

State of Ohio Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

All property is assessed at the true value of the fee simple estate, as if unencumbered (Sec. 5713.03, Ohio R.C.). True value means the fair market value or current market value, and is the price at which property should change hands on the open market between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having a knowledge of all the relevant facts (Rule 5705-3-01, Ohio Admin. Code). The Tax Commissioner has provided by rule that the county auditor, in arriving at the estimate of true value, may consider the use of any, or all, of the three recognized approaches to value (Rule 5705-3-03, Ohio Admin. Code). The three approaches are the market data approach, the income approach, and the cost approach. The unit method is used to determine the true value of the operational property of railroads (Sec. 5727.12, Ohio R.C.). Mineral production: When land contains or produces minerals, the minerals, or any rights to the minerals, that are listed and taxed separately from the land must be classified separately if the land is also used for agricultural purposes, whether or not the soil and the rights to the minerals are owned by, and assessed against, the same persons (Sec. 5713.041, Ohio R.C.). Oil and gas rights: Separate oil and gas rights are valued by a uniform schedule issued annually by the Tax Commissioner (Rule 5705-3-07, Ohio Admin. Code)

Real Property Defined

Real property is defined as land, whether laid out in town lots or otherwise, all growing crops, including deciduous and evergreen trees, plants, and shrubs, with all things contained therein, and, unless otherwise specified in Sec. 5701.03 of the Revised Code, all buildings, structures, improvements, and fixtures of whatever kind on the land, and all rights and privileges belonging or appertaining thereto (Sec. 5701.02, Ohio R.C.). Real property does not include a manufactured home, a mobile home, travel trailer, or park trailer that is not a manufactured or mobile home building, i.e., a home affixed on a permanent foundation on land owned by the owner of the home.

Personal Property Defined

Personal property includes every tangible thing that is the subject of ownership, whether animate or



inanimate, including a business fixture, and that does not constitute real property (Sec. 5701.03, Ohio R.C.). Items of property devoted primarily to the general use of the land and buildings on the land are considered to be real property, while all other items of property, including their foundations and accessories that are devoted primarily to the business conducted on the premises, are considered to be personal property (Rule 5703-3-01, Ohio Admin. Code). An Ohio release details the proper classification of certain business assets as either real or personal property for property tax purposes (Property Tax Information Release PP 2007-01 & RP 2007-01, Ohio Department of Taxation, September 2007, CCHOHIO TAX REPORTS, ¶ 403-749).

Intangible Property Taxes

The dealers in intangibles tax was repealed in 2014, and most such dealers are now subject only to the commercial activity tax, except dealers that are ‘small dollar lenders’ or affiliates of financial institutions, both of which are subject to a new financial institutions tax. A “small dollar lender” is any person engaged primarily in the business of loaning money to individuals, provided that the loan amounts do not exceed \$5,000 and the duration of the loans does not exceed 12 months.