

MINNESOTA • REVENUE

February 25, 2011

PROPERTY TAX Transit TIF

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of S.F. 0464 (Rest) as introduced.

Effective for taxes payable 2012 and thereafter.

The bill adds transit improvement areas as a qualifying category of economic development tax increment financing (TIF) district. Transit improvement area is defined in 469.351, subdivisions 1 to 3. Increments may be spent outside the transit improvement area if they support the district. The redefinition applies to all districts, regardless of when the request for certification was made.

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 Decrease Adds a new subcategory of economic development district.

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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