

MINNESOTA • REVENUE

PROPERTY TAX Nonprofit Class 4c(3) Changes

February 28, 2007

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 455 (Murphy) / H.F. 469 (Sviggum)

Effective for taxes payable in 2008 and thereafter.

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 50% of the property's previous year's property taxes. Record keeping and application requirements are listed.

A few properties could shift classification from class 3a commercial to class 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

sf0455(hf0469)_1/lm