

Ohio voters approved a constitutional amendment in 1972 that allowed qualified agricultural land to be valued at its current agricultural use value rather than fair market value for real property tax purposes.

The Ohio Department of Taxation calculates CAUV for each of Ohio's 3,500 soil types using a formula based on five factors, including:

- 1) Cropping pattern – based upon the acres of corn, beans and wheat compared to the total acres of those crops. These percentages are based upon statewide averages.
- 2) Crop prices – based upon a survey of elevators in Ohio.
- 3) Crop yields – based on FSA yields per acre for each soil type, adjusted for average yields across the state of Ohio.
- 4) Non-land production costs – based upon farmer surveys by The Ohio State University.
- 5) Capitalization rate – based upon the interest rate for a 15-year fixed rate mortgage at Farm Credit Services, with 40% attributed to equity and 60% to debt.

The County Auditor implements new CAUV values, every three years, when the county undergoes a reappraisal or triennial update.

Why have values increased?

- 1) Agricultural land that is enrolled in the Current Agricultural Use Valuation program (CAUV) is valued by soil values determined by the State of Ohio Department of Taxation. In 2014 the average soil value was \$1,668 per acre, but these soil values decreased in value down to \$585 per acre in 2020. Unfortunately, due to low to no interest rates, increasing crop prices, and higher crop yields these values are now increasing back up to an average of \$1,443 per acre.
- 2) Average crop yields have increased over the last 10 years; Corn went from 162.3 to 174.1 bushels per acre, Soybeans went from 50.2 to 52.9 bushels per acre, and wheat went from 68.2 to 73.1 bushels per acre.
- 3) Crop prices have increased. A large factor to the CAUV increase lies in the increase in crop prices. Based on a seven year rolling average, and with three years between value adjustments, three years of crop prices drop out of the formula and are replaced by three higher crop prices.
- 4) In 2016 the Average Crop price for Corn was \$3.61, Soybeans were \$9.66, and Wheat was \$4.25. In 2022 the Average Crop price has increased for Corn to \$6.45, Soybeans increased to \$ 14.40, and Wheat increased to \$7.95.

In 2023, the average acre enrolled in the CAUV program was taxed at approximately 33% of its market value.

The County Auditor has no authority to adjust CAUV soil values as they are issued as an order from the Tax Commissioner. Any appeal to the CAUV value is taken directly to the Ohio Board of Tax Appeals rather than the Board of Revision.