

## Publications

### Ohio Tax Commissioner Sets Uniform Capitalization Rate of 8.1% for Valuing Federally Subsidized Residential Rental Property for Tax Year 2026

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In October 2025, the Ohio Department of Taxation enacted the administrative rule outlining the new procedure for valuing eligible federally subsidized residential rental property in the state. More information on the rule is available in this *Client Alert*. However, the administrative rule did not provide any guidance on a uniform capitalization rate - one of the most crucial pieces of information needed to perform the income analysis for these properties.

After months of uncertainty and speculation, the Tax Commissioner has now certified the capitalization rate to be used for tax year 2026. In a recent Administrative Journal Entry, the Tax Commissioner announced that Ohio's 88 county auditors and fiscal officers must use a base capitalization rate of 8.1% to value properties that qualify for special valuation pursuant to R.C. 5713.031 and Ohio Administrative Code 5703-25-20. This capitalization rate is based on "the most recent published rate applicable" to multifamily apartments.

To take advantage of the new uniform valuation procedures, owners of qualifying rental properties must submit the required operating information to the county auditor by March 1, pursuant to the specific procedures outlined in R.C. 5713.031.