

Explanation of the Tax Reduction Calculation

Line 1: Equals the taxable value of the homestead before any reduction in value for the homestead exemption.

Line 2: Equals the total taxable value of the homestead exemption for the current year, up to a maximum amount of \$8,750 for real property or manufactured or mobile homes taxed like real property (\$25,000 of market value multiplied by the 35% assessment percentage). For manufactured or mobile homes taxed according to the depreciated cost value, the maximum eligible homestead value is \$25,000 of market value, multiplied by the appropriate percentage given in Ohio Revised Code section (R.C.) 4503.06(D)(1)(b), and then multiplied by the 40% assessment percentage.

Line 3: Equals the effective tax rate for the tax year for real property or manufactured or mobile homes taxed like real property. For manufactured or mobile homes taxed according to the depreciated cost value, the rate equals the full rate for the tax year.

Line 4: Equals the adjustment in the homestead reduction due to other tax credits applicable to the homestead for the tax year (i.e., credits for the 10% partial exemption for non-business property and the 2.5% owner-occupancy exemption). These credits are not available to manufactured or mobile homes taxed according to depreciated cost value.

Line 5: Equals the amount of the homestead reduction according to the formula method for the tax year [(line 2 x line 3) – line 4].

Line 6: Equals the owner's homestead credit in effect for tax year 2006 for real property and tax year 2007 for manufac-

ured or mobile homes, if the owner had a homestead credit for those years on the current homestead.

Line 7: Equals the greater of the amounts listed on line 5 or line 6. This is the amount of the homestead exemption tax reduction for this year. If the owner received a homestead exemption for tax year 2006 (tax year 2007 for manufactured or mobile homes), in future years the homestead exemption reduction will be the greater of the amount calculated by the formula method in the future year or the 2006 reduction (2007 reduction for manufactured or mobile homes).

Instructions to the County Auditor and County Treasurer

1. For each tax year for which an applicant qualifies for the homestead exemption, the county auditor shall complete this form in triplicate on or before the day the auditor completes his or her duties under R.C. sections 319.30 to 319.302.
2. The auditor shall retain one copy of the application and immediately forward the original and remaining copy to the county treasurer.
3. The county treasurer shall keep the original and forward the remaining copy to the applicant with the first-half tax bill for the current year. Alternatively, the treasurer may mail the remaining copy to the applicant at the address of the homestead at the same time the first half tax bill is mailed.