



New Expanded Homestead Exemption

Ohio's New Homestead Exemption: Frequently Asked Questions

1. What is the Homestead Exemption?

The Homestead Exemption allows senior citizens and permanently and totally disabled Ohioans to reduce their property tax burden by shielding some of the market value of their home from taxation.

The exemption, which takes the form of a credit on property tax bills, allows qualifying homeowners to exempt \$25,000 of the market value of their home from all local property taxes. For example, through the Homestead Exemption, a home with a market value of \$100,000 would be billed as if it is worth \$75,000.

The exact amount of savings will vary from location to location. But overall, across Ohio, qualified homeowners should save an average of about \$400 per year.

2. How has the Homestead Exemption changed?

Starting July 2, 2007, the Homestead Exemption is now available to **all** Ohio homeowners, **regardless of income**, who are either age 65 or older or permanently and totally disabled. These changes are the result of House Bill 119, which was signed into law by Gov. Ted Strickland on June 30, 2007.

Previously, eligibility for the Homestead Exemption was restricted through income tests that disqualified most senior citizens. For example, during the 2006 tax year, any senior citizen or disabled Ohioans with household income of more than \$26,200 per year could not qualify for the savings.

Another important change: **All households who qualify for the Homestead Exemption will now receive a flat \$25,000 property tax exemption on the market value of their home. Previously, benefits were tiered according to homeowners' income and usually not as valuable.**

Because of these changes, the number of households eligible for the Homestead Exemption is expected to grow from 220,000 to an estimated 750,000. The average size of tax relief available to qualifying homeowners is expected to grow by about 25 percent per household.

3. When does the new Homestead Exemption start?

The new Homestead Exemption starts with tax bills payable in 2008. For real property, bills paid in 2008 cover the 2007 tax year. For manufactured or mobile homes, bills paid in 2008 cover the 2008 tax year.

4. Who qualifies for the new Homestead Exemption?

Any Ohio resident homeowner who:

- **Is at least 65 years old during 2007; or**
- **Is totally and permanently disabled as of January 1, 2007** as certified by a licensed physician or psychologist, or a state or federal agency; **or**
- Is the surviving spouse of a person who was receiving the previous Homestead Exemption at the time of death **and** where the surviving spouse was at least 59 years old on the date of death.

To qualify, an Ohio resident also must own and occupy a home as their principal place of residence as of Jan. 1, 2007 for real property or Jan. 1, 2008 for manufactured home property. For individuals who own more than one home, the principal place of residence is the home where the person is registered to vote and the person's place

of residence for income tax purposes.

5. How do I apply for the Homestead Exemption?

To apply, complete the application form (DTE 105A-Temporary, *Homestead Exemption Application Form for Senior Citizens, Disabled Persons, and Surviving Spouses for the Extended Filing Period in 2007*), then file it with your local county auditor. The form is available from county auditors and from the Ohio Department of Taxation's Web site at tax.ohio.gov.

6. What's the deadline to apply?

Applications for the new Homestead Exemption must be submitted on or after July 1, 2007 and received by your county auditor's office no later than Oct. 1, 2007. **Note:** Applications postmarked on Oct. 1, 2007 but received after that date will be denied for missing the deadline.

7. What if I miss the Oct. 1, 2007 filing deadline?

Taxpayers who miss the 2007 filing deadline may still claim the credit for property taxes to be paid in 2008, but must wait until 2008 to apply.

Those who miss the deadline will need to file a late application for the missed tax year at the same time they file a timely application in 2008. The first day to file the application in 2008 is Jan. 8, 2008; the last day is June 2, 2008.

8. I already receive the Homestead Exemption. Do I have to reapply to receive benefits under the new program?

If you received the Homestead Exemption credit on the tax bill you paid in 2007, you do not need to file a new application. You will automatically receive the new Homestead Exemption for the next tax year if you otherwise qualify.

If your spouse died during 2006, and if you received the Homestead Exemption credit on the tax bill you paid in 2007 only because your spouse met the age or disability criteria, you do not need to file a new application for the exemption. If you were 59 at the time of your spouse's death, you will continue to qualify.

We do recommend that surviving spouses whose husband or wife died before 2006 file a new application in order to ensure they are considered for the Homestead Exemption on bills payable in 2008.

9. Where do I apply?

The application must be filed with the county auditor of the county in which the property is located.

10. May I file electronically?

Not at this time. A paper copy of the application bearing your original signature must be filed with the county auditor of the county in which your home is located.

11. I turned 65 in 2007 and have applied for the first time for the existing (previous) Homestead Exemption for 2007. Do I need to file a new application to receive the expanded Homestead Exemption?

Taxpayers who filed an application before the June 4, 2007 deadline need not file another application after July 1, 2007 for the expanded Homestead Exemption. The original application contains the information the auditor will need to determine whether taxpayers are eligible for the expanded Homestead Exemption.

12. How will I know if my application has been approved?

If the county auditor **approves** your application, the county treasurer will notify you by enclosing a notice showing the calculation of your tax reduction with the first tax bill you receive for payment in 2008.

If the county auditor **denies** your application, you will receive a notice on or before Nov. 1, 2007 informing you of and explaining the reason for the denial.

If you believe your application was improperly denied, you may appeal the auditor's decision to the county Board of Revision by filing form DTE 106B, *Homestead Exemption and 2.5% Reduction Complaint*, on or before the deadline for paying the first-half 2007 taxes (in most counties, the due date is in January or February 2008). Owners of manufactured or mobile homes may also appeal the denial of a Homestead Exemption application, but their compliant forms must be filed no later than January 31, 2008.

The complaint form is available from the county auditor or at the Ohio Department of Taxation's Web site at tax.ohio.gov.

13. How do I show proof of age?

The application form requires individuals to report their age and date of birth, and it is signed under penalty of perjury. Ohio law also provides that anyone who makes a false statement for purposes of obtaining a Homestead Exemption is guilty of a fourth-degree misdemeanor. Individuals convicted of such a misdemeanor are ineligible to receive the Homestead Exemption for the three years following the conviction and must pay any improperly exempted tax, plus interest. **Your county auditor may require some evidence of age, such as a driver's license or birth certificate.**

14. What documentation do I need to provide to prove my disability?

If you are claiming a physical disability, you must have the certificate on the back side of the application signed by a physician licensed to practice medicine in Ohio. If you are claiming a mental disability, you must have the certificate signed by a physician or psychologist licensed to practice in Ohio. You may also submit a certificate from any state or federal agency that classifies you as permanently and totally disabled.

The certificate is part of the application form, DTE 105A-Temporary, *Homestead Exemption Application Form for Senior Citizens, Disabled Persons, and Surviving Spouses for the Extended Filing Period in 2007*. The form is available from your county auditor or at the Ohio Department of Taxation's Web site at tax.ohio.gov.

15. For estate planning purposes, I placed the title to my property in a trust. Can I still receive the Homestead Exemption?

You are eligible for the Homestead Exemption if all of the following are true:

- You created the trust to be effective during your lifetime (an *inter vivos* trust).
- You provided the assets for the trust (you are the *settlor*).
- You can terminate the trust at any time (it is a *revocable* trust).
- The trust agreement contains a provision that says you have complete possession of the property.

Most of the other common forms of property ownership (such as survivorship deeds) also qualify for the exemption. If you have questions about what constitutes eligible home ownership for the Homestead Exemption, consult your county auditor.

16. Will I have to apply every year to receive the Homestead Exemption?

No. However, if your circumstances change and you no longer qualify for the Homestead Exemption, you must notify the county auditor by the first Monday in June.

In January the county auditor will mail you a copy of the continuing application form (DTE 105B, *Continuing Homestead Exemption Application Form for Senior Citizens, Disabled Persons, and Surviving Spouses*). **Please return this form to the auditor *only* if you no longer own the home, no longer occupy it as your primary place of residence, or if your disability status has changed.**

17. **What if I received a larger tax credit under the old version of the Homestead Exemption? Will I**

lose out?

Taxpayers **will automatically receive whichever credit is larger,** and the amount of the credit received in the future cannot be decreased below the amount of savings credited on tax bills paid during 2007.

18. I'll save quite a bit of money through the Homestead Exemption. Will this hurt my local schools?

The State of Ohio reimburses school districts and local governments for the amount of revenue taxpayers save through the Homestead Exemption. Local governments and schools do not lose out.