

## CAUV Soil Value Fact Sheet for 2023 Revaluation

### **Why have most of the per acre soil values increased?**

As part of Wood County's Reappraisal and Triennial cycle, the State of Ohio Department of Taxation calculates new soil values for us to implement. For the 2023 tax year, the new soil values that have been calculated have increased for most of the soil types located in Wood County.

### **What information is used by the State to calculate the soil values? How does the State calculate these values?**

Soil values are calculated by capitalizing the typical net income from agricultural products assuming typical management, cropping and land use patterns, and yields for all given types of soils. The State analyzes crop yield information, cropping patterns, crop prices, non-land production costs, interest rates and historical agricultural rates of returns.

The State takes into account yields, prices, and costs over a 7 year period. During this time period the individual high and low are removed. For the 5 years that remain, yields, prices, and costs are averaged. These averages are used in the formula to calculate the per acre values.

### **When is the last time that soil values were changed in Wood County?**

The soil values were last changed during the 2020 Triennial Update. The next time that they will be adjusted will be for the 2026 Triennial Update.

### **As a farmer my costs have skyrocketed due to the price of gas, fertilizer, and seed. Has this been factored into these new rates?**

The simple answer is yes. The State collects non-land production costs through The Ohio State Department of Agriculture, Environmental, and Developmental Economics for a seven year period (2017 - 2023). The high and low years were removed and a five year average was computed from the remaining years. As another year is added, the oldest year is dropped from the study and the five year average is recalculated. The costs used in the study are average costs for a variety of crops for each soil type.

### **With values increasing, how much will my taxes go up?**

Taxes on farmland will increase due to this change in value, but the exact amount is impossible to calculate at this point. The State of Ohio implements reduction factors to roll back or adjust the tax rate when valuation changes occur. Additionally, there are a number of tax levies that are on the November ballot that could affect the tax rate. Once all valuation changes and the election results are finalized, the State will calculate the new tax rates. They will report the new rates to us in mid December and tax calculations will be available at that time.

### **Can I appeal this value to the Auditor or the Board of Revision?**

No, there is no appeal process for these new soil values. According to the Ohio Revised Code, the State of Ohio is responsible for calculating the soil values and the Auditor must implement them as is, without revision at the county level.

**How is my soil type calculated?**

We have a soil layer that is provided by the State of Ohio. The individual parcel is layered over the soil layer and the individual soil type acres are calculated. The number of acres for each soil type within each land type (tillable, wooded, right of way, waste) is calculated and a report is generated. Each soil type and land use is entered into the record and a total value is calculated by multiplying the number acres by the value per acre.

**Are government payments to farmers included in the income calculation?**

No. Net income is calculated by subtracting typical non-land production costs from potential income (average yields times the average price of crops).

**Who can I contact regarding this increase?**

Farmers can contact the Ohio Department of Taxation or the Ohio Farm Bureau.

**Is the Ohio Farm Bureau aware of this increase?**

Yes. The Farm Bureau has met with the Department of Taxation and is fully aware of the increases. They have a seat on the State Agricultural Advisory Board and are well aware of the valuation formula the state uses to value CAUV soil types.

**Is the value of my house and building going up as well?**

Most likely, yes. Due to market conditions, residential homes and buildings are increasing in value for the revaluation.

**What crops are used by the State to estimate the new values?**

Beans, corn, and wheat (listed in order of importance).

**What is the CAUV program?**

The CAUV program is a voluntary program that has been in existence since 1974. The program allows for qualifying farmland to be taxed on the soil value rather than the market value. In the past, the landowner saved between 50 to 60 percent in taxes by being enrolled in the program.