



# County of Hamilton

DUSTY RHODES  
AUDITOR

COUNTY ADMINISTRATION BUILDING  
138 EAST COURT STREET  
CINCINNATI, OHIO 45202

FOR IMMEDIATE RELEASE

FROM: Dusty Rhodes, Hamilton County Auditor (513-946-4047)

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Auditor Dusty Rhodes says Hamilton County has lost over \$3 million in revenue during the past month due to two major property transfers that evaded the county's real estate transfer tax.

Both the downtown Casino and the West End Soccer Stadium property recently used the "LLC loophole" which allows sellers to transfer property without paying the County's transfer tax.

The "LLC loophole" allows an owner to transfer the title to a property using a limited liability corporation as an intermediary rather than transferring title directly from the seller to the buyer.

Here is how it works: an owner transfers the title to an LLC that he or she owns, and then sells the LLC itself to the buyer.

"Not only does this strategy avoid the transfer tax, it also hides the transaction cost which impairs our ability to fairly value the property for future taxes," said Rhodes.

"The only reason we can estimate how much the County has lost in the casino and soccer stadium transactions is because the sale price was reported in the news media," he added.

Rhodes said the LLC maneuver has probably cost the County millions over the past decade.

"There is something very wrong with a system where an individual selling a \$150,000 property pays \$600 in a transfer tax, while sellers of big properties pay nothing", he said.

He noted that many other states have closed this loophole and recent Pennsylvania legislation has been offered by the County Auditors Association as a template for an Ohio law.

Rhodes says a bill has been written but has not been introduced in the Ohio House of Representatives.