

### **CAUV Questions & Answers**

**Q.** Are all farms in Ohio used exclusively for agricultural purposes eligible to be taxed on their current agricultural use value?

**A.** Yes, if containing 10 acres or more. Those under 10 acres can qualify if the land has produced an average gross income for the past three years of at least \$2,500.

**It is important to note that CAUV is a commercial agricultural use program, not an agricultural use program. All crops, animals, etc. on this program must be used for a commercial purpose, must be grown and sold with the intent of profit.**

**Q.** Will all farms be automatically reappraised on a CAUV basis?

**A.** No. Applications must be made each year at the Crawford County Auditor's office.

**Q.** What does an owner have to do to be taxed on the Current Agricultural Use Value?

**A.** File an application with the County Auditor on or after the first Monday of January, and on or before the first Monday of March of the application year, and pay a one time application fee of \$25. There is no renewal fee.

**Q.** What qualifies as land devoted exclusively to agricultural use?

**A.** 1. It qualifies if more than 10 acres were devoted exclusively to commercial production of field crops, animal husbandry, tobacco, fruit, vegetables, timber, nursery stock, ornamental trees, sod or flowers, or if it qualified for a land retirement or conservation program under an agreement with the federal government.

2. If less than 10 acres, it qualifies if, during the past three years, it produced an average gross income of at least \$2,500.

**Q.** Do you have to own a farm for three years before you can apply?

**A.** No. The farm has to qualify, not the owner.

**Q.** Should every owner of 10 acres or more apply for the CAUV Program?

**A.** No. Only if you believe that assessments on the Current Agricultural Use Value basis will result in lower taxes than assessment on the appraised market value approach.

**Q.** How often is real estate appraised for tax assessment purposes?

**A.** Reappraisals are done every six years and a review and adjustment is possible in the third calendar year following the reappraisal.

**Q.** Is tax value the same as appraised value?

**A.** No. In Ohio, tax value, or tax assessed value, is 35% of the appraised market value.

**Q.** How were farms valued before this law was enacted?

**A.** On the basis of their appraised market value.

**Q.** How does CAUV appraisal differ from fair market value?

**A.** The fair market value approach depends upon the comparison of sales of similarly situated farms and where the highest and best use sets value. The CAUV method depends upon capitalizing the expected net income from farming.

**Q.** Will some farms have lower appraised values using the CAUV?

**A.** Yes. The fair market value reflects what a buyer is willing to pay regardless of the farm's agricultural production capability.

Q. Are the terms "tracts", "lots" and "parcels" used interchangeably?

A. For the purpose of this act they are.

Q. Some land used exclusively for timber production has been taxed at a lower rate for many years. How does this affect the new act?

A. Woodland is not eligible for tax savings under both laws. An owner must choose one or the other. On parcels of 10 acres or more, timber qualifies for the CAUV program, meeting the commercial production test. However, you must submit a request for a Land Management program in writing to:

**Steve McGinnis**

**Ohio Division of Forestry**

Service Forester

3615 S. Old State Road

Delaware, OH 43015

(614) 212-3291

Covering Counties: *Champaign, Crawford, Delaware, Logan, Marion, Union*

Q. What are the liabilities if incorrect information is given?

A. If you knowingly give false information on an application, you are guilty of a misdemeanor of the first degree.

Q. What happens if the land is converted into a non-qualifying use?

A. The owner is required to pay back the tax difference. Recoupment, for a maximum of three years, is taxed under the CAUV method.

Q. What causes one to become subject to recoupment?

A. Failure to reapply for CAUV tax appraisal or if a change in use occurs so that the land is not devoted exclusively to agricultural purposes.

Q. Does a greenhouse qualify?

A. Yes. As long as it meets the CAUV income requirements.

Q. Does a garden store qualify?

A. No.

Q. Does a farmland owner have to file each year to be eligible for the CAUV tax appraisal?

A. Yes. After the **first Monday of January, each year**, and before the **first Monday of March, each year**, you must reapply. The Farm Valuation Office will mail you your renewal form on or before the first Tuesday in January.

Q. Does aquaculture qualify?

A. Yes, the raising of plants or animals as fish or shellfish in or under the sea, lake or river or other body of water.

**Q. Does apiculture qualify?**

**A. Yes. The raising and care of bees qualifies.**

