

**273.1387 SCHOOL BUILDING BOND AGRICULTURAL CREDIT.**

Subdivision 1. **Eligibility.** All class 2a, 2b, and 2c property under section 273.13, subdivision 23, other than property consisting of the house, garage, and immediately surrounding one acre of land of an agricultural homestead, is eligible to receive the credit under this section.

Subd. 2. **Credit amount.** For each qualifying property, the school building bond agricultural credit is equal to the credit percent multiplied by the property's eligible net tax capacity multiplied by the school debt tax rate determined under section 275.08, subdivision 1b. For property taxes payable prior to 2020, the credit percent is equal to 40 percent. For property taxes payable in 2020, the credit percent is equal to 50 percent. For property taxes payable in 2021, the credit percent is equal to 55 percent. For property taxes payable in 2022, the credit percent is equal to 60 percent. For property taxes payable in 2023 and thereafter, the credit percent is equal to 70 percent.

Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions allowed under this section within the county for each taxes payable year and shall certify that amount to the commissioner of revenue under section 270C.85, subdivision 2, clause (4). Any prior year adjustments shall also be certified. The commissioner shall review the certifications for accuracy, and may make such changes as are deemed necessary, or return the certification to the county auditor for correction. The credit under this section must be used to reduce the school district net tax capacity-based property tax as provided in section 273.1393.

Subd. 4. **Payment.** The commissioner of revenue shall certify the total of the tax reductions granted under this section for each taxes payable year within each school district to the commissioner of education, who shall pay the reimbursement amounts to each school district as provided in section 273.1392.

Subd. 5. **Appropriation.** An amount sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of education.

**History:** *1Sp2017 c 1 art 4 s 2; 1Sp2019 c 6 art 5 s 2; art 18 s 12*