

MAILING OF TAX BILLS PRESS RELEASE

Lake County Auditor Edward H. Zupancic announced that tax bills will be mailed on Friday, January 15, 2016 and are due Wednesday, February 17, 2016.

In the State of Ohio, real estate property owners pay real estate property taxes one year in arrears. What that means is that the taxes paid in calendar year 2016 are for the status of the property as of January 1, 2015 (the lien date); therefore the tax year is for 2015 and collected in calendar year 2016 (TY2015/CY2016).

The percentage of change in a property owner's valuation does not correlate to the same percentage of increase or decrease in property taxes. Tax levies that have been passed throughout the calendar year could have an impact on the final percentage of change in taxes.

A change that will affect **ALL** taxing districts within the county was due to the fact that a county wide levy was passed by the voters that increased the outside millage .40 mills. Additionally, there were numerous new levies passed in 2015 that will be on the tax duplicate for the first half tax bill for collection year 2016. It is also imperative to know that school emergency and certain debt service levies will fluctuate with the value of property. Some of the biggest levies that passed occurred for Wickliffe City Schools with 7.90 mills and Willoughby-Eastlake City Schools with 3.99 mills. Based on \$100,000 of valuation, the tax on these new levies will cost property owners an additional \$276.50 and \$139.65, respectively, per \$100,000 of valuation for property owners within those districts.

Additionally, in 1976 the legislature enacted property tax reform known as House Bill 920. HB 920 was designed to protect the property owner from un-voted tax increases. When voters approve a tax levy, they are agreeing to pay a certain amount of money for a specific purpose over a given period of time. Each property owner pays their share, in proportion to the value of their property.

Disputing Your Market Value

It is imperative that each taxpayer understands that you can only dispute the market value of your property; you can not dispute the amount of taxes that you pay. Levies are voted by individuals and majority rules.

Property owners can file formal complaints against their property values with the County Board of Revision (BOR). The BOR is an independent three-member panel who reviews all formal valuation complaints. An important note is that BOR complaints can only be filed between January 1, 2016 and March 31, 2016 for tax year 2015, collection year 2016.

The New State Law Concerning Homestead Exemption Means Testing

The homestead exemption allows low-income senior citizens and permanently and totally disabled Ohioans, to reduce their property tax bills, by shielding some of the market value of their homes from taxation. The exemption, which takes the form of a credit on property tax bills, allows qualifying homeowners to exempt up to \$25,000 of the market value of their homes from all local property taxes. For example, through the homestead exemption, a home with a market value of \$100,000 is billed as if it is worth \$75,000.

New participants in the homestead exemption program will be subject to a means test. The exemption will only be available to those eligible taxpayers with household incomes that do not exceed \$31,000 for 2015 and \$31,500 for 2016, as measured by Ohio adjusted gross income (OAGI) for the preceding year. These amounts will be indexed to inflation each fall.

The application form requires individuals to report income 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 three years following the conviction.

County Auditors will also be able to verify OAGI using a web-based application for those who file Ohio income tax returns. Applicants may be asked to supply source documents such as W-2s, 1099s, etc. to verify income.

The same changes were made to the homestead program for the manufactured and mobile home tax, but due to the difference in the collection schedule between real property and that tax, the changes will go into effect for tax year 2015, and owners must have received the exemption for tax year 2014 in order to take advantage of the grandfather provision.

Summarizing Non-Business Credit

Revised Code Section 319.302 requires each county auditor to reduce all real property taxes charged by a Non-Business Credit, the credit was applied to all real property that is not intended primarily for use in a business activity. Qualifying property includes property subject to the following uses: farming; leasing property for farming; occupying or holding or leasing property improved with single-family, two-family, or three-family dwellings; or holding vacant land that the county auditor determines will be used for farming or to develop single-family, two-family, or three-family dwellings.

Summarizing Owner Occupancy Credit

Revised Code Section 323.152(B) requires the county auditor to further reduce the real property tax on owner-occupied property by an Owner Occupancy Credit.

To receive the tax reduction on your home you must:

1. Own your home as of January 1st of this year.
2. Occupy your home as your principal place of residence as of January 1st of this year

For the purpose of the tax reduction, an Owner means a person whose name is on the Deed of the home, a trustee, grantor or settlor of the deeded trust, a buyer under land contract, a life estate tenant, or a mortgagor. Only one home in this state owned by the same person or his/her spouse is entitled to the Owner Occupancy Credit.

The Owner Occupancy Credit does not apply on the following:

1. Rental homes, apartments or manufactured homes
2. Homes occupied by someone other than the owner
3. Homes owned by corporations (profit or non-profit) partnerships, associations or groups
4. A unit within a building where the building is used primarily for retail, commercial or other non-residential purposes
5. House trailers and manufactured homes that are not taxed like Real Estate

Please feel free to visit <http://www.lakecountyohio.gov/auditor/AuditorHome.aspx> for forms, tax rates, and announcements of the Lake County Auditor's office.