State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **36**

01/14/2019   Authored by Lueck, Poston, Miller, Drazkowski, Backer and others
                   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; modifying state general tax market value exclusion; amending
1.3   Minnesota Statutes 2018, section 275.025, subdivision 2.

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

1.5   Section 1. Minnesota Statutes 2018, section 275.025, subdivision 2, is amended to read:

1.6   Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section,

1.7   "commercial-industrial tax capacity" means the tax capacity of all taxable property classified

1.8   as class 3 or class 5(1) under section 273.13, excluding:

1.9   (1) the tax capacity attributable to the first $100,000 $500,000 of market value of each

1.10   parcel of commercial-industrial property as defined under section 273.13, subdivision 24,

1.11   clauses (1) and (2);

1.12   (2) electric generation attached machinery under class 3; and

1.13   (3) property described in section 473.625.

1.14   County commercial-industrial tax capacity amounts are not adjusted for the captured

1.15   net tax capacity of a tax increment financing district under section 469.177, subdivision 2,

1.16   the net tax capacity of transmission lines deducted from a local government's total net tax

1.17   capacity under section 273.425, or fiscal disparities contribution and distribution net tax

1.18   capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures

1.19   for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and

1.20   (2), shall apply in determining the portion of a property eligible to be considered within the

1.21   first $100,000 $500,000 of market value.

1.22   **EFFECTIVE DATE.** This section is effective for taxes payable in 2020 and thereafter.

Section 1.   1