

MINNESOTA • REVENUE

PROPERTY TAX

Game Birds & Waterfowl as Agricultural Products

April 11, 2011

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0548 (Buesgens) 1st Engrossment

Fund Impact

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
	(000's)			
General Fund	\$0	(negligible)	(negligible)	(negligible)

Effective for taxes payable 2012 and thereafter.

EXPLANATION OF THE BILL

The bill broadens the definition of game birds and waterfowl under the term "agricultural products" by allowing game farms licensed under M.S. 97A.105 to qualify.

REVENUE ANALYSIS DETAIL

- One or a few properties are expected to qualify for this provision.
- Taxes will shift from preferred properties to other classes.
- Property tax refund increases due to tax shifting onto class 1a or 2a homesteads is expected to be negligible.

Number of Taxpayers: Few.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
http://www.taxes.state.mn.us/legal_policy

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PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

Transparency, Understandability, Simplicity & Accountability Decrease Simplicity is reduced by creating a new subcategory of classification.

Efficiency & Compliance Decrease Creates a new classification category for assessors to track.

Equity (Vertical & Horizontal) Neutral

Stability & Predictability Neutral

Competitiveness for Businesses Increase Net decrease in Minnesota business taxes.

Responsiveness to Economic Conditions Neutral

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.