

PROPERTY TAX INTERACTIONS ONLY

April 8, 2022

**EDUCATION
House E-12 Omnibus Bill**

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 4300 (Davnie), 1st Engrossment, as amended by HF4300A5

	Fund Impact			
	F.Y. 2022	F.Y. 2023	F.Y. 2024	F.Y. 2025
	(000's)			
Property Tax Refund Interaction	\$0	\$0	\$0	(negligible)
Income Tax Interaction	\$0	\$0	\$0	negligible

Various effective dates.

EXPLANATION OF THE BILL

The proposal makes a number of changes related to education finance.

REVENUE ANALYSIS DETAIL

- The proposal would increase school referendum market value-based levies statewide by \$0.4 million in taxes payable 2024.
- The proposal would decrease school net tax capacity-based levies statewide by \$0.4 million in taxes payable 2024.
- Due to the overall shift from net tax capacity-based levies to referendum market value-based levies, taxes on homesteads would increase slightly. The higher property tax burden would increase property tax refunds paid by the state by less than \$5,000 beginning in fiscal year 2025.
- Due to the overall shift from net tax capacity-based levies to referendum market value-based levies, taxes on other property types (other than homesteads) would decrease slightly. The lower property tax burden would reduce income tax deductions by less than \$5,000 beginning in fiscal year 2025.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

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