



Ohio Revised Code Section 319.303

Effective: March 20, 2026

Legislation: House Bill 186

(A) As used in this section:

(1) "Qualifying nonbusiness property" means real property or a manufactured or mobile home that meets all of the following requirements:

(a) The property is either of the following:

(i) Real property that is classified as to use as residential/agricultural property pursuant to section 5713.041 of the Revised Code, but is not classified as a pond or lake;

(ii) A 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.

(b) The property is located in a county that, for the tax year, is undergoing a reappraisal or triennial update.

(c) The property is located in a school district or joint vocational school district that meets either of the following requirements for the tax year:

(i) The district is subject to an adjustment under division (E) of section 319.301 of the Revised Code with respect to property classified as to use as residential/agricultural property pursuant to section 5713.041 of the Revised Code;

(ii) The aggregate rate of the district's taxes for current expenses on such property equals less than twenty mills, in the case of a school district, or less than two mills, in the case of a joint vocational school district, excluding the rate of any tax not subject to division (E) of section 319.301 of the Revised Code.



(d) The property was subject to taxation by that district for the tax year in which the immediately preceding reappraisal or triennial update occurred.

(2) "Qualifying business property" means real property that meets all of the following requirements:

(a) The property is classified as to use as nonresidential/agricultural property pursuant to section 5713.041 of the Revised Code, but is not classified as vacant property within this class.

(b) The property is located in a county that, for the tax year, is undergoing a reappraisal or triennial update.

(c) The property is located in a school district or joint vocational school district that meets either of the following requirements for the tax year:

(i) The district is subject to an adjustment under division (E) of section 319.301 of the Revised Code with respect to property classified as to use as nonresidential/agricultural property pursuant to section 5713.041 of the Revised Code;

(ii) The aggregate rate of the district's taxes for current expenses on such property equals less than twenty mills, in the case of a school district, or less than two mills, in the case of a joint vocational school district, excluding the rate of any tax not subject to division (E) of section 319.301 of the Revised Code.

(d) The property was subject to taxation by that district for the tax year in which the immediately preceding reappraisal or triennial update occurred.

(3) "Taxes charged and payable" means real property taxes, and manufactured or mobile home taxes assessed pursuant to division (D)(2) of section 4503.06 of the Revised Code, that are charged and payable after the reduction required by section 319.301 of the Revised Code but before the reductions required under this section or sections 319.302, 323.152, 323.158, 319.304, 4503.065, and 4503.0610 of the Revised Code, and disregarding a reduction in any levy made by the school district, joint vocational school district, or county budget commission under Chapter 5705. of the Revised Code.



(4) "Reappraisal or triennial update" means a tax year in which section 5715.24 of the Revised Code applies in the county.

(5) "Indexed property tax revenue" for qualifying nonbusiness property or qualifying business property means the sum of the following, as applicable:

(a) The taxes charged and payable within the ten-mill limitation, and in excess of that limitation with respect to any levy not subject to division (E) of section 319.301 of the Revised Code, for a school district or joint vocational school district, as applicable, against qualifying business property or qualifying nonbusiness property other than property described in division (A)(1)(a)(ii) of this section for the tax year or, in the case of property described in division (A)(1)(a)(ii) of this section, for the following tax year;

(b) The taxes charged and payable in excess of the ten-mill limitation, other than those described in division (A)(5)(a) of this section, for the school district or joint vocational school district, as applicable, against qualifying business property or qualifying nonbusiness property other than property described in division (A)(1)(a)(ii) of this section for the immediately preceding tax year or, in the case of property described in division (A)(1)(a)(ii) of this section, for the current tax year, less any reductions required by this section or Section 4 of H.B. 186 of the 136th general assembly for the applicable year;

(c) The product obtained by multiplying the amount computed with respect to the qualifying nonbusiness property or qualifying business property of a school district or joint vocational school district under division (A)(5)(b) of this section, as applicable, by the greater of zero per cent or the percentage change in the gross domestic product deflator computed over the three preceding tax years, as determined under division (E) of this section.

(6) "Floor tax revenue" means the taxes charged and payable for a school district or joint vocational school district, as applicable, against qualifying business property or qualifying nonbusiness property other than property described in division (A)(1)(a)(ii) of this section for the tax year or, in the case of property described in division (A)(1)(a)(ii) of this section, for the following tax year.



(7) "Credit factor" means one minus the quotient obtained by dividing the applicable indexed property tax revenue by the applicable floor tax revenue.

(8) "Effective tax rate" means the effective rate levied by a school district or joint vocational school district after making the reduction required by section 319.301 of the Revised Code, but before making any reduction under this section.

(B) Qualifying nonbusiness property qualifies for a reduction in the real property taxes or manufactured home taxes levied by a school district or joint vocational school district as follows:

(1) If, for a tax year in which a county undergoes a reappraisal or triennial update, a school district is described in division (A)(1)(c) of this section and its floor tax revenue for qualifying nonbusiness property exceeds its indexed property tax revenue for such property, qualifying nonbusiness property located in that district shall qualify for a reduction under this division for that tax year and for the following two tax years, in the case of property other than that described in division (A)(1)(a)(ii) of this section, or for the three following tax years, in the case of property described in division (A)(1)(a)(ii) of this section. For each such year, the reduction shall equal the result obtained by multiplying the taxes charged and payable against the property for the tax year by the credit factor computed for the district's qualifying nonbusiness property for the tax year in which the county underwent the reappraisal or triennial update.

(2) If, for a tax year in which a county undergoes a reappraisal or triennial update, a joint vocational school district is described in division (A)(1)(c) of this section and its floor tax revenue for qualifying nonbusiness property exceeds its indexed property tax revenue for such property, qualifying nonbusiness property located in that district shall qualify for a reduction under this division for that tax year and for the following two tax years, in the case of property other than that described in division (A)(1)(a)(ii) of this section, or for the three following tax years, in the case of property described in division (A)(1)(a)(ii) of this section. For each such year, the reduction shall equal the result obtained by multiplying the taxes charged and payable against the property for the tax year by the credit factor computed for the district's qualifying nonbusiness property for the tax year in which the county underwent the reappraisal or triennial update.

(C) Qualifying business property qualifies for a reduction in the real property taxes levied by a



school district or joint vocational school district as follows:

(1) If, for a tax year in which a county undergoes a reappraisal or triennial update, a school district is described in division (A)(2)(c) of this section and its floor tax revenue for qualifying business property exceeds its indexed property tax revenue for such property, qualifying business property located in that district shall qualify for a reduction under this division for that tax year and for the following two tax years. For each such year, the reduction shall equal the result obtained by multiplying the taxes charged and payable against the property for the tax year by the credit factor computed for the district's qualifying business property for the tax year in which the county underwent the reappraisal or triennial update.

(2) If, for a tax year in which a county undergoes a reappraisal or triennial update, a joint vocational school district is described in division (A)(2)(c) of this section and its floor tax revenue for qualifying business property exceeds its indexed property tax revenue for such property, qualifying business property located in that district shall qualify for a reduction under this division for that tax year and for the following two tax years. For each such year, the reduction shall equal the result obtained by multiplying the taxes charged and payable against the property for the tax year by the credit factor computed for the district's qualifying business property for the tax year in which the county underwent the reappraisal or triennial update.

(D) A reduction applied under this section shall reduce only the taxes charged and payable of taxes whose effective tax rate is adjusted by operation of division (E) of section 319.301 of the Revised Code, in proportion to the extent to which each effective tax rate is so adjusted. The county auditor and county treasurer, when settling tax collections under section 321.24 of the Revised Code, shall compute the amount by which collections of each such tax are to be reduced, and the county treasurer shall certify that information to each affected school district upon making a payment of such collections to the school district.

(E) For the purpose of division (A)(5)(c) of this section, the tax commissioner shall annually determine the percentage change in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the third preceding calendar year to the last day of December of the preceding calendar year. The commissioner shall certify the resulting amount to each county auditor whose county undergoes a



reappraisal or triennial update, not later than the first day of December of each year.

(F)(1) Division (F) of this section applies to any school district or joint vocational school district that reduces one or more of its levies under Chapter 5705. of the Revised Code in a tax year, or for which a county budget commission reduces one or more levies under that chapter in a tax year. For purposes of division (F) of this section, the total amount of such reductions made for that tax year, in the case of property other than that described in division (A)(1)(a)(ii) of this section, and for the following tax year, in the case of property described in division (A)(1)(a)(ii) of this section, are referred to as the "district reduction."

(2) Notwithstanding divisions (A), (B), and (C) of this section, if division (F) of this section applies to a school district or joint vocational school district in a tax year, including any tax year in which the county in which the district is located does not undergo a reappraisal or triennial update, the tax credit factor applicable to that tax year, in the case of property other than that described in division (A)(1)(a)(ii) of this section, or to the following tax year, in the case of property described in division (A)(1)(a)(ii) of this section, shall be adjusted as follows:

(a) If the amount of the district reduction applicable to qualifying nonbusiness property or qualifying business property is less than the total amount of credits that would otherwise be allowed under division (B) or (C) of this section for such property for the applicable year, multiply the tax credit factor otherwise computed under division (A)(7) of this section for such property by a fraction, the denominator of which is the total amount of credits that would otherwise be allowed under division (B) or (C) of this section, as applicable, and the numerator of which is the difference between that total credit amount and the district reduction applicable to such property;

(b) If the amount of the district reduction applicable to qualifying nonbusiness property or qualifying business property is equal to or greater than the total amount of credits that would otherwise be allowed under division (B) or (C) of this section for such property, the tax credit factor for the applicable tax year shall be zero.

(G) The county treasurer shall identify the reduction authorized under this section on each tax bill delivered under section 323.13 or 4503.06 of the Revised Code as the "Inflation Cap Credit."