

MINNESOTA • REVENUE

PROPERTY TAX

Agricultural Homestead Extension Due to Flooding

March 13, 2012

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 2802 (Kiel) / S.F. 2418 (Stumpf) as introduced.

Fund Impact

	FY2012	FY2013	FY2014	FY2015
	(000's)			
General Fund	\$0	\$0	(negligible)	(negligible)

Effective for assessment year 2012 and thereafter.

EXPLANATION OF THE BILL

The bill permanently extends a special agricultural homestead provision for qualifying agricultural property owners in Marshall County. The property must have been homesteaded before floods in 2009, remain the same owner, and live within 50 miles of one of his agricultural parcels.

REVENUE ANALYSIS DETAIL

- It is assumed that one or a few property owners would continue to qualify under this proposal.
- Higher property taxes on other homesteads, and lower property taxes on qualifying agricultural property would have a negligible effect on property tax refunds.

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

Transparency, Understandability, Simplicity & Accountability Decrease Exception to rule for a special case.

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/legal_policy

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