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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3086

03/17/2014 Authored by Marquart, Lien, Zerwas, Savick and Erickson, R.,
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; property; permanently increasing the agricultural market
1.3 value homestead credit; providing for supplemental credit payments for taxes
1.4 payable in 2014; appropriating money; amending Minnesota Statutes 2012,
1.5 section 273.1384, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2012, section 273.1384, subdivision 2, is amended to read:

1.8 Subd. 2. **Agricultural homestead market value credit.** Property classified as
1.9 agricultural homestead under section 273.13, subdivision 23, paragraph (a), is eligible for
1.10 an agricultural credit. The credit is computed using the property's agricultural credit market
1.11 value, defined for this purpose as the property's market value excluding the market value of
1.12 the house, garage, and immediately surrounding one acre of land. The credit is equal to 0.3
1.13 percent of the first \$115,000 of the property's agricultural credit market value ~~minus .05~~ plus
1.14 0.1 percent of the property's agricultural credit market value in excess of \$115,000, subject
1.15 to a maximum ~~reduction~~ credit of ~~\$115~~ \$500. In the case of property that is classified
1.16 as part homestead and part nonhomestead solely because not all the owners occupy or
1.17 farm the property, not all the owners have qualifying relatives occupying or farming the
1.18 property, or solely because not all the spouses of owners occupy the property, the credit
1.19 must be initially computed as if that nonhomestead agricultural land was also classified as
1.20 agricultural homestead and then prorated to the owner-occupant's percentage of ownership.

1.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2014.

1.22 Sec. 2. **SUPPLEMENTAL CREDIT FOR TAXES PAYABLE IN 2014 ONLY.**

2.1 Subdivision 1. **Certification of supplemental credit amount.** By September 15,
2.2 2014, the county auditor must notify each eligible property owner of the amount by
2.3 which the credit determined under section 1 exceeds the credit amount certified on the
2.4 homestead's property tax statement or statements for property taxes payable in 2014. The
2.5 county auditor must also notify the commissioner of revenue in a manner prescribed by
2.6 the commissioner. The notification to the commissioner must indicate whether there
2.7 are any unpaid taxes upon the property.

2.8 Subd. 2. **Payment of supplemental credit.** The commissioner must pay
2.9 supplemental credit amounts to each qualifying taxpayer by October 15, 2014, provided
2.10 there are no unpaid taxes on the property.

2.11 Subd. 3. **Property tax statements for taxes payable in 2015.** In preparing
2.12 proposed and final property tax statements for taxes payable in 2015, the county auditor
2.13 shall include the supplemental credit amounts determined under this section in displaying
2.14 property taxes payable in 2014.

2.15 Subd. 4. **Costs of administration.** \$40,000 in fiscal year 2015 is appropriated from
2.16 the general fund to the commissioner of revenue to be used to compensate counties for
2.17 expenses incurred in complying with this section

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.