

MINNESOTA • REVENUE

PROPERTY TAX TIF Deficit Reduction Procedures

February 22, 2002

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

Department of Revenue
Analysis of H.F. 2881 (McElroy)/S.F. 2796 (Rest)

	<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>
General Fund		(000's)	\$0	\$0

Effective for actions taken and resolutions approved after June 30, 2002.

EXPLANATION OF THE BILL

The proposal eliminates the requirement that TIF districts first use pooling to eliminate deficits caused by the 2001 tax reform before applying other alternatives.

REVENUE ANALYSIS DETAIL

- The proposed change in TIF procedures will have no effect on the state general fund.

Number of taxpayers affected: All taxpayers in cities using the proposed TIF option.

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>

hf2881(sf2796)_1/jb