property

conveyed was qualified for the current agricultural use valuation
under section 5713.30 of the Revised Code either for the preceding
or the current year;

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(b) To the extent that the property will not continue to
qualify for the current agricultural use valuation either for the
current or the succeeding year, that the property will be subject
to a recoupment charge equal to the tax savings in accordance with
section 5713.34 of the Revised Code;

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(c) That the grantor and the grantee have considered and
accounted for the total estimated amount of such recoupment, if
any, to the satisfaction of both the grantee and the grantor. The
auditor shall indorse the instrument, forward it to the grantee or
the grantee's representative, and provide a copy of the indorsed
instrument to the grantor or the grantor's representative.

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(C) For the conveyance of real property or a manufactured or
mobile home presented to the auditor under section 319.20 of the
Revised Code, each statement submitted under this section shall
either:

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(1) Contain an affirmation by the grantee that the grantor
has been asked by the grantee or the grantee's representative
whether, to the best of the grantor's knowledge, payment of any
taxes charged against the real property conveyed for the current
or any preceding year has been deferred under section 323.161 of
the Revised Code and whether, to the best of the grantor's
knowledge, those taxes have been recouped pursuant to section
323.164 of the Revised Code at the time of the conveyance, and
that the grantor indicated that payment of taxes was not deferred,
or was deferred but the taxes have been recouped pursuant to
section 323.164 of the Revised Code; or

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(2) Be accompanied by a sworn or affirmed instrument stating:

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(a) That, to the best of the grantor's knowledge, payment of

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taxes charged against the real property conveyed for the current 115
or any preceding year has been deferred under section 323.161 of 116
the Revised Code, those taxes have not been recouped pursuant to 117
section 323.164 of the Revised Code, and the property is subject 118
to a recoupment charge under that section; 119

(b) That the grantor and the grantee have considered and 120
accounted for the total estimated amount of that recoupment, if 121
any, to the satisfaction of both the grantee and the grantor. 122

The county auditor shall endorse the instrument, forward it 123
to the grantee or the grantee's representative, and provide a copy 124
of the endorsed instrument to the grantor or the grantor's 125
representative. 126

(D) The grantor shall pay the fee required by division (F)(3) 127
of section 319.54 of the Revised Code; and, in the event the board 128
of county commissioners of the county has levied a real property 129
or a manufactured home transfer tax pursuant to Chapter 322. of 130
the Revised Code, the amount required by the real property or 131
manufactured home transfer tax so levied. If the conveyance is 132
exempt from the fee provided for in division (F)(3) of section 133
319.54 of the Revised Code and the tax, if any, levied pursuant to 134
Chapter 322. of the Revised Code, the reason for such exemption 135
shall be shown on the statement. "Value" means, in the case of any 136
deed or certificate of title not a gift in whole or part, the 137
amount of the full consideration therefor, paid or to be paid for 138
the real estate or manufactured or mobile home described in the 139
deed or title, including the amount of any mortgage or vendor's 140
lien thereon. If property sold under a land installment contract 141
is conveyed by the seller under such contract to a third party and 142
the contract has been of record at least twelve months prior to 143
the date of conveyance, "value" means the unpaid balance owed to 144
the seller under the contract at the time of the conveyance, but 145
the statement shall set forth the amount paid under such contract 146

prior to the date of conveyance. In the case of a gift in whole or 147
part, "value" means the estimated price the real estate or 148
manufactured or mobile home described in the deed or certificate 149
of title would bring in the open market and under the then 150
existing and prevailing market conditions in a sale between a 151
willing seller and a willing buyer, both conversant with the 152
property and with prevailing general price levels. No person shall 153
willfully falsify the value of property conveyed. 154

~~(D)~~(E) The auditor shall indorse each conveyance on its face 155
to indicate the amount of the conveyance fee and compliance with 156
this section. The auditor shall retain the original copy of the 157
statement of value, forward to the tax commissioner one copy on 158
which shall be noted the most recent assessed value of the 159
property, and furnish one copy to the grantee or the grantee's 160
representative. 161

~~(E)~~(F) In order to achieve uniform administration and 162
collection of the transfer fee required by division (F)(3) of 163
section 319.54 of the Revised Code, the tax commissioner shall 164
adopt and promulgate rules for the administration and enforcement 165
of the levy and collection of such fee. 166

Sec. 319.302. (A)(1) Real property that is not intended 167
primarily for use in a business activity shall qualify for a 168
partial exemption from real property taxation. For purposes of 169
this partial exemption, "business activity" includes all uses of 170
real property, except farming; leasing property for farming; 171
occupying or holding property improved with single-family, 172
two-family, or three-family dwellings; leasing property improved 173
with single-family, two-family, or three-family dwellings; or 174
holding vacant land that the county auditor determines will be 175
used for farming or to develop single-family, two-family, or 176
three-family dwellings. For purposes of this partial exemption, 177

"farming" does not include land used for the commercial production of timber that is receiving the tax benefit under section 5713.23 or 5713.31 of the Revised Code and all improvements connected with such commercial production of timber.

(2) Each year, the county auditor shall review each parcel of real property to determine whether it qualifies for the partial exemption provided for by this section as of the first day of January of the current tax year.

(B) After complying with section 319.301 of the Revised Code, the county auditor shall reduce the remaining sums to be levied against each parcel of real property that is listed on the general tax list and duplicate of real and public utility property for the current tax year and that qualifies for partial exemption under division (A) of this section, and against each manufactured and mobile home that is taxed pursuant to division (D)(2) of section 4503.06 of the Revised Code and that is on the manufactured home tax list for the current tax year, by ten per cent, to provide a partial exemption for that parcel or home. Except as otherwise provided in sections 323.152, 323.158, 323.161, 505.06, and 715.263 of the Revised Code, the amount of the taxes remaining after any such reduction shall be the real and public utility property taxes charged and payable on each parcel of real property, including property that does not qualify for partial exemption under division (A) of this section, and the manufactured home tax charged and payable on each manufactured or mobile home, and shall be the amounts certified to the county treasurer for collection. Upon receipt of the tax duplicate, the treasurer shall certify to the tax commissioner the total amount by which taxes were reduced under this section, as shown on the duplicate. Such reduction shall not directly or indirectly affect the determination of the principal amount of notes that may be issued in anticipation of any tax levies or the amount of bonds or notes

for any planned improvements. If after application of sections 210
5705.31 and 5705.32 of the Revised Code and other applicable 211
provisions of law, including divisions (F) and (I) of section 212
321.24 of the Revised Code, there would be insufficient funds for 213
payment of debt charges on bonds or notes payable from taxes 214
reduced by this section, the reduction of taxes provided for in 215
this section shall be adjusted to the extent necessary to provide 216
funds from such taxes. 217

(C) The tax commissioner may adopt rules governing the 218
administration of the partial exemption provided for by this 219
section. 220

(D) The determination of whether property qualifies for 221
partial exemption under division (A) of this section is solely for 222
the purpose of allowing the partial exemption under division (B) 223
of this section. 224

Sec. 323.01. Except as otherwise provided, as used in Chapter 225
323. of the Revised Code: 226

(A) "Subdivision" means any county, township, school 227
district, or municipal corporation. 228

(B) "Municipal corporation" includes charter municipalities. 229

(C) "Taxes" means the total amount of all charges against an 230
entry appearing on a tax list and the duplicate thereof that was 231
prepared and certified in accordance with section 319.28 of the 232
Revised Code, including taxes levied against real estate; taxes on 233
property whose value is certified pursuant to section 5727.23 of 234
the Revised Code; recoupment charges applied pursuant to section 235
323.164 or 5713.35 of the Revised Code; all assessments; penalties 236
and interest charged pursuant to section 323.121 of the Revised 237
Code; charges added pursuant to section 319.35 of the Revised 238
Code; and all of such charges which remain unpaid from any 239

previous tax year. 240

(D) "Current taxes" means all taxes charged against an entry 241
on the general tax list and duplicate of real and public utility 242
property that have not appeared on such list and duplicate for any 243
prior tax year and any penalty thereon charged by division (A) of 244
section 323.121 of the Revised Code. Current taxes, whether or not 245
they have been certified delinquent, become delinquent taxes if 246
they remain unpaid after the last day prescribed for payment of 247
the second installment of current taxes without penalty, unless 248
payment is deferred under section 323.161 of the Revised Code. 249

(E) "Delinquent taxes" means: 250

(1) Any taxes charged against an entry on the general tax 251
list and duplicate of real and public utility property that were 252
charged against an entry on such list and duplicate for a prior 253
tax year and any penalties and interest charged against such 254
taxes. 255

(2) Any current taxes charged on the general tax list and 256
duplicate of real and public utility property that remain unpaid 257
after the last day prescribed for payment of the second 258
installment of such taxes without penalty, whether or not they 259
have been certified delinquent, and any penalties and interest 260
charged against such taxes. 261

(3) A recoupment charge levied under section 323.164 of the 262
Revised Code if the charge remains unpaid after the last day 263
prescribed for payment of the second installment of taxes for the 264
tax year in which the charge is required to be paid under that 265
section, and any penalties and interest that have accrued on the 266
recoupment charge under that section. 267

(F) "Current tax year" means, with respect to particular 268
taxes, the calendar year in which the first installment of taxes 269
is due prior to any extension granted under section 323.17 of the 270

Revised Code.	271
(G) "Liquidated claim" means:	272
(1) Any sum of money due and payable, upon a written contractual obligation executed between the subdivision and the taxpayer, but excluding any amount due on general and special assessment bonds and notes;	273 274 275 276
(2) Any sum of money due and payable, for disability financial assistance or disability medical assistance provided under Chapter 5115. of the Revised Code that is furnished to or in behalf of a subdivision, provided that such claim is recognized by a resolution or ordinance of the legislative body of such subdivision;	277 278 279 280 281 282
(3) Any sum of money advanced and paid to or received and used by a subdivision, pursuant to a resolution or ordinance of such subdivision or its predecessor in interest, and the moral obligation to repay which sum, when in funds, shall be recognized by resolution or ordinance by the subdivision.	283 284 285 286 287
Sec. 323.152. In addition to the reduction in taxes required under section 319.302 of the Revised Code, taxes shall be reduced as provided in divisions (A) and (B) of this section.	288 289 290
(A)(1) Division (A) of this section applies to any of the following:	291 292
(a) A person who is permanently and totally disabled;	293
(b) A person who is sixty-five years of age or older;	294
(c) A person who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in taxes under this division in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more	295 296 297 298 299

years of age on the date the deceased spouse dies. 300

(2) Real property taxes on a homestead owned and occupied, or 301
a homestead in a housing cooperative occupied, by a person to whom 302
division (A) of this section applies shall be reduced for each 303
year for which the owner obtains a certificate of reduction from 304
the county auditor under section 323.154 of the Revised Code or 305
for which the occupant obtains a certificate of reduction in 306
accordance with section 323.159 of the Revised Code. The Except as 307
otherwise provided in division (A)(4) of this section, the 308
reduction shall equal the amount obtained by multiplying the tax 309
rate for the tax year for which the certificate is issued by the 310
reduction in taxable value shown in the following schedule: 311

	Reduce Taxable Value	
Total Income	by the Lesser of:	
\$11,900 or less	\$5,000 or seventy-five per cent	314
More than \$11,900 but not more than \$17,500	\$3,000 or sixty per cent	315
More than \$17,500 but not more than \$23,000	\$1,000 or twenty-five per cent	316
More than \$23,000	-0-	317

(3) Each calendar year, the tax commissioner shall adjust the 318
foregoing schedule by completing the following calculations in 319
September of each year: 320

(a) Determine the percentage increase in the gross domestic 321
product deflator determined by the bureau of economic analysis of 322
the United States department of commerce from the first day of 323
January of the preceding calendar year to the last day of December 324
of the preceding calendar year; 325

(b) Multiply that percentage increase by each of the total 326
income amounts, and by each dollar amount by which taxable value 327
is reduced, for the current tax year; 328

(c) Add the resulting product to each of the total income 329
amounts, and to each of the dollar amounts by which taxable value 330
is reduced, for the current tax year; 331

(d)(i) Except as provided in division (A)(3)(d)(ii) of this 332
section, round the resulting sum to the nearest multiple of one 333
hundred dollars; 334

(ii) If rounding the resulting sum to the nearest multiple of 335
one hundred dollars under division (A)(3)(d)(i) of this section 336
does not increase the dollar amounts by which taxable value is 337
reduced, the resulting sum instead shall be rounded to the nearest 338
multiple of ten dollars. 339

The commissioner shall certify the amounts resulting from the 340
adjustment to each county auditor not later than the first day of 341
December each year. The certified amounts apply to the following 342
tax year. The commissioner shall not make the adjustment in any 343
calendar year in which the amounts resulting from the adjustment 344
would be less than the total income amounts, or less than the 345
dollar amounts by which taxable value is reduced, for the current 346
tax year. 347

(4)(a) As used in division (A)(4) of this section, 348
"qualifying homestead" means a homestead that: 349

(i) Is owned and occupied, or is in a housing cooperative 350
occupied, by a person who is sixty-five years of age or older and 351
who has a total income of sixty-five thousand dollars or less; 352

(ii) Has been owned and occupied by the person for at least 353
ten consecutive years; and 354

(iii) Has an appraised true value at or below the amount 355
specified in the resolution adopted under division (A)(4)(b) of 356
this section. 357

(b) The legislative authority of any taxing unit, as defined 358

in section 5705.01 of the Revised Code, may adopt a resolution 359
specifying that taxes levied by that taxing unit on a qualifying 360
homestead shall be reduced by an amount equal to the amount 361
obtained by multiplying the taxing unit's effective tax rate for 362
the tax year for which the certificate is issued to the owner 363
under section 323.154 of the Revised Code by seventy-five per cent 364
of the taxable value of the qualifying homestead. The resolution 365
shall specify the appraised true value at or below which a 366
homestead qualifies as a "qualifying homestead" eligible for a 367
reduction under division (A)(4)(a) of this section. 368

In the case of a homestead that qualifies for a reduction in 369
taxable value under division (A)(2) of this section and that also 370
qualifies for a reduction pursuant to a resolution adopted by a 371
taxing unit under division (A)(4)(b) of this section, taxes levied 372
by that taxing unit on the homestead shall be reduced by an amount 373
equal to the amount obtained by multiplying the taxing unit's 374
effective tax rate by seventy-five per cent of the taxable value 375
of the homestead after accounting for the reduction in that 376
taxable value under division (A)(2) of this section. Real property 377
taxes on the homestead levied by other taxing units shall be 378
reduced in accordance with the schedule prescribed in division 379
(A)(2) of this section. 380

(c) The resolution adopted under division (A)(4)(b) of this 381
section shall state the number of tax years for which the 382
reduction prescribed in that division is to remain in effect, or 383
that it is to remain in effect for a continuing period. The 384
resolution also shall specify the tax year with respect to which 385
the resolution first applies, which may be the tax year in which 386
the resolution takes effect, so long as the resolution takes 387
effect before the county auditor certifies the tax duplicate of 388
real and public utility property for that tax year to the county 389
treasurer. Immediately upon its adoption, a copy of the resolution 390

shall be certified to the tax commissioner and to the county auditor of every county the territorial boundaries of which overlap the territorial boundaries of the taxing unit. 391
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(d) In September of each calendar year, beginning in 2007, the tax commissioner shall adjust the total income amount specified in division (A)(4)(a)(i) of this section by: 394
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(i) Determining the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year; 397
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(ii) Multiplying the percentage increase by the total income amount for the current tax year; 402
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(iii) Adding the resulting product to the total income amount for the current tax year; and 404
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(iv) Rounding the resulting sum to the nearest multiple of one hundred dollars. 406
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The commissioner shall certify the resulting amount to each county auditor not later than the first day of December. The certified amount applies to the following tax year. The commissioner shall not make the adjustment in any calendar year in which the amount resulting from the adjustment would be less than the total income amount for the current tax year. 408
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(B) To provide a partial exemption, real property taxes on any homestead, and manufactured home taxes on any manufactured or mobile home on which a manufactured home tax is assessed pursuant to division (D)(2) of section 4503.06 of the Revised Code, shall be reduced for each year for which the owner obtains a certificate of reduction from the county auditor under section 323.154 of the Revised Code. The amount of the reduction shall equal two and 414
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one-half per cent of the amount of taxes to be levied on the 421
homestead or the manufactured or mobile home after applying 422
section 319.301 of the Revised Code. 423

(C) The reductions granted by this section do not apply to 424
special assessments or respread of assessments levied against the 425
homestead, and if there is a transfer of ownership subsequent to 426
the filing of an application for a reduction in taxes, such 427
reductions are not forfeited for such year by virtue of such 428
transfer. 429

(D) The reductions in taxable value referred to in this 430
section shall be applied solely as a factor for the purpose of 431
computing the reduction of taxes under this section and shall not 432
affect the total value of property in any subdivision or taxing 433
district as listed and assessed for taxation on the tax lists and 434
duplicates, or any direct or indirect limitations on indebtedness 435
of a subdivision or taxing district. If after application of 436
sections 5705.31 and 5705.32 of the Revised Code, including the 437
allocation of all levies within the ten-mill limitation to debt 438
charges to the extent therein provided, there would be 439
insufficient funds for payment of debt charges not provided for by 440
levies in excess of the ten-mill limitation, the reduction of 441
taxes provided for in sections 323.151 to 323.159 of the Revised 442
Code shall be proportionately adjusted to the extent necessary to 443
provide such funds from levies within the ten-mill limitation. 444

(E) No reduction shall be made on the taxes due on the 445
homestead of any person convicted of violating division (C) or (D) 446
of section 323.153 of the Revised Code for a period of three years 447
following the conviction. 448

Sec. 323.153. (A) To obtain a reduction in real property 449
taxes under division (A) or (B) of section 323.152 of the Revised 450
Code or in manufactured home taxes under division (B) of section 451

323.152 of the Revised Code, the owner shall file an application 452
with the county auditor of the county in which the owner's 453
homestead is located. 454

To obtain a reduction in real property taxes under division 455
(A) of section 323.152 of the Revised Code, the occupant of a 456
homestead in a housing cooperative shall file an application with 457
the nonprofit corporation that owns and operates the housing 458
cooperative, in accordance with this paragraph. Not later than the 459
first day of March each year, the corporation shall obtain 460
applications from the county auditor's office and provide one to 461
each new occupant. Not later than the first day of May, any 462
occupant who may be eligible for a reduction in taxes under 463
division (A) of section 323.152 of the Revised Code shall submit 464
the completed application to the corporation. Not later than the 465
fifteenth day of May, the corporation shall file all completed 466
applications, and the information required by division (B) of 467
section 323.159 of the Revised Code, with the county auditor of 468
the county in which the occupants' homesteads are located. 469
Continuing applications shall be furnished to an occupant in the 470
manner provided in division (C)(4) of this section. 471

(1) An application for reduction based upon a physical 472
disability shall be accompanied by a certificate signed by a 473
physician, and an application for reduction based upon a mental 474
disability shall be accompanied by a certificate signed by a 475
physician or psychologist licensed to practice in this state, 476
attesting to the fact that the applicant is permanently and 477
totally disabled. The certificate shall be in a form that the tax 478
commissioner requires and shall include the definition of 479
permanently and totally disabled as set forth in section 323.151 480
of the Revised Code. An application for reduction based upon a 481
disability certified as permanent and total by a state or federal 482
agency having the function of so classifying persons shall be 483

accompanied by a certificate from that agency. Such an application 484
constitutes a continuing application for a reduction in taxes for 485
each year in which the dwelling is the applicant's homestead and 486
the amount of the reduction in taxable value to which the 487
applicant is entitled does not exceed either the amount or 488
percentage of the reduction to which the applicant was entitled 489
for the year in which the application was first filed. 490

(2) An application for a reduction in taxes under division 491
(B) of section 323.152 of the Revised Code shall be filed only if 492
the homestead or manufactured or mobile home was transferred in 493
the preceding year or did not qualify for and receive the 494
reduction in taxes under that division for the preceding tax year. 495
The application for homesteads transferred in the preceding year 496
shall be incorporated into any form used by the county auditor to 497
administer the tax law in respect to the conveyance of real 498
property pursuant to section 319.20 of the Revised Code or of used 499
manufactured homes or used mobile homes as defined in section 500
5739.0210 of the Revised Code. The owner of a manufactured or 501
mobile home who has elected under division (D)(4) of section 502
4503.06 of the Revised Code to be taxed under division (D)(2) of 503
that section for the ensuing year may file the application at the 504
time of making that election. The application shall contain a 505
statement that failure by the applicant to affirm on the 506
application that the dwelling on the property conveyed is the 507
applicant's homestead prohibits the owner from receiving the 508
reduction in taxes until a proper application is filed within the 509
period prescribed by division (A)(3) of this section. Such an 510
application constitutes a continuing application for a reduction 511
in taxes for each year in which the dwelling is the applicant's 512
homestead. 513

(3) Failure to receive a new application filed under division 514
(A)(1) or (2) or notification under division (C) of this section 515

after a certificate of reduction has been issued under section 516
323.154 of the Revised Code, or failure to receive a new 517
application filed under division (A)(1) or notification under 518
division (C) of this section after a certificate of reduction has 519
been issued under section 323.159 of the Revised Code, is 520
prima-facie evidence that the original applicant is entitled to 521
the reduction in taxes calculated on the basis of the information 522
contained in the original application. The original application 523
and any subsequent application, including any late application, 524
shall be in the form of a signed statement and shall be filed 525
after the first Monday in January and not later than the first 526
Monday in June. The original application and any subsequent 527
application for a reduction in real property taxes shall be filed 528
in the year for which the reduction is sought. The original 529
application and any subsequent application for a reduction in 530
manufactured home taxes shall be filed in the year preceding the 531
year for which the reduction is sought. The statement shall be on 532
a form, devised and supplied by the tax commissioner, which shall 533
require no more information than is necessary to establish the 534
applicant's eligibility for the reduction in taxes and the amount 535
of the reduction, and, for a certificate of reduction issued under 536
section 323.154 of the Revised Code, shall include an affirmation 537
by the applicant that ownership of the homestead was not acquired 538
from a person, other than the applicant's spouse, related to the 539
owner by consanguinity or affinity for the purpose of qualifying 540
for the real property or manufactured home tax reduction provided 541
for in division (A) or (B) of section 323.152 of the Revised Code. 542
The form shall contain a statement that conviction of willfully 543
falsifying information to obtain a reduction in taxes or failing 544
to comply with division (C) of this section results in the 545
revocation of the right to the reduction for a period of three 546
years. In the case of an application for a reduction in taxes 547
under division (A) of section 323.152 of the Revised Code, the 548

form shall contain a statement that signing the application 549
constitutes a delegation of authority by the applicant to the 550
county auditor to examine any financial records relating to income 551
earned by the applicant as stated on the application for the 552
purpose of determining a possible violation of division (D) or (E) 553
of this section. 554

(B) A late application for a tax reduction for the year 555
preceding the year in which an original application is filed, or 556
for a reduction in manufactured home taxes for the year in which 557
an original application is filed, may be filed with the original 558
application, except that if the applicant is permanently and 559
totally disabled, the applicant may file a late application for a 560
tax reduction for the five years immediately preceding the year in 561
which the original application is filed. If the county auditor 562
determines the information contained in the late application is 563
correct, the auditor shall determine the amount of the reduction 564
in taxes to which the applicant would have been entitled for the 565
preceding tax year had the applicant's application been timely 566
filed and approved in that year. 567

The amount of such reduction shall be treated by the auditor 568
as an overpayment of taxes by the applicant and shall be refunded 569
in the manner prescribed in section 5715.22 of the Revised Code 570
for making refunds of overpayments. On the first day of July of 571
each year, the county auditor shall certify the total amount of 572
the reductions in taxes made in the current year under this 573
division to the tax commissioner, who shall treat the full amount 574
thereof as a reduction in taxes for the preceding tax year and 575
shall make reimbursement to the county therefor in the manner 576
prescribed by section 323.156 of the Revised Code, from money 577
appropriated for that purpose. 578

(C)(1) If, in any year after an application has been filed 579
under division (A)(1) or (2) of this section, the owner does not 580

qualify for a reduction in taxes on the homestead or on the
manufactured or mobile home set forth on such application, or
qualifies for a reduction in taxes that is to be based upon a
reduction in taxable value less than either the percentage or
amount of the reduction in taxable value to which the owner was
entitled in the year the application was filed, the owner shall
notify the county auditor that the owner is not qualified for a
reduction in taxes or file a new application under division (A)(1)
or (2) of this section, unless the owner qualifies for a smaller
reduction by virtue of the expiration or repeal of a resolution
adopted under division (A)(4)(b) of section 323.152 of the Revised
Code, in which case notification to the county auditor or filing
of a new application is not required.

(2) If, in any year after an application has been filed under
division (A)~~(1)~~ of this section, the occupant of a homestead in a
housing cooperative does not qualify for a reduction in taxes on
the homestead, the occupant shall notify the county auditor that
the occupant is not qualified for a reduction in taxes or file a
new application under division (A)~~(1)~~ of this section.

(3) If the county auditor or county treasurer discovers that
the owner of property not entitled to the reduction in taxes under
division (B) of section 323.152 of the Revised Code failed to
notify the county auditor as required by division (C)(1) of this
section, a charge shall be imposed against the property in the
amount by which taxes were reduced under that division for each
tax year the county auditor ascertains that the property was not
entitled to the reduction and was owned by the current owner.
Interest shall accrue in the manner prescribed by division (B) of
section 323.121 or division (G)(2) of section 4503.06 of the
Revised Code on the amount by which taxes were reduced for each
such tax year as if the reduction became delinquent taxes at the
close of the last day the second installment of taxes for that tax

year could be paid without penalty. The county auditor shall
notify the owner, by ordinary mail, of the charge, of the owner's
right to appeal the charge, and of the manner in which the owner
may appeal. The owner may appeal the imposition of the charge and
interest by filing an appeal with the county board of revision not
later than the last day prescribed for payment of real and public
utility property taxes under section 323.12 of the Revised Code
following receipt of the notice and occurring at least ninety days
after receipt of the notice. The appeal shall be treated in the
same manner as a complaint relating to the valuation or assessment
of real property under Chapter 5715. of the Revised Code. The
charge and any interest shall be collected as other delinquent
taxes.

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(4) Each year during January, the county auditor shall
furnish by ordinary mail a continuing application to each person
issued a certificate of reduction under section 323.154 or 323.159
of the Revised Code with respect to a reduction in taxes under
division (A) of section 323.152 of the Revised Code. The
continuing application shall be used to report changes in total
income that would have the effect of increasing or decreasing the
reduction in taxable value to which the person is entitled,
changes in ownership or occupancy of the homestead, including
changes in or revocation of a revocable inter vivos trust, changes
in disability, and other changes in the information earlier
furnished the auditor relative to the reduction in taxes on the
property. The continuing application shall be returned to the
auditor not later than the first Monday in June; provided, that if
such changes do not affect the status of the homestead exemption
or the amount of the reduction to which the owner is entitled
under division (A) of section 323.152 of the Revised Code or to
which the occupant is entitled under section 323.159 of the
Revised Code, the application does not need to be returned.

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(5) Each year during February, the county auditor, except as 645
otherwise provided in this paragraph, shall furnish by ordinary 646
mail an original application to the owner, as of the first day of 647
January of that year, of a homestead or a manufactured or mobile 648
home that transferred during the preceding calendar year and that 649
qualified for and received a reduction in taxes under division (B) 650
of section 323.152 of the Revised Code for the preceding tax year. 651
In order to receive the reduction under that division, the owner 652
shall file the application with the county auditor not later than 653
the first Monday in June. If the application is not timely filed, 654
the auditor shall not grant a reduction in taxes for the homestead 655
for the current year, and shall notify the owner that the 656
reduction in taxes has not been granted, in the same manner 657
prescribed under section 323.154 of the Revised Code for 658
notification of denial of an application. Failure of an owner to 659
receive an application does not excuse the failure of the owner to 660
file an original application. The county auditor is not required 661
to furnish an application under this paragraph for any homestead 662
for which application has previously been made on a form 663
incorporated into any form used by the county auditor to 664
administer the tax law in respect to the conveyance of real 665
property or of used manufactured homes or used mobile homes, and 666
an owner who previously has applied on such a form is not required 667
to return an application furnished under this paragraph. 668

(D) No person shall knowingly make a false statement for the 669
purpose of obtaining a reduction in the person's real property or 670
manufactured home taxes under section 323.152 of the Revised Code. 671

(E) No person shall knowingly fail to notify the county 672
auditor of changes required by division (C) of this section that 673
have the effect of maintaining or securing a reduction in taxable 674
value of homestead property or a reduction in taxes in excess of 675
the reduction allowed under section 323.152 of the Revised Code. 676

(F) No person shall knowingly make a false statement or certification attesting to any person's physical or mental condition for purposes of qualifying such person for tax relief pursuant to sections 323.151 to 323.159 of the Revised Code.

Sec. 323.154. On or before the day the county auditor has completed the duties imposed by sections 319.30 to 319.302 of the Revised Code, the auditor shall issue a certificate of reduction in taxes in triplicate for each person who has complied with section 323.153 of the Revised Code and whose homestead, as defined in division (A)(1) of section 323.151 of the Revised Code, qualifying homestead, as defined in division (A)(4)(a) of section 323.152 of the Revised Code, or manufactured or mobile home the auditor finds is entitled to a reduction in real property or manufactured home taxes for that year under section 323.152 of the Revised Code. Except as provided in section 323.159 of the Revised Code, in the case of a homestead entitled to a reduction under division (A) of that section, the certificate shall state the taxable value of the homestead on the first day of January of that year, the amount of the reduction in taxable value and the total reduction in taxes for that year under that section, the tax rate that is applicable against such homestead for that year, and any other information the tax commissioner requires. In the case of a homestead or a manufactured or mobile home entitled to a reduction under division (B) of that section, the certificate shall state the total amount of the reduction in taxes for that year under that section and any other information the tax commissioner requires. The certificate for reduction in taxes shall be on a form approved by the commissioner. Upon issuance of such a certificate, the county auditor shall forward one copy and the original to the county treasurer and retain one copy. The county auditor also shall record the amount of reduction in taxes in the appropriate column on the general tax list and duplicate of real

and public utility property and on the manufactured home tax list. 709

If an application, late application, or continuing 710
application is not approved, or if the county auditor otherwise 711
determines that a homestead or a manufactured or mobile home does 712
not qualify for a reduction in taxes under division (A) or (B) of 713
section 323.152 of the Revised Code, the auditor shall notify the 714
applicant of the reasons for denial not later than the first 715
Monday in October. If an applicant believes that the application 716
for reduction has been improperly denied or that the reduction is 717
for less than that to which the applicant is entitled, the 718
applicant may file an appeal with the county board of revision not 719
later than the date of closing of the collection for the first 720
half of real and public utility property taxes or manufactured 721
home taxes. The appeal shall be treated in the same manner as a 722
complaint relating to the valuation or assessment of real property 723
under Chapter 5715. of the Revised Code. 724

Sec. 323.156. (A) As used in this section, "enhanced 725
homestead reduction foregone tax revenue" means the additional 726
amount by which taxes on real property were reduced solely by 727
virtue of one or more resolutions being in effect in taxing units 728
under division (A)(4)(b) of section 323.152 of the Revised Code 729
and those taxing units applying the reduction prescribed in 730
division (A)(4)(b) of that section in addition to the schedule of 731
reduction in division (A)(2) of that section. "Enhanced homestead 732
reduction foregone tax revenue" is the difference between: 733

(1) The amount by which taxes would have been reduced in the 734
county under section 323.152 of the Revised Code had no 735
resolutions been in effect under division (A)(4)(b) of that 736
section; and 737

(2) The amount by which taxes were actually reduced in the 738
county under section 323.152 of the Revised Code. 739

(B) Within thirty days after a settlement of taxes under 740
divisions (A), (C), and (H) of section 321.24 of the Revised Code, 741
the county treasurer shall certify to the tax commissioner 742
one-half of the total amount of taxes on real property that were 743
reduced pursuant to section 323.152 of the Revised Code for the 744
preceding tax year exclusive of any enhanced homestead reduction 745
foregone tax revenue, and one-half of the total amount of taxes on 746
manufactured and mobile homes that were reduced pursuant to 747
division (B) of section 323.152 of the Revised Code for the 748
current tax year, as evidenced by the certificates of reduction 749
and the tax duplicate certified to the county treasurer by the 750
county auditor. The commissioner, within thirty days of the 751
receipt of such certifications, shall provide for payment to the 752
county treasurer, from the general revenue fund, of the amount 753
certified, which shall be credited upon receipt to the county's 754
undivided income tax fund, and an amount equal to two per cent of 755
the amount by which taxes were reduced, which shall be credited 756
upon receipt to the county general fund as a payment, in addition 757
to the fees and charges authorized by sections 319.54 and 321.26 758
of the Revised Code, to the county auditor and treasurer for the 759
costs of administering the exemption provided under sections 760
323.151 to 323.159 of the Revised Code. 761

Immediately upon receipt of funds into the county undivided 762
income tax fund under this section, the auditor shall distribute 763
the full amount thereof among the taxing districts in the county 764
as though the total had been paid as taxes by each person for whom 765
taxes were reduced under sections 323.151 to 323.159 of the 766
Revised Code. 767

Sec. 323.16. Sections 323.16 to 323.165 of the Revised Code 768
apply only to a county in which the legislative authority of a 769
taxing unit has adopted a resolution under section 323.161 of the 770

<u>Revised Code.</u>	771
<u>As used in sections 323.16 to 323.165 of the Revised Code:</u>	772
<u>(A) "Homestead" means a dwelling, including a unit in a multiple-unit dwelling, and a manufactured or mobile home taxed pursuant to division (B) or (C) of section 4503.06 of the Revised Code, that has an appraised true value of one hundred fifty thousand dollars or less and that is owned and occupied as a home by an individual who is domiciled in this state and who has not acquired ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the deferral of taxes under sections 323.16 to 323.165 of the Revised Code. "Homestead" includes as much of the land surrounding the dwelling, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home. The tax commissioner shall adopt rules for the uniform classification of real property and manufactured or mobile homes as homesteads.</u>	773 774 775 776 777 778 779 780 781 782 783 784 785 786
<u>(B) "Owner" includes a holder of one of the several estates in fee, a vendee in possession under a purchase agreement or land contract, a mortgagor, a life tenant, one or more tenants with a right of survivorship, tenants in common, and the settlor of a revocable inter vivos trust holding the title to a homestead occupied by the settlor as of right under the trust.</u>	787 788 789 790 791 792
<u>(C) "Qualifying owner" means the owner of a homestead who is sixty-five years of age or older; has a total income, as defined in section 323.151 of the Revised Code, equal to or less than the total income amount in effect for the current tax year under division (A)(4)(a)(i) and (d) of section 323.152 of the Revised Code; and has owned and occupied the homestead for at least ten consecutive years.</u>	793 794 795 796 797 798 799
<u>(D) "Taxing unit taxes" means the current taxes charged against a homestead by a taxing unit that has adopted a resolution</u>	800 801

under section 323.161 of the Revised Code after accounting for all 802
reductions under sections 319.301, 319.302, and, if applicable, 803
section 323.152, 323.158, 4503.065, or 4503.0610 of the Revised 804
Code. 805

(E) "Deferred taxes" means the taxes that an owner has 806
deferred payment of under sections 323.161 to 323.165 of the 807
Revised Code. 808

(F) "Taxing unit" has the same meaning as in section 5705.01 809
of the Revised Code. 810

Sec. 323.161. (A) The legislative authority of a taxing unit 811
may adopt a resolution authorizing qualifying owners of homesteads 812
located in the county to defer the payment of taxing unit taxes. 813
Taxes deferred under such a resolution may not be deferred for a 814
tax year beginning before the first day of January next following 815
adoption of the resolution. 816

(B) To defer the payment of taxing unit taxes, a qualifying 817
owner shall file an application with the county auditor of the 818
county in which the qualifying owner's homestead is located on a 819
form or in a manner prescribed by the county auditor. The 820
application shall be filed not later than the first Monday in June 821
of the first tax year for which payment of taxes is to be 822
deferred. 823

The application shall require no more information than is 824
necessary to establish the applicant's eligibility for the 825
deferral. The application shall include the following: 826

(1) An affirmation by the applicant that ownership of the 827
homestead was not acquired from a person, other than the person's 828
spouse, related by consanguinity or affinity for the purpose of 829
qualifying for the deferral of taxes; 830

(2) A statement that deferred taxes constitute a lien upon 831

the homestead and may reduce the equity of the owner or of the 832
owner's estate in the homestead; 833

(3) A statement that willfully falsifying information on the 834
application in order to obtain a deferral of taxes, or failing to 835
notify the county auditor of a change in ownership or occupancy of 836
the homestead, which has the effect of disqualifying the applicant 837
for the deferral as provided in division (E) of this section, may 838
result in the recoupment of the deferred taxes and the revocation 839
of the right to defer taxes for a period of three years; and 840

(4) An acknowledgement that the applicant has read and 841
understands the statements described in divisions (B)(2) and (3) 842
of this section and space in which the applicant shall sign the 843
acknowledgement and in which another person shall affirm by 844
signature that the person witnessed the applicant's signature. 845

(C) On or before the day the county auditor has completed the 846
duties prescribed by sections 319.30, 319.301, and 319.302 of the 847
Revised Code, the county auditor shall issue a certificate of 848
deferral in triplicate for the homestead of each qualifying owner 849
who has filed an application as prescribed under division (B) of 850
this section, except homesteads that are manufactured or mobile 851
homes subject to the manufactured home tax under division (C) of 852
section 4503.06 of the Revised Code. In the case of manufactured 853
or mobile homes subject to the manufactured home tax, the county 854
auditor shall issue the certificate of deferral on or before the 855
day the tax bill for the first half of the tax year is issued. The 856
certificate shall state the amount of deferrable taxes and any 857
other information the tax commissioner prescribes. Upon issuing 858
the certificate, the county auditor shall retain one copy and 859
forward one copy and the original to the county treasurer. The 860
county auditor also shall record the amount of taxing unit taxes 861
on the general tax list and duplicate of real and public utility 862
property or on the manufactured home tax list, either as a 863

marginal entry or in an appropriate column of the list. The county 864
treasurer shall retain the original and shall forward the copy to 865
the qualifying owner by ordinary mail or along with the tax bill 866
issued under section 323.13 or 4503.06 of the Revised Code. 867

The county auditor shall not approve an application unless 868
the applicant has signed the acknowledgement and the signature has 869
been witnessed by another person whose signature also appears on 870
the application. The county auditor may not disapprove an 871
application solely because unpaid or delinquent taxes stand 872
charged against the applicant's homestead. 873

If a county auditor does not approve an application, the 874
county auditor, not later than the first Monday of October, shall 875
notify the applicant in writing of the reason for the denial, of 876
the applicant's right to appeal the action, and of the manner in 877
which such an appeal may be taken. The applicant may appeal by 878
filing a complaint with the county board of revision not later 879
than the date of closing the collection of the first half of real 880
and public utility property taxes or of manufactured home taxes. 881
Notwithstanding division (D) or (E) of section 5715.19 of the 882
Revised Code, the complainant shall be required to pay the full 883
amount of taxes due as otherwise required by law until the board 884
of revision renders its decision. For the purpose of an appeal 885
made under this division, references in section 5715.19 of the 886
Revised Code to "real property" shall be construed to include a 887
manufactured or mobile home that constitutes a homestead under 888
sections 323.16 to 323.167 of the Revised Code. 889

(D) The approval of an application entitles the applicant to 890
defer the payment of all or any portion of the taxing unit taxes 891
on the homestead for the year in which the application is approved 892
and for each ensuing year until the occurrence of one of the 893
events described in divisions (A)(1) to (3) of section 323.163 of 894
the Revised Code. For each applicant for whom the county auditor 895

has approved an application under this section, the county auditor shall enter the amount of taxing unit taxes upon the deferred tax list compiled under section 323.162 of the Revised Code, and enter a notation on the tax list and duplicate or manufactured home tax list indicating that taxing unit taxes may be deferred for the homestead. Unpaid or delinquent taxes from a previous tax year that stand charged against the homestead shall remain on the appropriate tax list and duplicate and shall remain payable as prescribed by this chapter or section 4503.06 of the Revised Code. Taxes that are not deferred taxing unit taxes are payable as otherwise prescribed in this chapter. Taxing unit taxes shall not be billed to the owner through any agreement entered into under section 323.134 of the Revised Code.

Taxing unit taxes entered on the deferred tax list are payable as prescribed under sections 323.164 and 323.165 of the Revised Code, and do not constitute unpaid or delinquent taxes under this chapter, Chapter 5721., sections 4503.06 and 4503.061, or any other section of the Revised Code governing the collection and enforcement of taxes on real property or manufactured or mobile homes, except as otherwise provided under section 323.164 of the Revised Code.

(E) If, in any year after an application has been filed and approved under this section, the homestead does not qualify for deferral of taxes under this section because of a change in ownership or occupancy, the owner shall notify the county auditor. The county auditor may devise a form or manner by which the county auditor elicits from an owner, on an annual or less frequent basis, whether the owner continues to qualify for deferral, but the failure of a county auditor to do so does not relieve an owner of the responsibility to so notify the county auditor. Upon discovering that taxes have been deferred for a year for which the owner was not entitled to deferral and that the owner has not

notified the county auditor as required by this section, the 928
county auditor shall charge a penalty of ten per cent of the 929
amount of such illegally or erroneously deferred taxes, and shall 930
compute and add a charge for interest. Interest shall be charged 931
on the amount of tax deferred as prescribed by divisions (B)(1) 932
and (2) of section 323.121 or division (G)(2) of section 4503.06 933
of the Revised Code as if the amount of tax deferred at each day 934
an installment of such tax could be paid without penalty remained 935
unpaid on that day. The county auditor shall add the taxes, 936
penalty, and interest so charged to the tax list and duplicate for 937
the current tax year if the duplicate has not yet been delivered 938
to the county treasurer at the time of the discovery, or on the 939
ensuing year's tax list and duplicate if the current duplicate has 940
been delivered. 941

The county auditor shall notify the owner, by ordinary mail, 942
of the charges, the owner's right to appeal the charges, and the 943
manner in which the owner may appeal. The owner may appeal the 944
imposition of the charges by filing a complaint with the county 945
board of revision. The complaint shall be filed not later than the 946
last day prescribed for the payment of taxes without penalty under 947
section 323.12 or divisions (F) and (G) of section 4503.06 of the 948
Revised Code following the receipt of the notice and occurring not 949
less than ninety days after the earliest United States postal 950
service postmark on the envelope containing the notice. For the 951
purpose of an appeal made under this division, references in 952
section 5715.19 of the Revised Code to "real property" shall be 953
construed to include a manufactured or mobile home that 954
constitutes a homestead under sections 323.16 to 323.165 of the 955
Revised Code. 956

(F)(1) No person shall knowingly make a false statement for 957
the purpose of obtaining a deferral of taxes under this section. 958

(2) No person shall knowingly fail to notify the county 959

auditor of changes in ownership or occupancy that disqualify the 960
person's homestead for deferral of taxes under this section, as 961
required under division (E) of this section. 962

Sec. 323.162. The county auditor of a county in which the 963
board of county commissioners has adopted a resolution under 964
section 323.161 of the Revised Code shall compile and maintain a 965
deferred tax list. In addition to the information required by this 966
section, the auditor shall enter on the list any information the 967
tax commissioner may require to be maintained in the list to 968
ensure the proper administration of sections 323.16 to 323.165 of 969
the Revised Code. 970

The county auditor shall enter the following quantities on 971
the deferred tax list opposite each entry on the list: 972

(A) The amount of deferred taxing unit taxes for the current 973
tax year; 974

(B) The cumulative amount of deferred taxes for each prior 975
year, excluding any amounts that have been paid under section 976
323.167 of the Revised Code. 977

Sec. 323.163. (A) Upon the occurrence of any of the events 978
described in divisions (A)(1) to (3) of this section, payment of 979
taxes shall not be deferred on the owner's homestead for any tax 980
year following the tax year in which the event occurs, and taxes 981
the payment of which has been deferred become payable as 982
prescribed in this section and in section 323.164 of the Revised 983
Code: 984

(1) The owner of the homestead dies. 985

(2) The owner ceases to own and occupy the property as a 986
homestead. 987

(3) The owner terminates the deferral by filing written 988

notice with the county auditor. 989

(B) If the owner of a homestead who has elected to defer 990
payment of taxes under section 323.161 of the Revised Code, or an 991
executor, administrator, guardian, or trustee, with responsibility 992
for the homestead, intends to convey the homestead to another 993
person, or if the title to the homestead passes by operation of 994
law or because of a previously executed instrument, the owner, 995
executor, administrator, guardian, or trustee, with that intention 996
or having direct knowledge of that passage of title, shall notify 997
the county auditor of the intention and of the resulting 998
conveyance and passage of title. 999

(C) If the county auditor receives notice or otherwise 1000
determines that the homestead is to be conveyed to another person 1001
other than in the manner required under section 319.202 of the 1002
Revised Code, the auditor shall demand of the grantor or the 1003
responsible executor, administrator, guardian, or trustee, and any 1004
person who is known to be scheduled to disburse moneys in 1005
connection with the closing of a sale of the homestead, that a 1006
sufficient amount be paid to the auditor to recoup an amount equal 1007
to the charge that otherwise would be levied against the homestead 1008
under section 323.164 of the Revised Code. If that amount is not 1009
paid to the county treasurer as required by that section, the 1010
charge shall be levied against the homestead and is a lien against 1011
it in the hands of the purchaser and any successor owners, 1012
regardless of notice or knowledge, until the amount is paid. Any 1013
person on whom demand was made who does not make the demanded 1014
payment out of money received as a result of a sale of the 1015
property is personally liable for the amount of the demand, and 1016
the county treasurer shall certify the amount to the prosecuting 1017
attorney, who shall bring a civil action for the recovery thereof 1018
in the court of common pleas. 1019

Sec. 323.164. (A) Upon the termination of a deferral under section 323.163 of the Revised Code because of the occurrence of one of the events described in division (A)(1) or (2) of that section, the county auditor shall levy a charge against the homestead to recoup the taxes deferred on the homestead. The recoupment charge shall equal the cumulative amount of deferred taxes. 1020
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The county auditor shall place such amount as a separate item on the next tax list and duplicate the auditor prepares, and the recoupment charge shall be collected by the county treasurer in the same manner and at the same time as other real property taxes on that list and duplicate are collected. 1027
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If the recoupment charge is not paid when due, the charge constitutes unpaid taxes, and the penalties and interest prescribed by section 323.121 of the Revised Code shall accrue on the charge in the same manner as penalties and interest accrue under that section on unpaid taxes. 1032
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The recoupment charge levied by this section constitutes a lien of the state against the homestead as of the first day of January of the tax year in which the charge is levied and shall continue until discharged as provided by law. The county auditor shall file the lien for recording as other tax liens are recorded. 1037
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(B) If the deferral of taxes is terminated under division (A)(3) of section 323.163 of the Revised Code, the owner may pay all or a portion of the deferred taxes pursuant to section 323.165 of the Revised Code, or may elect to continue to defer payment of the taxes that had been deferred prior to the termination, until the occurrence of one of the events described in division (A)(1) or (2) of section 323.163 of the Revised Code. 1042
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Sec. 323.165. At any time prior to the day the recoupment 1049

charge levied under section 323.164 of the Revised Code is 1050
required to be paid, a person who has elected to defer the payment 1051
of taxes under section 323.161 of the Revised Code may pay to the 1052
county treasurer all or a portion of the total amount of deferred 1053
taxes. The county treasurer shall give the person a receipt 1054
indicating the amount of deferred taxes paid. 1055

Sec. 323.99. Whoever violates division (D), (E), or (F) of 1056
section 323.153 ~~or~~, division (B) of section 323.159, or division 1057
(F)(1) or (2) of section 323.161 of the Revised Code is guilty of 1058
a misdemeanor of the fourth degree. 1059

Sec. 4503.065. (A) This section applies to any of the 1060
following: 1061

(1) An individual who is permanently and totally disabled; 1062

(2) An individual who is sixty-five years of age or older; 1063

(3) An individual who is the surviving spouse of a deceased 1064
person who was permanently and totally disabled or sixty-five 1065
years of age or older and who applied and qualified for a 1066
reduction in assessable value under this section in the year of 1067
death, provided the surviving spouse is at least fifty-nine but 1068
not sixty-five or more years of age on the date the deceased 1069
spouse dies. 1070

(B)(1) The manufactured home tax on a manufactured or mobile 1071
home that is paid pursuant to division (C) of section 4503.06 of 1072
the Revised Code and that is owned and occupied as a home by an 1073
individual whose domicile is in this state and to whom this 1074
section applies, shall be reduced for any tax year for which the 1075
owner obtains a certificate of reduction from the county auditor 1076
under section 4503.067 of the Revised Code, provided the 1077
individual did not acquire ownership from a person, other than the 1078

individual's spouse, related by consanguinity or affinity for the
purpose of qualifying for the reduction in assessable value. An
owner includes a settlor of a revocable inter vivos trust holding
the title to a manufactured or mobile home occupied by the settlor
as of right under the trust. The Except as otherwise provided in
division (B)(3) of this section, the reduction shall equal the
amount obtained by multiplying the tax rate for the tax year for
which the certificate is issued by the reduction in assessable
value shown in the following schedule.

	Reduce Assessable Value	
Total Income	by the Lesser of:	
	Column A	Column B
\$11,900 or less	\$5,000 or seventy-five per cent	
More than \$11,900 but not more than \$17,500	\$3,000 or sixty per cent	
More than \$17,500 but not more than \$23,000	\$1,000 or twenty-five per cent	
More than \$23,000	-0-	

(2) Each calendar year, the tax commissioner shall adjust the
foregoing schedule by completing the following calculations in
September of each year:

(a) Determine the percentage increase in the gross domestic
product deflator determined by the bureau of economic analysis of
the United States department of commerce from the first day of
January of the preceding calendar year to the last day of December
of the preceding calendar year;

(b) Multiply that percentage increase by each of the total
income amounts, and by each dollar amount by which assessable
value is reduced, for the ensuing tax year;

(c) Add the resulting product to each of the total income
amounts, and to each of the dollar amounts by which assessable

value is reduced, for the ensuing tax year; 1108

(d)(i) Except as provided in division (B)(2)(d)(ii) of this 1109
section, round the resulting sum to the nearest multiple of one 1110
hundred dollars; 1111

(ii) If rounding the resulting sum to the nearest multiple of 1112
one hundred dollars under division (B)(2)(d)(i) of this section 1113
does not increase the dollar amounts by which assessable value is 1114
reduced, the resulting sum instead shall be rounded to the nearest 1115
multiple of ten dollars. 1116

The commissioner shall certify the amounts resulting from the 1117
adjustment to each county auditor not later than the first day of 1118
December each year. The certified amounts apply to the second 1119
ensuing tax year. The commissioner shall not make the adjustment 1120
in any calendar year in which the amounts resulting from the 1121
adjustment would be less than the total income amounts, or less 1122
than the dollar amounts by which assessable value is reduced, for 1123
the ensuing tax year. 1124

(3)(a) As used in division (B)(3) of this section, 1125
"qualifying homestead" means a manufactured or mobile home that: 1126

(i) Is owned and occupied by a person who is sixty-five years 1127
of age or older and who has a total income of sixty-five thousand 1128
dollars or less; 1129

(ii) Has been owned and occupied by the person for at least 1130
ten consecutive years; and 1131

(iii) Has an appraised true value at or below the amount 1132
specified in the resolution adopted under division (B)(3)(b) of 1133
this section. 1134

(b) The legislative authority of any taxing unit, as defined 1135
in section 5705.01 of the Revised Code, may adopt a resolution 1136
specifying that taxes levied by that taxing unit on a qualifying 1137

homestead shall be reduced by an amount equal to the amount 1138
obtained by multiplying the taxing unit's effective tax rate for 1139
the tax year for which the certificate is issued to the owner 1140
under section 323.154 of the Revised Code by seventy-five per cent 1141
of the assessable value of the qualifying homestead. The 1142
resolution shall specify the appraised true value at or below 1143
which a manufactured or mobile home qualifies as a "qualifying 1144
homestead" eligible for a reduction under division (B)(3)(b) of 1145
this section. 1146

In the case of a manufactured or mobile home that qualifies 1147
for a reduction in assessable value under division (B)(1) of this 1148
section and that also qualifies for a reduction pursuant to a 1149
resolution adopted by a taxing unit under division (B)(3)(b) of 1150
this section, taxes levied by that taxing unit on the manufactured 1151
or mobile shall be reduced by an amount equal to the amount 1152
obtained by multiplying the taxing unit's effective tax rate by 1153
seventy-five per cent of the assessable value of the homestead 1154
after accounting for the reduction in that assessable value under 1155
division (B)(1) of this section. Taxes on the manufactured or 1156
mobile home levied by other taxing units shall be reduced in 1157
accordance with the schedule prescribed in division (B)(1) of this 1158
section. 1159

(c) The resolution adopted under division (B)(3)(b) of this 1160
section shall state the number of tax years for which the 1161
reduction prescribed in that division is to remain in effect, or 1162
that it is to remain in effect for a continuing period. The 1163
resolution also shall specify the tax year with respect to which 1164
the resolution first applies, which may be the tax year in which 1165
the resolution takes effect, so long as the resolution takes 1166
effect before the county auditor certifies the tax duplicate of 1167
real and public utility property for that tax year to the county 1168
treasurer. Immediately upon its adoption, a copy of the resolution 1169

shall be certified to the tax commissioner and to the county 1170
auditor of every county the territorial boundaries of which 1171
overlap the territorial boundaries of the taxing unit. 1172

(d) In September of each calendar year, beginning in 2006, 1173
the tax commissioner shall adjust the total income amount 1174
specified in division (B)(3)(a)(i) of this section by: 1175

(i) Determining the percentage increase in the gross domestic 1176
product deflator determined by the bureau of economic analysis of 1177
the United States department of commerce from the first day of 1178
January of the preceding calendar year to the last day of December 1179
of the preceding calendar year; 1180

(ii) Multiplying the percentage increase by the total income 1181
amount for the ensuing tax year; 1182

(iii) Adding the resulting product to the total income amount 1183
for the ensuing tax year; and 1184

(iv) Rounding the resulting sum to the nearest multiple of 1185
one hundred dollars. 1186

The commissioner shall certify the resulting amount to each county 1187
auditor not later than the first day of December. The certified 1188
amount applies to the second ensuing tax year. The commissioner 1189
shall not make the adjustment in any calendar year in which the 1190
amount resulting from the adjustment would be less than the total 1191
income amount for the current tax year. 1192

(C) If the owner or the spouse of the owner of a manufactured 1193
or mobile home is eligible for a homestead exemption on the land 1194
upon which the home is located, the reduction in assessable value 1195
to which the owner or spouse is entitled under division (B)(1) of 1196
this section shall not exceed the difference between the reduction 1197
in assessable value to which the owner or spouse is entitled under 1198
column A of the ~~above~~ schedule prescribed under division (B)(1) of 1199

this section and the amount of the reduction in taxable value that 1200
was used to compute the homestead exemption under division (A)(2) 1201
of section 323.152 of the Revised Code. 1202

(D) No reduction shall be made on the assessable value of the 1203
home of any person convicted of violating division (C) or (D) of 1204
section 4503.066 of the Revised Code for a period of three years 1205
following the conviction. 1206

Sec. 4503.066. (A)(1) To obtain a reduction in the assessable 1207
value of a manufactured or mobile home under section 4503.065 of 1208
the Revised Code, the owner of the home shall file an application 1209
with the county auditor of the county in which the home is 1210
located. An application for reduction in assessable value based 1211
upon a physical disability shall be accompanied by a certificate 1212
signed by a physician, and an application for reduction in 1213
assessable value based upon a mental disability shall be 1214
accompanied by a certificate signed by a physician or psychologist 1215
licensed to practice in this state. The certificate shall attest 1216
to the fact that the applicant is permanently and totally 1217
disabled, shall be in a form that the department of taxation 1218
requires, and shall include the definition of totally and 1219
permanently disabled as set forth in section 4503.064 of the 1220
Revised Code. An application for reduction in assessable value 1221
based upon a disability certified as permanent and total by a 1222
state or federal agency having the function of so classifying 1223
persons shall be accompanied by a certificate from that agency. 1224

(2) Each application shall constitute a continuing 1225
application for a reduction in assessable value for each year in 1226
which the manufactured or mobile home is occupied by the applicant 1227
and in which the amount of the reduction in assessable value does 1228
not exceed either the amount or per cent of the reduction for the 1229
year in which the application was first filed. Failure to receive 1230

a new application or notification under division (B) of this 1231
section after a certificate of reduction has been issued under 1232
section 4503.067 of the Revised Code is prima-facie evidence that 1233
the original applicant is entitled to the reduction in assessable 1234
value calculated on the basis of the information contained in the 1235
original application. The original application and any subsequent 1236
application shall be in the form of a signed statement and shall 1237
be filed not later than the first Monday in June. The statement 1238
shall be on a form, devised and supplied by the tax commissioner, 1239
that shall require no more information than is necessary to 1240
establish the applicant's eligibility for the reduction in 1241
assessable value and the amount of the reduction to which the 1242
applicant is entitled. The form shall contain a statement that 1243
signing such application constitutes a delegation of authority by 1244
the applicant to the county auditor to examine any financial 1245
records that relate to income earned by the applicant as stated on 1246
the application for the purpose of determining eligibility under, 1247
or possible violation of, division (C) or (D) of this section. The 1248
form also shall contain a statement that conviction of willfully 1249
falsifying information to obtain a reduction in assessable value 1250
or failing to comply with division (B) of this section shall 1251
result in the revocation of the right to the reduction for a 1252
period of three years. 1253

(3) A late application for a reduction in assessable value 1254
for the year preceding the year for which an original application 1255
is filed may be filed with an original application, except that if 1256
the applicant is permanently and totally disabled, the applicant 1257
may file a late application for a reduction in assessable value 1258
for the five years immediately preceding the year for which the 1259
original application is filed. If the auditor determines that the 1260
information contained in the late application is correct, the 1261
auditor shall determine both the amount of the reduction in 1262

assessable value to which the applicant would have been entitled 1263
for the current tax year had the application been timely filed and 1264
approved in the preceding year, and the amount the taxes levied 1265
under section 4503.06 of the Revised Code for the current year 1266
would have been reduced as a result of the reduction in assessable 1267
value. When an applicant is permanently and totally disabled on 1268
the first day of January of the year in which the applicant files 1269
a late application, the auditor, in making the determination of 1270
the amounts of the reduction in assessable value and taxes under 1271
division (A)(3) of this section, is not required to determine that 1272
the applicant was permanently and totally disabled on the first 1273
day of January of the preceding year. 1274

The amount of the reduction in taxes pursuant to a late 1275
application shall be treated as an overpayment of taxes by the 1276
applicant. The auditor shall credit the amount of the overpayment 1277
against the amount of the taxes or penalties then due from the 1278
applicant, and, at the next succeeding settlement, the amount of 1279
the credit shall be deducted from the amount of any taxes or 1280
penalties distributable to the county or any taxing unit in the 1281
county that has received the benefit of the taxes or penalties 1282
previously overpaid, in proportion to the benefits previously 1283
received. If, after the credit has been made, there remains a 1284
balance of the overpayment, or if there are no taxes or penalties 1285
due from the applicant, the auditor shall refund that balance to 1286
the applicant by a warrant drawn on the county treasurer in favor 1287
of the applicant. The treasurer shall pay the warrant from the 1288
general fund of the county. If there is insufficient money in the 1289
general fund to make the payment, the treasurer shall pay the 1290
warrant out of any undivided manufactured or mobile home taxes 1291
subsequently received by the treasurer for distribution to the 1292
county or taxing district in the county that received the benefit 1293
of the overpaid taxes, in proportion to the benefits previously 1294
received, and the amount paid from the undivided funds shall be 1295

deducted from the money otherwise distributable to the county or
taxing district in the county at the next or any succeeding
distribution. At the next or any succeeding distribution after
making the refund, the treasurer shall reimburse the general fund
for any payment made from that fund by deducting the amount of
that payment from the money distributable to the county or other
taxing unit in the county that has received the benefit of the
taxes, in proportion to the benefits previously received. On the
second Monday in September of each year, the county auditor shall
certify the total amount of the reductions in taxes made in the
current year under division (A)(3) of this section to the tax
commissioner who shall treat that amount as a reduction in taxes
for the current tax year and shall make reimbursement to the
county of that amount in the manner prescribed in section 4503.068
of the Revised Code, from moneys appropriated for that purpose.

(B) If in any year after an application has been filed under
division (A) of this section the owner no longer qualifies for the
reduction in assessable value for which the owner was issued a
certificate or qualifies for a reduction that is less than either
the per cent or amount of the reduction to which the owner was
entitled in the year the application was filed, the owner shall
notify the county auditor that the owner is not qualified for a
reduction in the assessable value of the home or file a new
application under division (A) of this section, unless the owner
qualifies for a smaller reduction by virtue of the expiration or
repeal of a resolution adopted under division (B)(3)(b) of section
4503.065 of the Revised Code, in which case notification to the
county auditor or filing of a new application is not required.

During January of each year, the county auditor shall furnish
each person issued a certificate of reduction in value, by
ordinary mail, a form on which to report any changes in total
income that would have the effect of increasing or decreasing the

reduction to which the person is entitled, changes in ownership of 1328
the home, including changes in or revocation of a revocable inter 1329
vivos trust, changes in disability, and other changes in the 1330
information earlier furnished the auditor relative to the 1331
application. The form shall be completed and returned to the 1332
auditor not later than the first Monday in June if the changes 1333
would affect the level of reduction in assessable value. 1334

(C) No person shall knowingly make a false statement for the 1335
purpose of obtaining a reduction in assessable value under section 1336
4503.065 of the Revised Code. 1337

(D) No person shall knowingly fail to notify the county 1338
auditor of any change required by division (B) of this section 1339
that has the effect of maintaining or securing a reduction in 1340
assessable value of the home in excess of the reduction allowed 1341
under section 4503.065 of the Revised Code. 1342

(E) No person shall knowingly make a false statement or 1343
certification attesting to any person's physical or mental 1344
condition for purposes of qualifying such person for tax relief 1345
pursuant to sections 4503.064 to 4503.069 of the Revised Code. 1346

(F) Whoever violates division (C), (D), or (E) of this 1347
section is guilty of a misdemeanor of the fourth degree. 1348

Sec. 4503.068. (A) As used in this section, "enhanced 1349
homestead reduction foregone tax revenue" means the additional 1350
amount by which taxes were reduced under section 4503.067 of the 1351
Revised Code solely by virtue of one or more resolutions being in 1352
effect in taxing units under division (B)(3)(b) of section 1353
4503.065 of the Revised Code and those taxing units applying the 1354
reduction prescribed in division (B)(3)(b) of that section in 1355
addition to the schedule of reduction in division (B)(1) of that 1356
section. "Enhanced homestead reduction foregone tax revenue" is 1357

the difference between: 1358

(1) The amount by which taxes would have been reduced in the 1359
county under section 4503.065 of the Revised Code had no 1360
resolutions been in effect under division (B)(3)(b) of that 1361
section; and 1362

(2) The amount by which taxes were actually reduced in the 1363
county under section 4503.065 of the Revised Code. 1364

(B) On or before the second Monday in September of each year, 1365
the county treasurer shall total the amount by which the taxes 1366
levied in that year were reduced pursuant to section 4503.067 of 1367
the Revised Code exclusive of any enhanced homestead reduction 1368
foregone tax revenue, and certify that amount to the tax 1369
commissioner. Within ninety days of the receipt of the 1370
certification, the commissioner shall certify that amount to the 1371
auditor of state and the auditor shall make two payments from the 1372
general revenue fund in favor of the county treasurer. One shall 1373
be in the full amount by which taxes were reduced. The other shall 1374
be in an amount equal to two per cent of such amount and shall be 1375
a payment to the county auditor and county treasurer for the costs 1376
of administering sections 4503.064 to 4503.069 of the Revised 1377
Code. 1378

Immediately upon receipt of the payment in the full amount by 1379
which taxes were reduced, the full amount of the payment shall be 1380
distributed among the taxing districts in the county as though it 1381
had been received as taxes under section 4503.06 of the Revised 1382
Code from each person for whom taxes were reduced under sections 1383
4503.064 to 4503.069 of the Revised Code. 1384

Sec. 5703.90. (A) As used in this section: 1385

(1) "Qualifying real property" means real property owned and 1386
occupied as a home by an individual whose domicile is in this 1387

<u>state and includes a manufactured or mobile home taxed as real</u>	1388
<u>property under division (B) of section 4503.06 of the Revised</u>	1389
<u>Code.</u>	1390
<u>(2) "Taxing unit" has the same meaning as in section 5705.01</u>	1391
<u>of the Revised Code.</u>	1392
<u>(B) In December of each year beginning in 2007, the tax</u>	1393
<u>commissioner shall send every owner of qualifying real property an</u>	1394
<u>annual tax statement that contains all of the following</u>	1395
<u>information with respect to the qualifying real property:</u>	1396
<u>(1) The current appraised fair market value of the qualifying</u>	1397
<u>real property for taxation purposes;</u>	1398
<u>(2) The qualifying real property's taxable value;</u>	1399
<u>(3) The amount of taxes levied against the qualifying real</u>	1400
<u>property for the current tax year, itemized according to the</u>	1401
<u>amount of taxes levied by each taxing unit levying a tax on the</u>	1402
<u>qualifying real property.</u>	1403
Sec. 5747.01. Except as otherwise expressly provided or	1404
clearly appearing from the context, any term used in this chapter	1405
that is not otherwise defined in this section has the same meaning	1406
as when used in a comparable context in the laws of the United	1407
States relating to federal income taxes or if not used in a	1408
comparable context in those laws, has the same meaning as in	1409
section 5733.40 of the Revised Code. Any reference in this chapter	1410
to the Internal Revenue Code includes other laws of the United	1411
States relating to federal income taxes.	1412
As used in this chapter:	1413
(A) "Adjusted gross income" or "Ohio adjusted gross income"	1414
means federal adjusted gross income, as defined and used in the	1415
Internal Revenue Code, adjusted as provided in this section:	1416

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.

(6) In the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made to the extent that the portion was not included in the trust's taxable income for any of the trust's taxable years beginning in 2002 or thereafter.

"Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross

income required under division (A) of this section and (ii) the 1448
personal exemptions allowed to the trust pursuant to section 1449
642(b) of the Internal Revenue Code, and decreased by (b)(i) the 1450
deductions to adjusted gross income required under division (A) of 1451
this section, (ii) the amount of federal income taxes attributable 1452
to such income, and (iii) the amount of taxable income that has 1453
been included in the adjusted gross income of a beneficiary by 1454
reason of a prior accumulation distribution. Any undistributed net 1455
income included in the adjusted gross income of a beneficiary 1456
shall reduce the undistributed net income of the trust commencing 1457
with the earliest years of the accumulation period. 1458

(7) Deduct the amount of wages and salaries, if any, not 1459
otherwise allowable as a deduction but that would have been 1460
allowable as a deduction in computing federal adjusted gross 1461
income for the taxable year, had the targeted jobs credit allowed 1462
and determined under sections 38, 51, and 52 of the Internal 1463
Revenue Code not been in effect. 1464

(8) Deduct any interest or interest equivalent on public 1465
obligations and purchase obligations to the extent that the 1466
interest or interest equivalent is included in federal adjusted 1467
gross income. 1468

(9) Add any loss or deduct any gain resulting from the sale, 1469
exchange, or other disposition of public obligations to the extent 1470
that the loss has been deducted or the gain has been included in 1471
computing federal adjusted gross income. 1472

(10) Deduct or add amounts, as provided under section 5747.70 1473
of the Revised Code, related to contributions to variable college 1474
savings program accounts made or tuition units purchased pursuant 1475
to Chapter 3334. of the Revised Code. 1476

(11)(a) Deduct, to the extent not otherwise allowable as a 1477
deduction or exclusion in computing federal or Ohio adjusted gross 1478

income for the taxable year, the amount the taxpayer paid during 1479
the taxable year for medical care insurance and qualified 1480
long-term care insurance for the taxpayer, the taxpayer's spouse, 1481
and dependents. No deduction for medical care insurance under 1482
division (A)(11) of this section shall be allowed either to any 1483
taxpayer who is eligible to participate in any subsidized health 1484
plan maintained by any employer of the taxpayer or of the 1485
taxpayer's spouse, or to any taxpayer who is entitled to, or on 1486
application would be entitled to, benefits under part A of Title 1487
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 1488
301, as amended. For the purposes of division (A)(11)(a) of this 1489
section, "subsidized health plan" means a health plan for which 1490
the employer pays any portion of the plan's cost. The deduction 1491
allowed under division (A)(11)(a) of this section shall be the net 1492
of any related premium refunds, related premium reimbursements, or 1493
related insurance premium dividends received during the taxable 1494
year. 1495

(b) Deduct, to the extent not otherwise deducted or excluded 1496
in computing federal or Ohio adjusted gross income during the 1497
taxable year, the amount the taxpayer paid during the taxable 1498
year, not compensated for by any insurance or otherwise, for 1499
medical care of the taxpayer, the taxpayer's spouse, and 1500
dependents, to the extent the expenses exceed seven and one-half 1501
per cent of the taxpayer's federal adjusted gross income. 1502

(c) For purposes of division (A)(11) of this section, 1503
"medical care" has the meaning given in section 213 of the 1504
Internal Revenue Code, subject to the special rules, limitations, 1505
and exclusions set forth therein, and "qualified long-term care" 1506
has the same meaning given in section 7702B(c) of the Internal 1507
Revenue Code. 1508

(12)(a) Deduct any amount included in federal adjusted gross 1509
income solely because the amount represents a reimbursement or 1510

refund of expenses that in any year the taxpayer had deducted as 1511
an itemized deduction pursuant to section 63 of the Internal 1512
Revenue Code and applicable United States department of the 1513
treasury regulations. The deduction otherwise allowed under 1514
division (A)(12)(a) of this section shall be reduced to the extent 1515
the reimbursement is attributable to an amount the taxpayer 1516
deducted under this section in any taxable year. 1517

(b) Add any amount not otherwise included in Ohio adjusted 1518
gross income for any taxable year to the extent that the amount is 1519
attributable to the recovery during the taxable year of any amount 1520
deducted or excluded in computing federal or Ohio adjusted gross 1521
income in any taxable year. 1522

(13) Deduct any portion of the deduction described in section 1523
1341(a)(2) of the Internal Revenue Code, for repaying previously 1524
reported income received under a claim of right, that meets both 1525
of the following requirements: 1526

(a) It is allowable for repayment of an item that was 1527
included in the taxpayer's adjusted gross income for a prior 1528
taxable year and did not qualify for a credit under division (A) 1529
or (B) of section 5747.05 of the Revised Code for that year; 1530

(b) It does not otherwise reduce the taxpayer's adjusted 1531
gross income for the current or any other taxable year. 1532

(14) Deduct an amount equal to the deposits made to, and net 1533
investment earnings of, a medical savings account during the 1534
taxable year, in accordance with section 3924.66 of the Revised 1535
Code. The deduction allowed by division (A)(14) of this section 1536
does not apply to medical savings account deposits and earnings 1537
otherwise deducted or excluded for the current or any other 1538
taxable year from the taxpayer's federal adjusted gross income. 1539

(15)(a) Add an amount equal to the funds withdrawn from a 1540
medical savings account during the taxable year, and the net 1541

investment earnings on those funds, when the funds withdrawn were 1542
used for any purpose other than to reimburse an account holder 1543
for, or to pay, eligible medical expenses, in accordance with 1544
section 3924.66 of the Revised Code; 1545

(b) Add the amounts distributed from a medical savings 1546
account under division (A)(2) of section 3924.68 of the Revised 1547
Code during the taxable year. 1548

(16) Add any amount claimed as a credit under section 1549
5747.059 of the Revised Code to the extent that such amount 1550
satisfies either of the following: 1551

(a) The amount was deducted or excluded from the computation 1552
of the taxpayer's federal adjusted gross income as required to be 1553
reported for the taxpayer's taxable year under the Internal 1554
Revenue Code; 1555

(b) The amount resulted in a reduction of the taxpayer's 1556
federal adjusted gross income as required to be reported for any 1557
of the taxpayer's taxable years under the Internal Revenue Code. 1558

(17) Deduct the amount contributed by the taxpayer to an 1559
individual development account program established by a county 1560
department of job and family services pursuant to sections 329.11 1561
to 329.14 of the Revised Code for the purpose of matching funds 1562
deposited by program participants. On request of the tax 1563
commissioner, the taxpayer shall provide any information that, in 1564
the tax commissioner's opinion, is necessary to establish the 1565
amount deducted under division (A)(17) of this section. 1566

(18) Beginning in taxable year 2001 but not for any taxable 1567
year beginning after December 31, 2005, if the taxpayer is married 1568
and files a joint return and the combined federal adjusted gross 1569
income of the taxpayer and the taxpayer's spouse for the taxable 1570
year does not exceed one hundred thousand dollars, or if the 1571
taxpayer is single and has a federal adjusted gross income for the 1572

taxable year not exceeding fifty thousand dollars, deduct amounts 1573
paid during the taxable year for qualified tuition and fees paid 1574
to an eligible institution for the taxpayer, the taxpayer's 1575
spouse, or any dependent of the taxpayer, who is a resident of 1576
this state and is enrolled in or attending a program that 1577
culminates in a degree or diploma at an eligible institution. The 1578
deduction may be claimed only to the extent that qualified tuition 1579
and fees are not otherwise deducted or excluded for any taxable 1580
year from federal or Ohio adjusted gross income. The deduction may 1581
not be claimed for educational expenses for which the taxpayer 1582
claims a credit under section 5747.27 of the Revised Code. 1583

(19) Add any reimbursement received during the taxable year 1584
of any amount the taxpayer deducted under division (A)(18) of this 1585
section in any previous taxable year to the extent the amount is 1586
not otherwise included in Ohio adjusted gross income. 1587

(20)(a)(i) Add five-sixths of the amount of depreciation 1588
expense allowed by subsection (k) of section 168 of the Internal 1589
Revenue Code, including the taxpayer's proportionate or 1590
distributive share of the amount of depreciation expense allowed 1591
by that subsection to a pass-through entity in which the taxpayer 1592
has a direct or indirect ownership interest. 1593

(ii) Add five-sixths of the amount of qualifying section 179 1594
depreciation expense, including a person's proportionate or 1595
distributive share of the amount of qualifying section 179 1596
depreciation expense allowed to any pass-through entity in which 1597
the person has a direct or indirect ownership. For the purposes of 1598
this division, "qualifying section 179 depreciation expense" means 1599
the difference between (I) the amount of depreciation expense 1600
directly or indirectly allowed to the taxpayer under section 179 1601
of the Internal Revenue Code, and (II) the amount of depreciation 1602
expense directly or indirectly allowed to the taxpayer under 1603
section 179 of the Internal Revenue Code as that section existed 1604

on December 31, 2002. 1605

The tax commissioner, under procedures established by the 1606
commissioner, may waive the add-backs related to a pass-through 1607
entity if the taxpayer owns, directly or indirectly, less than 1608
five per cent of the pass-through entity. 1609

(b) Nothing in division (A)(20) of this section shall be 1610
construed to adjust or modify the adjusted basis of any asset. 1611

(c) To the extent the add-back required under division 1612
(A)(20)(a) of this section is attributable to property generating 1613
nonbusiness income or loss allocated under section 5747.20 of the 1614
Revised Code, the add-back shall be situated to the same location 1615
as the nonbusiness income or loss generated by the property for 1616
the purpose of determining the credit under division (A) of 1617
section 5747.05 of the Revised Code. Otherwise, the add-back shall 1618
be apportioned, subject to one or more of the four alternative 1619
methods of apportionment enumerated in section 5747.21 of the 1620
Revised Code. 1621

(d) For the purposes of division (A) of this section, net 1622
operating loss carryback and carryforward shall not include 1623
five-sixths of the allowance of any net operating loss deduction 1624
carryback or carryforward to the taxable year to the extent such 1625
loss resulted from depreciation allowed by section 168(k) of the 1626
Internal Revenue Code and by the qualifying section 179 1627
depreciation expense amount. 1628

(21)(a) If the taxpayer was required to add an amount under 1629
division (A)(20)(a) of this section for a taxable year, deduct 1630
one-fifth of the amount so added for each of the five succeeding 1631
taxable years. 1632

(b) If the amount deducted under division (A)(21)(a) of this 1633
section is attributable to an add-back allocated under division 1634
(A)(20)(c) of this section, the amount deducted shall be situated 1635

to the same location. Otherwise, the add-back shall be apportioned 1636
using the apportionment factors for the taxable year in which the 1637
deduction is taken, subject to one or more of the four alternative 1638
methods of apportionment enumerated in section 5747.21 of the 1639
Revised Code. 1640

(c) No deduction is available under division (A)(21)(a) of 1641
this section with regard to any depreciation allowed by section 1642
168(k) of the Internal Revenue Code and by the qualifying section 1643
179 depreciation expense amount to the extent that such 1644
depreciation resulted in or increased a federal net operating loss 1645
carryback or carryforward to a taxable year to which division 1646
(A)(20)(d) of this section does not apply. 1647

(22) Deduct, to the extent not otherwise deducted or excluded 1648
in computing federal or Ohio adjusted gross income for the taxable 1649
year, the amount the taxpayer received during the taxable year as 1650
reimbursement for life insurance premiums under section 5919.31 of 1651
the Revised Code. 1652

(23) Deduct, to the extent not otherwise deducted or excluded 1653
in computing federal or Ohio adjusted gross income for the taxable 1654
year, the amount the taxpayer received during the taxable year as 1655
a death benefit paid by the adjutant general under section 5919.33 1656
of the Revised Code. 1657

(B) "Business income" means income, including gain or loss, 1658
arising from transactions, activities, and sources in the regular 1659
course of a trade or business and includes income, gain, or loss 1660
from real property, tangible property, and intangible property if 1661
the acquisition, rental, management, and disposition of the 1662
property constitute integral parts of the regular course of a 1663
trade or business operation. "Business income" includes income, 1664
including gain or loss, from a partial or complete liquidation of 1665
a business, including, but not limited to, gain or loss from the 1666

sale or other disposition of goodwill. 1667

(C) "Nonbusiness income" means all income other than business 1668
income and may include, but is not limited to, compensation, rents 1669
and royalties from real or tangible personal property, capital 1670
gains, interest, dividends and distributions, patent or copyright 1671
royalties, or lottery winnings, prizes, and awards. 1672

(D) "Compensation" means any form of remuneration paid to an 1673
employee for personal services. 1674

(E) "Fiduciary" means a guardian, trustee, executor, 1675
administrator, receiver, conservator, or any other person acting 1676
in any fiduciary capacity for any individual, trust, or estate. 1677

(F) "Fiscal year" means an accounting period of twelve months 1678
ending on the last day of any month other than December. 1679

(G) "Individual" means any natural person. 1680

(H) "Internal Revenue Code" means the "Internal Revenue Code 1681
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 1682

(I) "Resident" means any of the following, provided that 1683
division (I)(3) of this section applies only to taxable years of a 1684
trust beginning in 2002 or thereafter: 1685

(1) An individual who is domiciled in this state, subject to 1686
section 5747.24 of the Revised Code; 1687

(2) The estate of a decedent who at the time of death was 1688
domiciled in this state. The domicile tests of section 5747.24 of 1689
the Revised Code ~~and any election under section 5747.25 of the~~ 1690
~~Revised Code~~ are not controlling for purposes of division (I)(2) 1691
of this section. 1692

(3) A trust that, in whole or part, resides in this state. If 1693
only part of a trust resides in this state, the trust is a 1694
resident only with respect to that part. 1695

For the purposes of division (I)(3) of this section:	1696
(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:	1697 1698 1699 1700 1701 1702
(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I)(3)(e)(i) or (ii) of this section;	1703 1704 1705 1706
(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;	1707 1708 1709 1710 1711 1712
(iii) A person who was domiciled in this state for the purposes of this chapter when the trust document or instrument or part of the trust document or instrument became irrevocable, but only if at least one of the trust's qualifying beneficiaries is a resident domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year. If a trust document or instrument became irrevocable upon the death of a person who at the time of death was domiciled in this state for purposes of this chapter, that person is a person described in division (I)(3)(a)(iii) of this section.	1713 1714 1715 1716 1717 1718 1719 1720 1721 1722
(b) A trust is irrevocable to the extent that the transferor is not considered to be the owner of the net assets of the trust under sections 671 to 678 of the Internal Revenue Code.	1723 1724 1725
(c) With respect to a trust other than a charitable lead	1726

trust, "qualifying beneficiary" has the same meaning as "potential
current beneficiary" as defined in section 1361(e)(2) of the
Internal Revenue Code, and with respect to a charitable lead trust
"qualifying beneficiary" is any current, future, or contingent
beneficiary, but with respect to any trust "qualifying
beneficiary" excludes a person or a governmental entity or
instrumentality to any of which a contribution would qualify for
the charitable deduction under section 170 of the Internal Revenue
Code.

(d) For the purposes of division (I)(3)(a) of this section,
the extent to which a trust consists directly or indirectly, in
whole or in part, of assets, net of any related liabilities, that
were transferred directly or indirectly, in whole or part, to the
trust by any of the sources enumerated in that division shall be
ascertained by multiplying the fair market value of the trust's
assets, net of related liabilities, by the qualifying ratio, which
shall be computed as follows:

(i) The first time the trust receives assets, the numerator
of the qualifying ratio is the fair market value of those assets
at that time, net of any related liabilities, from sources
enumerated in division (I)(3)(a) of this section. The denominator
of the qualifying ratio is the fair market value of all the
trust's assets at that time, net of any related liabilities.

(ii) Each subsequent time the trust receives assets, a
revised qualifying ratio shall be computed. The numerator of the
revised qualifying ratio is the sum of (1) the fair market value
of the trust's assets immediately prior to the subsequent
transfer, net of any related liabilities, multiplied by the
qualifying ratio last computed without regard to the subsequent
transfer, and (2) the fair market value of the subsequently
transferred assets at the time transferred, net of any related
liabilities, from sources enumerated in division (I)(3)(a) of this

section. The denominator of the revised qualifying ratio is the
fair market value of all the trust's assets immediately after the
subsequent transfer, net of any related liabilities.

(iii) Whether a transfer to the trust is by or from any of
the sources enumerated in division (I)(3)(a) of this section shall
be ascertained without regard to the domicile of the trust's
beneficiaries.

(e) For the purposes of division (I)(3)(a)(i) of this
section:

(i) A trust is described in division (I)(3)(e)(i) of this
section if the trust is a testamentary trust and the testator of
that testamentary trust was domiciled in this state at the time of
the testator's death for purposes of the taxes levied under
Chapter 5731. of the Revised Code.

(ii) A trust is described in division (I)(3)(e)(ii) of this
section if the transfer is a qualifying transfer described in any
of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an
irrevocable inter vivos trust, and at least one of the trust's
qualifying beneficiaries is domiciled in this state for purposes
of this chapter during all or some portion of the trust's current
taxable year.

(f) For the purposes of division (I)(3)(e)(ii) of this
section, a "qualifying transfer" is a transfer of assets, net of
any related liabilities, directly or indirectly to a trust, if the
transfer is described in any of the following:

(i) The transfer is made to a trust, created by the decedent
before the decedent's death and while the decedent was domiciled
in this state for the purposes of this chapter, and, prior to the
death of the decedent, the trust became irrevocable while the
decedent was domiciled in this state for the purposes of this
chapter.

(ii) The transfer is made to a trust to which the decedent, 1790
prior to the decedent's death, had directly or indirectly 1791
transferred assets, net of any related liabilities, while the 1792
decedent was domiciled in this state for the purposes of this 1793
chapter, and prior to the death of the decedent the trust became 1794
irrevocable while the decedent was domiciled in this state for the 1795
purposes of this chapter. 1796

(iii) The transfer is made on account of a contractual 1797
relationship existing directly or indirectly between the 1798
transferor and either the decedent or the estate of the decedent 1799
at any time prior to the date of the decedent's death, and the 1800
decedent was domiciled in this state at the time of death for 1801
purposes of the taxes levied under Chapter 5731. of the Revised 1802
Code. 1803

(iv) The transfer is made to a trust on account of a 1804
contractual relationship existing directly or indirectly between 1805
the transferor and another person who at the time of the 1806
decedent's death was domiciled in this state for purposes of this 1807
chapter. 1808

(v) The transfer is made to a trust on account of the will of 1809
a testator. 1810

(vi) The transfer is made to a trust created by or caused to 1811
be created by a court, and the trust was directly or indirectly 1812
created in connection with or as a result of the death of an 1813
individual who, for purposes of the taxes levied under Chapter 1814
5731. of the Revised Code, was domiciled in this state at the time 1815
of the individual's death. 1816

(g) The tax commissioner may adopt rules to ascertain the 1817
part of a trust residing in this state. 1818

(J) "Nonresident" means an individual or estate that is not a 1819
resident. An individual who is a resident for only part of a 1820

taxable year is a nonresident for the remainder of that taxable	1821
year.	1822
(K) "Pass-through entity" has the same meaning as in section	1823
5733.04 of the Revised Code.	1824
(L) "Return" means the notifications and reports required to	1825
be filed pursuant to this chapter for the purpose of reporting the	1826
tax due and includes declarations of estimated tax when so	1827
required.	1828
(M) "Taxable year" means the calendar year or the taxpayer's	1829
fiscal year ending during the calendar year, or fractional part	1830
thereof, upon which the adjusted gross income is calculated	1831
pursuant to this chapter.	1832
(N) "Taxpayer" means any person subject to the tax imposed by	1833
section 5747.02 of the Revised Code or any pass-through entity	1834
that makes the election under division (D) of section 5747.08 of	1835
the Revised Code.	1836
(O) "Dependents" means dependents as defined in the Internal	1837
Revenue Code and as claimed in the taxpayer's federal income tax	1838
return for the taxable year or which the taxpayer would have been	1839
permitted to claim had the taxpayer filed a federal income tax	1840
return.	1841
(P) "Principal county of employment" means, in the case of a	1842
nonresident, the county within the state in which a taxpayer	1843
performs services for an employer or, if those services are	1844
performed in more than one county, the county in which the major	1845
portion of the services are performed.	1846
(Q) As used in sections 5747.50 to 5747.55 of the Revised	1847
Code:	1848
(1) "Subdivision" means any county, municipal corporation,	1849
park district, or township.	1850

(2) "Essential local government purposes" includes all 1851
functions that any subdivision is required by general law to 1852
exercise, including like functions that are exercised under a 1853
charter adopted pursuant to the Ohio Constitution. 1854

(R) "Overpayment" means any amount already paid that exceeds 1855
the figure determined to be the correct amount of the tax. 1856

(S) "Taxable income" or "Ohio taxable income" applies only to 1857
estates and trusts, and means federal taxable income, as defined 1858
and used in the Internal Revenue Code, adjusted as follows: 1859

(1) Add interest or dividends, net of ordinary, necessary, 1860
and reasonable expenses not deducted in computing federal taxable 1861
income, on obligations or securities of any state or of any 1862
political subdivision or authority of any state, other than this 1863
state and its subdivisions and authorities, but only to the extent 1864
that such net amount is not otherwise includible in Ohio taxable 1865
income and is described in either division (S)(1)(a) or (b) of 1866
this section: 1867

(a) The net amount is not attributable to the S portion of an 1868
electing small business trust and has not been distributed to 1869
beneficiaries for the taxable year; 1870

(b) The net amount is attributable to the S portion of an 1871
electing small business trust for the taxable year. 1872

(2) Add interest or dividends, net of ordinary, necessary, 1873
and reasonable expenses not deducted in computing federal taxable 1874
income, on obligations of any authority, commission, 1875
instrumentality, territory, or possession of the United States to 1876
the extent that the interest or dividends are exempt from federal 1877
income taxes but not from state income taxes, but only to the 1878
extent that such net amount is not otherwise includible in Ohio 1879
taxable income and is described in either division (S)(1)(a) or 1880
(b) of this section; 1881

(3) Add the amount of personal exemption allowed to the	1882
estate pursuant to section 642(b) of the Internal Revenue Code;	1883
(4) Deduct interest or dividends, net of related expenses	1884
deducted in computing federal taxable income, on obligations of	1885
the United States and its territories and possessions or of any	1886
authority, commission, or instrumentality of the United States to	1887
the extent that the interest or dividends are exempt from state	1888
taxes under the laws of the United States, but only to the extent	1889
that such amount is included in federal taxable income and is	1890
described in either division (S)(1)(a) or (b) of this section;	1891
(5) Deduct the amount of wages and salaries, if any, not	1892
otherwise allowable as a deduction but that would have been	1893
allowable as a deduction in computing federal taxable income for	1894
the taxable year, had the targeted jobs credit allowed under	1895
sections 38, 51, and 52 of the Internal Revenue Code not been in	1896
effect, but only to the extent such amount relates either to	1897
income included in federal taxable income for the taxable year or	1898
to income of the S portion of an electing small business trust for	1899
the taxable year;	1900
(6) Deduct any interest or interest equivalent, net of	1901
related expenses deducted in computing federal taxable income, on	1902
public obligations and purchase obligations, but only to the	1903
extent that such net amount relates either to income included in	1904
federal taxable income for the taxable year or to income of the S	1905
portion of an electing small business trust for the taxable year;	1906
(7) Add any loss or deduct any gain resulting from sale,	1907
exchange, or other disposition of public obligations to the extent	1908
that such loss has been deducted or such gain has been included in	1909
computing either federal taxable income or income of the S portion	1910
of an electing small business trust for the taxable year;	1911
(8) Except in the case of the final return of an estate, add	1912

any amount deducted by the taxpayer on both its Ohio estate tax 1913
return pursuant to section 5731.14 of the Revised Code, and on its 1914
federal income tax return in determining federal taxable income; 1915

(9)(a) Deduct any amount included in federal taxable income 1916
solely because the amount represents a reimbursement or refund of 1917
expenses that in a previous year the decedent had deducted as an 1918
itemized deduction pursuant to section 63 of the Internal Revenue 1919
Code and applicable treasury regulations. The deduction otherwise 1920
allowed under division (S)(9)(a) of this section shall be reduced 1921
to the extent the reimbursement is attributable to an amount the 1922
taxpayer or decedent deducted under this section in any taxable 1923
year. 1924

(b) Add any amount not otherwise included in Ohio taxable 1925
income for any taxable year to the extent that the amount is 1926
attributable to the recovery during the taxable year of any amount 1927
deducted or excluded in computing federal or Ohio taxable income 1928
in any taxable year, but only to the extent such amount has not 1929
been distributed to beneficiaries for the taxable year. 1930

(10) Deduct any portion of the deduction described in section 1931
1341(a)(2) of the Internal Revenue Code, for repaying previously 1932
reported income received under a claim of right, that meets both 1933
of the following requirements: 1934

(a) It is allowable for repayment of an item that was 1935
included in the taxpayer's taxable income or the decedent's 1936
adjusted gross income for a prior taxable year and did not qualify 1937
for a credit under division (A) or (B) of section 5747.05 of the 1938
Revised Code for that year. 1939

(b) It does not otherwise reduce the taxpayer's taxable 1940
income or the decedent's adjusted gross income for the current or 1941
any other taxable year. 1942

(11) Add any amount claimed as a credit under section 1943

5747.059 of the Revised Code to the extent that the amount 1944
satisfies either of the following: 1945

(a) The amount was deducted or excluded from the computation 1946
of the taxpayer's federal taxable income as required to be 1947
reported for the taxpayer's taxable year under the Internal 1948
Revenue Code; 1949

(b) The amount resulted in a reduction in the taxpayer's 1950
federal taxable income as required to be reported for any of the 1951
taxpayer's taxable years under the Internal Revenue Code. 1952

(12) Deduct any amount, net of related expenses deducted in 1953
computing federal taxable income, that a trust is required to 1954
report as farm income on its federal income tax return, but only 1955
if the assets of the trust include at least ten acres of land 1956
satisfying the definition of "land devoted exclusively to 1957
agricultural use" under section 5713.30 of the Revised Code, 1958
regardless of whether the land is valued for tax purposes as such 1959
land under sections 5713.30 to 5713.38 of the Revised Code. If the 1960
trust is a pass-through entity investor, section 5747.231 of the 1961
Revised Code applies in ascertaining if the trust is eligible to 1962
claim the deduction provided by division (S)(12) of this section 1963
in connection with the pass-through entity's farm income. 1964

Except for farm income attributable to the S portion of an 1965
electing small business trust, the deduction provided by division 1966
(S)(12) of this section is allowed only to the extent that the 1967
trust has not distributed such farm income. Division (S)(12) of 1968
this section applies only to taxable years of a trust beginning in 1969
2002 or thereafter. 1970

(13) Add the net amount of income described in section 641(c) 1971
of the Internal Revenue Code to the extent that amount is not 1972
included in federal taxable income. 1973

(14) Add or deduct the amount the taxpayer would be required 1974

to add or deduct under division (A)(20) or (21) of this section if 1975
the taxpayer's Ohio taxable income were computed in the same 1976
manner as an individual's Ohio adjusted gross income is computed 1977
under this section. In the case of a trust, division (S)(14) of 1978
this section applies only to any of the trust's taxable years 1979
beginning in 2002 or thereafter. 1980

(T) "School district income" and "school district income tax" 1981
have the same meanings as in section 5748.01 of the Revised Code. 1982

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 1983
of this section, "public obligations," "purchase obligations," and 1984
"interest or interest equivalent" have the same meanings as in 1985
section 5709.76 of the Revised Code. 1986

(V) "Limited liability company" means any limited liability 1987
company formed under Chapter 1705. of the Revised Code or under 1988
the laws of any other state. 1989

(W) "Pass-through entity investor" means any person who, 1990
during any portion of a taxable year of a pass-through entity, is 1991
a partner, member, shareholder, or equity investor in that 1992
pass-through entity. 1993

(X) "Banking day" has the same meaning as in section 1304.01 1994
of the Revised Code. 1995

(Y) "Month" means a calendar month. 1996

(Z) "Quarter" means the first three months, the second three 1997
months, the third three months, or the last three months of the 1998
taxpayer's taxable year. 1999

(AA)(1) "Eligible institution" means a state university or 2000
state institution of higher education as defined in section 2001
3345.011 of the Revised Code, or a private, nonprofit college, 2002
university, or other post-secondary institution located in this 2003
state that possesses a certificate of authorization issued by the 2004

Ohio board of regents pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of career colleges and schools under Chapter 3332. of the Revised Code. 2005
2006
2007
2008

(2) "Qualified tuition and fees" means tuition and fees imposed by an eligible institution as a condition of enrollment or attendance, not exceeding two thousand five hundred dollars in each of the individual's first two years of post-secondary education. If the individual is a part-time student, "qualified tuition and fees" includes tuition and fees paid for the academic equivalent of the first two years of post-secondary education during a maximum of five taxable years, not exceeding a total of five thousand dollars. "Qualified tuition and fees" does not include: 2009
2010
2011
2012
2013
2014
2015
2016
2017
2018

(a) Expenses for any course or activity involving sports, games, or hobbies unless the course or activity is part of the individual's degree or diploma program; 2019
2020
2021

(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction; 2022
2023
2024

(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program. 2025
2026
2027

(BB)(1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any. 2028
2029
2030

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied: 2031
2032
2033
2034
2035

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.

(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.

Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB)(4)(a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the

numerator of which is the sum of the book value of the qualifying
investee's physical assets in this state on the last day of the
qualifying investee's fiscal or calendar year ending immediately
prior to the day on which the trust recognizes the qualifying
trust amount, and the denominator of which is the sum of the book
value of the qualifying investee's total physical assets
everywhere on the last day of the qualifying investee's fiscal or
calendar year ending immediately prior to the day on which the
trust recognizes the qualifying trust amount. If, for a taxable
year, the trust recognizes a qualifying trust amount with respect
to more than one qualifying investee, the amount described in
division (BB)(4)(b) of this section shall equal the sum of the
products so computed for each such qualifying investee.

(c)(i) With respect to a trust or portion of a trust that is
a resident as ascertained in accordance with division (I)(3)(d) of
this section, its modified nonbusiness income.

(ii) With respect to a trust or portion of a trust that is
not a resident as ascertained in accordance with division
(I)(3)(d) of this section, the amount of its modified nonbusiness
income satisfying the descriptions in divisions (B)(2) to (5) of
section 5747.20 of the Revised Code, except as otherwise provided
in division (BB)(4)(c)(ii) of this section. With respect to a
trust or portion of a trust that is not a resident as ascertained
in accordance with division (I)(3)(d) of this section, the trust's
portion of modified nonbusiness income recognized from the sale,
exchange, or other disposition of a debt interest in or equity
interest in a section 5747.212 entity, as defined in section
5747.212 of the Revised Code, without regard to division (A) of
that section, shall not be allocated to this state in accordance
with section 5747.20 of the Revised Code but shall be apportioned
to this state in accordance with division (B) of section 5747.212
of the Revised Code without regard to division (A) of that

section.

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If the allocation and apportionment of a trust's income under divisions (BB)(4)(a) and (c) of this section do not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

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(5)(a) Except as set forth in division (BB)(5)(b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB)(2)(a) of this section and for the purpose of computing the fraction described in division (BB)(4)(b) of this section, all of the following apply:

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(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

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(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the

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pass-through entity's physical assets which the pass-through
entity directly or indirectly owns on the last day of the
pass-through entity's calendar or fiscal year ending within or
with the last day of the qualifying investee's fiscal or calendar
year ending immediately prior to the date on which the trust
recognizes the qualifying trust amount.

(iii) For the purposes of division (BB)(5)(a)(iii) of this
section, "upper level pass-through entity" means a pass-through
entity directly or indirectly owning any equity of another
pass-through entity, and "lower level pass-through entity" means
that other pass-through entity.

An upper level pass-through entity, whether or not it is also
a qualifying investee, is deemed to own, on the last day of the
upper level pass-through entity's calendar or fiscal year, the
proportionate share of the lower level pass-through entity's
physical assets that the lower level pass-through entity directly
or indirectly owns on the last day of the lower level pass-through
entity's calendar or fiscal year ending within or with the last
day of the upper level pass-through entity's fiscal or calendar
year. If the upper level pass-through entity directly and
indirectly owns less than fifty per cent of the equity of the
lower level pass-through entity on each day of the upper level
pass-through entity's calendar or fiscal year in which or with
which ends the calendar or fiscal year of the lower level
pass-through entity and if, based upon clear and convincing
evidence, complete information about the location and cost of the
physical assets of the lower pass-through entity is not available
to the upper level pass-through entity, then solely for purposes
of ascertaining if a gain or loss constitutes a qualifying trust
amount, the upper level pass-through entity shall be deemed as
owning no equity of the lower level pass-through entity for each
day during the upper level pass-through entity's calendar or

fiscal year in which or with which ends the lower level 2161
pass-through entity's calendar or fiscal year. Nothing in division 2162
(BB)(5)(a)(iii) of this section shall be construed to provide for 2163
any deduction or exclusion in computing any trust's Ohio taxable 2164
income. 2165

(b) With respect to a trust that is not a resident for the 2166
taxable year and with respect to a part of a trust that is not a 2167
resident for the taxable year, "qualifying investee" for that 2168
taxable year does not include a C corporation if both of the 2169
following apply: 2170

(i) During the taxable year the trust or part of the trust 2171
recognizes a gain or loss from the sale, exchange, or other 2172
disposition of equity or ownership interests in, or debt 2173
obligations of, the C corporation. 2174

(ii) Such gain or loss constitutes nonbusiness income. 2175

(6) "Available" means information is such that a person is 2176
able to learn of the information by the due date plus extensions, 2177
if any, for filing the return for the taxable year in which the 2178
trust recognizes the gain or loss. 2179

(CC) "Qualifying controlled group" has the same meaning as in 2180
section 5733.04 of the Revised Code. 2181

(DD) "Related member" has the same meaning as in section 2182
5733.042 of the Revised Code. 2183

(EE)(1) For the purposes of division (EE) of this section: 2184

(a) "Qualifying person" means any person other than a 2185
qualifying corporation. 2186

(b) "Qualifying corporation" means any person classified for 2187
federal income tax purposes as an association taxable as a 2188
corporation, except either of the following: 2189

(i) A corporation that has made an election under subchapter 2190

S, chapter one, subtitle A, of the Internal Revenue Code for its	2191
taxable year ending within, or on the last day of, the investor's	2192
taxable year;	2193
(ii) A subsidiary that is wholly owned by any corporation	2194
that has made an election under subchapter S, chapter one,	2195
subtitle A of the Internal Revenue Code for its taxable year	2196
ending within, or on the last day of, the investor's taxable year.	2197
(2) For the purposes of this chapter, unless expressly stated	2198
otherwise, no qualifying person indirectly owns any asset directly	2199
or indirectly owned by any qualifying corporation.	2200
(FF) For purposes of this chapter and Chapter 5751. of the	2201
Revised Code:	2202
(1) "Trust" does not include a qualified pre-income tax	2203
trust.	2204
(2) A "qualified pre-income tax trust" is any pre-income tax	2205
trust that makes a qualifying pre-income tax trust election as	2206
described in division (FF)(3) of this section.	2207
(3) A "qualifying pre-income tax trust election" is an	2208
election by a pre-income tax trust to subject to the tax imposed	2209
by section 5751.02 of the Revised Code the pre-income tax trust	2210
and all pass-through entities of which the trust owns or controls,	2211
directly, indirectly, or constructively through related interests,	2212
five per cent or more of the ownership or equity interests. The	2213
trustee shall notify the tax commissioner in writing of the	2214
election on or before April 15, 2006. The election, if timely	2215
made, shall be effective on and after January 1, 2006, and shall	2216
apply for all tax periods and tax years until revoked by the	2217
trustee of the trust.	2218
(4) A "pre-income tax trust" is a trust that satisfies all of	2219
the following requirements:	2220

(a) The document or instrument creating the trust was 2221
executed by the grantor before January 1, 1972; 2222

(b) The trust became irrevocable upon the creation of the 2223
trust; and 2224

(c) The grantor was domiciled in this state at the time the 2225
trust was created. 2226

Sec. 5747.24. This section is to be ~~used~~ applied solely for 2227
the purposes of Chapters 5747. and 5748. of the Revised Code. 2228

~~(A)(1)~~ As used in this section ~~and section 5747.25 of the~~ 2229
~~Revised Code:~~ 2230

~~(a) Except as otherwise provided in division (A)(2) of this~~ 2231
~~section, an (1) An~~ individual "has one contact period in this 2232
state" if the individual is away overnight from the individual's 2233
abode located outside this state and while away overnight from 2234
that abode spends at least some portion, however minimal, of each 2235
of two consecutive days in this state. 2236

~~(b)(2)~~ An individual is considered to be "away overnight from 2237
the individual's abode located outside this state" if the 2238
individual is away from the individual's abode located outside 2239
this state for a continuous period of time, however minimal, 2240
beginning at any time on one day and ending at any time on the 2241
next day. 2242

~~(c) "Medical hardship" includes circumstances under which the~~ 2243
~~individual or a member of the individual's immediate or extended~~ 2244
~~family is admitted as a patient into a hospital located in this~~ 2245
~~state, examined in this state by a medical professional, admitted~~ 2246
~~into a nursing home in this state, receiving nursing care in this~~ 2247
~~state while staying in a dwelling located in this state, or~~ 2248
~~otherwise receiving ongoing, necessary medical care in this state.~~ 2249
~~"Medical hardship" includes receiving treatment or care for acute~~ 2250

~~or chronic illness or obstetric treatment or care.~~ 2251

~~(d) "Medical professional" means a person licensed under~~ 2252
~~Chapter 4715., 4723., 4725., 4729., 4730., 4731., 4732., 4734.,~~ 2253
~~4753., 4755., 4757., 4759., 4760., 4761., 4762., or 4773. of the~~ 2254
~~Revised Code.~~ 2255

~~(e) "Immediate or extended family" of an individual means the~~ 2256
~~individual's spouse, children, grandchildren, parents,~~ 2257
~~grandparents, siblings, in laws, or any of the individual's~~ 2258
~~dependents.~~ 2259

~~(2) Up to thirty periods that would otherwise constitute~~ 2260
~~contact periods under division (A)(1)(a) of this section shall not~~ 2261
~~be considered contact periods during a taxable year If the~~ 2262
~~individual spends any portion of either day of each such contact~~ 2263
~~period for one or more of the following purposes:~~ 2264

~~(a) To provide services for no consideration or to raise~~ 2265
~~funds for an organization described in section 501(c)(3) of the~~ 2266
~~Internal Revenue Code. "Consideration" does not include any~~ 2267
~~reimbursement of the individual's actual expenses directly or~~ 2268
~~indirectly related to such activity.~~ 2269

~~(b) To attend to a medical hardship involving the individual~~ 2270
~~or a member of the individual's immediate or extended family or to~~ 2271
~~attend a funeral involving a member of the individual's immediate~~ 2272
~~or extended family.~~ 2273

(B) An individual who during a taxable year has no more than 2274
one hundred ~~twenty~~ eighty-two contact periods in this state, which 2275
need not be consecutive, and who during the entire taxable year 2276
has at least one abode outside this state, is presumed to be not 2277
domiciled in this state during the taxable year. The tax 2278
commissioner, in writing and by personal service or certified 2279
mail, return receipt requested, may request a statement from an 2280
individual verifying that the individual was not domiciled in this 2281

state under this division during the taxable year. The 2282
commissioner shall not make such a request after the expiration of 2283
the period, if any, within which the commissioner may make an 2284
assessment under section 5747.13 of the Revised Code against the 2285
individual for the taxable year. Within sixty days after receiving 2286
the commissioner's request, the individual shall submit a written 2287
statement to the commissioner stating both of the following: 2288

(1) During the entire taxable year, the individual was not 2289
domiciled in this state; 2290

(2) During the entire taxable year, the individual had at 2291
least one abode outside this state. 2292

The presumption that the individual was not domiciled in this 2293
state is irrebuttable unless either the individual fails to timely 2294
submit the statement as required or the statement is fraudulent. 2295
If the individual fails to timely submit the statement as 2296
required, the individual is presumed under division (C) of this 2297
section to have been domiciled in this state the entire taxable 2298
year. 2299

In the case of an individual who dies, the personal 2300
representative of the estate of the deceased individual may comply 2301
with this division by making to the best of the representative's 2302
knowledge and belief the statement under this division with 2303
respect to the deceased individual, and submitting the statement 2304
to the commissioner within sixty days after receiving the 2305
commissioner's request for it. 2306

An individual or personal representative of an estate who 2307
knowingly makes a false statement under this division is guilty of 2308
perjury under section 2921.11 of the Revised Code. 2309

~~(C) An individual who during a taxable year has less than one 2310
hundred eighty three contact periods in this state, which need not 2311
be consecutive, and who is not irrebuttably presumed under 2312~~

~~division (B) of this section to be not domiciled in this state 2313
with respect to that taxable year, is presumed to be domiciled in 2314
this state for the entire taxable year. An individual can rebut 2315
this presumption for any portion of the taxable year only with a 2316
preponderance of the evidence to the contrary. An individual who 2317
rebutts the presumption under this division for any portion of the 2318
taxable year is presumed to be domiciled in this state for the 2319
remainder of the taxable year for which the individual does not 2320
provide a preponderance of the evidence to the contrary. 2321~~

~~(D)~~ An individual who during a taxable year has at least one 2322
hundred eighty-three contact periods in this state, which need not 2323
be consecutive, is presumed to be domiciled in this state for the 2324
entire taxable year. An individual can rebut this presumption for 2325
any portion of the taxable year only with clear and convincing 2326
evidence to the contrary. An individual who rebuts the presumption 2327
under this division for any portion of the taxable year is 2328
presumed to be domiciled in this state for the remainder of the 2329
taxable year for which the individual does not provide clear and 2330
convincing evidence to the contrary. 2331

~~(E)~~(D) If the tax commissioner challenges the number of 2332
contact periods an individual claims to have in this state during 2333
a taxable year, the individual bears the burden of proof to verify 2334
such number, by a preponderance of the evidence. An individual 2335
challenged by the commissioner is presumed to have a contact 2336
period in this state for any period for which ~~he~~ the individual 2337
does not prove by a preponderance of the evidence that the 2338
individual had no such contact period. 2339

Sec. 5748.01. As used in this chapter: 2340

(A) "School district income tax" means an income tax adopted 2341
under one of the following: 2342

(1) Former section 5748.03 of the Revised Code as it existed 2343

prior to its repeal by Amended Substitute House Bill No. 291 of the 115th general assembly; 2344
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(2) Section 5748.03 of the Revised Code as enacted in Substitute Senate Bill No. 28 of the 118th general assembly; 2346
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(3) Section 5748.08 of the Revised Code as enacted in Amended Substitute Senate Bill No. 17 of the 122nd general assembly. 2348
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(B) "Individual" means an individual subject to the tax levied by section 5747.02 of the Revised Code. 2350
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(C) "Estate" means an estate subject to the tax levied by section 5747.02 of the Revised Code. 2352
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(D) "Taxable year" means a taxable year as defined in division (M) of section 5747.01 of the Revised Code. 2354
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(E) "Taxable income" means: 2356

(1) In the case of an individual, one of the following, as specified in the resolution imposing the tax: 2357
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(a) Ohio adjusted gross income for the taxable year as defined in division (A) of section 5747.01 of the Revised Code, less the exemptions provided by section 5747.02 of the Revised Code, and less military pay and allowances the deduction of which has been authorized pursuant to section 5748.011 of the Revised Code; 2359
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(b) Wages, salaries, tips, and other employee compensation to the extent included in Ohio adjusted gross income as defined in section 5747.01 of the Revised Code, less military pay and allowances the deduction of which has been authorized pursuant to section 5748.011 of the Revised Code, and net earnings from self-employment, as defined in section 1402(a) of the Internal Revenue Code, to the extent included in Ohio adjusted gross income. 2365
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(2) In the case of an estate, taxable income for the taxable 2373

year as defined in division (S) of section 5747.01 of the Revised Code. 2374
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(F) ~~Except as provided in section 5747.25 of the Revised Code, "resident"~~ "Resident" of the school district means: 2376
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(1) An individual who is a resident of this state as defined in division (I) of section 5747.01 of the Revised Code during all or a portion of the taxable year and who, during all or a portion of such period of state residency, is domiciled in the school district or lives in and maintains a permanent place of abode in the school district; 2378
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(2) An estate of a decedent who, at the time of death, was domiciled in the school district. 2384
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(G) "School district income" means: 2386

(1) With respect to an individual, the portion of the taxable income of an individual that is received by the individual during the portion of the taxable year that the individual is a resident of the school district and the school district income tax is in effect in that school district. An individual may have school district income with respect to more than one school district. 2387
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(2) With respect to an estate, the taxable income of the estate for the portion of the taxable year that the school district income tax is in effect in that school district. 2393
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(H) "Taxpayer" means an individual or estate having school district income upon which a school district income tax is imposed. 2396
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(I) "School district purposes" means any of the purposes for which a tax may be levied pursuant to section 5705.21 of the Revised Code. 2399
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Sec. 6101.48. After the conservancy appraisal record as 2402

approved by the court, or that part of it from which no appeal is 2403
pending, has been filed with the secretary of the conservancy 2404
district as provided in section 6101.37 of the Revised Code, from 2405
time to time, as the affairs of the district demand it, the board 2406
of directors of the conservancy district ~~shall levy~~ may adopt a 2407
resolution levying on all real property and on all public 2408
corporations, upon which benefits have been appraised, an 2409
assessment of the portion of the benefits that is found necessary 2410
by the board to pay the cost of the execution of the official 2411
plan, including superintendence of construction and 2412
administration, plus one-ninth of that total to be added for 2413
contingencies, but not to exceed in the total of principal the 2414
appraised benefits so adjudicated. At least ninety days before any 2415
assessment takes effect, the board shall have completed two public 2416
hearings on the proposed assessment of which public notice shall 2417
be given not less than ten days prior to the date of each hearing 2418
in a newspaper having general circulation in the district. The 2419
assessment may be submitted to a referendum under sections 6101.85 2420
to 6101.856 of the Revised Code. 2421

The assessment shall be apportioned to and levied on each 2422
tract of land or other property and each public corporation in the 2423
district in proportion to the benefits appraised, and not in 2424
excess of the benefits appraised. Interest at a rate not to exceed 2425
the rate provided in section 9.95 of the Revised Code, payable 2426
semiannually, shall be included in and added to the assessment, 2427
but the interest shall not be considered as a part of the cost in 2428
determining whether or not the expenses and costs of making the 2429
improvement are equal to or in excess of the benefits appraised. 2430

After the assessment ~~is levied~~ goes into effect, the board 2431
shall report it to the court for confirmation. Upon the entry of 2432
the order of the court confirming the assessment, the clerk of the 2433
court shall transmit a certified copy of the order to the 2434

governing or taxing body of each political subdivision assessed, 2435
and the governing or taxing body shall receive and file the order. 2436
Thereafter, the board may order the issuance of notes in an amount 2437
not exceeding ninety per cent of the assessment in anticipation of 2438
the collection of the assessment. 2439

After the court has confirmed the assessment, the secretary 2440
of the conservancy district, at the expense of the district, shall 2441
prepare an assessment record named "Conservancy Assessment Record 2442
of District." It shall contain a notation of the items of 2443
property appraised and the public corporations to which benefits 2444
have been appraised, the total amount of benefits appraised 2445
against each item or public corporation, and the total assessment 2446
levied against each item or public corporation. If successive 2447
levies of assessment are made for the execution of the official 2448
plan and the acquisition or construction of improvements, the 2449
conservancy assessment record shall contain suitable notations to 2450
show the number of levies and the amount of each, to the end that 2451
the conservancy assessment record may disclose the aggregate of 2452
all such levies made up to that time. 2453

Upon the completion of the conservancy assessment record, it 2454
shall be signed and certified by the president of the board and by 2455
the secretary of the conservancy district and placed on file and 2456
shall become a permanent record in the office of the district. 2457
After the expiration of the thirty-day period for the payment of 2458
assessments as provided by section 6101.49 of the Revised Code, a 2459
copy of that part of the conservancy assessment record affecting 2460
lands or public corporations in any county shall be filed with the 2461
county auditor of the county. 2462

If it is found at any time that the total amount of 2463
assessments levied is insufficient to pay the cost of works set 2464
out in the official plan or of additional work done, the board 2465
may, pursuant to a resolution adopted by the board, make an 2466

additional levy to provide funds to complete the work, provided 2467
the total of all levies of the assessment exclusive of interest 2468
does not exceed the total of benefits appraised. At least ninety 2469
days before an additional assessment takes effect, the board shall 2470
have completed two public hearings on the proposed additional 2471
assessment of which public notice shall be given not less than ten 2472
days prior to the date of each hearing in a newspaper having 2473
general circulation in the district. The additional assessment may 2474
be submitted to a referendum under sections 6101.85 to 6101.856 of 2475
the Revised Code. 2476

Sec. 6101.53. To maintain, operate, and preserve the 2477
reservoirs, ditches, drains, dams, levies, canals, sewers, pumping 2478
stations, treatment and disposal works, or other properties or 2479
improvements acquired or made pursuant to this chapter, to 2480
strengthen, repair, and restore the same, when needed, and to 2481
defray the current expenses of the conservancy district, the board 2482
of directors of the district may, upon the substantial completion 2483
of the improvements and on or before the first day of September in 2484
each year thereafter, ~~levy~~ adopt a resolution levying an 2485
assessment upon each tract or parcel of land and upon each public 2486
corporation within the district, subject to assessments under this 2487
chapter, to be known as a conservancy maintenance assessment. At 2488
least ninety days before the maintenance assessment takes effect, 2489
the board shall have completed two public hearings on the proposed 2490
maintenance assessment of which public notice shall be given not 2491
less than ten days prior to the date of each hearing in a 2492
newspaper having general circulation in the district. The 2493
maintenance assessment may be submitted to a referendum under 2494
sections 6101.85 to 6101.856 of the Revised Code. No assessment 2495
shall be made with respect to works and improvements acquired or 2496
constructed for the purpose of providing a water supply for 2497
domestic, industrial, and public use within the district, when the 2498

water supply can be metered or measured when furnished to persons 2499
or public corporations. If the district, for the benefit of one or 2500
more persons or political subdivisions, provides a water supply 2501
that recharges underground aquifers and thereby replenishes wells 2502
or provides a source of water for new wells, or increases the 2503
natural low flow of a stream used for water supply, or creates an 2504
impoundment, in such a way that the augmented use of water cannot 2505
be metered or measured for individual or public consumption, the 2506
board may make a maintenance assessment against benefited property 2507
and public corporations in the same manner provided in this 2508
section for maintenance of other properties or improvements. 2509

~~The~~ A maintenance assessment shall be apportioned upon the 2510
basis of the total appraisal of benefits accruing for original and 2511
subsequent construction, shall not exceed one per cent of the 2512
total appraisal of benefits in any one year unless the court by 2513
its order authorizes an assessment of a larger percentage, shall 2514
not be less than two dollars, and shall be certified to the county 2515
auditor of each county in which lands of the district are located 2516
in the conservancy assessment record but in a separate column in 2517
like manner and at the same time as the annual installment of the 2518
assessment levied under section 6101.48 of the Revised Code is 2519
certified, under the heading maintenance assessment. The auditor 2520
shall certify the same to the county treasurer of the county at 2521
the same time that the auditor certifies the annual installment of 2522
the assessments levied under that section, and the sum of the 2523
levies for any tract or public corporation may be certified as a 2524
single item. The treasurer shall demand and collect the 2525
maintenance assessment and make return of it, and shall be liable 2526
for the same penalties for failure to do so as are provided for 2527
the annual installment of the assessment levied under section 2528
6101.48 of the Revised Code. 2529

The amount of the maintenance assessment paid by any parcel 2530

of land or public corporation shall not be credited against the 2531
benefits assessed against the parcel of land or public 2532
corporation, but the maintenance assessment shall be in addition 2533
to any assessment that has been or can be levied under section 2534
6101.48 of the Revised Code. 2535

To maintain, operate, and preserve the works and improvements 2536
of the district acquired or constructed for the purpose of 2537
providing a water supply, to strengthen, repair, and restore the 2538
same, and to defray the current expenses of the district for this 2539
purpose, the board may impose rates for the sale of water to 2540
public corporations and persons within the district. The rates to 2541
be charged for the water shall be fixed and adjusted by the board 2542
at intervals of not less than one year, so that the income thus 2543
produced will be adequate to provide a maintenance fund for the 2544
purpose of water supply. Contracts for supplying water to public 2545
corporations and persons shall be entered into before the service 2546
is rendered by the district. Contracts shall specify the maximum 2547
quantity of water to be furnished to the public corporation or 2548
person, and the quantity shall be fixed so as equitably to 2549
distribute the supply. Preference shall be given to water supply 2550
furnished to public corporations for domestic and public uses. 2551
Bills for water supplied to public corporations shall be rendered 2552
at regular intervals and shall be payable from the waterworks fund 2553
of the public corporation or, if it is not sufficient, from the 2554
general fund. 2555

Sec. 6101.85. The procedure for submitting to a referendum 2556
any resolution adopted by a board of directors of a conservancy 2557
district levying an assessment under section 6101.48 or 6101.53 of 2558
the Revised Code shall be as prescribed by this section. 2559

Except as otherwise provided in this paragraph, when a 2560
petition, signed by ten per cent of the number of electors who 2561

voted for governor at the most recent general election for the 2562
office of governor in the district, is filed with the board of 2563
directors within ninety days after the date of the second public 2564
hearing on the proposed assessment, the board of directors shall, 2565
after ten days following the filing of the petition, and not later 2566
than four p.m. of the seventy-fifth day before the day of 2567
election, transmit a certified copy of the text of the resolution 2568
to the board of elections. The board of directors shall transmit 2569
the petition to the board of elections together with the certified 2570
copy of the resolution. The board of elections shall examine all 2571
signatures on the petition to determine the number of electors of 2572
the district who signed the petition. The board of elections shall 2573
return the petition to the board of directors within ten days 2574
after receiving it, together with a statement attesting to the 2575
sufficiency and validity of the petition, including the number of 2576
such electors who signed the petition. The board of elections 2577
shall submit the resolution to the electors of the district, for 2578
their approval or rejection, at the succeeding general election 2579
held in any year, or on the day of the succeeding primary election 2580
held in even-numbered years, occurring subsequent to seventy-five 2581
days after the board of elections certifies the sufficiency and 2582
validity of the petition to the board of directors. 2583

No resolution shall go into effect until approved by the 2584
majority of those voting upon it. Sections 6101.85 to 6101.856 of 2585
the Revised Code do not prevent a board of directors, after the 2586
passage of a resolution, from proceeding at once to give any 2587
notice or make any publication required by the resolution. 2588

The board of directors shall make available to any person, 2589
upon request, a certified copy of any resolution subject to the 2590
procedure for submitting a referendum under sections 6101.85 to 2591
6101.856 of the Revised Code beginning on the date the resolution 2592
is adopted by the board. The board of directors may charge a fee 2593

for the cost of copying the resolution. 2594

As used in this section, "certified copy" means a copy 2595
containing a written statement attesting that it is a true and 2596
exact reproduction of the original resolution. 2597

Sec. 6101.851. Any referendum petition under section 6101.85 2598
of the Revised Code may be presented in separate petition papers, 2599
but each petition paper shall contain a full and correct copy of 2600
the title and text of the resolution sought to be referred. 2601
Referendum petitions shall be governed by the rules enumerated in 2602
section 3501.38 of the Revised Code. In determining the validity 2603
of any such petition, all signatures which are found to be 2604
irregular shall be rejected, but no petition shall be declared 2605
invalid in its entirety when one or more signatures are found to 2606
be invalid except when the number of valid signatures is found to 2607
be less than the total number required by section 305.31 of the 2608
Revised Code. 2609

The petitions and signatures upon such petitions shall be 2610
prima-facie presumed to be in all respects sufficient. No 2611
resolution submitted to the electors of a district, and receiving 2612
an affirmative majority of the votes cast thereon, shall be held 2613
ineffective or void on account of the insufficiency of the 2614
petitions by which such submission of the resolution was procured, 2615
nor shall the rejection, by a majority of the votes cast thereon, 2616
of any resolution submitted to the electors of such district, be 2617
held invalid for such insufficiency. 2618

Resolutions receiving an affirmative majority of the votes 2619
cast thereon shall become effective on the first day of the month 2620
following certification by the board of elections of the official 2621
vote on such question. 2622

Sec. 6101.852. Whoever files a referendum petition against 2623

any resolution lebying a conservancy district assessment shall, 2624
before circulating such petition, file a certified copy of the 2625
resolution with the county board of elections. 2626

As used in this section, "certified copy" means a copy 2627
containing a written statement attesting that it is a true and 2628
exact reproduction of the original resolution. 2629

Sec. 6101.853. At the top of each part of the petition 2630
described in section 6101.85 of the Revised Code, the following 2631
words shall be printed in red: 2632

NOTICE 2633

Whoever knowingly signs this petition more than once, signs a 2634
name other than the person's own, or signs when not a legal voter 2635
is liable to prosecution. 2636

Sec. 6101.854. The petitioners may designate in any 2637
referendum petition under section 6101.85 of the Revised Code a 2638
committee of not less than three of their number, who shall be 2639
regarded as filing the petition. After a petition has been filed 2640
with the board of directors of a conservancy district it shall be 2641
kept open for public inspection for ten days. If, after a verified 2642
referendum petition has been filed against any resolution, the 2643
board of directors repeals the resolution, or it is held to be 2644
invalid, the board of elections shall not submit the resolution to 2645
a vote of the electors. 2646

Sec. 6101.855. (A) The circulator of a referendum petition 2647
under section 6101.85 of the Revised Code, or the circulator's 2648
agent, shall, within five days after such petition is filed with 2649
the board of directors of the conservancy district, file a 2650
statement, made under penalty of election falsification, showing 2651
in detail: 2652

<u>(1) All moneys or things of value paid, given, or promised</u>	2653
<u>for circulating such petition;</u>	2654
<u>(2) Full names and addresses of all persons to whom such</u>	2655
<u>payments or promises were made;</u>	2656
<u>(3) Full names and addresses of all persons who contributed</u>	2657
<u>anything of value to be used in circulating such petitions;</u>	2658
<u>(4) Time spent and salaries earned while circulating or</u>	2659
<u>soliciting signatures to petitions by persons who were regular</u>	2660
<u>salaried employees of some person who authorized them to solicit</u>	2661
<u>signatures for or circulate the petition as a part of their</u>	2662
<u>regular duties.</u>	2663
<u>(B) The statement provided for in division (A) of this</u>	2664
<u>section is not required from persons who take no other part in</u>	2665
<u>circulating a petition other than signing declarations to parts of</u>	2666
<u>the petition and soliciting signatures to them.</u>	2667
<u>(C) Such statement shall be open to public inspection for a</u>	2668
<u>period of one year.</u>	2669
<u>Sec. 6101.856.</u> (A) <u>No person shall knowingly sign a</u>	2670
<u>referendum petition circulated under section 6101.85 of the</u>	2671
<u>Revised Code more than once, accept anything of value for signing</u>	2672
<u>a petition, sign a name other than the person's own, or sign when</u>	2673
<u>not a legal voter.</u>	2674
<u>(B) No person shall, directly or indirectly, by intimidation</u>	2675
<u>or threats, influence or seek to influence any person to sign or</u>	2676
<u>abstain from signing, or to solicit signatures to or abstain from</u>	2677
<u>soliciting signatures to, a referendum petition circulated under</u>	2678
<u>section 6101.85 of the Revised Code.</u>	2679
<u>Sec. 6101.99.</u> (A) <u>Whoever violates division (B) of section</u>	2680
<u>6101.14 of the Revised Code shall be fined not more than fifty</u>	2681

dollars. 2682

(B) Whoever violates division (B) of section 6101.19 of the Revised Code shall be fined not more than one thousand dollars. 2683
2684

(C) Whoever violates section 6101.81 of the Revised Code shall be fined not more than one hundred dollars. 2685
2686

(D) Whoever violates division (B) of section 6101.82 of the Revised Code shall be fined not more than five hundred dollars. 2687
2688

(E) Whoever violates section 6101.83 of the Revised Code is guilty of a felony of the fourth degree, and the court may impose an additional fine of not more than two thousand five hundred dollars. 2689
2690
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2692

(F) Whoever violates section 6101.856 of the Revised Code is guilty of a minor misdemeanor. 2693
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Section 2. That existing sections 319.202, 319.302, 323.01, 323.152, 323.153, 323.154, 323.156, 323.99, 4503.065, 4503.066, 4503.068, 5747.01, 5747.24, 5748.01, 6101.48, 6101.53, and 6101.99 and section 5747.25 of the Revised Code are hereby repealed. 2695
2696
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2698

Section 3. The amendment or repeal by this act of sections 5747.01, 5747.24, 5747.25, and 5748.01 of the Revised Code apply to taxable years beginning on or after January 1, 2006. 2699
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2701

Section 4. (A) There is hereby created the Committee for the Study of Ohio's Local Property Tax Laws, which shall review the laws of this state governing real property taxation. On or before December 31, 2007, the Committee shall prepare a report that does all of the following: 2702
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2704
2705
2706

(1) Appraises the effectiveness of the commercial activity tax created under Chapter 5751. of the Revised Code to replace tax revenues foregone as a result of the phase-out of tangible 2707
2708
2709

personal property tax; 2710

(2) Formulates alternative plans for the permanent 2711
replacement of tax revenue foregone as a result of the phase-out 2712
of tangible personal property tax; 2713

(3) Makes recommendations for the improvement of Ohio's 2714
system of real property tax appraisal; and 2715

(4) Compares and contrasts Ohio's local property tax system 2716
with that of other states. 2717

The Committee shall submit a copy of its report to the 2718
Governor, the Speaker of the House of Representatives, the 2719
President of the Senate, and the Tax Commissioner. The report 2720
shall be made available to the public via publication on the 2721
Department of Taxation's official website. 2722

(B)(1) The Committee shall consist of the chairperson of the 2723
House Ways and Means Committee, the chairperson of the Senate Ways 2724
and Means Committee, two additional members of the House of 2725
Representatives appointed by the Speaker of the House of 2726
Representatives, and two additional members of the Senate 2727
appointed by the President of the Senate. Not more than two of the 2728
members from each house shall be members of the same political 2729
party. The Committee also shall consist of thirty-six public 2730
members, including three members representing each of the 2731
following interests: business, labor, public education, 2732
agriculture, consumers, public utilities, local governments, 2733
property owners, taxpayers, senior citizens, firms engaged in 2734
retail business or electronic commerce, and tax practitioners. Of 2735
the three public members representing each such interest, one 2736
shall be appointed by the Governor, one shall be appointed by the 2737
Speaker of the House of Representatives, and one shall be 2738
appointed by the President of the Senate. Initial appointments 2739
shall be made not later than June 30, 2007. Vacancies on the 2740

Committee shall be filled in the same manner as original 2741
appointments. 2742

(2) The Committee shall meet at the call of the Chairperson, 2743
who shall be appointed jointly by the Speaker and the President. 2744
The first meeting shall be held not later than July 15, 2007. A 2745
majority of the Committee constitutes a quorum for the conduct of 2746
official business. 2747

(3) At the first meeting of the Committee, the Committee may 2748
organize itself into not more than four subcommittees assigned to 2749
review one or more aspects of Ohio's local property tax laws. A 2750
majority of each subcommittee constitutes a quorum for the conduct 2751
of the official business of the subcommittee. 2752

(4) All meetings of the Committee and its subcommittees are 2753
open to the public. At each meeting of the Committee or one of its 2754
subcommittees, the Committee or subcommittee shall accept 2755
testimony from the public. Each subcommittee shall report its 2756
findings and recommendations to the Committee as required by the 2757
Committee. The Department of Taxation, county auditors, and county 2758
treasurers shall assist the Committee and its subcommittees by 2759
providing information as requested by the Committee or one of its 2760
subcommittees. 2761

(C) The Committee ceases to exist on and after December 31, 2762
2006. 2763

Section 5. Sections 323.153 and 323.156 of the Revised Code 2764
are presented in this act as composites of the sections as amended 2765
by both Am. H.B. 595 and Am. Sub. H.B. 672 of the 123rd General 2766
Assembly. The General Assembly, applying the principle stated in 2767
division (B) of section 1.52 of the Revised Code that amendments 2768
are to be harmonized if reasonably capable of simultaneous 2769
operation, finds that the composites are the resulting versions of 2770
the sections in effect prior to the effective date of the sections 2771

as presented in this act.

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