

MINNESOTA • REVENUE

March 12, 2013

PROPERTY TAX Agricultural Homestead Extension

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue

Analysis of S.F. 1069 (Stumpf) / H.F. 1303 (Kiel) as introduced

Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
	(000's)			

General Fund \$0 (negligible) (negligible) (negligible)

Effective for assessment year 2012 and thereafter.

EXPLANATION OF THE BILL

The bill permanently extends a special agricultural homestead provision for qualifying agricultural property owners in Marshall County. The property must have been homesteaded before floods in 2009, remain the same owner, and live within 50 miles of one of his agricultural parcels.

REVENUE ANALYSIS DETAIL

- It is assumed that one or a few property owners would continue to qualify under this proposal.
- Higher property taxes on other homesteads, and lower property taxes on qualifying agricultural property would have a negligible effect on property tax refunds.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Decrease	Makes permanent an exception to rule for a special case.
<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

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