MINNESOTA · REVENUE

PROPERTY TAX
Class 1c Modification

May 03, 2011

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0902 (Dill) as introduced

	Fund Impact			
	FY2012	**FY2013**	**FY2014**	**FY2015**
		(000's)		
General Fund	$0	(negligible)	(negligible)	(negligible)

Effective for taxes levied in 2011, payable 2012 and thereafter.

EXPLANATION OF THE BILL

The bill strikes language that allowed an owner of 1c resort property to be classed as homesteaded if they occupied a second homesteaded property in the same township. New language is added to allow a similar situation if both properties are owned by a limited liability company, and both have the same membership.

REVENUE ANALYSIS DETAIL

- A few properties are expected to qualify for the new 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

hf0902_pt_1/lam

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

Transparency, Understandability, Simplicity & Accountability	Neutral	
Efficiency & Compliance	Neutral	
Equity (Vertical & Horizontal)	Neutral	
Stability & Predictability	Neutral	
Competitiveness for Businesses	Increase	Net decrease in property taxes for business properties statewide.
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.