

MINNESOTA • REVENUE

March 04, 2011

PROPERTY TAX TIF Extension

| | Yes | No |
|---------------------------------|-----|----|
| DOR Administrative Cost/Savings | | X |

Department of Revenue

Analysis of S.F. 0420 (Senjem) / H.F. 0776 (Loon) as introduced

The bill extends the deadline for construction to begin in economic development districts from July 1, 2011 to July 1, 2013. The certification date is also extended two years, as well as the authority to spend increments. Effective day following final enactment.

The proposed changes to the general TIF provisions may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

Transparency, Understandability, Simplicity & Accountability Neutral

Efficiency & Compliance Neutral

Equity (Vertical & Horizontal) Neutral

Stability & Predictability Neutral

Competitiveness for Businesses Neutral

Responsiveness to Economic Conditions Neutral

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.

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

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