



Department of Taxation

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

ET 36
Rev. 4/12

- 1st annual report
2nd annual report
Final annual report

Qualified Farm Property Annual Report
for Estate Tax Valuation (Ohio Revised Code Section 5731.011)

For dates of death prior to Jan. 1, 2013

Form with fields: Estate of: Decedent's last name, Decedent's first name and initial, Estate tax file number, County in Ohio, Case number, Decedent's Social Security number, Date of death

Part I - Identification
Name of preparer, Address, City, state and ZIP code, Telephone number of preparer, Designation (please check one): Attorney, Executor, Administrator(s)
Date Received by Ohio Department of Taxation

Part II - General Farm Property Information
1. Farm property location. Please provide only the street address, parcel(s) number(s), county and township.
2. Current farm owner(s) name(s)
3. Has the farm property been devoted exclusively for agricultural use, within the meaning of Ohio Revised Code section 5713.30(A) since the date of the decedent's death?
4. Has any farm property, valued at current agricultural use value (CAUV) in the return, been sold or split off in the last year?

Part III - 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

General Information

The four-year rule R.C. Section 5731.011(E)	The estate remains open for four years. The CAUV will be disallowed if, during that time, the farm property is transferred to a nonqualified heir or the estate discontinues the qualified use of the property. Qualified use is considered terminated if property passes to a nonqualified heir even though the property is still used for farming. If one of these situations occurs, the department must be notified within nine months and a recapture tax (explained below) will be assessed against the person who is disposing of the property or terminating the qualified use.
Annual report	The qualified heirs are required to file an annual report, estate tax form 36, on the second, third and fourth anniversaries of the decedent's date of death. The first annual report is due no sooner than 60 days before and no later than the second anniversary date of the decedent's date of death. Failure to timely file the annual reports will result in the assessment of the recapture tax. Please provide a copy of the most current county auditor's property tax record card showing the CAUV calculation, parcel number, total acreage and current owner's name with the final annual report only .
Recapture tax R.C. Section 5731.011(E)	<p>The recapture tax is the amount of tax savings realized in the decedent's estate because of the reduction in value of the farm property. For example:</p> <p style="padding-left: 40px;">Assume the estate tax return shows all property at fair market value resulting in a tax of \$25,000. However, when the estate reduces the farm property to CAUV, the tax actually due is only \$8,000. Therefore, the savings realized is \$17,000. This amount would also be the amount of recapture tax.</p>
Payment	The payment of recapture tax is the responsibility of the qualified heirs. Interest is calculated on the recapture tax from nine months after the decedent's date of death. If a qualified heir dies, no recapture tax will be assessed.
Amended filings	If any portion of the CAUV property is sold, transferred or converted to nonqualified use, the estate must file an amended estate tax form 2X showing the increase from the current CAUV value to the fair market value. The estate will also be required to file an amended estate tax form 34 reflecting the sale or conversion of the property.
Miscellaneous information regarding the sale of CAUV property	<p>If the sale is to another qualified heir, there is no recapture tax.</p> <p>If the sale is to a nonqualified heir, the recapture tax is assessed based upon the percentage of tax the portion of property sold generates.</p> <p>If the property sold is either the one-acre homesite or building only, there is no recapture tax, since that part of the property was originally included and taxed at fair market value.</p>
Where to file the completed estate tax form 36	Ohio Department of Taxation Estate Tax Unit P.O. Box 183050 Columbus, OH 43218-3050 (800) 977-7711 or FAX to (614) 387-1984