

PROPERTY TAX INTERACTIONS ONLY

April 12, 2023

**EDUCATION
Senate E-12 Omnibus Bill**

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 2684 (Kunesh), 1st Engrossment as proposed to be amended by SCS2684A-8

Fund Impact

	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
Property Tax Refund Interaction	\$0	negligible	negligible	negligible
Income Tax Interaction	\$0	negligible	negligible	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 result in an overall net decrease in school net tax capacity-based and referendum market value-based levies statewide of \$11,000 in taxes payable 2024.
- The proposed decrease in levies would decrease taxes on all properties, including homesteads.
 - The reduced property tax burden on homesteads would decrease property tax refunds paid by the state less than \$5,000 beginning in fiscal year 2025.
 - The reduced property tax burden on all properties would reduce deductions on income tax returns, increasing state tax collections 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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