

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 proposed to be amended by H0174A1

Fund Impact

<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
(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 noncommercial tribal purposes. Those purposes include tribal government activities and services to 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 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)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Decrease	Additional type of exemption
<i>Efficiency & Compliance</i>	Neutral	
<i>Equity (Vertical & Horizontal)</i>	Neutral	
<i>Stability & Predictability</i>	Neutral	
<i>Competitiveness for Businesses</i>	Neutral	
<i>Responsiveness to Economic Conditions</i>	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](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

hf0174_pt_2/lam