

**Property Tax  
Exemption for New Buildings  
On Temporary Sites**

February 8, 2001

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

Department of Revenue  
Analysis of S.F. 412 (Kinkel) / H.F. 462 (Howes)

	<u>Revenue Gain or (Loss)</u>				
	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u> (000's)	<u>F.Y. 2004</u>	<u>FY2005</u>
General Fund:			\$0	\$0	\$0

Effective for the 2001 assessment and thereafter.

**EXPLANATION OF THE BILL**

The proposed law allows a property tax exemption for one year for a newly-constructed building intended for future residential occupancy if it is on a temporary foundation and intended to be moved, not used for any business purpose, not connected to utilities, and is located on land that will not be sold with the building.

**REVENUE ANALYSIS DETAIL**

- Although the proposed exemption will reduce the local tax base by a small amount, the resulting tax shift will be minor, and no change in state expenditures is likely.

**Number of Taxpayers Affected:** Unknown.

**ADMINISTRATIVE/OPERATIONAL IMPACT**

The are no administrative or operational costs to the Department of Revenue in administering this bill.

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