

**PROPERTY TAX REFUND
Homestead credit refund maximum
refund increased**

March 15, 2019

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 2348 (Loeffler) as proposed to be amended by H2348DE1

Fund Impact

	FY2020	FY2021	FY2022	FY2023
	(000's)			
State General Fund	\$0	(\$23,100)	(\$25,300)	(\$27,000)

Effective beginning for claims based property taxes payable in 2020.

EXPLANATION OF THE BILL

Under current law, homeowners are eligible for a property tax refund, up to a maximum amount based on household income. The maximum refund amounts are adjusted annually for inflation.

The bill would increase the maximum refund for homeowners claiming a property tax refund by \$500 for all income ranges.

REVENUE ANALYSIS DETAIL

- The estimates are based on the February 2019 forecast.
- By increasing the maximum refund amount, state-paid property tax refunds to homeowners would increase by \$23.1 million beginning in FY 2021.
- Approximately 69,000 homeowners currently receive the maximum property tax refund.
- Under the proposal, all homeowner PTR claimants currently receiving the maximum refund would receive an increased refund.
- The average property tax refund increase for homeowners would be approximately \$330.

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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