

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 2599

(SENATE AUTHORS: EKEN)

DATE	D-PG	OFFICIAL STATUS
03/12/2014	6165	Introduction and first reading Referred to Taxes

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A bill for an act
relating to taxation; property; reducing the class rate for the disparity reduction
credit; amending Minnesota Statutes 2013 Supplement, section 273.1398,
subdivision 4.

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

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Section 1. Minnesota Statutes 2013 Supplement, section 273.1398, subdivision 4,
is amended to read:

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Subd. 4. **Disparity reduction credit.** (a) ~~Beginning with taxes payable in 1989,~~
Class 4a and class 3a property qualifies for a disparity reduction credit if: (1) the property
is located in a border city that has an enterprise zone, as defined in section 469.166; (2)
the property is located in a city with a population greater than 2,500 and less than 35,000
according to the 1980 decennial census; (3) the city is adjacent to a city in another state or
immediately adjacent to a city adjacent to a city in another state; and (4) the adjacent city
in the other state has a population of greater than 5,000 and less than 75,000 according to
the 1980 decennial census.

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(b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a
property to ~~4.9~~ 1.5 percent of the property's taxable market value and (ii) the tax on class
3a property to ~~4.9~~ 1.5 percent of taxable market value.

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(c) The county auditor shall annually certify the costs of the credits to the
Department of Revenue. The department shall reimburse local governments for the
property taxes forgone as the result of the credits in proportion to their total levies.

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EFFECTIVE DATE. This section is effective beginning with taxes payable in 2015.