A bill for an act
relating to property taxation; limiting homestead property taxes to a percentage of the homeowner's income; 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~~

~~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	Percent Paid by ~~Claimant~~ State	Maximum State Refund
$0 to 1,189	1.0 percent	~~15~~ 85 percent	$1,450
1,190 to 2,379	1.1 percent	~~15~~ 85 percent	$1,450
2,380 to 3,589	1.2 percent	~~15~~ 85 percent	$1,410
3,590 to 4,789	1.3 percent	~~20~~ 80 percent	$1,410
4,790 to 5,979	1.4 percent	~~20~~ 80 percent	$1,360
5,980 to 8,369	1.5 percent	~~20~~ 80 percent	$1,360
8,370 to 9,559	1.6 percent	~~25~~ 75 percent	$1,310
9,560 to 10,759	1.7 percent	~~25~~ 75 percent	$1,310
10,760 to 11,949	1.8 percent	~~25~~ 75 percent	$1,260
11,950 to 13,139	1.9 percent	~~30~~ 70 percent	$1,260
13,140 to 14,349	2.0 percent	~~30~~ 70 percent	$1,210
14,350 to 16,739	2.1 percent	~~30~~ 70 percent	$1,210
16,740 to 17,929	2.2 percent	~~35~~ 65 percent	$1,160
17,930 to 19,119	2.3 percent	~~35~~ 65 percent	$1,160
19,120 to 20,319	2.4 percent	~~35~~ 65 percent	$1,110
20,320 to 25,099	2.5 percent	~~40~~ 60 percent	$1,110
25,100 to 28,679	2.6 percent	~~40~~ 60 percent	$1,070
28,680 to 35,849	2.7 percent	~~40~~ 60 percent	$1,070
35,850 to 41,819	2.8 percent	~~45~~ 55 percent	$ 970
41,820 to 47,799	3.0 percent	~~45~~ 55 percent	$ 970
47,800 to 53,779	3.2 percent	~~45~~ 55 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 shall be 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.

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

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

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