MINNESOTA · REVENUE

MORTGAGE REGISTRY TAX
AND DEED TRANSFER TAX
Housing Development Fund

March 27, 2013

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of H.F. 1055 (Clark), 1st Engrossment

	Fund Impact			
	F.Y. 2014	**F.Y. 2015**	**F.Y. 2016**	**F.Y. 2017**
	(000's)			
General Fund	$0	$0	$0	$0
Housing Development Fund	$0	$0	$0	$0

Effective July 1, 2013.

EXPLANATION OF THE BILL

Current Law: The state proceeds from the mortgage registry tax and the deed transfer tax are deposited into the General Fund.

Proposed Law: The Housing Development Fund would be credited with revenue from the mortgage registry tax and the deed transfer tax. The Housing Development Fund is under the jurisdiction and control of the Minnesota Housing Finance Agency.

Each fiscal year, the Commissioner of Revenue must divide the revenue collected from the mortgage registry tax and deed transfer tax between the General Fund and the Housing Development Fund. The amounts that would be deposited into the General Fund are set in the proposal. Any amounts in excess would be deposited into the Housing Development Fund. The proposal directs that the following amount be deposited into the General Fund:

Fiscal Year	Mortgage Registry Tax	Deed Transfer Tax
2014	$95,800,000	$82,500,000
2015	$94,000,000	$97,600,000
2016	$97,600,000	$103,700,000
2017 and after	$97,400,000	$103,400,000

REVENUE ANALYSIS DETAIL

- The analysis is based on the February 2013 forecast.
- The amounts specified in the bill are equal to the February 2013 forecast of revenue for the two taxes. Therefore, the bill would have no impact for fiscal years 2014 through 2017 unless collections exceed the February forecast amounts.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx

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