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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1647

03/20/2013

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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; modifying the property tax refund for renters;

1.3

extending income eligibility; amending Minnesota Statutes 2012, section

1.4

290A.04, subdivisions 2a, 4.

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

1.6

Section 1. Minnesota Statutes 2012, section 290A.04, subdivision 2a, is amended to

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read:

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Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the

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percentage of the household income stated below must pay an amount equal to the percent

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of income shown for the appropriate household income level along with the percent to

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be paid by the claimant of the remaining amount of rent constituting property taxes. The

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state refund equals the amount of rent constituting property taxes that remain, up to the

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maximum state refund amount shown below.

1.14				Maximum
1.15			Percent Paid by	State
1.16	Household Income	Percent of Income	Claimant	Refund
1.17	\$0 to 3,589	1.0 percent	5 percent	\$ 1,190
1.18	3,590 to 4,779	1.0 percent	10 percent	\$ 1,190
1.19	4,780 to 5,969	1.1 percent	10 percent	\$ 1,190
1.20	5,970 to 8,369	1.2 percent	10 percent	\$ 1,190
1.21	8,370 to 10,759	1.3 percent	15 percent	\$ 1,190
1.22	10,760 to 11,949	1.4 percent	15 percent	\$ 1,190
1.23	11,950 to 13,139	1.4 percent	20 percent	\$ 1,190
1.24	13,140 to 15,539	1.5 percent	20 percent	\$ 1,190
1.25	15,540 to 16,729	1.6 percent	20 percent	\$ 1,190
1.26	16,730 to 17,919	1.7 percent	25 percent	\$ 1,190

2.1	17,920 to 20,319	1.8 percent	25 percent	\$ 1,190
2.2	20,320 to 21,509	1.9 percent	30 percent	\$ 1,190
2.3	21,510 to 22,699	2.0 percent	30 percent	\$ 1,190
2.4	22,700 to 23,899	2.2 percent	30 percent	\$ 1,190
2.5	23,900 to 25,089	2.4 percent	30 percent	\$ 1,190
2.6	25,090 to 26,289	2.6 percent	35 percent	\$ 1,190
2.7	26,290 to 27,489	2.7 percent	35 percent	\$ 1,190
2.8	27,490 to 28,679	2.8 percent	35 percent	\$ 1,190
2.9	28,680 to 29,869	2.9 percent	40 percent	\$ 1,190
2.10	29,870 to 31,079	3.0 percent	40 percent	\$ 1,190
2.11	31,080 to 32,269	3.1 percent	40 percent	\$ 1,190
2.12	32,270 to 33,459	3.2 percent	40 percent	\$ 1,190
2.13	33,460 to 34,649	3.3 percent	45 percent	\$ 1,080
2.14	34,650 to 35,849	3.4 percent	45 percent	\$ 960
2.15	35,850 to 37,049	3.5 percent	45 percent	\$ 830
2.16	37,050 to 38,239	3.5 percent	50 percent	\$ 720
2.17	38,240 to 39,439	3.5 percent	50 percent	\$ 600
2.18	38,440 to 40,629	3.5 percent	50 percent	\$ 360
2.19	40,630 to 41,819	3.5 percent	50 percent	\$ 120
2.20	<u>\$0 to 4,909</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 1,630</u>
2.21	<u>4,910 to 6,529</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 1,630</u>
2.22	<u>6,530 to 8,159</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 1,630</u>
2.23	<u>8,160 to 11,439</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 1,630</u>
2.24	<u>11,440 to 14,709</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 1,630</u>
2.25	<u>14,710 to 16,339</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 1,630</u>
2.26	<u>16,340 to 17,959</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 1,630</u>
2.27	<u>17,960 to 21,239</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 1,630</u>
2.28	<u>21,240 to 22,869</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 1,630</u>
2.29	<u>22,870 to 24,499</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 1,630</u>
2.30	<u>24,500 to 27,779</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 1,630</u>
2.31	<u>27,780 to 29,399</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 1,630</u>
2.32	<u>29,400 to 31,029</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 1,630</u>
2.33	<u>31,030 to 32,669</u>	<u>2.2 percent</u>	<u>30 percent</u>	<u>\$ 1,630</u>
2.34	<u>32,670 to 34,299</u>	<u>2.4 percent</u>	<u>30 percent</u>	<u>\$ 1,630</u>
2.35	<u>34,300 to 35,939</u>	<u>2.6 percent</u>	<u>35 percent</u>	<u>\$ 1,630</u>
2.36	<u>35,940 to 37,579</u>	<u>2.7 percent</u>	<u>35 percent</u>	<u>\$ 1,630</u>
2.37	<u>37,580 to 39,199</u>	<u>2.8 percent</u>	<u>35 percent</u>	<u>\$ 1,630</u>
2.38	<u>39,200 to 40,829</u>	<u>2.9 percent</u>	<u>40 percent</u>	<u>\$ 1,630</u>
2.39	<u>40,830 to 42,489</u>	<u>3.0 percent</u>	<u>40 percent</u>	<u>\$ 1,630</u>
2.40	<u>42,490 to 44,109</u>	<u>3.1 percent</u>	<u>40 percent</u>	<u>\$ 1,630</u>
2.41	<u>44,110 to 45,739</u>	<u>3.2 percent</u>	<u>40 percent</u>	<u>\$ 1,630</u>
2.42	<u>45,740 to 49,999</u>	<u>3.3 percent</u>	<u>45 percent</u>	<u>\$ 1,480</u>
2.43	<u>50,000 to 54,999</u>	<u>3.4 percent</u>	<u>45 percent</u>	<u>\$ 1,310</u>

3.1	<u>55,000 to 59,999</u>	<u>3.5 percent</u>	<u>45 percent</u>	<u>\$ 1,130</u>
3.2	<u>60,000 to 64,999</u>	<u>3.5 percent</u>	<u>50 percent</u>	<u>\$ 980</u>
3.3	<u>65,000 to 69,999</u>	<u>3.5 percent</u>	<u>50 percent</u>	<u>\$ 820</u>
3.4	<u>70,000 to 72,499</u>	<u>3.5 percent</u>	<u>50 percent</u>	<u>\$ 490</u>
3.5	<u>72,500 to 74,999</u>	<u>3.5 percent</u>	<u>50 percent</u>	<u>\$ 160</u>

3.6 The payment made to a claimant is the amount of the state refund calculated under
 3.7 this subdivision. No payment is allowed if the claimant's household income is \$41,820
 3.8 \$75,000 or more.

3.9 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in
 3.10 2013 and thereafter.

3.11 Sec. 2. Minnesota Statutes 2012, section 290A.04, subdivision 4, is amended to read:

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

3.18 (b) In adjusting the dollar amounts of the income thresholds and the maximum
 3.19 refunds under subdivision 2 for inflation, the percentage increase shall be determined from
 3.20 the year ending on June 30, 2011, to the year ending on June 30 of the year preceding that
 3.21 in which the refund is payable.

3.22 (c) In adjusting the dollar amounts of the income thresholds and the maximum
 3.23 refunds under subdivision 2a for inflation, the percentage increase shall be determined
 3.24 from the year ending on June 30, ~~2000~~ 2013, to the year ending on June 30 of the year
 3.25 preceding that in which the refund is payable.

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

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

- 4.1 **EFFECTIVE DATE.** This section is effective for refund claims based on rent
- 4.2 paid in 2013 and thereafter.