

# Publications

## Credit Benefitting Ohio Multifamily Condominium Properties Being Phased Out

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In the face of public pressure to provide property tax relief to Ohio's homeowners, the Ohio General Assembly recently passed House Bill 186, which, among other changes, amended Sections 319.302 and 323.152 of the Ohio Revised Code to eliminate the nonbusiness credit for non-owner-occupied residential properties, including multifamily residential properties that are subject to a condominium declaration.

Under current law, the nonbusiness credit applies to one, two, and three-family dwellings (even if not owner-occupied) and to non-timber agricultural land. Multifamily apartment buildings that have been converted to condominiums are currently taxed at the residential tax effective tax rate and receive the nonbusiness property tax credit. This change **does not** affect the application of the residential effective tax rate to these properties.

Under current law, the credit was already being slowly phased out. Beginning in 2013, the credit only applies to qualifying levies. New and replacement levies approved in November 2013 and later **are not** included in computing the credit amounts. As a result, the credit will vary by taxing district.

Only those qualifying levies receive the 10% credit. For example, if 75% of millage in the tax district is a qualifying levy, the nonbusiness credit would be 7.5%. Under the bill, the 10% is reduced 25% per year **as applied to only the qualifying millage**.

For example, a tax district where 75% of the millage comes from qualifying levies, the 7.5% nonbusiness credit would be phased out as follows:

- 5.625% in tax year 2026;
- 3.75% in tax year 2027;
- 1.875% in tax year 2028; and
- 0% in tax year 2029 and onward.

The Ohio Governor signed the bill on December 19, 2025. Owners of multifamily properties that have been converted to condominiums should expect to see an increase to their property tax liability beginning for tax year 2026, pay 2027, as the nonbusiness credit is phased out.

On that same day the governor signed several other property tax bills impacting primarily residential properties. A complete summary of all the changes will be forthcoming.