

MINNESOTA • REVENUE

PROPERTY TAX REFUND Increase Maximum Homeowner Refund

March 9, 2007

Department of Revenue
Analysis of S.F. 1021 (Sheran) / H.F. 1372 (Ward)

	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	(\$9,100)	(\$10,500)	(\$11,900)

Effective for claims based on property taxes payable in 2008 and thereafter.

EXPLANATION OF THE BILL

Current Law: For claims based on property taxes payable in 2008, the maximum property tax refund homeowners will be eligible to receive is estimated to range from \$350 to \$1,740.

Proposed Law: The proposal would increase the maximum property tax refund available to homeowners. The maximum refund by income range would be increased and adjusted for inflation as under current law. The proposed maximum homeowner refund for claims based on property taxes payable in 2008 is estimated to range from \$380 to \$2,170.

REVENUE ANALYSIS DETAIL

- The estimates are based on property tax refund model projections from the February 2007 forecast.
- Under current law, approximately 43,000 homeowners receive the maximum refund available based on their income.
- Maximum refund caps would be increased between \$30 and \$430 beginning in FY 2009.

Number of Taxpayers: An estimated 43,000 homeowners claiming the property tax refund.

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

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