

MINNESOTA • REVENUE

PROPERTY TAX Nonprofit Class 4c(3) Changes

March 28, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 3541 (Bachmann) / H.F. 3882 (Vandever)

The bill changes the qualifications for class 4c(3) nonprofits. The acreage restriction is increased from one acre to two acres. A nonprofit organization may also qualify by making charitable contributions that are at least equal to the property's previous year's property taxes, and the property is allowed to be used for public meetings and events for no charge. Record keeping and filing requirements are listed.

A few properties could shift classification from 3a commercial to 4c(3) nonprofit. The reduction in tax for these properties could result in a shift to homestead properties and a small increase in homeowner property tax refunds.

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

sf3541(hf3882)_1/lm