

# MINNESOTA • REVENUE

## PROPERTY TAX Modify Agricultural Homestead Acreage Requirement

April 5, 2007

Department of Revenue  
Analysis of H.F 2214 (Juhnke)

|                                     | Yes | No |
|-------------------------------------|-----|----|
| DOR Administrative<br>Costs/Savings |     | X  |

|              | <b>Fund Impact</b>      |                         |                         |                         |
|--------------|-------------------------|-------------------------|-------------------------|-------------------------|
|              | <b><u>F.Y. 2008</u></b> | <b><u>F.Y. 2009</u></b> | <b><u>F.Y. 2010</u></b> | <b><u>F.Y. 2011</u></b> |
|              |                         | (000's)                 |                         |                         |
| General Fund | \$0                     | (Unknown)               | (Unknown)               | (Unknown)               |

Effective for assessment year 2007, for taxes payable in 2008, and thereafter.

### EXPLANATION OF THE BILL

The bill allows agricultural properties of less than the 40 acre minimum to be classified as agricultural homesteads if the acreage is exclusively and intensively used for raising or cultivating agricultural products.

### REVENUE ANALYSIS DETAIL

- An unknown number of additional properties may be classed as agricultural homesteads compared to current law under this provision. Taxes may shift onto residential homesteads as a result, resulting in additional homestead property tax refunds. Also, more properties could qualify for the homestead market value credit.

**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)

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