

MINNESOTA • REVENUE

February 25, 2013

PROPERTY TAX TIF Five-year Rule Extended

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0707 (Nelson) / S.F. 0670 (Rest) as introduced

EXPLANATION OF THE BILL

The bill extends the deadline for activity to commence for tax increment financing (TIF) districts from 5 years to 10 years. A redundant provision for housing districts is also stricken. Effective for TIF districts certified after June 30, 2003.

REVENUE ANALYSIS DETAIL

The proposed modifications 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)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<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)

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