MINNESOTA · REVENUE

March 17, 2014

PROPERTY TAX REFUND
Renter PTR One-Time Increase

	Yes	No
DOR Administrative Cost/Savings	X	

Department of Revenue
Analysis of H.F. 2929 (Hansen) as introduced

	Fund Impact			
	FY2014	**FY2015**	**FY2016**	**FY2017**
	(000's)			
General Fund	$0	($20,800)	($200)	$0

Effective only for refund claims based on rent paid in 2013.

EXPLANATION OF THE BILL

The proposal would provide a one-time increase in renter property tax refunds. Renters would receive an increase of 10% of their property tax refund based on rent paid in 2013. The proposed increases are separate from the current law refund calculations so filers would be eligible to receive a total combined refund in excess of the current law maximum refund limits.

REVENUE ANALYSIS DETAIL

- The estimate is based on the February 2014 forecast.
- The proposed refund increases would increase state general fund costs by $21.0 million.
- Most of the increased refunds would be paid in the current filing year for fiscal year 2015. Because filers have until the following August 15th to submit a claim for a current year refund, a small portion of 2013 return year refunds would be a paid in the following fiscal year 2016.

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

Transparency, Understandability, Simplicity & Accountability	Neutral	
Efficiency & Compliance	Neutral	Adjustments to refund amounts would be made after the taxpayer submits their return.
Equity (Vertical & Horizontal)	Neutral	
Stability & Predictability	Neutral	One-time increase.
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.

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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