

As Introduced

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Representative Hughes

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A B I L L

To amend sections 5751.20 and 5751.21 of the Revised Code to extend indefinitely the full reimbursement to school districts for the phase-out of taxes on business tangible personal property.

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

Section 1. That sections 5751.20 and 5751.21 of the Revised Code be amended to read as follows:

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of the Revised Code:

(1) "School district," "joint vocational school district," "local taxing unit," "state education aid," "recognized valuation," "fixed-rate levy," and "fixed-sum levy" have the same meanings as used in section 5727.84 of the Revised Code.

(2) "State education aid offset" means the amount determined for each school district or joint vocational school district under division (A)(1) of section 5751.21 of the Revised Code.

(3) "Machinery and equipment property tax value loss" means the amount determined under division (C)(1) of this section.	16 17
(4) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.	18 19
(5) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.	20 21
(6) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.	22 23
(7) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.	24 25
(8) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.	26 27
(9) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.	28 29 30 31
(10) "Fixed-sum levy loss" means the amount determined under division (E) of this section.	32 33
(11) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.	34 35 36
(12) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.	37 38 39
(13) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.	40 41 42
(14) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005. For the purpose of determining	43 44 45

the rate of a qualifying levy authorized by section 5705.212 or 46
5705.213 of the Revised Code, the rate shall be the rate that 47
would be in effect for tax year 2010. 48

(15) "Telephone property" means tangible personal property of 49
a telephone, telegraph, or interexchange telecommunications 50
company subject to an assessment rate specified in section 51
5727.111 of the Revised Code in tax year 2004. 52

(16) "Telephone property tax value loss" means the amount 53
determined under division (C)(4) of this section. 54

(17) "Telephone property fixed-rate levy loss" means the 55
amount determined under division (D)(4) of this section. 56

(B) The commercial activities tax receipts fund is hereby 57
created in the state treasury and shall consist of money arising 58
from the tax imposed under this chapter. All money in that fund 59
shall be credited for each fiscal year in the following 60
percentages to the general revenue fund, to the school district 61
tangible property tax replacement fund, which is hereby created in 62
the state treasury for the purpose of making the payments 63
described in section 5751.21 of the Revised Code, and to the local 64
government tangible property tax replacement fund, which is hereby 65
created in the state treasury for the purpose of making the 66
payments described in section 5751.22 of the Revised Code, in the 67
following percentages: 68

Fiscal year	General Revenue Fund	School District Tangible Property Tax Replacement Fund	Local Government Tangible Property Tax Replacement Fund	
2006	67.7%	22.6%	9.7%	70
2007	0%	70.0%	30.0%	71
2008	0%	70.0%	30.0%	72
2009	0%	70.0%	30.0%	73

2010	0%	70.0%	30.0%	74
2011	0%	70.0%	30.0%	75
2012	5.3%	70.0%	24.7%	76
2013	19.4%	70.0%	10.6%	77
2014	14.1%	70.0%	15.9%	78
2015	17.6%	70.0%	12.4%	79
2016	21.1%	70.0%	8.9%	80
2017	24.6%	70.0%	5.4%	81
2018	28.1%	70.0%	1.9%	82
2019 and	100 <u>30</u> %	0 <u>70</u> %	0%	83

thereafter

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, thirty-three and eight-tenths per cent;

(b) For tax year 2007, sixty-one and three-tenths per cent;

(c) For tax year 2008, eighty-three per cent;

(d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of inventory property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, a fraction, the numerator of which is five and three-fourths and the denominator of which is

twenty-three;	104
(b) For tax year 2007, a fraction, the numerator of which is nine and one-half and the denominator of which is twenty-three;	105 106
(c) For tax year 2008, a fraction, the numerator of which is thirteen and one-fourth and the denominator of which is twenty-three;	107 108 109
(d) For tax year 2009 and thereafter a fraction, the numerator of which is seventeen and the denominator of which is twenty-three.	110 111 112
(3) Furniture and fixtures property tax value loss is the taxable value of furniture and fixture property as reported by taxpayers for tax year 2004 multiplied by:	113 114 115
(a) For tax year 2006, twenty-five per cent;	116
(b) For tax year 2007, fifty per cent;	117
(c) For tax year 2008, seventy-five per cent;	118
(d) For tax year 2009 and thereafter, one hundred per cent.	119
The taxable value of property reported by taxpayers used in divisions (C)(1), (2), and (3) of this section shall be such values as determined to be final by the tax commissioner as of August 31, 2005. Such determinations shall be final except for any correction of a clerical error that was made prior to August 31, 2005, by the tax commissioner.	120 121 122 123 124 125
(4) Telephone property tax value loss is the taxable value of telephone property as taxpayers would have reported that property for tax year 2004 if the assessment rate for all telephone property for that year were twenty-five per cent, multiplied by:	126 127 128 129
(a) For tax year 2006, zero per cent;	130
(b) For tax year 2007, zero per cent;	131
(c) For tax year 2008, zero per cent;	132

(d) For tax year 2009, sixty per cent;	133
(e) For tax year 2010, eighty per cent;	134
(f) For tax year 2011 and thereafter, one hundred per cent.	135
(5) Division (C)(5) of this section applies to any school	136
district, joint vocational school district, or local taxing unit	137
in a county in which is located a facility currently or formerly	138
devoted to the enrichment or commercialization of uranium or	139
uranium products, and for which the total taxable value of	140
property listed on the general tax list of personal property for	141
any tax year from tax year 2001 to tax year 2004 was fifty per	142
cent or less of the taxable value of such property listed on the	143
general tax list of personal property for the next preceding tax	144
year.	145
In computing the fixed-rate levy losses under divisions	146
(D)(1), (2), and (3) of this section for any school district,	147
joint vocational school district, or local taxing unit to which	148
division (C)(5) of this section applies, the taxable value of such	149
property as listed on the general tax list of personal property	150
for tax year 2000 shall be substituted for the taxable value of	151
such property as reported by taxpayers for tax year 2004, in the	152
taxing district containing the uranium facility, if the taxable	153
value listed for tax year 2000 is greater than the taxable value	154
reported by taxpayers for tax year 2004. For the purpose of making	155
the computations under divisions (D)(1), (2), and (3) of this	156
section, the tax year 2000 valuation is to be allocated to	157
machinery and equipment, inventory, and furniture and fixtures	158
property in the same proportions as the tax year 2004 values. For	159
the purpose of the calculations in division (A) of section 5751.21	160
of the Revised Code, the tax year 2004 taxable values shall be	161
used.	162
To facilitate the calculations required under division (C) of	163

this section, the county auditor, upon request from the tax commissioner, shall provide by August 1, 2005, the values of machinery and equipment, inventory, and furniture and fixtures for all single-county personal property taxpayers for tax year 2004.

(D) Not later than September 15, 2005, the tax commissioner shall determine for each tax year from 2006 through 2009 for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory, and furniture and fixtures fixed-rate levy losses, and for each tax year from 2006 through 2011 its telephone property fixed-rate levy loss, which are the applicable amounts described in divisions (D)(1), (2), (3), and (4) of this section:

(1) The machinery and equipment fixed-rate levy loss is the machinery and equipment property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(2) The inventory fixed-rate loss is the inventory property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(3) The furniture and fixtures fixed-rate levy loss is the furniture and fixture property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(4) The telephone property fixed-rate levy loss is the telephone property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(E) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss. The fixed-sum levy loss is the amount obtained by subtracting the amount described in division (E)(2) of this section from the amount described in division (E)(1) of this section:

(1) The sum of the machinery and equipment property tax value

loss, the inventory property tax value loss, and the furniture and 195
fixtures property tax value loss, and, for 2008 ~~through 2017~~ and 196
thereafter, the telephone property tax value loss of the district 197
or unit, multiplied by the sum of the fixed-sum tax rates of 198
qualifying levies. For 2006 through 2010, this computation shall 199
include all qualifying levies remaining in effect for the current 200
tax year and any school district emergency levies that are 201
qualifying levies not remaining in effect for the current year. 202
For 2011 ~~through 2017~~ and thereafter, this computation shall 203
include only qualifying levies remaining in effect for the current 204
year. For purposes of this computation, a qualifying school 205
district emergency levy remains in effect in a year after 2010 206
only if, for that year, the board of education levies a school 207
district emergency levy for an annual sum at least equal to the 208
annual sum levied by the board in tax year 2004 less the amount of 209
the payment certified under this division for 2006. 210

(2) The total taxable value in tax year 2004 less the sum of 211
the machinery and equipment, inventory, furniture and fixtures, 212
and telephone property tax value losses in each school district, 213
joint vocational school district, and local taxing unit multiplied 214
by one-half of one mill per dollar. 215

(3) For the calculations in divisions (E)(1) and (2) of this 216
section, the tax value losses are those that would be calculated 217
for tax year 2009 under divisions (C)(1), (2), and (3) of this 218
section and for tax year 2011 under division (C)(4) of this 219
section. 220

(4) To facilitate the calculation under divisions (D) and (E) 221
of this section, not later than September 1, 2005, any school 222
district, joint vocational school district, or local taxing unit 223
that has a qualifying levy that was approved at an election 224
conducted during 2005 before September 1, 2005, shall certify to 225
the tax commissioner a copy of the county auditor's certificate of 226

estimated property tax millage for such levy as required under 227
division (B) of section 5705.03 of the Revised Code, which is the 228
rate that shall be used in the calculations under such divisions. 229

If the amount determined under division (E) of this section 230
for any school district, joint vocational school district, or 231
local taxing unit is greater than zero, that amount shall equal 232
the reimbursement to be paid pursuant to division (D) of section 233
5751.21 or division (A)(3) of section 5751.22 of the Revised Code, 234
and the one-half of one mill that is subtracted under division 235
(E)(2) of this section shall be apportioned among all contributing 236
fixed-sum levies in the proportion that each levy bears to the sum 237
of all fixed-sum levies within each school district, joint 238
vocational school district, or local taxing unit. 239

(F) Not later than October 1, 2005, the tax commissioner 240
shall certify to the department of education for every school 241
district and joint vocational school district the machinery and 242
equipment, inventory, furniture and fixtures, and telephone 243
property tax value losses determined under division (C) of this 244
section, the machinery and equipment, inventory, furniture and 245
fixtures, and telephone fixed-rate levy losses determined under 246
division (D) of this section, and the fixed-sum levy losses 247
calculated under division (E) of this section. The calculations 248
under divisions (D) and (E) of this section shall separately 249
display the levy loss for each levy eligible for reimbursement. 250

(G) Not later than October 1, 2005, the tax commissioner 251
shall certify the amount of the fixed-sum levy losses to the 252
county auditor of each county in which a school district, joint 253
vocational school district, or local taxing unit with a fixed-sum 254
levy loss reimbursement has territory. 255

Sec. 5751.21. (A) Not later than the thirty-first day of July 256
of each year beginning in 2007 through 2017, the department of 257

education shall determine the following for each school district 258
and each joint vocational school district eligible for payment 259
under division (B) of this section: 260

(1) The state education aid offset, which is the difference 261
obtained by subtracting the amount described in division (A)(1)(b) 262
of this section from the amount described in division (A)(1)(a) of 263
this section: 264

(a) The state education aid computed for the school district 265
or joint vocational school district for the current fiscal year as 266
of the thirty-first day of July; 267

(b) The state education aid that would be computed for the 268
school district or joint vocational school district for the 269
current fiscal year as of the thirty-first day of July if the 270
recognized valuation included the machinery and equipment, 271
inventory, furniture and fixtures, and telephone property tax 272
value losses for the school district or joint vocational school 273
district for the second preceding tax year. 274

(2) The greater of zero or the difference obtained by 275
subtracting the state education aid offset determined under 276
division (A)(1) of this section from the sum of the machinery and 277
equipment fixed-rate levy loss, the inventory fixed-rate levy 278
loss, furniture and fixtures fixed-rate levy loss, and telephone 279
property fixed-rate levy loss certified under division (F) of 280
section 5751.20 of the Revised Code for all taxing districts in 281
each school district and joint vocational school district for the 282
second preceding tax year. 283

By the fifth day of August of each such year, the department 284
of education shall certify the amount so determined under division 285
(A)(1) of this section to the director of budget and management. 286

(B) The department of education shall pay from the school 287

district tangible property tax replacement fund to each school	288
district and joint vocational school district all of the following	289
for fixed-rate levy losses certified under division (F) of section	290
5751.20 of the Revised Code:	291
(1) On or before May 31, 2006, one-seventh of the total	292
fixed-rate levy loss for tax year 2006;	293
(2) On or before August 31, 2006, and October 31, 2006,	294
one-half of six-sevenths of the total fixed-rate levy loss for tax	295
year 2006;	296
(3) On or before May 31, 2007, one-seventh of the total	297
fixed-rate levy loss for tax year 2007;	298
(4) On or before August 31, 2007, and October 31, 2007,	299
forty-three per cent of the amount determined under division	300
(A)(2) of this section for fiscal year 2008, but not less than	301
zero, plus one-half of six-sevenths of the difference between the	302
total fixed-rate levy loss for tax year 2007 and the total	303
fixed-rate levy loss for tax year 2006.	304
(5) On or before May 31, 2008, fourteen per cent of the	305
amount determined under division (A)(2) of this section for fiscal	306
year 2008, but not less than zero, plus one-seventh of the	307
difference between the total fixed-rate levy loss for tax year	308
2008 and the total fixed-rate levy loss for tax year 2006.	309
(6) On or before August 31, 2008, and October 31, 2008,	310
forty-three per cent of the amount determined under division	311
(A)(2) of this section for fiscal year 2009, but not less than	312
zero, plus one-half of six-sevenths of the difference between the	313
total fixed-rate levy loss in tax year 2008 and the total	314
fixed-rate levy loss in tax year 2007.	315
(7) On or before May 31, 2009, fourteen per cent of the	316
amount determined under division (A)(2) of this section for fiscal	317
year 2009, but not less than zero, plus one-seventh of the	318

difference between the total fixed-rate levy loss for tax year 319
2009 and the total fixed-rate levy loss for tax year 2007. 320

(8) On or before August 31, 2009, and October 31, 2009, 321
forty-three per cent of the amount determined under division 322
(A)(2) of this section for fiscal year 2010, but not less than 323
zero, plus one-half of six-sevenths of the difference between the 324
total fixed-rate levy loss in tax year 2009 and the total 325
fixed-rate levy loss in tax year 2008. 326

(9) On or before May 31, 2010, fourteen per cent of the 327
amount determined under division (A)(2) of this section for fiscal 328
year 2010, but not less than zero, plus one-seventh of the 329
difference between the total fixed-rate levy loss in tax year 2010 330
and the total fixed-rate levy loss in tax year 2008. 331

(10) On or before August 31, 2010, and October 31, 2010, 332
one-third of the amount determined under division (A)(2) of this 333
section for fiscal year 2011, but not less than zero, plus 334
one-half of six-sevenths of the difference between the telephone 335
property fixed-rate levy loss for tax year 2010 and the telephone 336
property fixed-rate levy loss for tax year 2009. 337

(11) On or before May 31, 2011, fourteen per cent of the 338
amount determined under division (A)(2) of this section for fiscal 339
year 2011, but not less than zero, plus one-seventh of the 340
difference between the telephone property fixed-rate levy loss for 341
tax year 2011 and the telephone property fixed-rate levy loss for 342
tax year 2009. 343

(12) On or before August 31, 2011, October 31, 2011, and May 344
31, 2012, one-third of the amount determined under division (A)(2) 345
of this section ~~multiplied by a fraction, the numerator of which~~ 346
~~is fourteen and the denominator of which is seventeen~~ for fiscal 347
year 2012, but not less than zero, ~~multiplied by one-third~~, plus 348
one-half of six-sevenths of the difference between the telephone 349

property fixed-rate levy loss for tax year 2011 and the telephone 350
property fixed-rate levy loss for tax year 2010. 351

(13) On or before May 31, 2012, fourteen per cent of the 352
amount determined under division (A)(2) of this section for fiscal 353
year 2012, ~~multiplied by a fraction, the numerator of which is~~ 354
~~fourteen and the denominator of which is seventeen~~ but not less 355
than zero, plus one-seventh of the difference between the 356
telephone property fixed-rate levy loss for tax year 2011 and the 357
telephone property fixed-rate levy loss for tax year 2010. 358

(14) On or before August 31, 2012, October 31, 2012, and May 359
31, 2013, the amount determined under division (A)(2) of this 360
section ~~multiplied by a fraction, the numerator of which is eleven~~ 361
~~and the denominator of which is seventeen~~ for fiscal year 2013, 362
but not less than zero, multiplied by one-third. 363

(15) On or before the thirty-first day of August 31, 2013, 364
October 31, 2013, and May 31, in each fiscal year beginning in 365
fiscal year 2014, the amount determined under division (A)(2) of 366
this section ~~multiplied by a fraction, the numerator of which is~~ 367
~~nine and the denominator of which is seventeen~~ for the current 368
fiscal year, but not less than zero, multiplied by one-third. 369

~~(16) On or before August 31, 2014, October 31, 2014, and May~~ 370
~~31, 2015, the amount determined under division (A)(2) of this~~ 371
~~section multiplied by a fraction, the numerator of which is seven~~ 372
~~and the denominator of which is seventeen, but not less than zero,~~ 373
~~multiplied by one third.~~ 374

~~(17) On or before August 31, 2015, October 31, 2015, and May~~ 375
~~31, 2016, the amount determined under division (A)(2) of this~~ 376
~~section multiplied by a fraction, the numerator of which is five~~ 377
~~and the denominator of which is seventeen, but not less than zero,~~ 378
~~multiplied by one third.~~ 379

~~(18) On or before August 31, 2016, October 31, 2016, and May~~ 380

~~31, 2017, the amount determined under division (A)(2) of this 381
section multiplied by a fraction, the numerator of which is three 382
and the denominator of which is seventeen, but not less than zero, 383
multiplied by one third. 384~~

~~(19) On or before August 31, 2017, October 31, 2017, and May 385
31, 2018, the amount determined under division (A)(2) of this 386
section multiplied by a fraction, the numerator of which is one 387
and the denominator of which is seventeen, but not less than zero, 388
multiplied by one third. 389~~

~~(20) After May 31, 2018, no payments shall be made under this 390
section. 391~~

The department of education shall report to each school 392
district and joint vocational school district the apportionment of 393
the payments among the school district's or joint vocational 394
school district's funds based on the certifications under division 395
(F) of section 5751.20 of the Revised Code. 396

Any qualifying levy that is a fixed-rate levy that is not 397
applicable to a tax year after 2010 does not qualify for any 398
reimbursement after the tax year to which it is last applicable. 399

(C) For taxes levied within the ten-mill limitation for debt 400
purposes in tax year 2005, payments shall be made equal to one 401
hundred per cent of the loss computed as if the tax were a 402
fixed-rate levy, but those payments shall extend ~~from fiscal year~~ 403
~~2006 through fiscal year 2018, only for~~ as long as the qualifying 404
levy continues to be used for debt purposes. If the purpose of 405
such a qualifying levy is changed, that levy becomes subject to 406
the payments determined in division (B) of this section. 407

(D)(1) Not later than January 1, 2006, for each fixed-sum 408
levy of each school district or joint vocational school district 409
and for each year for which a determination is made under division 410
(F) of section 5751.20 of the Revised Code that a fixed-sum levy 411

loss is to be reimbursed, the tax commissioner shall certify to 412
the department of education the fixed-sum levy loss determined 413
under that division. The certification shall cover a time period 414
sufficient to include all fixed-sum levies for which the 415
commissioner made such a determination. The department shall pay 416
from the school district property tax replacement fund to the 417
school district or joint vocational school district one-third of 418
the fixed-sum levy loss so certified for each year on or before 419
the last day of May, August, and October of the current year. 420

(2) Beginning in 2006, by the first day of January of each 421
year, the tax commissioner shall review the certification 422
originally made under division (D)(1) of this section. If the 423
commissioner determines that a debt levy that had been scheduled 424
to be reimbursed in the current year has expired, a revised 425
certification for that and all subsequent years shall be made to 426
the department of education. 427

(E) Beginning in September 2007 ~~and through June 2018~~ of 428
fiscal year 2008 and continuing for each fiscal year thereafter, 429
the director of budget and management shall transfer from the 430
school district tangible property tax replacement fund to the 431
general revenue fund each of the following: 432

(1) On the first day of September, the lesser of one-fourth 433
of the amount certified for that fiscal year under division (A)(1) 434
of this section or the balance in the school district tangible 435
property tax replacement fund; 436

(2) On the first day of December, the lesser of one-fourth of 437
the amount certified for that fiscal year under division (A)(1) of 438
this section or the balance in the school district tangible 439
property tax replacement fund; 440

(3) On the first day of March, the lesser of one-fourth of 441
the amount certified for that fiscal year under division (A)(1) of 442

this section or the balance in the school district tangible 443
property tax replacement fund; 444

(4) On the first day of June, the lesser of one-fourth of the 445
amount certified for that fiscal year under division (A)(1) of 446
this section or the balance in the school district tangible 447
property tax replacement fund. 448

(F) For each of the fiscal years beginning with fiscal year 449
2006 ~~through 2018~~, if the total amount in the school district 450
tangible property tax replacement fund is insufficient to make all 451
payments under divisions (B), (C), and (D) of this section at the 452
times the payments are to be made, the director of budget and 453
management shall transfer from the general revenue fund to the 454
school district tangible property tax replacement fund the 455
difference between the total amount to be paid and the amount in 456
the school district tangible property tax replacement fund. ~~For~~ 457
~~each fiscal year after 2018, at the time payments under division~~ 458
~~(D) of this section are to be made, the director of budget and~~ 459
~~management shall transfer from the general revenue fund to the~~ 460
~~school district property tax replacement fund the amount necessary~~ 461
~~to make such payments.~~ 462

(G) On the fifteenth day of June of 2006 through 2011, the 463
director of budget and management may transfer any balance in the 464
school district tangible property tax replacement fund to the 465
general revenue fund. At the end of fiscal years 2012 ~~through 2018~~ 466
and thereafter, any balance in the school district tangible 467
property tax replacement fund shall remain in the fund to be used 468
in future fiscal years for school purposes. 469

(H) If all of the territory of a school district or joint 470
vocational school district is merged with another district, or if 471
a part of the territory of a school district or joint vocational 472
school district is transferred to an existing or newly created 473
district, the department of education, in consultation with the 474

tax commissioner, shall adjust the payments made under this 475
section as follows: 476

(1) For a merger of two or more districts, the machinery and 477
equipment, inventory, furniture and fixtures, and telephone 478
property fixed-rate levy losses and the fixed-sum levy losses of 479
the successor district shall be equal to the sum of the machinery 480
and equipment, inventory, furniture and fixtures, and telephone 481
property fixed-rate levy losses and debt levy losses as determined 482
in section 5751.20 of the Revised Code, for each of the districts 483
involved in the merger. 484

(2) If property is transferred from one district to a 485
previously existing district, the amount of machinery and 486
equipment, inventory, furniture and fixtures, and telephone 487
property tax value losses and fixed-rate levy losses that shall be 488
transferred to the recipient district shall be an amount equal to 489
the total machinery and equipment, inventory, furniture and 490
fixtures, and telephone property fixed-rate levy losses times a 491
fraction, the numerator of which is the value of business tangible 492
personal property on the land being transferred in the most recent 493
year for which data are available, and the denominator of which is 494
the total value of business tangible personal property in the 495
district from which the land is being transferred in the most 496
recent year for which data are available. For each of the first 497
five years after the property is transferred, but not after fiscal 498
year 2012, if the tax rate in the recipient district is less than 499
the tax rate of the district from which the land was transferred, 500
one-half of the payments arising from the amount of fixed-rate 501
levy losses so transferred to the recipient district shall be paid 502
to the recipient district and one-half of the payments arising 503
from the fixed-rate levy losses so transferred shall be paid to 504
the district from which the land was transferred. Fixed-rate levy 505
losses so transferred shall be computed on the basis of the sum of 506

the rates of fixed-rate qualifying levies of the district from 507
which the land was transferred, notwithstanding division (D) of 508
this section. 509

(3) After December 31, 2004, if property is transferred from 510
one or more districts to a district that is newly created out of 511
the transferred property, the newly created district shall be 512
deemed not to have any machinery and equipment, inventory, 513
furniture and fixtures, or telephone property fixed-rate levy 514
losses and the districts from which the property was transferred 515
shall have no reduction in their machinery and equipment, 516
inventory, furniture and fixtures, and telephone property 517
fixed-rate levy losses. 518

(4) If the recipient district under division (H)(2) of this 519
section or the newly created district under divisions (H)(3) of 520
this section is assuming debt from one or more of the districts 521
from which the property was transferred and any of the districts 522
losing the property had fixed-sum levy losses, the department of 523
education, in consultation with the tax commissioner, shall make 524
an equitable division of the fixed-sum levy loss reimbursements. 525

Section 2. That existing sections 5751.20 and 5751.21 of the 526
Revised Code are hereby repealed. 527