



Stephen Estelle

*Bill Analysis*  
*Legislative Service Commission*

**H.B. 546**  
127th General Assembly  
(As Introduced)

Rep. Gibbs

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**BILL SUMMARY**

- Provides an ongoing rebate to an owner of residential or agricultural property who timely pays property taxes.
- Funds the rebate with proceeds from the state sales and use tax sourced to the county in which the property is located.

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**CONTENT AND OPERATION**

**Property tax rebate**

(R.C. 319.302 (not in bill) and 323.80)

The bill requires a rebate to be paid to owners of residential and agricultural property for which property taxes are timely paid. To qualify for the rebate, a parcel must qualify for the 10% property tax rollback. (The 10% rollback is available for "non-business" property--i.e., farmland, one-, two-, and three-family dwellings, and land to be used or developed for farming or such dwellings.) Each eligible parcel is entitled to a prorated share of a specified portion of state sales and use tax collections attributable to sales or use within the county. The rebate is prorated on the basis of eligible parcels' tax bills. The portion of the state sales and use tax collections funding the rebate is two-elevenths; at the current 5½% rate, two-elevenths represents the collections from 1% of the 5½% tax rate. The attribution of state sales and use taxes to each county is governed by the sales and use tax sourcing rules of current law.

**Rebate procedure**

(R.C. 323.80 and 5739.214)

To implement the rebate, the bill requires the Tax Commissioner, twice annually beginning in 2009, to certify to the Director of Budget and Management

and to each county auditor two-elevenths of the state sales and use tax collections sourced to the county during the immediately preceding six-month period of July through December or January through June, whichever is more recent. The certification must occur on or before March 15 and September 15 of each year, respectively. The bill requires the Director of Budget and Management to transfer the certified amount from the General Revenue Fund to the Permissive Tax Distribution Fund (through which county and transit authority sales and use tax revenue flows) within ten days after the Commissioner's certification. The certified amount must then be paid to the county.

The bill requires each county to credit the amount it receives to a special fund created in the county treasury to distribute the rebate. The county treasurer must apportion the credited amount among all parcels in the county entitled to the 10% rollback. The treasurer must then certify to the county auditor the amount apportioned to each rollback-eligible parcel for which all taxes are current as of the immediately preceding March 15 or September 15, whichever is more recent. The auditor is then required to issue warrants to pay the certified apportioned amounts to the parcel owners. The auditor must also deliver a copy of the applicable warrant to the property owner at the tax mailing address for the parcel or other address the auditor reasonably believes will effect delivery.

The bill requires amounts apportioned to parcels for which taxes are not current to be credited to the county's general fund, to be expended for any purpose for which the county's general fund money may be used.

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	04-30-08

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