



Department of Taxation
 Estate Tax Division
 P.O. Box 183050
 Columbus, OH 43218-3050
 1-(800) 977-7711
 tax.ohio.gov

Qualified Farm Property Valuation Election Application (Ohio Revised Code Section 5731.011)

Estate of: Decedent's last name	Decedent's first name and initial	Date of death
County in Ohio	Case number	Decedent's Social Security number

Part I – Qualification

Ohio Revised Code (R.C.) section 5731.011 allows qualified farm property to be valued according to its qualified use (CAUV value). To determine if farm property qualifies, please answer the following questions.

1. **Real property.** Is the farm located in Ohio? Yes No
2. **Qualified heir.** Has the farm property been inherited from or passed from the decedent to decedent's spouse, to the decedent's children or their spouses or their descendants or spouse of a descendant, to parents, aunts or uncles of the decedent or their descendants or spouse of a descendant? Yes No
3. **Qualified use.** Has the farm property been devoted exclusively to agricultural use within the meaning of R.C. section 5713.30(A)? Yes No

If any answer to questions 1, 2 or 3 was "NO," the farm property will not qualify for the farm valuation election. If the answers were all "YES," these additional two requirements must be satisfied in order to qualify for the farm valuation election.

4. **Fifty-percent test.** The adjusted fair market value of the real and personal farm property (without any adjustment under R.C. section 5731.011), devoted exclusively to agricultural use must be at least fifty percent (50%) of the value of the decedent's adjusted gross estate. Use the following worksheet for the calculation.

(a) Fair market value of gross estate	\$ _____
(b) Less: mortgages and liens.....	(_____)
(c) Adjusted gross estate – (a) minus (b)	\$ _____
(d) Fair market value of real and personal farm property	\$ _____
(e) Less: mortgages and liens.....	(_____)
(f) Adjusted value of real and personal farm property – (d) minus (e)	\$ _____
(g) Ratio of (f) over (c) carried to four decimal places	\$ • _____
5. **Twenty-five percent test.** The adjusted fair market value of the real farm property (without any adjustment under R.C. section 5731.011), devoted exclusively to agricultural use must be at least twenty-five percent (25%) of the value of the decedent's adjusted gross estate. Use the following worksheet for the calculation.

(a) Adjusted gross estate (from 4(c) above)	\$ _____
(b) Fair market value of real farm property	\$ _____
(c) Less: mortgages and liens.....	(_____)
(d) Adjusted value of real farm property – (b) minus (c)	\$ _____
(g) Ratio of (d) over (a) carried to four decimal places	\$ • _____

If the farm property satisfies the requirements of questions 4 and 5, the farm property valuation election may be made. Part II of this form must be completed if the farm property valuation election is made.

6. Farm use valuation instructions and worksheet

Please complete the following to calculate the CAUV amount to be used for the estate tax form 2.

- (a) CAUV for real property land only (use column 3 below) \$ _____
- (b) Market value for real property land only (use column 2 below)..... \$ _____
- (c) (1) Market value of the one-acre homesite(s) only
(use column 4 below) \$ _____
- (2) Market value of improvements only (use column 5 below) \$ _____
- (3) Total of (c)(1) plus (c)(2)..... \$ _____
- (d) Total fair market value – sum of (b) and (c)(3) \$ _____
- (e) CAUV – sum of (a) and (c)(3)..... \$ _____
- (f) Qualified use reduction – (d) minus (e), not to exceed the \$500,000 recoupment base
(if more than \$500,000, continue to line (g)).. \$ _____
- (g) (Complete if (f) is more than \$500,000) The amount more than \$500,000 plus the
qualified use value from line (e) above..... \$ _____

Note: Report amount shown on line (e) [unless line (g) is completed] on estate tax form 2.
Report amount shown on line (g) [if line (g) is completed] on estate tax form 2.

Fill in the columns below as follows:

Column 1 (A) and (B). Insert the parcel number in column 1(A) and the number of acres in column 1(B) for each parcel.

Column 2. Insert the appraiser’s opinion of the fair market value of the land only, less the value of the one-acre homesite(s). The fair market value should be supported with comparable sales.

Column 3. The qualified use value is taken directly off the tax assessment card reduced by the value of the one-acre homesite(s). (Most, but not all, qualified use values contain a homesite value.) Do not include the one-acre homesite(s) value in this column.

Column 4. The site(s) value(s) at the fair market value is/are determined separately by the appraiser(s). (Note: Valuation cannot be less than the county auditor’s appraisal.)

Column 5. The improvement valuation(s) at fair market value(s) is/are determined separately by the appraiser(s). (Note: Valuation cannot be less than the county auditor’s appraisal.)

Column 6. Indicate the ownership percentage of the real estate owned by the decedent.

Show *full values* in all columns. Multiply columns 2, 3, 4 and 5 by the percentage in column 6 and transfer these figures to the appropriate lines above.

General information per parcel		Value of land minus the one-acre homesite(s)		Value of homesite and improvements cannot be less than the county auditor’s appraisal		
Column 1(A)	Column 1(B)	Column 2	Column 3	Column 4	Column 5	Column 6
Parcel number	Acres	Fair market value per parcel	CAUV per parcel	Site value(s) fair market value per parcel	Improvement valuation’s market value per parcel	Ownership %

7. **Timely filed return.** The election is effective only if made on a timely filed estate tax return, with any extensions granted by the Estate Tax Division. Estates of decedents with a date of death on or after Jan. 1, 2000, are granted an automatic six-month extension, allowing them a total of 15 months to file the estate tax return. Any additional six-month extensions must be requested in writing directly to the Estate Tax Division on estate tax form 24 before the due date of the return.
8. **Disposition.** If an interest in the qualified farm property is disposed of (other than a transfer to another qualified heir) or the farm property is no longer devoted exclusively to agricultural use within four (4) years of the decedent's death and prior to the qualified heir's death, then a recapture tax shall be imposed. The recapture tax shall be equal to the tax savings realized by the decedent's estate by the farm property valuation election. The tax and interest (calculated from nine months from decedent's death) are due within nine (9) months of the disqualifying disposition or cessation of qualified use. The qualified heir is personally liable for payment of the recapture tax owed. File estate tax form 2X.
9. **Annual reports.** The qualified heir must file an annual report, estate tax form 36, on the second, third and fourth anniversary dates of the decedent's death with the Estate Tax Division (P.O. Box 183050, Columbus, OH 43218-3050) verifying that the farm property has not been disposed of nor ceased to be devoted exclusively for agricultural use by the qualified heir.
10. **Lien.** A tax lien equal to the tax savings realized by the decedent's estate due to the farm property valuation election shall remain on the farm property for four years from the decedent's death or until earlier discharge. The tax lien may be subordinated by the tax commissioner upon written request if the state's interest remains adequately protected after the subordination.
11. **Inspection.** The tax commissioner, or duly appointed agent, is entitled to inspect the farm property to verify the accuracy of the statements in this election.

Attach this completed estate tax form 34 to the back of the estate tax return form 2.

Part III – Identification	Date Received by Ohio Department of Taxation
Name of preparer _____	
Address _____	
City, state and ZIP code _____	
Telephone number of preparer _____	
Designation, please check one: <input type="checkbox"/> Attorney <input type="checkbox"/> Executor <input type="checkbox"/> Administrator(s)	

Part IV – Signature and Verification	
Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein are true and correct.	
_____ Signature of preparer	_____ Date