

2014 Landlord Instructions for CRP

You are required by law to provide one Certificate of Rent Paid (CRP) to each adult renter by January 31, 2015 (M.S. 290A.19).

Who Must Issue CRPs

If you own rental property and rent living space to other persons, you or your managing agent must issue a CRP to those persons if:

- property tax was payable in 2014 on the property; or
- you were not required to pay property tax, but you made payments in lieu of property taxes.

Do not issue a CRP if you are a manager of a manufactured home cooperative park.

Nursing homes, adult foster care homes, intermediate care, assisted living or other health-care facilities use the additional instructions available on the department's website at www.revenue.state.mn.us. If you do not have access to the Internet, call us at 651-296-3781 or 1-800-652-9094 to request a copy.

Nursing homes, adult foster care homes, intermediate care or other health-care facilities use a flat dollar amount per month to determine the rent paid by a resident. The rate is used only for purposes of determining rent constituting property taxes and is adjusted annually for inflation.

If You Bought or Sold the Property in 2014

If you sold the property, you must give each renter a CRP that covers the period of time you owned the building, or you must turn over to the buyer all information showing the rent paid for the period you owned the building. The buyer must then include those amounts when preparing 2014 CRPs for the renters.

If you bought the property and the seller did not tell you the amount of rent paid by the renter for the period the seller owned the property, enter on line 1 the total rent paid to you by the renter for the period you owned the building.

Who Must Receive a CRP

You must complete and give one CRP to each married couple or unmarried adult who lived in a rental unit you owned.

Married renters: Give only one CRP to a married couple. If the couple separated or divorced before you issue the CRP, give the CRP to the one who remained in the rental unit. If both moved out, give the CRP to the first one who asks for it.

Unmarried renters: Give a separate CRP to each adult person who lived in the rental unit, even if their name is not on the lease. On the CRP given to each person, provide their name only—do not include others who lived in the rental unit.

If more than one unmarried adult lived in the unit, show that each paid an equal amount of rent, regardless of the amount each person actually paid.

Due Date

You must issue CRPs no later than January 31, 2015.

Renters who move: If a renter moves, you may give the person the CRP either at the time of the move or by January 31, 2015.

If a tenant moved and left no forwarding address, send the CRP to the person's last known address. Keep a copy for the tenant until August 15, 2016.

Penalties

An owner who, without reasonable cause, fails to give a CRP to renters may be assessed a \$100 penalty for each such instance. Even if the renter owes back rent, the owner must issue a CRP to the renter for rent actually paid.

There is also a penalty if the owner or managing agent knowingly overstates the amount of rent constituting property tax. The penalty is \$100 or 50 percent of the overstatement, whichever is larger. An overstatement is presumed to be knowingly made if the amount of rent constituting property tax reported is 10 percent or more above the actual amount.

Line Instructions

Do not round off dollar amounts. Use exact amounts, including dollars and cents.

Line 1

Enter the total rent *paid by the renter* for occupancy in 2014. If a government housing agency or private charity paid you part of the rent for this unit or if rent was for a mobile home lot, place an X in the appropriate box under line 1.

Include on the same CRP:

- the rent paid to you for use of the rental unit;
- any storage space; and
- the garage or parking space.

If the renter received reduced rent for being a caretaker or for providing other services, enter the rent the renter would have paid if he or she had not provided the services. If the renter was a caretaker, write "caretaker" on the dotted line to the left of line 1.

If more than one unmarried adult lived in the unit, complete a separate CRP in each person's name and show that each paid an equal amount of rent, regardless of the amount each person actually paid.

If the renters are roommates and one or more of the roommates moved in or out during the year, show that each of the roommates paid an equal portion of the rent for the months they occupied the rental unit together.

Do not include:

- the subsidized amount of rent paid for the renter by a government or private housing agency (vended MFIP payments are not considered subsidized and should be included on line 1)
- damage deposits
- charges for medical care, food or laundry
- free rent you provided as an incentive to rent from you
- rent paid for farmland
- late charges or fines
- delinquent rent

Nursing homes or intermediate care facilities. Multiply the number of months the resident resided in the care facility by \$470. Enter the result on line 1. You are not required to issue residents a CRP for short-term or transitional care.

Adult foster care homes. Multiply the number of months the resident resided in the adult foster care home by \$740. Enter the result on line 1.

Assisted living facilities: The amount of rent for line 1 should not include the value of services provided. For more information, visit our website at www.revenue.state.mn.us.

Line 2

The percentage for *all* renters is **17 percent**.

Line 3

Multiply line 1 by **17 percent (.17)** and enter the result on line 3. This is the amount of rent the renter is considered to have paid for property tax.

Need More CRPs?

The department provides four CRPs to landlords. If you need more CRPs, you can:

- **photocopy the CRPs you need.** If you make copies, use a full sheet of paper for each CRP.

- **download the CRP and instructions at www.revenue.state.mn.us.**
- **purchase software that will generate multiple CRPs.** Third-party software is available for a fee. For a list of available software, go to www.revenue.state.mn.us, and click on the “e-Services” link.
- **create your own CRPs.** Specifications for creating substitute CRPs are available at www.revenue.state.mn.us. You must receive approval from the department before you can provide your substitute CRPs to renters.

CRPs for 2015

The department maintains a mailing list of owners of rental property and will send CRPs and instructions to those on the list each year.

If your name or address changes, let us know by completing and returning the form below or by calling 651-296-3781 or 1-800-652-9094.

If you want to create and print your own substitute CRPs next year, indicate your desire below and mail the form to the address provided. You must send in samples of your substitute CRPs for approval before you can provide them to renters.

Do your Tenants have Questions?

In January, when you give the required CRPs to your tenants, you may be asked questions about the property tax refund or income tax issues.

You can refer them to the department website to find fact sheets, forms, instructions and other tax-related information. Our website address is: www.revenue.state.mn.us.

Or, they can call 651-296-3781 or 1-800-652-9094.

Information is also available by writing to:

Minnesota Revenue
Mail Station 5510
St. Paul MN 55146-5510

Notice of Proposed Property Tax

Between November 10 and November 24, 2014, you will receive a Notice of Proposed Property Tax for Taxes Payable in 2015 from your county treasurer.

By state law—as an owner of rental housing—you are required to:

- mail or hand deliver a copy of the notice to your tenants; or

- post a copy of your notice in a conspicuous place on the premises occupied by your tenants.

The purpose of providing copies or posting the notice is to notify tenants of proposed property tax increases or decreases on the building, which may affect their rent payments.

You must post, mail or hand deliver a copy of your Notice of Proposed Property Tax to your tenants by:

- November 28, 2014; or
- no later than three days after you receive the notice, whichever is later.

If You Want Your Notice to be Mailed to a Different Address

While the Notice of Proposed Property Tax is normally mailed to the same address as the property tax bill, owners of rental housing may call or write their county treasurer to request the notice be mailed to a different address.

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Use this form only if you are making changes to your name or address, or if you wish to be removed from our mailing list.

Do not submit this form unless you are making changes.

Landlord ID number: _____

This number is used for tracking purposes and is found on the label used to mail your CRPs.

New or current address

Name of agent/owner _____
Business name (if different) _____
Address _____
City, state, zip code _____

Old address

Name of agent/owner _____
Business name (if different) _____
Address _____
City, state, zip code _____

Place an X in this box if you want to be taken off our mailing list to receive CRPs in the future.

Place an X in this box to receive specifications next year for creating and printing your own CRPs. You will receive only two CRPs to use as examples. All substitute forms must be pre-approved. Complete instructions are included in the specifications.

Detach and mail this form to: Minnesota Revenue, Mail Station 1421, St. Paul, MN 55146-1421