

SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION

S.F. No. 2073

(SENATE AUTHORS: DZIEDZIC)

DATE  
03/13/2017

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to property tax refunds; modifying the schedules for the homestead credit  
1.3 state refund and the property tax refund for renters; amending Minnesota Statutes  
1.4 2016, section 290A.04, subdivisions 2, 2a, 4.

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

1.6 Section 1. Minnesota Statutes 2016, section 290A.04, subdivision 2, is amended to read:

1.7 Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes  
1.8 payable are in excess of the percentage of the household income stated below shall pay an  
1.9 amount equal to the percent of income shown for the appropriate household income level  
1.10 along with the percent to be paid by the claimant of the remaining amount of property taxes  
1.11 payable. The state refund equals the amount of property taxes payable that remain, up to  
1.12 the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
<del>\$0 to 1,619</del>	<del>1.0 percent</del>	<del>15 percent</del>	<del>\$ 2,580</del>
<del>1,620 to 3,229</del>	<del>1.1 percent</del>	<del>15 percent</del>	<del>\$ 2,580</del>
<del>3,230 to 4,889</del>	<del>1.2 percent</del>	<del>15 percent</del>	<del>\$ 2,580</del>
<del>4,890 to 6,519</del>	<del>1.3 percent</del>	<del>20 percent</del>	<del>\$ 2,580</del>
<del>6,520 to 8,129</del>	<del>1.4 percent</del>	<del>20 percent</del>	<del>\$ 2,580</del>
<del>8,130 to 11,389</del>	<del>1.5 percent</del>	<del>20 percent</del>	<del>\$ 2,580</del>
<del>11,390 to 13,009</del>	<del>1.6 percent</del>	<del>20 percent</del>	<del>\$ 2,580</del>
<del>13,010 to 14,649</del>	<del>1.7 percent</del>	<del>20 percent</del>	<del>\$ 2,580</del>
<del>14,650 to 16,269</del>	<del>1.8 percent</del>	<del>20 percent</del>	<del>\$ 2,580</del>
<del>16,270 to 17,879</del>	<del>1.9 percent</del>	<del>25 percent</del>	<del>\$ 2,580</del>

2.1	<del>17,880 to 22,779</del>	<del>2.0 percent</del>	<del>25 percent</del>	<del>\$ 2,580</del>
2.2	<del>22,780 to 24,399</del>	<del>2.0 percent</del>	<del>30 percent</del>	<del>\$ 2,580</del>
2.3	<del>24,400 to 27,659</del>	<del>2.0 percent</del>	<del>30 percent</del>	<del>\$ 2,580</del>
2.4	<del>27,660 to 39,029</del>	<del>2.0 percent</del>	<del>35 percent</del>	<del>\$ 2,580</del>
2.5	<del>39,030 to 56,919</del>	<del>2.0 percent</del>	<del>35 percent</del>	<del>\$ 2,090</del>
2.6	<del>56,920 to 65,049</del>	<del>2.0 percent</del>	<del>40 percent</del>	<del>\$ 1,830</del>
2.7	<del>65,050 to 73,189</del>	<del>2.1 percent</del>	<del>40 percent</del>	<del>\$ 1,510</del>
2.8	<del>73,190 to 81,319</del>	<del>2.2 percent</del>	<del>40 percent</del>	<del>\$ 1,350</del>
2.9	<del>81,320 to 89,449</del>	<del>2.3 percent</del>	<del>40 percent</del>	<del>\$ 1,180</del>
2.10	<del>89,450 to 94,339</del>	<del>2.4 percent</del>	<del>45 percent</del>	<del>\$ 1,000</del>
2.11	<del>94,340 to 97,609</del>	<del>2.5 percent</del>	<del>45 percent</del>	<del>\$ 830</del>
2.12	<del>97,610 to 101,559</del>	<del>2.5 percent</del>	<del>50 percent</del>	<del>\$ 680</del>
2.13	<del>101,560 to 105,499</del>	<del>2.5 percent</del>	<del>50 percent</del>	<del>\$ 500</del>
2.14				<u>Maximum</u>
2.15			<u>Percent Paid by</u>	<u>State</u>
2.16	<u>Household Income</u>	<u>Percent of Income</u>	<u>Claimant</u>	<u>Refund</u>
2.17	<u>\$0 to 1,699</u>	<u>1.0 percent</u>	<u>15 percent</u>	<u>\$ 3,000</u>
2.18	<u>1,700 to 3,389</u>	<u>1.1 percent</u>	<u>15 percent</u>	<u>\$ 3,000</u>
2.19	<u>3,390 to 5,129</u>	<u>1.2 percent</u>	<u>15 percent</u>	<u>\$ 3,000</u>
2.20	<u>5,130 to 6,839</u>	<u>1.3 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
2.21	<u>6,840 to 8,529</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
2.22	<u>8,530 to 11,959</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
2.23	<u>11,960 to 13,659</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
2.24	<u>13,660 to 15,379</u>	<u>1.7 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
2.25	<u>15,380 to 17,079</u>	<u>1.8 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
2.26	<u>17,080 to 18,769</u>	<u>1.9 percent</u>	<u>25 percent</u>	<u>\$ 3,000</u>
2.27	<u>18,770 to 23,909</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$ 3,000</u>
2.28	<u>23,910 to 25,609</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 3,000</u>
2.29	<u>25,610 to 29,029</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 3,000</u>
2.30	<u>29,030 to 59,749</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 3,000</u>
2.31	<u>59,750 to 68,279</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 3,000</u>
2.32	<u>68,280 to 76,819</u>	<u>2.1 percent</u>	<u>40 percent</u>	<u>\$ 3,000</u>
2.33	<u>76,820 to 79,999</u>	<u>2.2 percent</u>	<u>40 percent</u>	<u>\$ 2,750</u>
2.34	<u>80,000 to 85,359</u>	<u>2.2 percent</u>	<u>40 percent</u>	<u>\$ 2,500</u>
2.35	<u>85,360 to 89,999</u>	<u>2.3 percent</u>	<u>40 percent</u>	<u>\$ 2,250</u>
2.36	<u>90,000 to 93,889</u>	<u>2.3 percent</u>	<u>40 percent</u>	<u>\$ 2,000</u>
2.37	<u>93,890 to 94,999</u>	<u>2.4 percent</u>	<u>45 percent</u>	<u>\$ 2,000</u>
2.38	<u>95,000 to 99,019</u>	<u>2.4 percent</u>	<u>45 percent</u>	<u>\$ 1,750</u>

3.1	<u>99,020 to 101,999</u>	<u>2.5 percent</u>	<u>45 percent</u>	<u>\$ 1,500</u>
3.2	<u>102,000 to 103,499</u>	<u>2.5 percent</u>	<u>45 percent</u>	<u>\$ 1,250</u>
3.3	<u>103,500 to 104,999</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$ 1,000</u>
3.4	<u>105,000 to 106,599</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$ 750</u>
3.5	<u>106,600 to 110,739</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$ 520</u>

3.6 The payment made to a claimant shall be the amount of the state refund calculated under  
 3.7 this subdivision. No payment is allowed if the claimant's household income is ~~\$105,500~~  
 3.8 \$110,740 or more.

3.9 **EFFECTIVE DATE.** This section is effective for refunds based on property taxes  
 3.10 payable in 2018 and following years.

3.11 Sec. 2. Minnesota Statutes 2016, section 290A.04, subdivision 2a, is amended to read:

3.12 Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the  
 3.13 percentage of the household income stated below must pay an amount equal to the percent  
 3.14 of income shown for the appropriate household income level along with the percent to be  
 3.15 paid by the claimant of the remaining amount of rent constituting property taxes. The state  
 3.16 refund equals the amount of rent constituting property taxes that remain, up to the maximum  
 3.17 state refund amount shown below.

3.18				Maximum
3.19			Percent Paid by	State
3.20	Household Income	Percent of Income	Claimant	Refund
3.21	<del>\$0 to 4,909</del>	<del>1.0 percent</del>	<del>5 percent</del>	<del>\$ 2,000</del>
3.22	<del>4,910 to 6,529</del>	<del>1.0 percent</del>	<del>10 percent</del>	<del>\$ 2,000</del>
3.23	<del>6,530 to 8,159</del>	<del>1.1 percent</del>	<del>10 percent</del>	<del>\$ 1,950</del>
3.24	<del>8,160 to 11,439</del>	<del>1.2 percent</del>	<del>10 percent</del>	<del>\$ 1,900</del>
3.25	<del>11,440 to 14,709</del>	<del>1.3 percent</del>	<del>15 percent</del>	<del>\$ 1,850</del>
3.26	<del>14,710 to 16,339</del>	<del>1.4 percent</del>	<del>15 percent</del>	<del>\$ 1,800</del>
3.27	<del>16,340 to 17,959</del>	<del>1.4 percent</del>	<del>20 percent</del>	<del>\$ 1,750</del>
3.28	<del>17,960 to 21,239</del>	<del>1.5 percent</del>	<del>20 percent</del>	<del>\$ 1,700</del>
3.29	<del>21,240 to 22,869</del>	<del>1.6 percent</del>	<del>20 percent</del>	<del>\$ 1,650</del>
3.30	<del>22,870 to 24,499</del>	<del>1.7 percent</del>	<del>25 percent</del>	<del>\$ 1,650</del>
3.31	<del>24,500 to 27,779</del>	<del>1.8 percent</del>	<del>25 percent</del>	<del>\$ 1,650</del>
3.32	<del>27,780 to 29,399</del>	<del>1.9 percent</del>	<del>30 percent</del>	<del>\$ 1,650</del>
3.33	<del>29,400 to 34,299</del>	<del>2.0 percent</del>	<del>30 percent</del>	<del>\$ 1,650</del>
3.34	<del>34,300 to 39,199</del>	<del>2.0 percent</del>	<del>35 percent</del>	<del>\$ 1,650</del>
3.35	<del>39,200 to 45,739</del>	<del>2.0 percent</del>	<del>40 percent</del>	<del>\$ 1,650</del>
3.36	<del>45,740 to 47,369</del>	<del>2.0 percent</del>	<del>45 percent</del>	<del>\$ 1,500</del>

4.1	<del>47,370 to 49,009</del>	<del>2.0 percent</del>	<del>45 percent</del>	\$ <del>1,350</del>
4.2	<del>49,010 to 50,649</del>	<del>2.0 percent</del>	<del>45 percent</del>	\$ <del>1,150</del>
4.3	<del>50,650 to 52,269</del>	<del>2.0 percent</del>	<del>50 percent</del>	\$ <del>1,000</del>
4.4	<del>52,270 to 53,909</del>	<del>2.0 percent</del>	<del>50 percent</del>	\$ <del>900</del>
4.5	<del>53,910 to 55,539</del>	<del>2.0 percent</del>	<del>50 percent</del>	\$ <del>500</del>
4.6	<del>55,540 to 57,169</del>	<del>2.0 percent</del>	<del>50 percent</del>	\$ <del>200</del>
4.7				<u>Maximum</u>
4.8			<u>Percent Paid by</u>	<u>State</u>
4.9	<u>Household Income</u>	<u>Percent of Income</u>	<u>Claimant</u>	<u>Refund</u>
4.10	<u>\$0 to 5,149</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 3,000</u>
4.11	<u>5,150 to 6,849</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 3,000</u>
4.12	<u>6,850 to 8,569</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 3,000</u>
4.13	<u>8,570 to 12,009</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 3,000</u>
4.14	<u>12,010 to 15,439</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 3,000</u>
4.15	<u>15,440 to 17,149</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 3,000</u>
4.16	<u>17,150 to 18,849</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 3,000</u>
4.17	<u>18,850 to 22,289</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,800</u>
4.18	<u>22,290 to 24,009</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 2,600</u>
4.19	<u>24,010 to 25,719</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 2,400</u>
4.20	<u>25,720 to 29,159</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 2,200</u>
4.21	<u>29,160 to 30,859</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 2,000</u>
4.22	<u>30,860 to 32,999</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 2,000</u>
4.23	<u>33,000 to 35,999</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 1,800</u>
4.24	<u>36,000 to 41,149</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 1,800</u>
4.25	<u>41,150 to 48,009</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 1,800</u>
4.26	<u>48,010 to 51,439</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,600</u>
4.27	<u>51,440 to 53,159</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,400</u>
4.28	<u>53,160 to 54,859</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,200</u>
4.29	<u>54,860 to 59,999</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,000</u>
4.30	<u>60,000 to 63,999</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 800</u>
4.31	<u>64,000 to 67,999</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 600</u>
4.32	<u>68,000 to 71,999</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 400</u>
4.33	<u>72,999 to 74,999</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 200</u>

4.34 The payment made to a claimant is the amount of the state refund calculated under this  
4.35 subdivision. No payment is allowed if the claimant's household income is ~~\$57,170~~ \$75,000  
4.36 or more.

5.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2017  
5.2 and following years.

5.3 Sec. 3. Minnesota Statutes 2016, section 290A.04, subdivision 4, is amended to read:

5.4 Subd. 4. **Inflation adjustment.** (a) Beginning for property tax refunds payable in calendar  
5.5 year 2002, the commissioner shall annually adjust the dollar amounts of the income thresholds  
5.6 and the maximum refunds under subdivisions 2 and 2a for inflation. The commissioner  
5.7 shall make the inflation adjustments in accordance with section 1(f) of the Internal Revenue  
5.8 Code, except that for purposes of this subdivision the percentage increase shall be determined  
5.9 as provided in this subdivision.

5.10 (b) In adjusting the dollar amounts of the income thresholds and the maximum refunds  
5.11 under subdivision 2 for inflation, the percentage increase shall be determined from the year  
5.12 ending on June 30, ~~2013~~ 2017, to the year ending on June 30 of the year preceding that in  
5.13 which the refund is payable.

5.14 (c) In adjusting the dollar amounts of the income thresholds and the maximum refunds  
5.15 under subdivision 2a for inflation, the percentage increase shall be determined from the  
5.16 year ending on June 30, ~~2013~~ 2017, to the year ending on June 30 of the year preceding that  
5.17 in which the refund is payable.

5.18 (d) The commissioner shall use the appropriate percentage increase to annually adjust  
5.19 the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation  
5.20 without regard to whether or not the income tax brackets are adjusted for inflation in that  
5.21 year. The commissioner shall round the thresholds and the maximum amounts, as adjusted  
5.22 to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to  
5.23 the next \$10 amount.

5.24 (e) The commissioner shall annually announce the adjusted refund schedule at the same  
5.25 time provided under section 290.06. The determination of the commissioner under this  
5.26 subdivision is not a rule under the Administrative Procedure Act.

5.27 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable  
5.28 in 2018 and rent paid in 2017 and following years.