Current Agricultural Use Value (CAUV)  
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The State of Ohio recognizes that agriculture is a business and that the acres required for successful operation may be different than land property requirements for other enterprises. In consideration of this difference a state program called the Current Agricultural Use Value has been in place for almost four decades.

Current Agricultural Use Value (CAUV) is a real estate tax assessment program that allows farmland to be taxed on an agricultural production value rather than the full real estate market value. Ohio voters passed a referendum for the CAUV option in November, 1973 and it became law after the Ohio General Assembly passed Senate Bill 423 in April, 1974.

In most situations, CAUV results in a considerably lower property tax bill for owners of farmland compared to the market value rate. Landowners must meet one of the following requirements for three years prior to submitting an application to qualify for CAUV:

1) Ten or more acres must be devoted exclusively to commercial agricultural use; or
2) If less than 10 acres are devoted to commercial agricultural use, the farm must produce an average yearly gross income of at least $2,500.

Agricultural use considers three definitions:

- Commercial animal or poultry husbandry; aquaculture; beekeeping; the production for a commercial purpose of timber, field crops, tobacco, fruits, vegetables, nursery stock, ornamental trees, sod, or flowers, or the growth of timber for a noncommercial purpose (if the timber is contiguous to or part of land devoted to agricultural use).

- Biodiesel production, biomass energy production, electric or heat energy production, or biologically derived methane gas production if the land on which the production facility is located is contiguous to or part of land devoted to agricultural use.

- Land devoted to and qualified for payments or other compensation under a land retirement or conservation program under an agreement with an agency of the federal government.

Current Agricultural Use Values follow a defined process to determine a farmland’s agricultural worth by considering farm income and expenses. In a very simplified definition, farm income takes into account yield levels for a given soil type (determined by the state), yield averages for previous years, and crop price averages for previous years.

Production costs include averages from previous years’ inputs such as seed, fertilizer, fuel oil, grease, repairs, drying fuel and electricity costs, fuel for trucking, labor charges,
and machinery and equipment charges based on Ohio State University’s Extension Crop Enterprise Budgets.

Current Agricultural Use Values are determined for a set number of years for each county, which is often referred to as a cycle. At the end of a cycle, farmland’s agricultural worth will be re-evaluated and a new CAUV will be established for the next cycle.

Depending on the farm income and input costs of the previous years, CAUV adjustments may go up or down for the next cycle. Regardless, in northwestern Ohio, CAUV generally has been a better program for qualified landowners than being taxed on the actual market value of land.

This previous article is a simplified explanation for CAUV. More detailed information may be found in the Extension bulletin CDFS 1267 Current Agricultural Use Value Assessment in Ohio (http://ohioline.osu.edu/cd-fact/1267.html) and at the office (websites) of most county auditors.