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PROPERTY TAX Nonprofit Class 4c(3) Changes

March 29, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3882 (Vandever), **As Amended (H3882A2)**

The bill changes the qualifications for class 4c(3) nonprofits. The acreage restriction is increased from one acre to two acres. A nonprofit organization may also qualify by making charitable contributions that are at least equal to the property's previous year's property taxes. Record keeping and filing requirements are listed.

A few properties could shift classification from 3a commercial to 4c(3) nonprofit. The reduction in tax for these properties could result in a shift to homestead properties and a small increase in homeowner property tax refunds.

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

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