

MINNESOTA • REVENUE

PROPERTY TAX Short Rotation Trees as Agricultural Products

March 16, 2005

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

Department of Revenue
Analysis of S.F. 1786 (Skoe)

	<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	\$0	\$0	\$0	\$0

Effective for taxes payable in 2006 and thereafter.

EXPLANATION OF THE BILL

Current Law: Current law provides that for the purpose of the agricultural property tax classification, trees grown for sale as a crop and not sold for timber, lumber, wood, or wood products are classified as agricultural products.

Proposed Law: The proposal adds short rotation trees to the definition of agricultural products. Short rotation woody crops that are cultivated using agricultural practices to produce timber or forest products would be included in the definition of agricultural products.

REVENUE ANALYSIS DETAIL

- There is no state cost associated with the modification to the definition of agricultural products.

Number of Taxpayers: Unknown.

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

sf1786_1/nrg