

A bill for an act

relating to taxation; providing a state-paid refund of certain property tax increases on agricultural property; temporarily reducing the percentage of rent constituting property taxes; appropriating money; amending Minnesota Statutes 2008, sections 290A.03, subdivision 11; 290A.04, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 290A.03, subdivision 11, is amended to read:

Subd. 11. **Rent constituting property taxes.** "Rent constituting property taxes" means 19 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any calendar year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter by the claimant, provided that, for claims based on rent paid in 2010 only, the percentage of gross rent is reduced to 18 percent.

Sec. 2. Minnesota Statutes 2008, section 290A.04, is amended by adding a subdivision to read:

Subd. 2k. **Additional refund.** (a) If the gross property taxes payable in 2010 on a parcel of agricultural property increase more than 25 percent over the property taxes payable in 2009 on the same property that is owned and used for agricultural purposes by the same owner on January 2 of both years, and the amount of that increase is \$250 or more, the owner is allowed a refund equal to 60 percent of the amount of the increase over the greater of 25 percent of the property taxes payable in 2009 or \$250. This

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2.1 subdivision does not apply to any increase in the gross property taxes payable attributable
2.2 to improvements made to the property after the assessment date for the prior year's taxes.

2.3 The maximum refund allowed under this subdivision is \$1,000.

2.4 (b) For purposes of this subdivision, "gross property taxes payable" means property
2.5 taxes payable determined without regard to the refund allowed under this subdivision.

2.6 (c) Each claimant under this subdivision shall file with the property tax refund return
2.7 a copy of the property tax statement for taxes payable in 2009 and provide any other
2.8 information required by the commissioner.

2.9 (d) The amount necessary to pay the refunds under this subdivision is appropriated
2.10 from the general fund to the commissioner of revenue. Refunds are payable after June
2.11 30, 2011.

2.12 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2010
2.13 only.