

MINNESOTA • REVENUE

PROPERTY TAX No New TIF Districts

March 7, 2005

Department of Revenue
Analysis of S.F. 1336 (Marty)

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

Fund Impact

	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
General Fund	\$0	\$0	Unknown	Unknown

(000's)

Effective June 1, 2005.

EXPLANATION OF THE BILL

The bill would prohibit creation of new tax increment financing (TIF) districts, as well as prohibit the extension or expansion of existing TIF districts, after May 31, 2005.

REVENUE ANALYSIS DETAIL

- It is unknown how many future TIF districts would not be created by enacting this proposal. More property would be subject to local taxes, decreasing local tax rates for all property, including homesteads. Decreased homestead taxes would result in a decrease in property tax refunds paid by the state.

Number of Taxpayers: Unknown.

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

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