

MINNESOTA • REVENUE

PROPERTY TAX

Jackson limitation on property tax abatements increase

March 26, 2014

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 2171 (Rosen) as introduced

Property tax section effective for taxes payable 2014 and thereafter.

EXPLANATION OF THE BILL

The bill increases the city of Jackson's authority to abate property taxes to the greater of ten percent of the city's net tax capacity, or \$300,000. The current law cap is \$200,000 or ten percent of the city's net tax capacity.

Effective for taxes payable 2015 through 2025.

REVENUE ANALYSIS DETAIL

The proposed changes to the city's abatement authority may have an impact on the local tax base and tax rate in the future, and may result in a small change in property tax refunds paid by the state.

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

Transparency, Understandability, Simplicity & Accountability	Neutral
Efficiency & Compliance	Neutral
Equity (Vertical & Horizontal)	Neutral
Stability & Predictability	Neutral
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](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

sf2171_pt_1/lam