

MINNESOTA • REVENUE

March 17, 2014

PROPERTY TAX

Real property definition modified

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 3099 (Falk) / S.F. 2686 (Koenen) as introduced.

Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
		(000's)		
Property Tax Refund Interaction	\$0	\$0	\$0	(\$40)

Effective beginning with assessment year 2015, for taxes payable in 2016.

EXPLANATION OF THE BILL

The bill exempts structures and exterior shells primarily used in the production of biofuels, wine, beer, distilled beverages, and dairy products.

REVENUE ANALYSIS DETAIL

- Changing the amount of exempt value would shift property tax burdens for other property types. Increased homeowner taxes would change property tax refunds. Property tax refunds would increase by \$40,000 in FY 2017 and following years.

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)

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