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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **3632**

March 11, 2010  
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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 taxation; property; residential market homestead credit; amending  
1.3 Minnesota Statutes 2008, section 273.1384, subdivision 1.

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

1.5 Section 1. Minnesota Statutes 2008, section 273.1384, subdivision 1, is amended to  
1.6 read:

1.7 Subdivision 1. **Residential homestead market value credit.** Each county auditor  
1.8 shall determine a homestead credit for each class 1a, 1b, and 2a homestead property  
1.9 within the county equal to ~~0.4~~ .35 percent of the first ~~\$76,000~~ \$80,000 of market value  
1.10 of the property minus ~~0.1~~ 0.1 percent of the market value in excess of ~~\$76,000~~ \$80,000.  
1.11 The credit amount may not be less than zero. In the case of an agricultural or resort  
1.12 homestead, only the market value of the house, garage, and immediately surrounding one  
1.13 acre of land is eligible in determining the property's homestead credit. In the case of a  
1.14 property that is classified as part homestead and part nonhomestead, (i) the credit shall  
1.15 apply only to the homestead portion of the property, but (ii) if a portion of a property is  
1.16 classified as nonhomestead solely because not all the owners occupy the property, not all  
1.17 the owners have qualifying relatives occupying the property, or solely because not all the  
1.18 spouses of owners occupy the property, the credit amount shall be initially computed as  
1.19 if that nonhomestead portion were also in the homestead class and then prorated to the  
1.20 owner-occupant's percentage of ownership. For the purpose of this section, when an  
1.21 owner-occupant's spouse does not occupy the property, the percentage of ownership for  
1.22 the owner-occupant spouse is one-half of the couple's ownership percentage.

2.1            **EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and  
2.2            thereafter.