

Property:

Ohio: Taxpayer Successfully Shows COVID-19 Pandemic Contributed to Reduced Hotel Valuation

Case No(s). 2021-2767, 2021-2768, Ohio Bd. of Tax App. (5/13/25). The Ohio Board of Tax Appeals (Board) held that a hotel owner successfully established a reduced hotel valuation under Ohio property tax law [see *State Tax Matters*, Issue 2021-17, for more details on related Ohio property tax law] based on the facts, because he showed a “reduction in true value” during the 2020 year at issue caused by circumstances related to the COVID-19 pandemic or a state COVID-19 order. Specifically, the Board explained that the owner showed a diminution of property value between January 1, 2020, and October 1, 2020, was caused by the pandemic and related state orders – including a decrease in occupancy coupled with a growth in capitalization rates for comparable properties. Under the submitted facts, market occupancy “hovered around 70% before the pandemic, plummeting to 15% for the subject and 40% for the market,” and the uncertainty in the first half of 2020 “caused a rise in capitalization rates, which shows more uncertainty in the hospitality market.” The Board also commented that submitted evidence showed that hotel prices dropped after the pandemic due to restricted cash flows. Please contact us with any questions.

URL: <https://ohio-bta.modria.com/casedetails/523903>

URL: https://dhub.deloitte.com/Newsletters/Tax/2021/STM/210430_12.html

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