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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1182

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to property taxation; limiting homestead property taxes for persons at
1.3 least age 65 to a percentage of income under certain conditions; amending
1.4 Minnesota Statutes 2006, section 290A.04, subdivisions 1, 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 290A.04, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. **Refund.** A refund shall be allowed each claimant ~~in the amount that~~
1.9 based on the relationship between property taxes payable or rent constituting property
1.10 taxes exceed the percentage of and the household income of the claimant specified in
1.11 subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the
1.12 rent was paid as specified in subdivision 2 or 2a. ~~If the amount of property taxes payable~~
1.13 ~~or rent constituting property taxes is equal to or less than the percentage of the household~~
1.14 ~~income of the claimant specified in subdivision 2 or 2a in the year for which the taxes~~
1.15 ~~were levied or in the year in which the rent was paid, the claimant shall not be eligible~~
1.16 ~~for a state refund pursuant to this section.~~

1.17 **EFFECTIVE DATE.** This section is effective for claims filed in 2008 and thereafter
1.18 based on property taxes payable in 2008 and thereafter.

1.19 Sec. 2. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

1.20 Subd. 2. **Homeowners.** (a) A claimant whose property taxes payable are in excess
1.21 of the percentage of the household income stated below ~~shall pay an amount~~ is eligible for
1.22 a refund equal to the excess property taxes payable times the percent of income paid by
1.23 the state shown for the appropriate household income level ~~along with the percent to be~~

2.1 ~~paid by the claimant of the remaining amount of property taxes payable.~~ The state refund
 2.2 ~~equals the amount of property taxes payable that remain, up to the~~ under this paragraph
 2.3 must not exceed the maximum state refund amount shown below.

2.4			Percent Paid by	Maximum State
2.5	Household Income	Percent of Income	Claimant State	Refund
2.6	\$0 to 1,189	1.0 percent	15 85 percent	\$1,450
2.7	1,190 to 2,379	1.1 percent	15 85 percent	\$1,450
2.8	2,380 to 3,589	1.2 percent	15 85 percent	\$1,410
2.9	3,590 to 4,789	1.3 percent	20 80 percent	\$1,410
2.10	4,790 to 5,979	1.4 percent	20 80 percent	\$1,360
2.11	5,980 to 8,369	1.5 percent	20 80 percent	\$1,360
2.12	8,370 to 9,559	1.6 percent	25 75 percent	\$1,310
2.13	9,560 to 10,759	1.7 percent	25 75 percent	\$1,310
2.14	10,760 to 11,949	1.8 percent	25 75 percent	\$1,260
2.15	11,950 to 13,139	1.9 percent	30 70 percent	\$1,260
2.16	13,140 to 14,349	2.0 percent	30 70 percent	\$1,210
2.17	14,350 to 16,739	2.1 percent	30 70 percent	\$1,210
2.18	16,740 to 17,929	2.2 percent	35 65 percent	\$1,160
2.19	17,930 to 19,119	2.3 percent	35 65 percent	\$1,160
2.20	19,120 to 20,319	2.4 percent	35 65 percent	\$1,110
2.21	20,320 to 25,099	2.5 percent	40 60 percent	\$1,110
2.22	25,100 to 28,679	2.6 percent	40 60 percent	\$1,070
2.23	28,680 to 35,849	2.7 percent	40 60 percent	\$1,070
2.24	35,850 to 41,819	2.8 percent	45 55 percent	\$ 970
2.25	41,820 to 47,799	3.0 percent	45 55 percent	\$ 970
2.26	47,800 to 53,779	3.2 percent	45 55 percent	\$ 870
2.27	53,780 to 59,749	3.5 percent	50 percent	\$ 780
2.28	59,750 to 65,729	4.0 percent	50 percent	\$ 680
2.29	65,730 to 69,319	4.0 percent	50 percent	\$ 580
2.30	69,320 to 71,719	4.0 percent	50 percent	\$ 480
2.31	71,720 to 74,619	4.0 percent	50 percent	\$ 390
2.32	74,620 to 77,519	4.0 percent	50 percent	\$ 290

2.33 (b) A claimant is eligible for a refund equal to the amount that the claimant's property
 2.34 taxes payable, net of any refund determined under paragraph (a), exceed five percent of
 2.35 household income, provided that: (i) the claimant or the claimant's spouse is at least 65
 2.36 years of age as of December 31 of the year the taxes were levied, and (ii) the claimant or
 2.37 the claimant's spouse has owned and occupied the property for which the claim is being
 2.38 filed for at least 15 years as of December 31 of the year the taxes were levied.

2.39 (c) A claimant's property tax refund is the sum of the refund amount determined
 2.40 under paragraph (a) and the refund amount determined under paragraph (b).

3.1 ~~The payment made to a claimant shall be the amount of the state refund calculated~~
3.2 ~~under this subdivision.~~ (d) No payment is allowed if the claimant's household income
3.3 is \$77,520 or more.

3.4 **EFFECTIVE DATE.** This section is effective for claims filed in 2008 and thereafter
3.5 based on property taxes payable in 2008 and thereafter.