

MINNESOTA • REVENUE

PROPERTY TAX

School Judgment Levy Modification

April 25, 2008

Department of Revenue

Analysis of H.F. 4209 (Dawnie), revised for new information

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>
		(000's)		
General Fund	\$0	\$0	(\$315)	\$0

Effective for property taxes payable in 2009 and thereafter.

EXPLANATION OF THE BILL

The bill modifies the school tax levy for judgment by allowing districts to replace federal funds that have been disallowed because of a federal audit.

REVENUE ANALYSIS DETAIL

- According the Department of Human Services, \$8.4 million of federal funds may be required to be paid back, pending litigation and negotiations.
- It is assumed that this amount would be paid back in taxes payable 2009 and there is no school equalization.
- Net taxes would be affected by the levy change. A portion of those levies would be paid by homesteads. Property tax refunds would be proportionately affected by homestead net tax changes. Property tax refunds would increase \$315,000 in taxes payable 2009.

Number of Taxpayers: Taxpayers in 32 counties.

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

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