

MINNESOTA • REVENUE

PROPERTY TAX

Manufactured Homes Owned by a Dealer

April 08, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 1206 (Saxhaug) / H.F. 1593 (Persell) as introduced

Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
	(000's)			
Property Tax Refunds	\$0	(unknown)	(unknown)	(unknown)

Effective for taxes payable 2014 and thereafter.

EXPLANATION OF THE BILL

The bill exempts from personal property taxes manufactured homes held as inventory by a "limited" dealer. Qualifying manufactured homes must be listed as inventory by a licensed or limited dealer, unoccupied and not rented, and may or may not be connected to utilities.

REVENUE ANALYSIS DETAIL

- The bill expands exemption eligibility by adding "limited dealers" and allowing connections of gas and utilities to exemption qualifications.
- An unknown additional number of personal property manufactured homes would become exempt, lowering local collections of personal manufactured home property taxes.
- In addition, an unknown number of real property manufactured homes would become exempt, reducing the tax base. Taxes would shift onto other property types, including homesteads. Property tax refunds would change by an unknown amount as a result.
- All new exemptions are assumed to be unoccupied.

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)

sf1206(hf1593)_pt_1/lam