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Ohio Enacts New Reporting Requirements for Owners of Real Property Exempt From Real Property Taxation

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As part of Ohio's Budget Bill, H.B. 110, which Governor DeWine signed on July 1, 2021, owners of real property listed as exempt from real property taxation will be subject to new reporting requirements. The Budget Bill included an amendment to R.C. 5713.083 that now requires owners of property included on the list of exempt property to notify the county auditor where the property is located if the property ceases to qualify for real property tax exemption. Starting with tax year 2022, property owners will be required to notify the county auditor of a change in exempt status on or before December 31st of the tax year for which its exempt property ceased to qualify for exemption.

Failure to comply with the notice requirement will result in a charge against the property equal to the total amount of tax savings related to the property's exempt status for any of the five preceding tax years that the county auditor determines the property was not entitled to exemption. The five year look-back period is limited to the tax years for which the current property owner owned the property. If a property owner disagrees with a county auditor's finding and charge, the property owner may appeal such finding/charge by filing an application for real property tax exemption pursuant to R.C. 5715.27.

Owners of exempt property should review their exempt properties to determine whether such properties still qualify for real property tax exemption. A change in use or ownership does not necessarily mean a property ceases to qualify for exemption. Instead, any new use or ownership should be reviewed to determine whether the property qualifies for real property tax exemption; review would not be limited to any specific statute. Vorys has extensive experience advising clients on real property tax exemption matters. Please contact Hilary Houston (614.464.4968 or hjhouston@vorys.com) or Megan Savage Knox (614.464.6380 or mस्कnox@vorys.com) if you have any questions.