

# MINNESOTA · REVENUE

## PROPERTY TAX Non-Commercial Seasonal Recreational Property exempt from State Levy

February 4, 2002

	<b>Yes</b>	<b>No</b>
Separate Official Fiscal Note Requested		<b>X</b>
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		<b>X</b>

Department of Revenue  
Analysis of H.F. 2630 (Erhardt)/S.F. 2484 (Oliver)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>
	(000's)			
General Fund				
Market Value Homestead Credit increase		\$0	\$0	\$0
Homeowner PTR increase		\$0	\$0	\$0
State property tax levy reduction		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total		\$0	\$0	\$0

Effective for taxes payable 2003 and thereafter.

### EXPLANATION OF THE BILL

**Current Law:** Non-commercial seasonal recreational property is included in the classes of property subject to the state levy.

**Proposed Law:** The proposal would exempt non-commercial seasonal recreational property from the state levy. Commercial seasonal property would remain subject to the state levy.

### REVENUE ANALYSIS DETAIL

- The proposal was analyzed on the taxes payable 2002 property tax simulation model.
- There is no impact on the state general fund. The total state levy would remain at \$592 million. Non-commercial seasonal recreational (SRR) property owners would pay \$27.9 million less, and the remaining commercial, industrial, and utility properties subject to the state levy would pay \$27.9 million more. This represents a 24% net tax decrease for SRR owners and a 1.5% increase for commercial property owners.
- There would be no impact on property tax refunds.

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**Number of Taxpayers Affected:** All non-commercial seasonal recreational property owners and all commercial-industrial property owners.

**ADMINISTRATIVE/OPERATIONAL IMPACT**

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue  
Tax Research Division  
<http://www.taxes.state.mn.us/polic.html#analyses>

hf2630-1/LAM