



PRESS RELEASE

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Policy Matters applauds property tax relief bill

Senators Louis W. Blessing III and Hearcel F. Craig introduced a bill this week that would provide property-tax relief for the hundreds of thousands of Ohioans whose tax bills amount to more than 5% of their income. Policy Matters Ohio applauds the introduction of this bipartisan bill and calls on legislators to move swiftly to consider it.

“[Senate Bill 271](#) would direct property tax relief to those who need it most,” said Zach Schiller, Policy Matters research director.

The bill would implement a policy in Ohio that is already established in some form in most states. It’s called a circuit breaker because, much like an electrical circuit breaker prevents electric current overloads, it would reduce the load when property taxes are too high a share of income. Under the circuit breaker proposed in SB 271, a qualifying household would pay property tax up to 5% of their income. If their tax bill exceeds this limit, Ohioans could receive up to \$1,000 over that amount in the form of a refundable tax credit.

“A key aspect of the circuit breaker is that it is paid for by the state,” said Bailey Williams, Policy Matters tax researcher. “On the one hand, schools, libraries, and human services will receive the same revenue they do now to provide their indispensable services. And on the other, it is inclusive enough to help homeowners and renters, seniors living on fixed incomes, and those living in gentrifying neighborhoods across the state. This is a true win-win for Ohioans.”

The bill would:

- cover both homeowners and renters, who pay property tax indirectly through rent.
- be worth up to \$1,000 for homeowners and renters of all ages with income under \$60,000.
- additionally target relief by limiting eligibility to those with home values or rent payments below certain levels.

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.

- be paid as either an income-tax credit or a standalone rebate for those who don't pay income tax.

An [earlier analysis of a similar proposal](#), put forward by Policy Matters in January, found that it would benefit about one in six Ohio taxpayers. The Institute on Taxation and Economic Policy (ITEP), a Washington, D.C. nonprofit with a sophisticated model of state and local tax systems, also estimated the annual cost at about \$768 million. The state could pay for the circuit breaker by rolling back special-interest tax breaks like the business income deduction, the sales-tax deduction for data centers, and the Commercial Activity Tax exemption for suppliers to big pharmaceutical warehouses.

“Ohio should follow the lead of West Virginia, Michigan, and other states by establishing a circuit breaker. In a time of historic rises in property values, this is a policy that will help Ohioans afford to stay in their homes,” Williams said.