

MINNESOTA • REVENUE

PROPERTY TAX Wind Energy Levy Adjustment

March 23, 2004

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

Department of Revenue
Analysis of H.F. 3129 (Magnus) / S.F. 2991 (Vickerman)

	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	\$0

Section 1 is effective for taxes payable in 2005 and thereafter, section 2 is effective in pay 2004 and thereafter, and section 3 is effective for pay 2004 only.

EXPLANATION OF THE BILL

Current Law: Wind energy production tax is subtracted from local levies. Owners of wind energy systems must report production to the Department of Revenue, which calculates the production tax. The production tax is then reported to local jurisdictions, which subtract the production tax from local levies.

Proposed Law: The bill moves the reporting deadline from March 1 to February 1. The Department of Revenue deadline to report to county auditors is moved from March 31 to February 28. To aid the settlement process between counties, the previous year's net tax capacity will be used to apportion the production tax instead of the current year's net tax capacity. The Lincoln and Pipestone county auditors and townships in those counties are allowed to adjust the local levies for the production tax for taxes payable in 2004 only without regard to the current deadlines.

REVENUE ANALYSIS DETAIL

- The bill makes technical adjustments in process and deadlines in computing the wind energy production tax. Three townships and approximately \$30,000 in production tax are involved in this year's levy re-certifications.
- There would be no general fund impact or shifting of the property tax onto other property types.

Number of Taxpayers Affected: None.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

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