

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 5703-25-20

Rule Type: New

Rule Title/Tagline: Procedure for valuation of federally subsidized residential rental property.

Agency Name: Department of Taxation

Division:

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I. Rule Summary

1. Is this a five year rule review? No

A. What is the rule's five year review date?

2. Is this rule the result of recent legislation? Yes

A. If so, what is the bill number, General Assembly and Sponsor? HB 33 - 135
- Edwards

3. What statute is this rule being promulgated under? 119

4. What statute(s) grant rule writing authority? R.C. 5715.01

5. What statute(s) does the rule implement or amplify? R.C. 5713.031

6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No

A. If so, what is the citation to the federal law or rule? Not Applicable

7. What are the reasons for proposing the rule?

The rule is proposed because R.C. 5715.01(A)(4) requires the tax commissioner to prescribe rules regarding the valuation of federally subsidized low income property.

8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

This proposed rule prescribes the methodology to be used in the valuation of federally subsidized low income property using the information owners of such property are required to file annually with the county auditor under R.C. 5713.031.

9. Does the rule incorporate material by reference? No

10. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.

Not Applicable

11. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

There are multiple minor changes made in the revised filing of this rule. In 5703-25-20(B)(6)(a), the date has been changed from May 15th to August 15th. In 5703-25-20(B)(6)(c), the date has been changed from September 1st to September 30th. In 5703-25-20(C), language has been added to clarify the method for determining the value of federally subsidized residential property to include property that is in the construction-only phase.

II. Fiscal Analysis

12. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.

This will have no impact on revenues or expenditures.

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No Applicable.

13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

Not Applicable.

14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No
16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.

Not Applicable.

III. Common Sense Initiative (CSI) Questions

17. Was this rule filed with the Common Sense Initiative Office? Yes
18. Does this rule have an adverse impact on business? Yes
 - A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No
 - B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No
 - C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

The adverse impact consists of filling additional financial information regarding the income and expense for properties valued under the proposed rule. The additional burden, however, is anticipated to result in a more predictable valuation process that takes into account the restrictions placed on owners of such properties.
 - D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No

A. How many new regulatory restrictions do you propose adding to this rule?

Not Applicable

B. How many existing regulatory restrictions do you propose removing from this rule?

Not Applicable

C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.

Not Applicable

D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable