

MINNESOTA • REVENUE

PROPERTY TAX House K-12 Levies – PTR Impact

April 13, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 4040 (Sykora) 1st Engrossment

	Fund Impact			
	F.Y. 2006	F.Y. 2007	F.Y. 2008	F.Y. 2009
	(000's)			
General Fund	\$0	\$0	\$3,600	\$4,200

Various effective dates.

EXPLANATION OF THE BILL

According to an analysis by the staff of the House of Representatives, several changes are proposed to education revenue which affect local education levies. The equalized debt service levy factor is increased from \$3,200 to \$5,000 for fiscal years 2008 and 2009. Debt service appropriations are increased. The operating capital equalizing factor is increased from \$10,700 to \$35,000 for fiscal years 2008 and 2009. Equity levy revenue is increased.

REVENUE ANALYSIS DETAIL

- Analysis is based on the spreadsheet developed by House staff.
- Net taxes will decrease by \$117 million in FY 2008 and \$136.5 million in FY 2009.
- Net taxes will decrease on homestead property. Property tax refunds will decrease \$3.6 million in FY 2008 and \$4.2 million in FY 2009.

Number of Taxpayers Affected: Most property taxpayers.

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

hf4040_1/lm