

A bill for an act
relating to property taxation; limiting homestead property taxes for persons at
least age 65 to a percentage of income under certain conditions; amending
Minnesota Statutes 2006, section 290A.04, subdivisions 1, 2.

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

Section 1. Minnesota Statutes 2006, section 290A.04, subdivision 1, is amended to
read:

Subdivision 1. **Refund.** A refund shall be allowed each claimant ~~in the amount that~~
based on the relationship between property taxes payable or rent constituting property
taxes ~~exceed the percentage of~~ and the household income of the claimant ~~specified in~~
~~subdivision 2 or 2a~~ in the year for which the taxes were levied or in the year in which the
rent was paid as specified in subdivision 2 or 2a. ~~If the amount of property taxes payable~~
~~or rent constituting property taxes is equal to or less than the percentage of the household~~
~~income of the claimant specified in subdivision 2 or 2a in the year for which the taxes~~
~~were levied or in the year in which the rent was paid, the claimant shall not be eligible~~
~~for a state refund pursuant to this section.~~

EFFECTIVE DATE. This section is effective for claims filed in 2008 and thereafter
based on property taxes payable in 2008 and thereafter.

Sec. 2. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners.** (a) A claimant whose property taxes payable are in excess
of the percentage of the household income stated below ~~shall pay an amount~~ is eligible for
a refund equal to the excess property taxes payable times the percent of income paid by
the state shown for the appropriate household income level ~~along with the percent to be~~

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~~paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the~~ under this paragraph must not exceed the maximum state refund amount shown below.

Household Income	Percent of Income	Claimant Percent Paid by State	Maximum State Refund
\$0 to 1,189	1.0 percent	15 <u>85</u> percent	\$1,450
1,190 to 2,379	1.1 percent	15 <u>85</u> percent	\$1,450
2,380 to 3,589	1.2 percent	15 <u>85</u> percent	\$1,410
3,590 to 4,789	1.3 percent	20 <u>80</u> percent	\$1,410
4,790 to 5,979	1.4 percent	20 <u>80</u> percent	\$1,360
5,980 to 8,369	1.5 percent	20 <u>80</u> percent	\$1,360
8,370 to 9,559	1.6 percent	25 <u>75</u> percent	\$1,310
9,560 to 10,759	1.7 percent	25 <u>75</u> percent	\$1,310
10,760 to 11,949	1.8 percent	25 <u>75</u> percent	\$1,260
11,950 to 13,139	1.9 percent	30 <u>70</u> percent	\$1,260
13,140 to 14,349	2.0 percent	30 <u>70</u> percent	\$1,210
14,350 to 16,739	2.1 percent	30 <u>70</u> percent	\$1,210
16,740 to 17,929	2.2 percent	35 <u>65</u> percent	\$1,160
17,930 to 19,119	2.3 percent	35 <u>65</u> percent	\$1,160
19,120 to 20,319	2.4 percent	35 <u>65</u> percent	\$1,110
20,320 to 25,099	2.5 percent	40 <u>60</u> percent	\$1,110
25,100 to 28,679	2.6 percent	40 <u>60</u> percent	\$1,070
28,680 to 35,849	2.7 percent	40 <u>60</u> percent	\$1,070
35,850 to 41,819	2.8 percent	45 <u>55</u> percent	\$ 970
41,820 to 47,799	3.0 percent	45 <u>55</u> percent	\$ 970
47,800 to 53,779	3.2 percent	45 <u>55</u> percent	\$ 870
53,780 to 59,749	3.5 percent	50 percent	\$ 780
59,750 to 65,729	4.0 percent	50 percent	\$ 680
65,730 to 69,319	4.0 percent	50 percent	\$ 580
69,320 to 71,719	4.0 percent	50 percent	\$ 480
71,720 to 74,619	4.0 percent	50 percent	\$ 390
74,620 to 77,519	4.0 percent	50 percent	\$ 290

(b) A claimant is eligible for a refund equal to the amount that the claimant's property taxes payable, net of any refund determined under paragraph (a), exceed five percent of household income, provided that: (i) the claimant or the claimant's spouse is at least 65 years of age as of December 31 of the year the taxes were levied, and (ii) the claimant or the claimant's spouse has owned and occupied the property for which the claim is being filed for at least 15 years as of December 31 of the year the taxes were levied.

(c) A claimant's property tax refund is the sum of the refund amount determined under paragraph (a) and the refund amount determined under paragraph (b).

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3.1 ~~The payment made to a claimant shall be the amount of the state refund calculated~~
3.2 ~~under this subdivision.~~ (d) No payment is allowed if the claimant's household income
3.3 is \$77,520 or more.

3.4 **EFFECTIVE DATE.** This section is effective for claims filed in 2008 and thereafter
3.5 based on property taxes payable in 2008 and thereafter.