

MINNESOTA • REVENUE

PROPERTY TAX Sustainable Forest Incentive Program - Land Exchange

March 31, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2851 (Saxhaug) 1st Engrossment – Sections 12 & 13 Only

	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	\$0	\$0

(000's)

Effective the day following final enactment.

EXPLANATION OF THE BILL

Sections 12 and 13 of the bill would authorize a land exchange in the sustainable forest incentive program. A claimant would be allowed to remove parcels from the program without penalty and enroll replacement parcels of like value according to the following conditions:

- 1) the claimant has at least 50,000 acres currently enrolled in the program;
- 2) the claimant agrees to have between 5,000 and 8,000 acres removed from the program for use in connection with a proposed steel mill in Itasca County; and
- 3) the claimant submits the land exchange application by December 31, 2010.

The parcels added to the program under the exchange must be class B tax-forfeited land and would be treated as if they were included in the claimant's original application for the parcels removed.

REVENUE ANALYSIS DETAIL

- The land currently enrolled in the sustainable forest incentive program would be replaced by parcels of like value, so that payments under the program would be about the same as under current law.

Number of Taxpayers: One sustainable forest incentive claimant owning land in Itasca County.

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