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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1705

03/10/2015 Authored by Drazkowski

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy

1.1 A bill for an act  
1.2 relating to taxation; property; authorizing a state general tax refund for certain  
1.3 businesses; proposing coding for new law in Minnesota Statutes, chapter 469.

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

1.5 Section 1. **[469.501] STATE GENERAL TAX REFUND.**

1.6 Subdivision 1. **Definitions.** (a) When used in this section, the following terms  
1.7 have the meanings given them.

1.8 (b) "Commissioner" means the commissioner of employment and economic  
1.9 development.

1.10 (c) "Job creation zone" means an area including one or more contiguous census  
1.11 tracts, as determined and measured by the United States Census Bureau where the  
1.12 unemployment rate is at least 75 percent higher than the statewide average unemployment  
1.13 rate as estimated by the United States Census Bureau using data collected in the most  
1.14 recent American Community Survey.

1.15 (d) "Employee" and "wages" have the meanings given them in section 290.92,  
1.16 subdivision 1.

1.17 Subd. 2. **Refund; authorized.** The commissioner may approve an application for a  
1.18 refund of the state general tax paid under section 275.025 applicable to that portion of  
1.19 the property occupied by an eligible business. The owner of an eligible business must  
1.20 apply annually to the commissioner by July 1 of each year on a form prescribed by the  
1.21 commissioner in order to receive a refund for that year. Upon approval, the commissioner  
1.22 shall notify the commissioner of revenue by September 1. The refund is equal to the state  
1.23 general tax payable on the property where the eligible business is located multiplied  
1.24 by a ratio, the numerator of which is the area of the property occupied by the eligible

2.1 business and the denominator of which is the total area of the property where the business  
2.2 is located. The commissioner of revenue shall pay the amount determined under this  
2.3 section to the eligible business owner by December 1. The refund is subject to reduction  
2.4 under subdivision 4.

2.5 Subd. 3. **Eligible business.** An eligible business is an employer that (1) is located  
2.6 in a job creation zone as defined under subdivision 1; (2) pays at least 50 percent of the  
2.7 wages to employees who reside either within the job creation zone where the business is  
2.8 located or any contiguous census tract; and (3) is a for-profit business.

2.9 Subd. 4. **Appropriation.** The amount necessary to make the refunds under this  
2.10 section is appropriated annually to the commissioner of revenue, provided that the total  
2.11 of state general tax refunds shall not exceed five percent of the base amount in section  
2.12 275.025, subdivision 1, for that year. If the total amount of refunds approved under this  
2.13 section exceeds five percent of the base amount in section 275.025, subdivision 1, for that  
2.14 year, the amounts of the refunds shall be reduced proportionately.

2.15 Subd. 5. **Sunset.** This section applies to refunds for state general tax payments made  
2.16 for taxes payable in 2015 through taxes payable in 2025.

2.17 **EFFECTIVE DATE.** This section is effective for applications filed in calendar year  
2.18 2015 for refunds of the state general tax payable in 2015 through 2025.