#### S.F. No. 1624, as introduced - 87th Legislative Session (2011-2012) [12-4739]

# SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1624

#### (SENATE AUTHORS: PEDERSON, Michel and Lillie)

DATE	D-PG	OFFICIAL STATUS
01/30/2012	3671	Introduction and first reading
		Referred to Jobs and Economic Growth
02/02/2012	3683	Comm report: To pass and re-referred to Taxes

1.1	A bill for an act
1.2	relating to taxation; property; reducing business property taxes; amending
1.3	Minnesota Statutes 2010, section 275.025, subdivisions 1, 4.

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

1.5	Section 1. Minnesota Statutes 2010, section 275.025, subdivision 1, is amended to read:
1.6	Subdivision 1. Levy amount. The state general levy is levied against
1.7	commercial-industrial property and seasonal residential recreational property, as defined
1.8	in this section. The state general levy base amount for commercial-industrial property
1.9	is <u>\$592,000,000</u> \$739,000,000 for taxes payable in <del>2002</del> 2013. The state general
1.10	levy base amount for seasonal recreational property is \$40,600,000 for taxes payable
1.11	in 2013. For taxes payable in subsequent years 2014, the each levy base amount
1.12	is increased each year by multiplying the levy base amount for the prior year taxes
1.13	payable in 2013 by the sum of one plus the rate of increase, if any, in the implicit
1.14	price deflator for government consumption expenditures and gross investment for state
1.15	and local governments prepared by the Bureau of Economic Analysts of the United
1.16	States Department of Commerce for the 12-month period ending March 31 of the year
1.17	prior to the year the taxes are payable., 2013. For taxes payable in 2015 and 2016, the
1.18	state general levy is \$743,000,000 for commercial-industrial property and \$40,500,000
1.19	for seasonal residential recreational property. For taxes payable in 2017, the state
1.20	general levy is \$668,700,000 for commercial-industrial property and \$36,450,000
1.21	for seasonal residential recreational property. For taxes payable in 2018, the state
1.22	general levy is \$594,400,000 for commercial-industrial property and \$32,400,000
1.23	for seasonal residential recreational property. For taxes payable in 2019, the state
1.24	general levy is \$520,100,000 for commercial-industrial property and \$28,350,000

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for seasonal residential recreational property. For taxes payable in 2020, the state 2.1 general levy is \$445,800,000 for commercial-industrial property and \$24,300,000 2.2 for seasonal residential recreational property. For taxes payable in 2021, the state 2.3 general levy is \$371,500,000 for commercial-industrial property and \$20,250,000 2.4 for seasonal residential recreational property. For taxes payable in 2022, the state 2.5 general levy is \$297,200,000 for commercial-industrial property and \$16,200,000 for 2.6 seasonal residential recreational property. For taxes payable in 2023, the state general 2.7 levy is \$222,900,000 for commercial-industrial property and \$12,150,000 for seasonal 2.8 residential recreational property. For taxes payable in 2024, the state general levy is 2.9 \$148,600,000 for commercial-industrial property and \$8,100,000 for seasonal residential 2.10 recreational property. For taxes payable in 2025, the state general levy is \$74,300,000 2.11 for commercial-industrial property and \$4,050,000 for seasonal residential recreational 2.12 property. The tax under this section is not treated as a local tax rate under section 469.177 2.13 and is not the levy of a governmental unit under chapters 276A and 473F. 2.14 The commissioner shall increase or decrease the preliminary or final rate for a year 2.15 as necessary to account for errors and tax base changes that affected a preliminary or final 2.16 rate for either of the two preceding years. Adjustments are allowed to the extent that the 2.17 necessary information is available to the commissioner at the time the rates for a year must 2.18 be certified, and for the following reasons: 2.19 (1) an erroneous report of taxable value by a local official; 2.20 (2) an erroneous calculation by the commissioner; and 2.21 (3) an increase or decrease in taxable value for commercial-industrial or seasonal 2.22 2.23 residential recreational property reported on the abstracts of tax lists submitted under section 275.29 that was not reported on the abstracts of assessment submitted under 2.24 section 270C.89 for the same year. 2.25 The commissioner may, but need not, make adjustments if the total difference in the tax 2.26 levied for the year would be less than \$100,000. 2.27 Sec. 2. Minnesota Statutes 2010, section 275.025, subdivision 4, is amended to read: 2.28 Subd. 4. Apportionment and levy of state general tax. Ninety-five percent of The 2.29 state general tax must be levied by applying a uniform rate to all commercial-industrial tax 2.30 capacity and five percent of the state general tax must be levied by applying a uniform 2.31 rate to all seasonal residential recreational tax capacity. On or before October 1 each 2.32 year, the commissioner of revenue shall certify the preliminary state general levy rates to 2.33 each county auditor that must be used to prepare the notices of proposed property taxes 2.34

Sec. 2.

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for taxes payable in the following year. By January 1 of each year, the commissioner

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- 3.1 shall certify the final state general levy rate rates to each county auditor that shall be
- 3.2 used in spreading taxes.

### 3.3 Sec. 3. EFFECTIVE DATE.

3.4 <u>Sections 1 and 2 are effective for taxes payable in 2013 and thereafter.</u>