MINNESOTA · REVENUE

PROPERTY TAX
Ag. Homestead – Brothers/Sisters

March 26, 2008

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2850 (Brown) / S.F. 2751 (Sparks)

	Fund Impact			
	F.Y. 2008	**F.Y. 2009**	**F.Y. 2010**	**F.Y. 2011**
		(000's)		
General Fund	$0	$0	(Negligible)	(Negligible)

Effective for taxes payable in 2009, and thereafter.

EXPLANATION OF THE BILL

Current Law: Sons, daughters, and grandchildren of the owner or owner's spouse are eligible to receive agricultural homestead classification if they are actively farming the property on the owner's behalf. Parents of the owner are also eligible.

Proposed Law: The proposal would add brothers and sisters of the owner or owner's spouse to the family relationships eligible for agricultural homestead treatment.

REVENUE ANALYSIS DETAIL

- It is assumed that few additional parcels would become eligible for agricultural homestead treatment.
- A tax shift created by additional agricultural homestead classifications would shift tax burdens to other properties including homeowners.
- The tax shift thus would increase homeowner property tax refunds by a negligible amount for taxes payable in 2009 and following years.

Number of Taxpayers Affected: A small number of agricultural homesteads.

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

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