

MINNESOTA • REVENUE

PROPERTY TAX Non-Commercial Seasonal Recreational Residential Leased Land

April 2, 2008

Department of Revenue
Analysis of H.F. 4150 (Dill)

	Yes	No
DOR Administrative Costs/Savings		X

	Fund Impact			
	F.Y. 2008	F.Y. 2009	F.Y. 2010	F.Y. 2011
		(000's)		
General Fund	\$0	\$0	(\$44)	(\$44)

Effective for taxes payable 2009 and thereafter.

EXPLANATION OF THE BILL

The bill exempts the underlying land of non-commercial seasonal recreational residential (cabin) property on leased public land. Personal property and lease definitions are adjusted.

REVENUE ANALYSIS DETAIL

- Under current law, land underlying leased cabins is taxable.
- A survey of county assessors was sent to determine the estimated value of land on leased cabins. About \$108 million of market value would be exempted.
- The exempted land value as a result of this bill would raise tax rates on all property in affected jurisdictions. Net taxes on homestead property would be higher, resulting in increased property tax refunds of \$44,000 in FY 2010 and FY 2011.

Number of Taxpayers: About 3,600 parcels would be directly affected by the exemption.

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

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