



**Iron Range Area
Instructions for the Tax Increase Calculation
Under TIF Fiscal Disparity Contribution Option “A”
Taxes Payable 2025**

The tax increase calculation form, found on the Department of Revenue’s web site, provides a step-by-step set of procedures for calculating the 2025 tax increase in a municipality resulting from a tax increment financing (TIF) district not making a direct contribution of its commercial-industrial property tax value growth to the fiscal disparity pool. This contribution option is contained in M.S. 469.177, subdivision 3, clause (a).

Data is provided for each school district area in your municipality. If your municipality contains only one school district area, then only one line of data is provided. You will need to make a copy of the form for each given school district area if tax increase calculations are required for two or more TIF districts in the school district area.

Except as noted below, a total tax increase determination is to be made for each iron range area TIF district. The following TIF districts are exempt from the taxes payable 2025 fiscal disparity tax increase calculation requirement. No tax increase calculation is required for these TIF districts.

1. TIF districts established before August 1, 1979.
2. TIF districts that do not contain any commercial-industrial property.
3. TIF districts that are making a direct contribution to the fiscal disparity pool under M.S. 469.177, subdivision 3, clause (b).
4. TIF districts that did not have any tax increments for taxes payable year 2025.

Each TIF district’s status relative to the above exemption criteria should be verified with your county auditor.

The specific data needed for the tax increase calculation depends on the location of the TIF district. The form heading provides for the reporting of the TIF district name. The city/town name, school district number, and county name can be found on our web site under “Department of Revenue Supplied Data”. If your municipality contains more than one school district or extends into two counties, verify with your county auditor the specific school district and county in which each TIF district is located.

All the calculation data are for taxes payable year 2025. The data sources are identified in the far right-hand column of the form. In addition to contacting your county auditor for the information noted above, it will be necessary to obtain data for lines 1, 2 and 4 on the form from your county auditor. If your county auditor reports a zero amount for line 2, then the TIF district did not have any retained captured value for taxes payable in 2025 and no tax increase calculation form is required to be completed for the TIF district.

The remainder of the data needed for the tax increase calculation can also be found under “Department of Revenue Supplied Data” on our web site. Utilizing this data and the data obtained from the county auditor, the tax increase calculation can be made by following the calculation procedures outlined on the form. An example of a completed calculation form is also available on the Department of Revenue’s web site. Please note that the Average Tax Rates are expressed as decimals and not percentages. Also, note that the Average Tax Rate calculations are to be carried out to six decimal places.

For municipalities that contain only one school district and do not extend into two counties, the use of the enclosed data is straight forward. For multi-school district municipalities, care needs to be taken to be sure that the form for the school district in which the TIF district is located is used. Similarly, for multi-county municipalities, care needs to be taken to be sure that the form for the county in which the TIF district is located is used.

Please note that the completed calculation form is to be retained in your office. It is not to be forwarded to the State Auditor or the Department of Revenue. The total amount determined for line 33 is to be reported to the State Auditor in the “2025 Annual Disclosure Statement” section of the Tax Increment Financing Annual Report (line 12).

If you have any questions regarding these procedures, please contact the Data & Analysis Unit, at telephone number (651) 556-3097 or by email at dataanalysis.mdor@state.mn.us.

Data & Analysis Unit
Property Tax Division
Minnesota Department of Revenue
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