

House Bill 186 Inflation Cap Credit

What Is The Inflation Cap Credit?

As part of House Bill 186, the Inflation Cap Credit was introduced to provide immediate real estate tax relief to property owners in Ohio. This is a credit applied to qualifying property and reduces the taxes owed on certain levies from their respective school districts.

Through legislation the credit has been retroactively applied to, and represents the entire credit for, the 2025 Tax Year for Real Property and 2026 Tax Year for Manufactured Homes. Due to the timing of the enactment of House Bill 186, the application of the credit began with the second half tax bills paid in 2026.

This means many taxpayers will have a lower tax amount due in the second half collections of 2026 as compared to what was paid in the first half.

How Is The Credit Calculated?

The credit is determined by taking a qualifying property's taxes charged by their school district and multiplying the total by a certified credit factor calculated specifically for their respective school district.

Each school district has a unique credit factor based on the school district's tax revenue.

With the implementation of H.B. 186, when a County undergoes a Revaluation or Triennial Update, a school district's floor tax revenue is compared to its calculated indexed revenue.

If a district's floor tax revenue exceeds the indexed revenue, the quotient of those revenues generates a positive credit factor to be applied to qualifying property.

- Floor Tax Revenue: Tax revenue from all Inside and Outside Levies on qualifying value during a Revaluation or Triennial Update year.
- Indexed Tax Revenue: Simplified as the tax revenue from Inside and Outside Levies on qualifying values but is capped at the rate of inflation.

A separate credit factor is calculated for each school district's Class 1 properties (Agricultural/Residential) and Class 2 properties (Commercial/Industrial).

Note: Credit factors are only calculated when a school district is at or below their respective millage floor and when their floor tax revenue exceeds the indexed revenue.

How Much Is The Credit?

The credit amount will be different for every qualifying property. The Inflation Cap Credit will now be listed on your tax bill along with the other charges and credits typically visible on your bill. Your credit is also available for viewing on our website under the "Tax" section of your Property Record Card.

Please note that not all property is eligible for this credit and the amount of the credit is dependent upon several factors such as the property's school district, classification (Class 1 or Class 2), and the taxes charged and payable to their school district.

What is Qualifying Property?

In order to qualify for the Inflation Cap Credit, property and its taxable value must meet the following criteria:

- Real Property and Manufactured Homes must be located in the County when undergoing a Revaluation or Triennial Update.
- The property and its taxable value is in a school district or joint vocational school district that is at or below their respective millage floor (20mill/2mill).
- The property and its taxable value is in a school district or joint vocational school district whose floor tax revenue exceeded its indexed tax revenue during its most recent Reappraisal or Triennial Update.
- The property and its taxable value was subject to taxation by that district for the tax year prior to the Revaluation or Triennial Update.
- Exceptions for Class 1 (Agricultural/Residential) Property – Excludes value of delineated ponds and lakes.
- Exceptions for Class 2 (Commercial/Industrial) Property- Excludes vacant property.

What If The Taxes Were Paid In Full During The First Half Collections?

Any resulting overpayment may be issued to you as a credit.