

Renter Property Tax Refund

Estimating the Percentage of Rent Constituting Property Taxes

Minnesota rent information from the U.S. Census Bureau's American Community Survey (ACS) is compared to property tax amounts paid by apartments and non-homestead residential rental property in the same year to determine the percentage of rent constituting property taxes by major geographic region.

The ACS data includes annual counts of occupied and vacant rental units, cash rent paid and rent asked for vacant units. Department of Revenue data is compiled for property taxes paid by apartments and non-homestead residential properties.

A portion of non-homestead residential properties are not rental, namely second homes. An adjustment is made to the non-homestead residential property tax total to account for this in the calculation of percentage of rent constituting property taxes.

It is assumed that approximately 20% of non-homestead residential 1-3 unit parcels are non-rental, so the property tax for the rental portion of these properties is estimated to be 80% of the total.

Based on the adjusted property tax amounts and rent paid by apartments and non-homestead residential property, the estimated percentage of rent constituting property taxes by geographic region is summarized below:

	2004 Dept. of Revenue Survey	American Community Survey (U.S. Census)					
		2007	2008	2009	2010	2011	2012
Statewide	11.7%	14.1%	14.8%	15.1%	14.8%	14.7%	14.6%
Metro Areas							
Minneapolis	16.9%	15.0%	15.4%	16.9%	15.1%	16.4%	16.3%
St. Paul	11.3%	12.6%	13.5%	13.2%	12.9%	12.2%	13.9%
4-county metro ¹	10.4% *	14.4%	15.0%	15.7%	15.1%	14.9%	14.8%
Non Metro	12.3%	13.6%	14.4%	14.1%	14.3%	14.5%	14.2%

¹ includes Anoka, Dakota, Hennepin and Ramsey

* 7-county metro