

MINNESOTA • REVENUE

PROPERTY TAX Extend Incubator Property Exemption

April 11, 2003

Department of Revenue
Analysis H.F. 633 (Solberg)/ S.F. 714 (Saxhaug)

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

Revenue Gain or (Loss)

	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y.2007</u>
		(000's)		
General Fund	\$0	\$0	\$0	(Negligible)

Effective beginning with taxes payable in 2006.

EXPLANATION OF THE BILL

Current Law: Minnesota allows nonprofit facilities used for the development of non-retail businesses in qualifying areas and meeting specified restrictions to be exempt from property taxes. The exemption expires after taxes payable in 2005.

Proposed Law: The proposal would extend the exemption through taxes payable in 2011.

REVENUE ANALYSIS DETAIL

- For properties that qualify under this bill, property taxes would be lower than without the bill. Taxes would shift onto other property types. Property tax refunds would slightly increase due to higher taxes on homesteads.

Number of Taxpayers Affected: Property owners in jurisdictions with business incubators.

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