### DEPARTMENT OF REVENUE

### Minnesota Homestead Credit Refund and Renter's Credit

Tax Year 2024

#### Disclaimer

This presentation is for educational purposes only and does not provide tax advice. It is meant to accompany an oral presentation and not to be used as a standalone document.

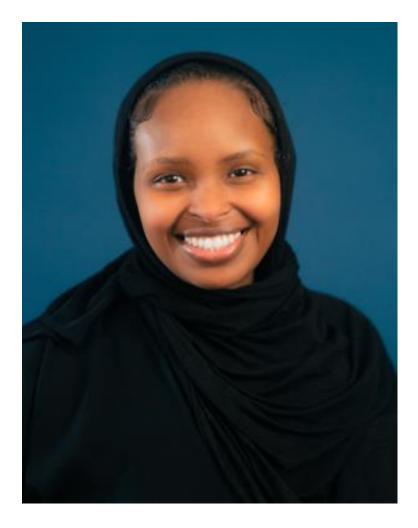
This presentation is based on the facts and circumstances being discussed, and on the laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

#### Welcome!

#### The webinar will begin shortly. Please mute your microphone.

- We will begin at 9:00 a.m. It will be quiet until then.
- We recommend using a headset.
- If you cannot use the **Call Using Computer** or **Call Me** audio options:
  - Dial 1-651-395-7448
  - Phone conference ID: 888 824 208#
  - Password: xvLaCr
- We are recording this webinar, and it will be available

### Today's Presenter



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### Today's Agenda

- Homestead Credit Refund
- Special Property Tax Refund
- Renter's Credit



### Homestead Credit Refund



#### Homestead Credit Refund Qualifications

- Household income is less than \$139,320
- Cannot be a dependent
- Must own and occupy home on January 2, 2025
  - Not eligible if owner does not live in the home or occupant does not own
  - Does **not** matter who pays the property taxes during the year
  - Eligible if temporarily away from home on January 2, 2025

#### Homestead Credit Refund Requirements

- Social Security Number or Individual Taxpayer Identification Number (ITIN) to homestead
- Relative homestead does not qualify
- Agricultural homestead limited to house, garage, and one acre of land
- Does not owe delinquent property tax

#### Individual Taxpayer Identification Numbers

#### How to qualify:

- Homestead property with the county by December 31
- Request a signed statement from county assessor's office confirming approval
- Include the statement when filing for refund

#### Household Income

Income to include:

- Federal Adjusted Gross Income (FAGI)
- Nontaxable Social Security
- Deduction for contributions to a qualified retirement plan

#### **Program Payments**

Total payments received from:

- Supplemental Security Income (SSI)
- Minnesota Housing Support, formerly Group Residential Housing
- Minnesota Family Investment Program (MFIP)
- Minnesota Supplemental Aid

#### **Program Payments**

- General Assistance
- Diversionary Work Program
- Emergency Assistance
- Refugee Cash Assistance

#### Be sure to ask for 2024 amounts!

#### **Co-occupant Income**

#### Line 5: Co-occupant income

Complete a worksheet for each co-occupant

#### Additional Nontaxable Income

- Form W-2:
  - Contributions to a 401(k), deferred comp, SIMPLE IRA plans, or SEP plans
  - Contributions to dependent care or medical expense accounts
  - Nontaxable military earned income, also called combat pay
- Form 1040: Health Savings Account
- Schedule B: Federally nontaxed interest and mutual fund dividends
- Schedule D: Capital loss carryover, to extent FAGI was reduced

1/13/2025

#### Nontaxable Income Examples

- Scholarships and grants
- Certain debts
- Losses and deductions
- Veterans' benefits
- Pension and annuity payments, including disability payments

#### Non-Qualifying Household Income

#### **Do not include:**

- Veteran's disability compensation
- Child support payments
- Dependents' income, including Social Security
- IRA rollovers
- Food stamps or fuel assistance payments

#### Subtractions

Taxpayers can claim a subtraction if they:

- Had dependents
- Were born before January 2, 1960
- Contributed to a retirement account
- Had a permanent and total disability on or before December 31, 2024

#### **Primary Subtractions**

#### Line 8: Subtraction for 65 or older, or disabled

#### Line 9: Dependent subtraction

Line 10: Retirement account subtraction

#### **Other Subtractions**

- Non-deductible Alimony payments
- Workforce incentive grant
- One-time rebates for tax year 2021, if received in 2024

## Special Property Tax Refund



#### Special Property Tax Refund Requirements

- Owned and lived in same home on January 2, 2024, and on January 2, 2025
- Net property tax increase was:
  - More than 12% from 2024 to 2025
  - At least \$100
  - Not because of improvements

#### Form M1PR-SR, Special Refund

- May also qualify if received special refund in previous year
- No income limitation to qualify
- Need prior year property tax return to calculate special refund

### Renter's Credit



#### Renter's Credit Changes

- Renter's Property Tax Refund is ending
- Claim credit on Schedule M1RENT with Form M1
- Credit applied on Form M1
- No separate check later in the year
- Subtractions for age 65 and older, disabled, and dependents

### Certificate of Rent Paid Changes

- Must submit Certificate of Rent Paid (CRP) electronically by February 1
- Our system assigns Electronic Control Number (ECN) to each CRP
- Property owners or managers must use our system to create CRPs
- Alternate system for limited technology access
- The ECN used to verify information filed with tax return

#### Contact Us

- Call us at 651-556-3017
- Email us at crp.revenue.mdor@state.mn.us
- Training video available soon for tax professionals

#### **Other Situations**

#### What about:

- Mobile homeowners? File M1PR.
- Renters who buy a home? File both Schedule M1RENT and M1PR.
- Joint filers in separate homes? Depends.

#### **Other Situations**

#### What about:

- Joint homeowners with one spouse in nursing home? File Schedule M1RENT and M1PR.
- Rent paid affidavits (RPA)? Available, but changes.
- M1PR only taxpayers not required to file tax return? File 1040 and M1.

#### **Contact Information**



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#### Take our survey on this training!

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# Thank You!

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