

# MINNESOTA • REVENUE

## PROPERTY TAX REFUND Homeowner PTR Modifications

March 22, 2010

Department of Revenue  
Analysis of H.F. 3689 (Westrom)

	Yes	No
DOR Administrative Costs/Savings		X

	<b>Fund Impact</b>			
	<b><u>F.Y. 2010</u></b>	<b><u>F.Y. 2011</u></b>	<b><u>F.Y. 2012</u></b>	<b><u>F.Y. 2013</u></b>
		(000's)		
General Fund	\$0	\$0	\$81,200	\$95,100

Effective beginning with 2010 returns filed in 2011.

### EXPLANATION OF THE BILL

The proposal modifies the homeowner property tax refund (PTR) program by reducing the maximum household income eligible for refund from \$99,270 to \$58,500, lowering the maximum refund from \$2,370 to \$2,000 and eliminating the annual inflation adjustment for the refund calculation table. The proposal also modifies the copay percentage and maximum refund for some income ranges in the refund calculation table.

### REVENUE ANALYSIS DETAIL

- The estimates are based on the February 2010 forecast.
- Approximately 405,000 claimants received a homeowner property tax refund in the current year.
- Modifying the maximum eligible income, maximum refund and other refund table adjustments would reduce refunds to 67% of all homeowner refund claimants, of which 75,000 would no longer be eligible for a refund.
- Under the proposal, the average homeowner property tax refund reduction would be \$260.

**Number of Taxpayers:** The number of homeowner refunds under the proposal would be reduced by approximately 75,000.

Source: Minnesota Department of Revenue  
Property Tax Division – Research Unit  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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