

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 4514

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DATE
04/21/2022

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; converting the property tax refund program to a refundable
1.3 income tax credit; amending Minnesota Statutes 2020, sections 290A.04,
1.4 subdivisions 1, 2, 2a, 2h, 3, 4, 5; 290A.05; 290A.08; 290A.09; 290A.11, subdivision
1.5 5; 290A.13; 290A.14; 290A.15; 290A.18; 290A.25; Minnesota Statutes 2021
1.6 Supplement, section 290A.03, subdivision 3; proposing coding for new law in
1.7 Minnesota Statutes, chapter 290; repealing Minnesota Statutes 2020, sections
1.8 290A.07, subdivisions 1, 2a, 3, 5; 290A.23, subdivisions 1, 3.

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

1.10 Section 1. 290.0693] PROPERTY TAX REFUND CREDIT.

1.11 Subdivision 1. Credit allowed; refundable. An individual is a allowed a credit against
1.12 the tax due under this chapter equal to the amount allowed under chapter 290A.04,
1.13 subdivision 1. If the amount of credit which a taxpayer is eligible to receive under this
1.14 section exceeds the taxpayer's eligibility for tax under this chapter, the commissioner shall
1.15 refund the excess to the taxpayer.

1.16 Subd. 2. Appropriation. The amount necessary to pay the refunds under this section is
1.17 appropriated from the general fund to the commissioner.

1.18 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.19 31, 2021.

2.1 Sec. 2. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended
2.2 to read:

2.3 Subd. 3. **Income.** (a) "Income" means ~~the sum of the following:~~(1) federal adjusted
2.4 gross income as defined in the Internal Revenue Code; and, less the subtractions allowed
2.5 in paragraph (b).

2.6 ~~(2) the sum of the following amounts to the extent not included in clause (1):~~

2.7 ~~(i) all nontaxable income;~~

2.8 ~~(ii) the amount of a passive activity loss that is not disallowed as a result of section 469,~~
2.9 ~~paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss~~
2.10 ~~carryover allowed under section 469(b) of the Internal Revenue Code;~~

2.11 ~~(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a~~
2.12 ~~solvent individual excluded from gross income under section 108(g) of the Internal Revenue~~
2.13 ~~Code;~~

2.14 ~~(iv) cash public assistance and relief;~~

2.15 ~~(v) any pension or annuity (including railroad retirement benefits, all payments received~~
2.16 ~~under the federal Social Security Act, Supplemental Security Income, and veterans benefits),~~
2.17 ~~which was not exclusively funded by the claimant or spouse, or which was funded exclusively~~
2.18 ~~by the claimant or spouse and which funding payments were excluded from federal adjusted~~
2.19 ~~gross income in the years when the payments were made;~~

2.20 ~~(vi) interest received from the federal or a state government or any instrumentality or~~
2.21 ~~political subdivision thereof;~~

2.22 ~~(vii) workers' compensation;~~

2.23 ~~(viii) nontaxable strike benefits;~~

2.24 ~~(ix) the gross amounts of payments received in the nature of disability income or sick~~
2.25 ~~pay as a result of accident, sickness, or other disability, whether funded through insurance~~
2.26 ~~or otherwise;~~

2.27 ~~(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of~~
2.28 ~~1986, as amended through December 31, 1995;~~

2.29 ~~(xi) contributions made by the claimant to an individual retirement account, including~~
2.30 ~~a qualified voluntary employee contribution; simplified employee pension plan;~~
2.31 ~~self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of~~
2.32 ~~the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal~~

3.1 ~~Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for~~
3.2 ~~the claimant and spouse;~~

3.3 ~~(xii) to the extent not included in federal adjusted gross income, distributions received~~
3.4 ~~by the claimant or spouse from a traditional or Roth style retirement account or plan;~~

3.5 ~~(xiii) nontaxable scholarship or fellowship grants;~~

3.6 ~~(xiv) alimony received to the extent not included in the recipient's income;~~

3.7 ~~(xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue~~
3.8 ~~Code;~~

3.9 ~~(xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue~~
3.10 ~~Code; and~~

3.11 ~~(xvii) the amount deducted for certain expenses of elementary and secondary school~~
3.12 ~~teachers under section 62(a)(2)(D) of the Internal Revenue Code.~~

3.13 ~~In the case of an individual who files an income tax return on a fiscal year basis, the~~
3.14 ~~term "federal adjusted gross income" shall mean federal adjusted gross income reflected in~~
3.15 ~~the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced~~
3.16 ~~by the amount of a net operating loss carryback or carryforward or a capital loss carryback~~
3.17 ~~or carryforward allowed for the year.~~

3.18 ~~(b) "Income" does not include:~~

3.19 ~~(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;~~

3.20 ~~(2) amounts of any pension or annuity which was exclusively funded by the claimant~~
3.21 ~~or spouse and which funding payments were not excluded from federal adjusted gross~~
3.22 ~~income in the years when the payments were made;~~

3.23 ~~(3) to the extent included in federal adjusted gross income, amounts contributed by the~~
3.24 ~~claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed~~
3.25 ~~the retirement base amount reduced by the amount of contributions excluded from federal~~
3.26 ~~adjusted gross income, but not less than zero;~~

3.27 ~~(4) surplus food or other relief in kind supplied by a governmental agency;~~

3.28 ~~(5) relief granted under this chapter;~~

3.29 ~~(6) child support payments received under a temporary or final decree of dissolution or~~
3.30 ~~legal separation;~~

4.1 ~~(7) restitution payments received by eligible individuals and excludable interest as~~
 4.2 ~~defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,~~
 4.3 ~~Public Law 107-16;~~

4.4 ~~(8) alimony paid; or~~

4.5 ~~(9) veterans disability compensation paid under title 38 of the United States Code.~~

4.6 ~~(e)~~ (b) The sum of the following amounts may be subtracted from income:

4.7 (1) for the ~~claimant's~~ taxpayer's first dependent, the exemption amount multiplied by
 4.8 1.4;

4.9 (2) for the ~~claimant's~~ taxpayer's second dependent, the exemption amount multiplied by
 4.10 1.3;

4.11 (3) for the ~~claimant's~~ taxpayer's third dependent, the exemption amount multiplied by
 4.12 1.2;

4.13 (4) for the ~~claimant's~~ taxpayer's fourth dependent, the exemption amount multiplied by
 4.14 1.1;

4.15 (5) for the ~~claimant's~~ taxpayer's fifth dependent, the exemption amount; and

4.16 (6) if the ~~claimant~~ taxpayer or ~~claimant's~~ taxpayer's spouse had a disability or attained
 4.17 the age of 65 on or before December 31 of the year for which the taxes were levied or rent
 4.18 paid, the exemption amount.

4.19 ~~(d)~~ (c) For purposes of this subdivision, ~~the following terms have the meanings given:~~

4.20 ~~(1)~~ "exemption amount" means the exemption amount under section 290.0121,
 4.21 subdivision 1, paragraph (b), for the taxable year for which the income is reported;

4.22 ~~(2)~~ "retirement base amount" means ~~the deductible amount for the taxable year for the~~
 4.23 ~~claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for~~
 4.24 ~~inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard~~
 4.25 ~~to whether the claimant or spouse claimed a deduction; and~~

4.26 ~~(3)~~ "traditional or Roth style retirement account or plan" means retirement plans under
 4.27 sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

4.28 **EFFECTIVE DATE.** This section is effective beginning with credits based on property
 4.29 taxes payable in 2023 and rent paid in 2022.

5.1 Sec. 3. Minnesota Statutes 2020, section 290A.04, subdivision 1, is amended to read:

5.2 Subdivision 1. **Refund.** A ~~refund~~ credit against the tax imposed under chapter 290 shall
 5.3 be allowed ~~each claimant in~~ to an individual taxpayer equal to the amount that property
 5.4 taxes payable or rent constituting property taxes exceed the percentage of the household
 5.5 income of the ~~claimant~~ taxpayer specified in subdivision 2 or 2a in the year for which the
 5.6 taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or
 5.7 2a. If the amount of property taxes payable or rent constituting property taxes is equal to
 5.8 or less than the percentage of the household income of the ~~claimant~~ taxpayer specified in
 5.9 subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the
 5.10 rent was paid, the ~~claimant~~ taxpayer shall not be eligible for a ~~state refund~~ credit pursuant
 5.11 to this section.

5.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 5.13 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 5.14 in 2022.

5.15 Sec. 4. Minnesota Statutes 2020, section 290A.04, subdivision 2, is amended to read:

5.16 Subd. 2. **Homeowners; homestead credit refund.** A ~~claimant~~ taxpayer whose property
 5.17 taxes payable are in excess of the percentage of the household income stated below shall
 5.18 pay an amount equal to the percent of income shown for the appropriate ~~household~~ income
 5.19 level along with the percent to be paid by the ~~claimant~~ taxpayer of the remaining amount
 5.20 of property taxes payable. The ~~state refund~~ credit equals the amount of property taxes payable
 5.21 that remain, up to the ~~state refund~~ maximum credit amount shown below.

5.22			Percent Paid by	Maximum
5.23			<u>Claimant</u>	<u>State</u>
5.24			<u>Taxpayer</u>	<u>Refund</u>
5.25	Household Income	Percent of Income		<u>Credit</u>
5.26	\$0 to 1,739	1.0 percent	15 percent	\$ 2,770
5.27	1,740 to 3,459	1.1 percent	15 percent	\$ 2,770
5.28	3,460 to 5,239	1.2 percent	15 percent	\$ 2,770
5.29	5,240 to 6,989	1.3 percent	20 percent	\$ 2,770
5.30	6,990 to 8,719	1.4 percent	20 percent	\$ 2,770
5.31	8,720 to 12,219	1.5 percent	20 percent	\$ 2,770
5.32	12,220 to 13,949	1.6 percent	20 percent	\$ 2,770
5.33	13,950 to 15,709	1.7 percent	20 percent	\$ 2,770
5.34	15,710 to 17,449	1.8 percent	20 percent	\$ 2,770
5.35	17,450 to 19,179	1.9 percent	25 percent	\$ 2,770
5.36	19,180 to 24,429	2.0 percent	25 percent	\$ 2,770

6.1	24,430 to 26,169	2.0 percent	30 percent	\$ 2,770
6.2	26,170 to 29,669	2.0 percent	30 percent	\$ 2,770
6.3	29,670 to 41,859	2.0 percent	35 percent	\$ 2,770
6.4	41,860 to 61,049	2.0 percent	35 percent	\$ 2,240
6.5	61,050 to 69,769	2.0 percent	40 percent	\$ 1,960
6.6	69,770 to 78,499	2.1 percent	40 percent	\$ 1,620
6.7	78,500 to 87,219	2.2 percent	40 percent	\$ 1,450
6.8	87,220 to 95,939	2.3 percent	40 percent	\$ 1,270
6.9	95,940 to 101,179	2.4 percent	45 percent	\$ 1,070
6.10	101,180 to 104,689	2.5 percent	45 percent	\$ 890
6.11	104,690 to 108,919	2.5 percent	50 percent	\$ 730
6.12	108,920 to 113,149	2.5 percent	50 percent	\$ 540

6.13 ~~The payment made to a claimant shall be the amount of the state refund calculated under~~
 6.14 ~~this subdivision. No payment credit is allowed if the claimant's taxpayer's household income~~
 6.15 ~~is \$113,150 or more.~~

6.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 6.17 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 6.18 in 2022.

6.19 Sec. 5. Minnesota Statutes 2020, section 290A.04, subdivision 2a, is amended to read:

6.20 Subd. 2a. **Renters.** A claimant taxpayer whose rent constituting property taxes exceeds
 6.21 the percentage of the ~~household~~ income stated below must pay an amount equal to the
 6.22 percent of income shown for the appropriate household income level along with the percent
 6.23 to be paid by the claimant taxpayer of the remaining amount of rent constituting property
 6.24 taxes. The state ~~refund~~ credit equals the amount of rent constituting property taxes that
 6.25 remain, up to the maximum state ~~refund~~ credit amount shown below.

6.26			Percent Paid by	Maximum
6.27			Claimant	State
6.28			Taxpayer	Refund
6.29	Household Income	Percent of Income	<u>Taxpayer</u>	<u>Credit</u>
6.30	\$0 to 5,269	1.0 percent	5 percent	\$ 2,150
6.31	5,270 to 6,999	1.0 percent	10 percent	\$ 2,150
6.32	7,000 to 8,749	1.1 percent	10 percent	\$ 2,090
6.33	8,750 to 12,269	1.2 percent	10 percent	\$ 2,040
6.34	12,270 to 15,779	1.3 percent	15 percent	\$ 1,980
6.35	15,780 to 17,519	1.4 percent	15 percent	\$ 1,930
6.36	17,520 to 19,259	1.4 percent	20 percent	\$ 1,880

7.1	19,260 to 22,779	1.5 percent	20 percent	\$ 1,820
7.2	22,780 to 24,529	1.6 percent	20 percent	\$ 1,770
7.3	24,530 to 26,279	1.7 percent	25 percent	\$ 1,770
7.4	26,280 to 29,789	1.8 percent	25 percent	\$ 1,770
7.5	29,790 to 31,529	1.9 percent	30 percent	\$ 1,770
7.6	31,530 to 36,789	2.0 percent	30 percent	\$ 1,770
7.7	36,790 to 42,039	2.0 percent	35 percent	\$ 1,770
7.8	42,040 to 49,059	2.0 percent	40 percent	\$ 1,770
7.9	49,060 to 50,799	2.0 percent	45 percent	\$ 1,610
7.10	50,800 to 52,559	2.0 percent	45 percent	\$ 1,450
7.11	52,560 to 54,319	2.0 percent	45 percent	\$ 1,230
7.12	54,320 to 56,059	2.0 percent	50 percent	\$ 1,070
7.13	56,060 to 57,819	2.0 percent	50 percent	\$ 970
7.14	57,820 to 59,569	2.0 percent	50 percent	\$ 540
7.15	59,570 to 61,319	2.0 percent	50 percent	\$ 210

7.16 ~~The payment made to a claimant is the amount of the state refund calculated under this~~
 7.17 ~~subdivision.~~ No payment credit is allowed if the claimant's household income is \$61,320
 7.18 or more.

7.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 7.20 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 7.21 in 2022.

7.22 Sec. 6. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

7.23 Subd. 2h. **Additional refund credit.** (a) If the gross property taxes payable on a
 7.24 homestead increase more than 12 percent over the property taxes payable in the prior year
 7.25 on the same property that is owned and occupied by the same owner on January 2 of both
 7.26 years, and the amount of that increase is \$100 or more, a ~~claimant~~ taxpayer who is a
 7.27 homeowner shall be allowed an additional ~~refund~~ credit equal to 60 percent of the amount
 7.28 of the increase over the greater of 12 percent of the prior year's property taxes payable or
 7.29 \$100. This subdivision shall not apply to any increase in the gross property taxes payable
 7.30 attributable to improvements made to the homestead after the assessment date for the prior
 7.31 year's taxes. This subdivision shall not apply to any increase in the gross property taxes
 7.32 payable attributable to the termination of valuation exclusions under section 273.11,
 7.33 subdivision 16.

7.34 The maximum ~~refund~~ credit allowed under this subdivision is \$1,000.

8.1 (b) For purposes of this subdivision "gross property taxes payable" means property taxes
8.2 payable determined without regard to the ~~refund~~ credit allowed under this subdivision.

8.3 (c) In addition to the other proofs required by this chapter, each ~~claimant~~ taxpayer under
8.4 this subdivision shall file with the ~~property tax refund~~ income tax return a copy of the
8.5 property tax statement for taxes payable in the preceding year or other documents required
8.6 by the commissioner.

8.7 (d) Upon request, the appropriate county official shall make available the names and
8.8 addresses of the property taxpayers who may be eligible for the additional property tax
8.9 ~~refund~~ credit under this section. The information shall be provided on a magnetic computer
8.10 disk. The county may recover its costs by charging the person requesting the information
8.11 the reasonable cost for preparing the data. The information may not be used for any purpose
8.12 other than for notifying the homeowner of potential eligibility and assisting the homeowner,
8.13 without charge, in preparing a ~~refund~~ credit claim.

8.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
8.15 31, 2021, and beginning with refunds based on property taxes payable in 2023.

8.16 Sec. 7. Minnesota Statutes 2020, section 290A.04, subdivision 3, is amended to read:

8.17 Subd. 3. **Table.** The commissioner of revenue shall construct and make available to
8.18 taxpayers a comprehensive table showing the property taxes to be paid and ~~refund~~ credit
8.19 allowed at various levels of income and assessment. The table shall follow the schedule of
8.20 income percentages, maximums and other provisions specified in subdivision 2, except that
8.21 the commissioner may graduate the transition between income brackets. All ~~refunds~~ credits
8.22 shall be computed in accordance with tables prepared and issued by the commissioner of
8.23 revenue.

8.24 The commissioner shall include on the form an appropriate space or method for the
8.25 ~~claimant~~ taxpayer to identify if the property taxes paid are for a manufactured home, as
8.26 defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a
8.27 manufactured home under section 168.012, subdivision 9.

8.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
8.29 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
8.30 in 2022.

9.1 Sec. 8. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

9.2 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
9.3 amounts of the income thresholds and the maximum ~~refunds~~ credits under subdivisions 2
9.4 and 2a as provided in section 270C.22. The statutory year is 2018.

9.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
9.6 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
9.7 in 2022.

9.8 Sec. 9. Minnesota Statutes 2020, section 290A.04, subdivision 5, is amended to read:

9.9 Subd. 5. **Combined renter and homeowner refund.** In the case of a ~~claimant~~ taxpayer
9.10 who is entitled to a ~~refund~~ credit in a calendar year for claims based both on rent constituting
9.11 property taxes and property taxes payable, the ~~refund~~ credit allowable equals the sum of
9.12 the ~~refunds~~ credits allowable.

9.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
9.14 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
9.15 in 2022.

9.16 Sec. 10. Minnesota Statutes 2020, section 290A.05, is amended to read:

9.17 **290A.05 COMBINED HOUSEHOLD INCOME.**

9.18 If a person occupies a homestead with another person not related to the person as the
9.19 person's spouse, excluding dependents, roomers or boarders on contract, and has property
9.20 tax payable with respect to the homestead, the household income of the ~~claimant~~ taxpayer
9.21 or ~~claimants~~ taxpayers for the purpose of computing the ~~refund~~ credit allowed by section
9.22 290A.04 shall include the total income received by the other persons residing in the
9.23 homestead. For purposes of this section, "dependent" includes a parent of the ~~claimant~~
9.24 taxpayer or spouse who lives in the ~~claimant's~~ taxpayer's homestead and does not have an
9.25 ownership interest in the homestead. If a person occupies a homestead with another person
9.26 or persons not related to the person as the person's spouse or as dependents, the property
9.27 tax payable or rent constituting property tax shall be reduced as follows.

9.28 If the other person or persons are residing at the homestead under rental or lease
9.29 agreement, the amount of property tax payable or rent constituting property tax shall be that
9.30 portion not covered by the rental agreement.

10.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 10.2 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 10.3 in 2022.

10.4 Sec. 11. Minnesota Statutes 2020, section 290A.08, is amended to read:

10.5 **290A.08 ONE CLAIMANT TAXPAYER PER HOUSEHOLD.**

10.6 Only one ~~claimant~~ taxpayer per household per year is entitled to ~~relief~~ a credit under
 10.7 this chapter. ~~Payment of the claim for relief may be made payable to the spouses as one~~
 10.8 ~~claimant. The commissioner, upon written request, may issue separate checks, to the spouses~~
 10.9 ~~for one-half of the relief provided the original check has not been issued or has been returned.~~
 10.10 ~~Individuals related as spouses who were married during the year may elect to file a joint~~
 10.11 ~~claim which shall include each spouse's income, rent constituting property taxes, and property~~
 10.12 ~~taxes payable. Spouses who were married for the entire year and were domiciled in the same~~
 10.13 ~~household for the entire year must file a joint claim.~~ The maximum dollar amount allowable
 10.14 for a joint claim shall not exceed the amount that one person could receive.

10.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 10.16 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 10.17 in 2022.

10.18 Sec. 12. Minnesota Statutes 2020, section 290A.09, is amended to read:

10.19 **290A.09 PROOF OF CLAIM.**

10.20 Every ~~claimant~~ taxpayer shall supply to the commissioner of revenue, in support of the
 10.21 claim, proof of eligibility under this chapter, including but not limited to amount of rent
 10.22 paid or property taxes accrued, name and address of owner or managing agent of property
 10.23 rented, changes in homestead, household membership, household income, size and nature
 10.24 of property claimed as a homestead.

10.25 Persons with a disability filing claims shall submit proof of disability in the form and
 10.26 manner as the commissioner may prescribe. The department may require examination and
 10.27 certification by the ~~claimant's~~ taxpayer or the taxpayer's spouse, or by a
 10.28 physician designated by the commissioner. The cost of any examination shall be borne by
 10.29 the ~~claimant~~ taxpayer, unless the examination proves the disability, in which case the cost
 10.30 of the examination shall be borne by the commissioner.

11.1 A determination of disability of a ~~claimant~~ taxpayer by the Social Security Administration
 11.2 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of
 11.3 disability.

11.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 11.5 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 11.6 in 2022.

11.7 Sec. 13. Minnesota Statutes 2020, section 290A.11, subdivision 5, is amended to read:

11.8 Subd. 5. **Assignment of refund.** The commissioner shall not honor an assignment by
 11.9 the ~~claimant~~ taxpayer to another person or entity of a property tax ~~refund prior to the refund~~
 11.10 ~~check being presented to the claimant~~ credit.

11.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 11.12 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 11.13 in 2022.

11.14 Sec. 14. Minnesota Statutes 2020, section 290A.13, is amended to read:

11.15 **290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

11.16 No ~~claim for relief~~ credit under this chapter shall be allowed if the commissioner
 11.17 determines that the ~~claimant~~ taxpayer received title or tenancy to the homestead primarily
 11.18 for the purpose of receiving ~~benefits~~ a credit under this chapter and not for bona fide residence
 11.19 purposes.

11.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 11.21 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 11.22 in 2022.

11.23 Sec. 15. Minnesota Statutes 2020, section 290A.14, is amended to read:

11.24 **290A.14 PROPERTY TAX STATEMENT.**

11.25 The county treasurer shall prepare and send a sufficient number of copies of the property
 11.26 tax statement to the owner, and to the owner's escrow agent if the taxes are paid via an
 11.27 escrow account, to enable the owner to comply with the filing requirements of this chapter
 11.28 and to retain one copy as a record. The property tax statement, in a form prescribed by the
 11.29 commissioner, shall indicate the manner in which the ~~claimant~~ taxpayer may claim relief
 11.30 ~~from the state~~ a credit under both this chapter and chapter 290B, and the amount of the ~~tax~~
 11.31 ~~for which~~ credit the applicant may claim relief. The statement shall also indicate if there

12.1 are delinquent property taxes on the property in the preceding year. Taxes included in a
 12.2 confession of judgment under section 277.23 or 279.37 shall not constitute delinquent taxes
 12.3 as long as the ~~claimant~~ taxpayer is current on the payments required to be made under section
 12.4 277.23 or 279.37.

12.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 12.6 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 12.7 in 2022.

12.8 Sec. 16. Minnesota Statutes 2020, section 290A.15, is amended to read:

12.9 **290A.15 CLAIM APPLIED AGAINST OUTSTANDING LIABILITY.**

12.10 The amount of any ~~claim~~ credit otherwise payable under this chapter may be applied by
 12.11 the commissioner against any delinquent tax liability of any member of the household. If
 12.12 there are two members of the household, the commissioner may apply only one-half of a
 12.13 ~~refund~~ credit to the separate liability of either member of the household.

12.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 12.15 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 12.16 in 2022.

12.17 Sec. 17. Minnesota Statutes 2020, section 290A.18, is amended to read:

12.18 **290A.18 RIGHT TO FILE CLAIM; RIGHT TO RECEIVE CREDIT.**

12.19 Subdivision 1. **Claim by surviving spouse or dependent.** If a person entitled to relief
 12.20 under this chapter dies prior to receiving ~~relief~~ a credit under this chapter, the surviving
 12.21 spouse or dependent of the person shall be entitled to file ~~the claim~~ and receive ~~relief~~ the
 12.22 credit. If there is no surviving spouse or dependent, the right to the credit shall lapse.

12.23 Subd. 2. **~~Claimant Taxpayer cannot be located.~~** If the commissioner cannot locate the
 12.24 ~~claimant taxpayer~~ within two years from the date that the original warrant was issued, or if
 12.25 a ~~claimant taxpayer~~ to whom a warrant has been issued does not cash that warrant within
 12.26 two years from the date the warrant was issued, the right to the credit shall lapse, and the
 12.27 warrant shall be deposited in the general fund.

12.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 12.29 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
 12.30 in 2022.

13.1 Sec. 18. Minnesota Statutes 2020, section 290A.25, is amended to read:

13.2 **290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

13.3 Annually, the commissioner of revenue shall furnish a list to the county assessor
13.4 containing the names and Social Security numbers of persons who have applied for both
13.5 homestead classification under section 273.13 and a ~~property tax refund~~ credit as a renter
13.6 under this chapter.

13.7 Within 90 days of the notification, the county assessor shall investigate to determine if
13.8 the homestead classification was improperly claimed. If the property owner does not qualify,
13.9 the county assessor shall notify the county auditor who will determine the amount of
13.10 homestead benefits that has been improperly allowed. For the purpose of this section,
13.11 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county
13.12 auditor shall send a notice to persons who owned the affected property at the time the
13.13 homestead application related to the improper homestead was filed, demanding
13.14 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead
13.15 benefits. The person notified may appeal the county's determination with the Minnesota
13.16 Tax Court within 60 days of the date of the notice from the county as provided in section
13.17 273.124, subdivision 13b.

13.18 If the amount of homestead benefits and penalty is not paid within 60 days, and if no
13.19 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to
13.20 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits
13.21 and penalty amounts at the rate provided for delinquent personal property taxes for the
13.22 period beginning 60 days after demand for payment was made until payment. If the person
13.23 notified is the current owner of the property, the treasurer may add the total amount of
13.24 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property
13.25 in the following year. If the person notified is not the current owner of the property, the
13.26 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,
13.27 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce
13.28 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent
13.29 tax obligations of the person who owned the property at the time the application related to
13.30 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
13.31 personal liability for the benefits, penalty, interest, and costs, and instead extend those
13.32 amounts on the tax lists against the property for taxes payable in the following year to the
13.33 extent that the current owner agrees in writing.

14.1 Any amount of homestead benefits recovered by the county from the property owner
14.2 shall be distributed to the county, city or town, and school district where the property is
14.3 located in the same proportion that each taxing district's levy was to the total of the three
14.4 taxing districts' levy for the current year. Any amount recovered attributable to taconite
14.5 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the
14.6 taconite property tax relief account. Any amount recovered that is attributable to supplemental
14.7 homestead credit is to be transmitted to the commissioner of revenue for deposit in the
14.8 general fund of the state treasury. The total amount of penalty collected must be deposited
14.9 in the county general fund.

14.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
14.11 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
14.12 in 2022.

14.13 Sec. 19. **REPEALER.**

14.14 Minnesota Statutes 2020, sections 290A.07, subdivisions 1, 2a, 3, and 5; and 290A.23,
14.15 subdivisions 1 and 3, are repealed.

14.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
14.17 31, 2021, and beginning with refunds based on property taxes payable in 2023 and rent paid
14.18 in 2022.

290A.07 CLAIMS PAYMENTS.

Subdivision 1. **Authority.** Allowable claims filed pursuant to the provisions of this chapter shall be paid by the commissioner from the general fund.

Subd. 2a. **Time of payment to renter or manufactured home homeowner.** A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Subd. 3. **Time of payment to other claimants.** A claimant not included in subdivision 2a shall receive full payment after September 15 and before September 30.

Subd. 5. **Early payment; e-file claims.** The commissioner may pay a claim up to 30 days earlier than the first permitted date under subdivision 2a or 3 if the claim is submitted by electronic means.

290A.23 APPROPRIATION.

Subdivision 1. **Renters credit.** There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivision 2a.

Subd. 3. **Annual appropriation.** For payments made after July 1, 1996, there is annually appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2 and 2h.