

April 09, 2019

PROPERTY TAX
House omnibus education finance bill

**Property Taxes and Local Aids Only --
See Separate Analysis for State Taxes**

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 2400 (Davnie) as passed by Ways & Means

	Fund Impact			
	FY2020	FY2021	FY2022	FY2023
	(000's)			
Property Tax Refund Interaction	\$0	\$1,210	\$1,210	\$1,210
Income Tax Interaction	\$0	\$950	\$950	\$950
General Fund Total	\$0	\$2,160	\$2,160	\$2,160

Effective beginning with taxes payable in 2020.

EXPLANATION OF THE BILL

See summary prepared by House Research.

REVENUE ANALYSIS DETAIL

- This analysis includes property tax interactions only.
- Based on estimates from the Department of Education, the bill would reduce school district levies by \$25 million annually in taxes payable 2020, 2021, and 2022. Lower levies would reduce property taxes on all property.
- The lower property tax burden would reduce state-paid homeowner property tax refunds and income tax deductions beginning in fiscal year 2021, resulting in a savings to the state general fund.

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)

hf2400(sf2385)_pt_1/wkm