

MINNESOTA • REVENUE

VARIOUS TAXES Stimulus TIF Provisions

May 5, 2009

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2078 (Metzen), 1st Engrossment, Sections 11-12 only

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

Assumed effective August 1, 2009.

EXPLANATION OF THE BILL

Sections 11 and 12 allow local jurisdictions to pay or reimburse eligible projects costs of stimulus projects. Stimulus projects are defined as capital projects started before December 31, 2012, which create or retain jobs in the state.

The bill also allows TIF authorities to extend by ten years the duration limits for TIF districts created between July 31, 1979 and January 1, 2013 to pay expenditures related to stimulus projects.

REVENUE ANALYSIS DETAIL

TIF Provisions

- The amount and timing of payment on stimulus loans is unknown.
- The TIF duration extension appears to apply to any type of TIF district with a stimulus project.
- The proposed exemption to the general TIF provisions may have an impact on the local tax base and tax rate in the future and may result in an increase in property tax refunds paid by the state.

Number of Taxpayers: Taxpayers in jurisdictions with TIF districts would be directly affected.

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

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