

# MINNESOTA • REVENUE

## PROPERTY TAX Charitable Institutions Government Housing Payments

March 16, 2005

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

Department of Revenue  
Analysis of S.F. 1751 (Pogemiller)

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

Effective for taxes payable in 2006 and thereafter.

### EXPLANATION OF THE BILL

The proposal clarifies the treatment of government housing payments for the purpose of the property tax exemption for charitable institutions. The bill provides that government assistance payments are income to the owner or manager of the rental housing, not gifts or donations. These payments include rent assistance provided by the government to or on behalf of the tenants and government financial assistance or tax credits to limit rents for low income families. These payments do not disqualify the property from qualifying for an exemption if receipt of sufficient gifts and donations, as well as other requirements, are satisfied.

### REVENUE ANALYSIS DETAIL

- There is no state cost associated with the clarification of government assistance payments as income.

**Number of Taxpayers:** Unknown.

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)

sf1751\_1/nrg