

As Reported by the House Ways and Means Committee

130th General Assembly

Regular Session

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Sub. H. B. No. 311

Representatives Boose, Retherford

Cosponsor: Representative Winburn

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A B I L L

To amend sections 323.152 and 4503.065 of the Revised Code and Section 803.80 of Am. Sub. H.B. 59 of the 130th General Assembly to clarify the effective date of an income tax deduction, to extend the availability of a corporation franchise tax credit, to clarify that a person eligible for the homestead exemption without income limits continues to receive that exemption if the person's homestead changes, and to declare an emergency.

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

Section 1. That sections 323.152 and 4503.065 of the Revised Code be amended to read as follows:

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.

(A)(1) Division (A) of this section applies to any of the following persons:

(a) A person who is permanently and totally disabled;

(b) A person who is sixty-five years of age or older;	19
(c) A person who is the surviving spouse of a deceased person	20
who was permanently and totally disabled or sixty-five years of	21
age or older and who applied and qualified for a reduction in	22
taxes under this division in the year of death, provided the	23
surviving spouse is at least fifty-nine but not sixty-five or more	24
years of age on the date the deceased spouse dies.	25
(2) Real property taxes on a homestead owned and occupied, or	26
a homestead in a housing cooperative occupied, by a person to whom	27
division (A) of this section applies shall be reduced for each	28
year for which an application for the reduction has been approved.	29
The reduction shall equal one of the following amounts, as	30
applicable to the person:	31
(a) If the person received a reduction under division (A) of	32
this section for tax year 2006, the greater of the reduction for	33
that tax year or the amount computed under division (A)(3) of this	34
section;	35
(b) If the person received, <u>for any homestead</u> , a reduction	36
under division (A) of this section for tax year 2013 or under	37
section 4503.066 of the Revised Code for tax year 2014, the amount	38
computed under division (A)(3) of this section. For purposes of	39
divisions (A)(2)(b) and (c) of this section, a person receives a	40
reduction under division (A) of this section or under section	41
4503.065 of the Revised Code for tax year 2013 or 2014,	42
respectively, if the person files a late application for that	43
respective tax year that is approved by the county auditor under	44
section 323.153 or 4503.066 of the Revised Code.	45
(c) If the person did not receive a reduction under division	46
(A) of this section or under section 4503.066 of the Revised Code	47
for tax year 2013 and the person's total income does not exceed	48
thirty thousand dollars, as adjusted under division (A)(4) of this	49

section, the amount computed under division (A)(3) of this 50
section. 51

(3) The amount of the reduction under division (A)(3) of this 52
section equals the product of the following: 53

(a) Twenty-five thousand dollars of the true value of the 54
property in money; 55

(b) The assessment percentage established by the tax 56
commissioner under division (B) of section 5715.01 of the Revised 57
Code, not to exceed thirty-five per cent; 58

(c) The effective tax rate used to calculate the taxes 59
charged against the property for the current year, where 60
"effective tax rate" is defined as in section 323.08 of the 61
Revised Code; 62

(d) The quantity equal to one minus the sum of the percentage 63
reductions in taxes received by the property for the current tax 64
year under section 319.302 of the Revised Code and division (B) of 65
section 323.152 of the Revised Code. 66

(4) Each calendar year, the tax commissioner shall adjust the 67
total income threshold described in division (A)(2)(c) of this 68
section by completing the following calculations in September of 69
each year: 70

(a) Determine the percentage increase in the gross domestic 71
product deflator determined by the bureau of economic analysis of 72
the United States department of commerce from the first day of 73
January of the preceding calendar year to the last day of December 74
of the preceding calendar year; 75

(b) Multiply that percentage increase by the total income 76
threshold for the current tax year; 77

(c) Add the resulting product to the total income threshold 78
for the current tax year; 79

(d) Round the resulting sum to the nearest multiple of one hundred dollars.

The commissioner shall certify the amount resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amount applies to the following tax year for persons described in division (A)(2)(c) of this section. 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 threshold for the current tax year.

(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 an application for the reduction has been approved. The amount of the reduction shall equal two and one-half per cent of the amount of taxes to be levied by qualifying levies on the homestead or the manufactured or mobile home after applying section 319.301 of the Revised Code. For the purposes of this division, "qualifying levy" has the same meaning as in section 319.302 of the Revised Code.

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

(D) The reductions in taxable value referred to in this section shall be applied solely as a factor for the purpose of computing the reduction of taxes under this section and shall not affect the total value of property in any subdivision or taxing district as listed and assessed for taxation on the tax lists and

duplicates, or any direct or indirect limitations on indebtedness 112
of a subdivision or taxing district. If after application of 113
sections 5705.31 and 5705.32 of the Revised Code, including the 114
allocation of all levies within the ten-mill limitation to debt 115
charges to the extent therein provided, there would be 116
insufficient funds for payment of debt charges not provided for by 117
levies in excess of the ten-mill limitation, the reduction of 118
taxes provided for in sections 323.151 to 323.159 of the Revised 119
Code shall be proportionately adjusted to the extent necessary to 120
provide such funds from levies within the ten-mill limitation. 121

(E) No reduction shall be made on the taxes due on the 122
homestead of any person convicted of violating division (D) or (E) 123
of section 323.153 of the Revised Code for a period of three years 124
following the conviction. 125

Sec. 4503.065. (A) This section applies to any of the 126
following persons: 127

(1) An individual who is permanently and totally disabled; 128

(2) An individual who is sixty-five years of age or older; 129

(3) An individual who is the surviving spouse of a deceased 130
person who was permanently and totally disabled or sixty-five 131
years of age or older and who applied and qualified for a 132
reduction in assessable value under this section in the year of 133
death, provided the surviving spouse is at least fifty-nine but 134
not sixty-five or more years of age on the date the deceased 135
spouse dies. 136

(B) The manufactured home tax on a manufactured or mobile 137
home that is paid pursuant to division (C) of section 4503.06 of 138
the Revised Code and that is owned and occupied as a home by an 139
individual whose domicile is in this state and to whom this 140
section applies, shall be reduced for any tax year for which an 141

application for such reduction has been approved, provided the 142
individual did not acquire ownership from a person, other than the 143
individual's spouse, related by consanguinity or affinity for the 144
purpose of qualifying for the reduction. An owner includes a 145
settlor of a revocable or irrevocable inter vivos trust holding 146
the title to a manufactured or mobile home occupied by the settlor 147
as of right under the trust. 148

(1) For manufactured and mobile homes for which the tax 149
imposed by section 4503.06 of the Revised Code is computed under 150
division (D)(2) of that section, the reduction shall equal one of 151
the following amounts, as applicable to the person: 152

(a) If the person received a reduction under this section for 153
tax year 2007, the greater of the reduction for that tax year or 154
the amount computed under division (B)(2) of this section; 155

(b) If the person received, for any homestead, a reduction 156
under this section for tax year 2014 or under division (A) of 157
section 323.152 of the Revised Code for tax year 2013, the amount 158
computed under division (B)(2) of this section. For purposes of 159
divisions (B)(1)(b) and (c) of this section, a person receives a 160
reduction under this section or division (A) of section 323.152 of 161
the Revised Code for tax year 2014 or 2013, respectively, if the 162
person files a late application for that respective tax year that 163
is approved by the county auditor under section 4503.066 or 164
323.153 of the Revised Code. 165

(c) If the person did not receive a reduction under this 166
section for tax year 2014 or under division (A) of section 323.152 167
of the Revised Code for tax year 2013 and the person's total 168
income does not exceed thirty thousand dollars, as adjusted under 169
division (B)(5) of this section, the amount computed under 170
division (B)(2) of this section. 171

(2) The amount of the reduction under division (B)(2) of this 172

section equals the product of the following:	173
(a) Twenty-five thousand dollars of the true value of the property in money;	174 175
(b) The assessment percentage established by the tax commissioner under division (B) of section 5715.01 of the Revised Code, not to exceed thirty-five per cent;	176 177 178
(c) The effective tax rate used to calculate the taxes charged against the property for the current year, where "effective tax rate" is defined as in section 323.08 of the Revised Code;	179 180 181 182
(d) The quantity equal to one minus the sum of the percentage reductions in taxes received by the property for the current tax year under section 319.302 of the Revised Code and division (B) of section 323.152 of the Revised Code.	183 184 185 186
(3) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(1) of that section, the reduction shall equal one of the following amounts, as applicable to the person:	187 188 189 190
(a) If the person received a reduction under this section for tax year 2007, the greater of the reduction for that tax year or the amount computed under division (B)(4) of this section;	191 192 193
(b) If the person received, <u>for any homestead</u> , a reduction under this section for tax year 2014 or under division (A) of section 323.152 of the Revised Code for tax year 2013, the amount computed under division (B)(4) of this section. For purposes of divisions (B)(3)(b) and (c) of this section, a person receives a reduction under this section or under division (A) of section 323.152 of the Revised Code for tax year 2014 or 2013, respectively, if the person files a late application for a refund of overpayments for that respective tax year that is approved by the county auditor under section 4503.066 of the Revised Code.	194 195 196 197 198 199 200 201 202 203

(c) If the person did not receive a reduction under this 204
section for tax year 2014 or under division (A) of section 323.152 205
of the Revised Code for tax year 2013 and the person's total 206
income does not exceed thirty thousand dollars, as adjusted under 207
division (B)(5) of this section, the amount computed under 208
division (B)(4) of this section. 209

(4) The amount of the reduction under division (B)(4) of this 210
section equals the product of the following: 211

(a) Twenty-five thousand dollars of the cost to the owner, or 212
the market value at the time of purchase, whichever is greater, as 213
those terms are used in division (D)(1) of section 4503.06 of the 214
Revised Code; 215

(b) The percentage from the appropriate schedule in division 216
(D)(1)(b) of section 4503.06 of the Revised Code; 217

(c) The assessment percentage of forty per cent used in 218
division (D)(1)(b) of section 4503.06 of the Revised Code; 219

(d) The tax rate of the taxing district in which the home has 220
its situs. 221

(5) Each calendar year, the tax commissioner shall adjust the 222
income threshold described in divisions (B)(1)(c) and (B)(3)(c) of 223
this section by completing the following calculations in September 224
of each year: 225

(a) Determine the percentage increase in the gross domestic 226
product deflator determined by the bureau of economic analysis of 227
the United States department of commerce from the first day of 228
January of the preceding calendar year to the last day of December 229
of the preceding calendar year; 230

(b) Multiply that percentage increase by the total income 231
threshold for the ensuing tax year; 232

(c) Add the resulting product to the total income threshold 233

for the ensuing tax year; 234

(d) Round the resulting sum to the nearest multiple of one 235
hundred dollars. 236

The commissioner shall certify the amount resulting from the 237
adjustment to each county auditor not later than the first day of 238
December each year. The certified amount applies to the second 239
ensuing tax year. The commissioner shall not make the adjustment 240
in any calendar year in which the amount resulting from the 241
adjustment would be less than the total income threshold for the 242
ensuing tax year. 243

(C) If the owner or the spouse of the owner of a manufactured 244
or mobile home is eligible for a homestead exemption on the land 245
upon which the home is located, the reduction to which the owner 246
or spouse is entitled under this section shall not exceed the 247
difference between the reduction to which the owner or spouse is 248
entitled under division (B) of this section and the amount of the 249
reduction under the homestead exemption. 250

(D) No reduction shall be made with respect to the home of 251
any person convicted of violating division (C) or (D) of section 252
4503.066 of the Revised Code for a period of three years following 253
the conviction. 254

Section 2. That existing sections 323.152 and 4503.065 of the 255
Revised Code are hereby repealed. 256

Section 3. That Section 803.80 of Am. Sub. H.B. 59 of the 257
130th General Assembly be amended to read as follows: 258

Sec. 803.80. (A) The amendment by ~~this act~~ Am. Sub. H.B. 59 259
of the 130th General Assembly of ~~divisions (A)(26) and (GG) of~~ 260
~~section 5747.017~~, section 5747.022 by adding the last sentence 261
thereto, and of division (A) of section 5747.025 of the Revised 262

Code applies to taxable years beginning on or after January 1, 2014.

(B) The amendment by ~~this act~~ Am. Sub. H.B. 59 of the 130th General Assembly of divisions (A)(26), (29), (31), and (GG) of section 5747.01, the first sentence of section 5747.022, division (C) of section 5747.025, and of sections 5747.02, 5747.05, 5747.08, 5747.21, 5747.22, and 5748.01 and the repeal of section 5747.211 of the Revised Code apply to taxable years beginning on or after January 1, 2013.

Section 4. That existing Section 803.80 of Am. Sub. H.B. 59 of the 130th General Assembly is hereby repealed.

Section 5. (A) As used in this section:

(1) "Qualified certificate holder" means a certificate holder that has a taxable year that ended in 2012 on any day other than December 31, 2012.

(2) "Certificate holder" has the same meaning as in section 149.311 of the Revised Code.

(3) "Taxable year" and "tax year" have the same meanings as in section 5733.04 of the Revised Code.

(B) A qualified certificate holder of a rehabilitation tax credit certificate issued on or before December 31, 2012, that authorizes the holder to claim a credit under section 5733.47 of the Revised Code for tax years after tax year 2013 may claim that credit at any time before December 31, 2013, on forms and in the method prescribed in Chapter 5733. of the Revised Code applicable to tax years prior to tax year 2014.

Section 6. The amendment by this act of sections 323.152 and 4503.065 of the Revised Code is not intended to supersede the

amendment to those sections by H.B. 72 of the 130th General 291
Assembly or to change the effective date of those amendments. 292

Section 7. This act is hereby declared to be an emergency 293
measure necessary for the immediate preservation of the public 294
peace, health, and safety. The reason for such necessity is to 295
ensure that a previously enacted tax deduction and credit be 296
available before the close of the current tax period. Therefore, 297
this act shall go into immediate effect. 298