MINNESOTA · REVENUE

February 19, 2013

PROPERTY TAX
Exemption for Indian Tribal Owned Nonprofit Property

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0174 (Allen) as introduced

	Fund Impact			
	FY2014	FY2015	FY2016	FY2017
	(000's)			
General Fund	$0	(negligible)	(negligible)	(negligible)

Effective for taxes payable 2013 and thereafter.

EXPLANATION OF THE BILL

The bill exempts property in a first class city owned by a federally recognized Indian tribe and used for tribal purposes. Those purposes include tribal government activities, services to members of the tribe, and sales for the benefit of members of the tribe.

REVENUE ANALYSIS DETAIL

- At least two properties in Minneapolis and nine in Duluth may qualify for this provision.
- Future acquisitions by tribal governments, including two potential large commercial properties in downtown St. Paul, may also qualify for this provision.
- Assumes any exemption for taxes payable 2013 would be abated by the county.
- The exemption may have an impact on the local tax base and tax rate in the future, and may result in a negligible change in property tax refunds paid by the state.

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

Transparency, Understandability, Simplicity & Accountability	Decrease	Additional type of exemption
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
www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx

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