

MINNESOTA • REVENUE

PROPERTY TAX

Adjusted Levy Limit Base IPD Floor

April 26, 2010

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3804 (Marquart)

	Fund Impact			
	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>	<u>F.Y. 2012</u>	<u>F.Y. 2013</u>
		(000's)		
General Fund	(\$0)	(\$0)	(\$0)	(\$0)

Effective for taxes levied in 2010 and thereafter.

EXPLANATION OF THE BILL

Proposed Law: The proposal would create a floor of 0% for the implicit price deflator portion of the adjusted levy limit base multiplier.

REVENUE ANALYSIS DETAIL

- Adding an IPD floor would increase the projected limited levy authority of counties and large cities if the statutory floor were higher than the actual change in IPD. This would result in an increase in projected levies and state-paid homeowner property tax refunds.
- The forecasted percentage growth in the implicit deflator is greater than the proposed floor of 0%. Because of this the imposition of a 0% floor is projected to have no impact on county and city levies and therefore no General Fund impact.

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

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