

MINNESOTA • REVENUE

PROPERTY TAX Institutions of Public Charity Clarification

March 7, 2008

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 2841 (Clark) / H.F. 3386 (Marquart)

The bill clarifies the qualifications for the definition of institutions of public charity. The assessing authority must consider whether the owner of a property receives no reward, is supported by donations, charges a fee, produces a profit, whether the beneficiaries are restricted or not, and whether dividends are available to private interests. Government payments are to be considered as donations. Effective for taxes payable 2009.

An unknown, and possibly significant, number of properties could shift classification to this class. The reduction in tax for these properties could result in a net tax shift to homestead properties and an increase in homeowner property tax refunds.

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

sf2841(hf3386)_pt_1/lm