

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **38**

01/14/2019 Authored by Hertaus, Garofalo, Lueck, Lucero and Robbins
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; exempting the first \$200,000 of market value of
- 1.3 commercial-industrial property from the state general levy; amending Minnesota
- 1.4 Statutes 2018, section 275.025, subdivision 2.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2018, section 275.025, subdivision 2, is amended to read:
- 1.7 Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section,
- 1.8 "commercial-industrial tax capacity" means the tax capacity of all taxable property classified
- 1.9 as class 3 or class 5(1) under section 273.13, excluding:
- 1.10 (1) the tax capacity attributable to the first ~~\$100,000~~ \$200,000 of market value of each
- 1.11 parcel of commercial-industrial property as defined under section 273.13, subdivision 24,
- 1.12 clauses (1) and (2);
- 1.13 (2) electric generation attached machinery under class 3; and
- 1.14 (3) property described in section 473.625.
- 1.15 County commercial-industrial tax capacity amounts are not adjusted for the captured
- 1.16 net tax capacity of a tax increment financing district under section 469.177, subdivision 2,
- 1.17 the net tax capacity of transmission lines deducted from a local government's total net tax
- 1.18 capacity under section 273.425, or fiscal disparities contribution and distribution net tax
- 1.19 capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures
- 1.20 for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and
- 1.21 (2), shall apply in determining the portion of a property eligible to be considered within the
- 1.22 first ~~\$100,000~~ \$200,000 of market value.

2.1 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.