A bill for an act
relating to property taxation; modifying the homeowner property tax refund; amending Minnesota Statutes 2010, section 290A.04, subdivisions 2, 4.

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

Section 1. Minnesota Statutes 2010, section 290A.04, subdivision 2, is amended to read:

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

~~Household Income~~	~~Percent of Income~~	~~Percent Paid by Claimant~~	~~Maximum State Refund~~
~~$0 to 1,189~~	~~1.0 percent~~	~~15 percent~~	~~$ 1,850~~
~~1,190 to 2,379~~	~~1.1 percent~~	~~15 percent~~	~~$ 1,850~~
~~2,380 to 3,589~~	~~1.2 percent~~	~~15 percent~~	~~$ 1,800~~
~~3,590 to 4,789~~	~~1.3 percent~~	~~20 percent~~	~~$ 1,800~~
~~4,790 to 5,979~~	~~1.4 percent~~	~~20 percent~~	~~$ 1,730~~
~~5,980 to 8,369~~	~~1.5 percent~~	~~20 percent~~	~~$ 1,730~~
~~8,370 to 9,559~~	~~1.6 percent~~	~~25 percent~~	~~$ 1,670~~
~~9,560 to 10,759~~	~~1.7 percent~~	~~25 percent~~	~~$ 1,670~~
~~10,760 to 11,949~~	~~1.8 percent~~	~~25 percent~~	~~$ 1,610~~
~~11,950 to 13,139~~	~~1.9 percent~~	~~30 percent~~	~~$ 1,610~~
~~13,140 to 14,349~~	~~2.0 percent~~	~~30 percent~~	~~$ 1,540~~

~~14,350 to 16,739~~	~~2.1 percent~~	~~30 percent~~	~~$ 1,540~~
~~16,740 to 17,929~~	~~2.2 percent~~	~~35 percent~~	~~$ 1,480~~
~~17,930 to 19,119~~	~~2.3 percent~~	~~35 percent~~	~~$ 1,480~~
~~19,120 to 20,319~~	~~2.4 percent~~	~~35 percent~~	~~$ 1,420~~
~~20,320 to 25,099~~	~~2.5 percent~~	~~40 percent~~	~~$ 1,420~~
~~25,100 to 28,679~~	~~2.6 percent~~	~~40 percent~~	~~$ 1,360~~
~~28,680 to 35,849~~	~~2.7 percent~~	~~40 percent~~	~~$ 1,360~~
~~35,850 to 41,819~~	~~2.8 percent~~	~~45 percent~~	~~$ 1,240~~
~~41,820 to 47,799~~	~~3.0 percent~~	~~45 percent~~	~~$ 1,240~~
~~47,800 to 53,779~~	~~3.2 percent~~	~~45 percent~~	~~$ 1,110~~
~~53,780 to 59,749~~	~~3.5 percent~~	~~50 percent~~	~~$ 990~~
~~59,750 to 65,729~~	~~3.5 percent~~	~~50 percent~~	~~$ 870~~
~~65,730 to 69,319~~	~~3.5 percent~~	~~50 percent~~	~~$ 740~~
~~69,320 to 71,719~~	~~3.5 percent~~	~~50 percent~~	~~$ 610~~
~~71,720 to 74,619~~	~~3.5 percent~~	~~50 percent~~	~~$ 500~~
~~74,620 to 77,519~~	~~3.5 percent~~	~~50 percent~~	~~$ 370~~

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
$0 to 1,549	1.0 percent	15 percent	$ 3,500
1,550 to 3,089	1.1 percent	15 percent	$ 3,500
3,090 to 4,669	1.2 percent	15 percent	$ 3,500
4,670 to 6,229	1.3 percent	20 percent	$ 3,500
6,230 to 7,769	1.4 percent	20 percent	$ 3,500
7,770 to 10,879	1.5 percent	20 percent	$ 3,500
10,880 to 12,429	1.6 percent	25 percent	$ 3,500
12,430 to 13,989	1.7 percent	25 percent	$ 3,500
13,990 to 15,539	1.8 percent	25 percent	$ 3,500
15,540 to 17,079	1.9 percent	30 percent	$ 3,000
17,080 to 18,659	2.0 percent	30 percent	$ 3,000
18,660 to 21,759	2.1 percent	30 percent	$ 3,000
21,760 to 23,309	2.2 percent	35 percent	$ 3,000
23,310 to 24,859	2.3 percent	35 percent	$ 3,000
24,860 to 26,419	2.4 percent	35 percent	$ 3,000
26,420 to 32,629	2.5 percent	35 percent	$ 3,000
32,630 to 37,279	2.6 percent	35 percent	$ 2,500
37,280 to 46,609	2.7 percent	35 percent	$ 2,500
46,610 to 49,999	2.8 percent	40 percent	$ 2,000
50,000 to 54,999	2.8 percent	40 percent	$ 1,500
55,000 to 59,999	3.0 percent	40 percent	$ 1,000
60,000 to 64,999	3.0 percent	40 percent	$ 750
65,000 to 69,999	3.0 percent	40 percent	$ 500

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~$77,520~~ $70,000 or more.

EFFECTIVE DATE. This section is effective beginning with refunds based on taxes payable in 2012.

Sec. 2. Minnesota Statutes 2010, section 290A.04, subdivision 4, is amended to read:

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

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

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

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

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

EFFECTIVE DATE. This section is effective beginning for refunds based on taxes payable in 2013.