MINNESOTA · REVENUE

March 20, 2013

PROPERTY TAX REFUND
Renter PTR Modifications

	Yes	No
DOR Administrative Cost/Savings	x	

Department of Revenue
Analysis of H.F. 1647 (Loeffler) as introduced

	Fund Impact			
	FY2014	**FY2015**	**FY2016**	**FY2017**
	(000's)			
General Fund	$0	($10,900)	($11,400)	($11,900)

Effective beginning with claims based on rent paid in 2013.

EXPLANATION OF THE BILL

Under current law, renters with a household income of less than $57,170 are eligible for a property tax refund.

The bill would modify the renter property tax refund table to expand the eligible household income range up to $75,000 beginning with tax year 2013 (fiscal year 2015). The eligible income ranges are adjusted annually for inflation.

REVENUE ANALYSIS DETAIL

- The estimates are based on the February 2013 forecast.
- Under current law, approximately 334,000 renters are expected to receive an average property tax refund of $609.
- Under the proposal, the modifications to the renter refund would increase refunds to approximately 6,000 current claimants with household incomes above $47,000. The refund increases for current claimants would total about $0.4 million in the first year.
- Increasing the household income range to $75,000 would result in an estimated 25,000 additional renters becoming eligible and filing for a refund beginning in FY 2015.
  The refund amounts for newly eligible renters would total about $10.5 million in the first year.

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

Transparency, Understandability, Simplicity & Accountability	Neutral	
Efficiency & Compliance	Neutral	
Equity (Vertical & Horizontal)	Increase	Increases progressivity by increasing refunds to renters with household income under $75,000.
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.