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Inflation Cap Credit
Frequently Asked Questions

What is the Inflation Cap Credit?

- The Inflation Cap Credit is a property tax reduction created by the General Assembly in 2025, applicable to property taxes starting on the second half of 2026. It reduces property taxes collected by schools at the 20-mill floor to the rate of inflation. In Lucas County, this affects Anthony Wayne, Swanton, Otsego, Evergreen, and Penta County school districts.

What is the 20-mill floor?

- Ohio Revised Code 319.301 mandates that schools receive at least 20 mills in funding; therefore, property owners at this “floor” do not have their rates lowered automatically by House Bill 920 because their rates cannot fall below 20 mills.

Why is my Inflation Cap Credit noted as $0?

- The Inflation Cap Credit only applies to certain properties, determined by Ohio law. These are properties where school districts are at the 20-mill floor and their property taxes may have increased by more than the rate of inflation.

What taxes are affected by this?

- The Inflation Cap Credit only applies to qualifying school district taxes. Property taxes for municipalities, townships, libraries, etc. are not affected by the Inflation Cap Credit.

Do I have to apply for the Inflation Cap Credit?

- No! Similar to House Bill 920, this is a property tax reduction that is automatically applied to your property taxes.

Why did my property taxes change despite this credit?

- The Inflation Cap Credit is only one factor for property tax bills. Other factors include new levies that were approved by voters, other tax reductions being added to or removed from a property, and value changes due to changes such as new construction.

Is this the same as the Owner Occupied Credit, Homestead Credit, or Non-Business Credit?

- No, the Inflation Cap Credit is its own property tax reduction factor. Credit amounts vary by school district and by parcel.

Why is my credit amount different from my neighbor’s?

- Differing property values, school districts, and specific qualifying features determined by Ohio law, such as ponds, can affect the credit amount between properties.

My neighbor in another county received a credit, but I didn’t in Lucas County. We are in the same school district. Why did this happen?

- The Ohio Department of Taxation determined that each county will have the Inflation Cap Credit calculated for qualifying school districts in each county separately, rather than as a whole. This means that some school districts may qualify for the Inflation Cap Credit in one county but not another, and some school districts that overlap county lines may qualify in one year in one county, but another in a different county.