

# MINNESOTA • REVENUE

## PROPERTY TAX Homestead Clarification for Licensed Child Care

March 22, 2004

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

Department of Revenue  
Analysis of S.F. 2117 (Lourey)/ H.F. 2200 (Magnus)

	<u>Revenue Gain or (Loss)</u>			
	<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	\$0

Effective for taxes payable in 2005 and thereafter.

### EXPLANATION OF THE BILL

The bill provides that, if a single family home, duplex, or triplex classified as either residential homestead or agricultural homestead is also used to provide licensed child care, the entire property must be valued and classified as homestead property.

### REVENUE ANALYSIS DETAIL

- From the information available, it appears that the bill largely mirrors existing practice, and, as such, would have no impact on the general fund or any other state fund.

**Number of Taxpayers:** There are almost 14,000 daycare homes in Minnesota.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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