

# MINNESOTA • REVENUE

## PROPERTY TAX Educational Instruction Property Tax Exemption

March 14, 2005

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

Department of Revenue  
Analysis of S.F. 1002 (Anderson)

	<u>Fund Impact</u>			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
General Fund	(\$15)	\$0	\$0	\$0

Effective the day following final enactment.

### EXPLANATION OF THE BILL

The bill would exempt property for taxes payable in 2005 if it meets all of the following criteria:

- used to provide direct educational instruction for grades 7 through 12;
- located in a first class city that has a population greater than 250,000 and less than 350,000;
- was purchased after July 1, 2004, by a nonprofit that is exempt from federal income tax; and
- is leased and operated by two nonprofit corporations.

### REVENUE ANALYSIS DETAIL

- It is assumed that Great River School in the city of St. Paul would be the only property affected by the proposal.
- Approximately \$57,000 in total property taxes due on the property would be abated for taxes payable in 2005 only.
- The state general fund impact would be a cost of \$15,000 due to the abatement of the state property tax. It is assumed that the abatement would occur in FY 2006.

**Number of Taxpayers:** One property in St. Paul.

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)