

## CHAPTER 290A

### PROPERTY TAX REFUND ACT

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#### 290A.03 DEFINITIONS.

*[For text of subds 1 and 2, see M.S.1982]*

Subd. 3. **Income.** (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through March 12, 1982; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, section 290.01, subdivision 20a, clauses (1), (2), (6), (11), (12), and (16);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under sections 290A.01 to 290A.20;

(e) child support payments received under a temporary or final decree of dissolution or legal separation;

(f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

*[For text of subds 4 and 5, see M.S.1982]*

**Subd. 6. Homestead.** "Homestead" means the dwelling occupied by a claimant as his principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 7, except for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6, "homestead" is limited to 320 acres. The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A manufactured home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

*[For text of subd 7, see M.S.1982]*

**Subd. 8. Claimant.** (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other

than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is his income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. If a homestead property owner was a part year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) Except as provided in section 290A.05, if a homestead is occupied by two or more renters or joint tenants or tenants in common, who are not husband and wife, the rent or property taxes shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

*[For text of subds 9 and 10, see M.S.1982]*

**Subd. 11. Rent constituting property taxes.** "Rent constituting property taxes" means the amount of gross rent actually paid in cash, or its equivalent, which is attributable (a) to the property tax paid on the unit or (b) to the amount paid in lieu of property taxes, in any calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.20 by the claimant. The amount of rent attributable to property taxes paid or payments in lieu made on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid by the claimant for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the property in which the unit is located. In the case of a claimant who resides in a unit for which a rent subsidy is paid pursuant to section 8 of the United States Housing Act of 1937, as amended, or under another state or federal program providing rent supplements or reduced rent for low and moderate income families, 20 percent of gross rent actually paid in cash or its equivalent shall be the claimant's "rent constituting property taxes paid."

*[For text of subd 12, see M.S.1982]*

**Subd. 13. Property taxes payable.** "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a

claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to October 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

**Subd. 14. Net tax.** "Net tax" means

(a) the property tax, exclusive of special assessments, interest, and penalties, or

(b) the payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes,

for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax after reductions pursuant to section 273.13, subdivisions 6, 7, and 14a, reduced by the percentage that the nonrental use comprises of the total square footage of the building. If a portion of the property is used for purposes other than for residential rental and none of the property is occupied as a homestead, the net tax shall be the amount of the tax of the parcel multiplied by a fraction, the numerator of which is the assessed value of the residential rental portion and the denominator of which is the total assessed value of the parcel. If a portion of the property is used for other than rental residential purposes, the county treasurer shall list on the property tax statement the amount of net tax pertaining to the rental residential portion of the property.

The amount of the net tax shall not be reduced by an abatement or a court ordered reduction in the property tax on the property made after the certificate of rent constituting property tax has been provided to the renter.

**History:** 1983 c 15 s 28; 1983 c 294 s 4,5; 1983 c 342 art 1 s 40; 1983 c 342 art 4 s 1-5

NOTE: Subdivision 3 was also amended by Laws 1983, chapter 207, section 42, to read as follows:

"Subd. 3. **Income.** (1) "Income" means the sum of the following:

- (a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through January 15, 1983; and
- (b) the sum of the following amounts to the extent not included in clause (a):
  - (i) additions to federal adjusted gross income as provided in Minnesota Statutes, section 290.01, subdivision 20a, clauses (1), (3), (9), (14), (15), and (21);
  - (ii) all nontaxable income;
  - (iii) recognized net long term capital gains;
  - (iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;
  - (v) cash public assistance and relief;
  - (vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;
  - (vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;
  - (viii) workers' compensation;
  - (ix) unemployment benefits;
  - (x) nontaxable strike benefits; and
  - (xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.
- (2) "Income" does not include
  - (a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, 117, and 121;
  - (b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;
  - (c) surplus food or other relief in kind supplied by a governmental agency;
  - (d) relief granted under sections 290A.01 to 290A.20;
  - (e) child support payments received under a temporary or final decree of dissolution or legal separation;
  - (f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or
  - (g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954."

## 290A.04 CREDIT ALLOWABLE.

Subdivision 1. A credit shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid. 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 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.

Subd. 2. A claimant whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the amount shown for the appropriate household income level and the state refund will be equal to an amount up to the state refund amount shown below.

Household Income	Percent of Income	Claimant Pays	State Refund
Net loss and up to \$2,999	0.5 percent	\$13	\$13

3,000 to 3,499	0.6 percent	\$15	\$15
3,500 to 3,999	0.6 percent	\$18	\$18
4,000 to 4,499	0.7 percent	\$20	\$20
4,500 to 4,999	0.7 percent	\$23	\$23
5,000 to 5,999	0.8 percent	\$40	\$40
6,000 to 6,999	0.9 percent	\$54	\$54
7,000 to 7,999	1.0 percent	\$70	\$70
8,000 to 8,999	1.1 percent	\$88	\$88
9,000 to 9,999	1.2 percent	\$108	\$108
10,000 to 10,999	1.3 percent	\$130	\$130
11,000 to 11,999	1.4 percent	\$154	\$154
12,000 to 12,999	1.5 percent	\$180	\$180
13,000 to 13,999	1.5 percent	\$195	\$195
14,000 to 14,999	1.5 percent	\$210	\$210
15,000 to 15,999	1.5 percent	\$225	\$225
16,000 to 16,999	1.5 percent	\$240	\$240
17,000 to 17,999	1.5 percent	\$255	\$255
18,000 to 18,999	1.5 percent	\$270	\$270
19,000 to 19,999	1.5 percent	\$285	\$285
20,000 to 20,999	1.6 percent	\$320	\$320
21,000 to 21,999	1.6 percent	\$336	\$336
22,000 to 22,999	1.6 percent	\$352	\$352
23,000 to 23,999	1.8 percent	\$414	\$414
24,000 to 24,999	1.8 percent	\$432	\$432
25,000 to 25,999	1.8 percent	\$450	\$450
26,000 to 26,999	2.0 percent	\$520	\$520
27,000 to 27,999	2.0 percent	\$540	\$540
28,000 to 28,999	2.0 percent	\$560	\$560
29,000 to 29,999	2.0 percent	\$580	\$580
30,000 to 30,999	2.0 percent	\$600	\$600
31,000 to 31,999	2.2 percent	\$620	\$620
32,000 to 32,999	2.2 percent	\$640	\$640
33,000 to 33,999	2.2 percent	\$726	\$700
34,000 to 34,999	2.2 percent	\$748	\$600
35,000 to 35,999	2.2 percent	\$770	\$500
36,000 to 36,999	2.4 percent	\$792	\$400
37,000 to 37,999	2.4 percent	\$814	\$300
38,000 to 38,999	2.4 percent	\$912	\$200
39,000 to 39,999	2.4 percent	\$936	\$100

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision, less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Subd. 2a. A claimant whose property taxes payable or rent constituting property taxes are in excess of the sum of the amounts in subdivision 2 paid by the claimant and the state for the specified household income level shall be allowed an additional refund. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

Household Income	Percent Paid by Claimant	Maximum State Refund
Net loss and up to \$2,999	5 percent	\$1,125
3,000 to 3,499	6 percent	\$1,125
3,500 to 3,999	7 percent	\$1,125
4,000 to 4,499	8 percent	\$1,125
4,500 to 4,999	9 percent	\$1,125
5,000 to 5,999	10 percent	\$1,125
6,000 to 6,999	11 percent	\$1,125
7,000 to 7,999	12 percent	\$1,125
8,000 to 8,999	13 percent	\$1,125
9,000 to 9,999	14 percent	\$1,125
10,000 to 10,999	15 percent	\$1,125
11,000 to 11,999	16 percent	\$1,125
12,000 to 12,999	17 percent	\$1,125
13,000 to 13,999	18 percent	\$1,125
14,000 to 14,999	19 percent	\$1,125
15,000 to 15,999	20 percent	\$1,125
16,000 to 16,999	21 percent	\$1,125
17,000 to 17,999	22 percent	\$1,125
18,000 to 18,999	23 percent	\$1,125
19,000 to 19,999	24 percent	\$1,125
20,000 to 20,999	25 percent	\$1,125
21,000 to 21,999	27 percent	\$1,125
22,000 to 22,999	29 percent	\$1,125
23,000 to 23,999	31 percent	\$1,125
24,000 to 24,999	33 percent	\$1,105
25,000 to 25,999	35 percent	\$1,080
26,000 to 26,999	38 percent	\$1,050
27,000 to 27,999	41 percent	\$1,020
28,000 to 28,999	44 percent	\$990
29,000 to 29,999	47 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		-0-

No credit or payment will be allowed pursuant to subdivision 2 or 2a if the claimant's household income is \$40,000 or more. This subdivision shall not apply to a claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes are payable.

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable, if the claimant's property taxes payable or rent constituting property

taxes exceed the total amount in subdivision 2 to be paid by the claimant and by the state for the claimant's household income. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

Household Income	Percent Paid by Claimant	Maximum State Refund
Net loss and up to \$2,999	5 percent	\$1,125
3,000 to 3,499	5 percent	\$1,125
3,500 to 3,999	5 percent	\$1,125
4,000 to 4,499	5 percent	\$1,125
4,500 to 4,999	5 percent	\$1,125
5,000 to 5,999	5 percent	\$1,125
6,000 to 6,999	5 percent	\$1,125
7,000 to 7,999	5 percent	\$1,125
8,000 to 8,999	5 percent	\$1,125
9,000 to 9,999	5 percent	\$1,125
10,000 to 10,999	6 percent	\$1,125
11,000 to 11,999	7 percent	\$1,125
12,000 to 12,999	8 percent	\$1,125
13,000 to 13,999	9 percent	\$1,125
14,000 to 14,999	10 percent	\$1,125
15,000 to 15,999	10 percent	\$1,125
16,000 to 16,999	11 percent	\$1,125
17,000 to 17,999	11 percent	\$1,125
18,000 to 18,999	12 percent	\$1,125
19,000 to 19,999	12 percent	\$1,125
20,000 to 20,999	13 percent	\$1,125
21,000 to 21,999	15 percent	\$1,125
22,000 to 22,999	18 percent	\$1,125
23,000 to 23,999	21 percent	\$1,125
24,000 to 24,999	24 percent	\$1,105
25,000 to 25,999	27 percent	\$1,080
26,000 to 26,999	30 percent	\$1,050
27,000 to 27,999	35 percent	\$1,020
28,000 to 28,999	40 percent	\$990
29,000 to 29,999	45 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200



39,000 to 39,999	50 percent	\$100
40,000 and over		-0-

No credit or payment will be allowed pursuant to subdivision 2 or 2b if the claimant's household income is \$40,000 or more.

Subd. 2c. [Repealed, 1983 c 15 s 33]

Subd. 2d. [Repealed, 1983 c 15 s 33]

Subd. 2e. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds 20 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$200. The maximum refund shall be reduced by \$20 for each \$1,000 of the claimant's household income in excess of \$30,000. No refund shall be allowed if the claimant's household income exceeds \$40,000.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1983, the commissioner shall estimate the cost of making the payments provided by this section. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed \$11,000,000, the commissioner shall adjust accordingly the percentage increase in net property taxes payable over the previous year which is required to qualify for the credit provided in this subdivision.

This subdivision is repealed effective for property taxes levied in 1984, payable in 1985.

Subd. 2f. If the net property taxes payable in 1984 on a homestead increases more than ten percent over the net property taxes payable in 1983 on the same property, and if the effective tax rate of property tax paid in 1983 on that homestead as compared to the January 2, 1982, estimated market value exceeds 2.25 percent, an additional credit shall be paid by the commissioner to the claimant. The additional credit shall be equal to 50 percent of the amount by which the increase exceeds ten percent but in no case shall the additional credit exceed \$200. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead.

For purposes of this subdivision, "effective tax rate" means the net property tax paid by the claimant in 1983, divided by the assessor's 1982 estimated market value times 100.

For purposes of this subdivision, "net property taxes" means the gross tax less the homestead credit and any other state paid credit and after the deduction of tax refund amounts for which the claimant qualifies.

The city assessor, or the county assessor if the property is located in a taxing district which does not have a city assessor, shall notify all affected property

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owners of the availability of this credit and furnish the forms which the commissioner shall prescribe.

The additional refunds shall be paid at the same time as the commissioner pays other property tax refund claims.

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivisions 2, 2a, and 2b, except that the commissioner may graduate the transition between income brackets. All refunds shall be computed in accordance with tables prepared and issued by the commissioner of revenue.

**History:** 1983 c 15 s 29; 1983 c 342 art 4 s 6-12

**290A.05 COMBINED HOUSEHOLD INCOME; RENTERS AND LESSEES.**

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, joint tenants or tenants in common who are also claimants, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, and who are residing at the homestead under rental or lease agreement, the property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

**History:** 1983 c 294 s 6

**290A.07 TIME FOR PAYMENT.**

*[For text of subds 1 and 2a, see M.S.1982]*

Subd. 3. Any claimant not included in subdivision 2a shall receive full payment after August 31 and prior to September 15. Interest shall be added at six percent per annum from September 15 or 60 days after receipt of the application if the application is filed after August 31. Interest will be computed until the date the claim is paid.

**History:** 1983 c 342 art 4 s 13

**290A.11 OBJECTIONS TO CLAIMS.**

*[For text of subds 1 and 1a, see M.S.1982]*

Subd. 2. **Fraudulent claim; penalty.** In any case in which it is determined that the claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full. If the claim has been paid, the amount disallowed shall be recovered by assessment and collection in the manner provided in chapter 290 for collection of income tax. The assessment shall bear interest from the date the claim is paid by the state until the date of repayment by the claimant, at the rate specified in section 270.75.

Any person who knowingly prepares, assists in preparing, or files false or excessive claims with the intent of defrauding the state of Minnesota, is guilty of an offense and may be sentenced as follows:

(1) to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000; or both, if the amount of the claims, aggregated within any 12-month period, exceeds \$2,500; or

(2) to imprisonment for not more than five years or to payment of a fine of not more than \$5,000; or both, if the amount of the claims, aggregated within any 12-month period, is more than \$300, but not more than \$2,500; or

(3) to imprisonment for not more than one year or to payment of a fine of not more than \$1,000; or both, if the amount of the claims does not exceed \$300.

Notwithstanding the provisions of section 628.26, or any other provisions of the criminal laws of this state, an indictment may be found and filed upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

*[For text of subds 3 and 4, see M.S.1982]*

**History:** 1983 c 294 s 7

#### **290A.111 ACTION TO ENJOIN PROPERTY TAX REFUND RETURN PREPARERS.**

*[For text of subd 1, see M.S.1982]*

**Subd. 2. Adjudication and decrees.** In any action under subdivision 1, if the court finds:

(a) that a property tax refund return preparer has:

(1) engaged in any conduct subject to the criminal penalty provided by section 290A.11, subdivision 2, or subject to the civil penalty under section 290A.112,

(2) misrepresented his eligibility to practice before the department of revenue, or otherwise misrepresented his experience or education as a property tax refund return preparer,

(3) guaranteed the payment of any property tax refund,

(4) engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the provisions of this chapter,

the court may decree appropriate injunctive relief pursuant to the authority granted in section 290.521, subdivision 2.

*[For text of subd 3, see M.S.1982]*

**History:** 1983 c 15 s 30

#### **290A.112 OVERSTATEMENT OF TAXPAYER'S CLAIM BY PROPERTY TAX REFUND RETURN PREPARER.**

*[For text of subd 1, see M.S.1982]*

**Subd. 2. Overstatement of claim defined.** For purposes of this section, the term "overstatement of claim" means any overstatement of the net amount refundable with respect to any claim for property tax relief provided by this chapter. The determination of whether or not there is an overstatement of a claim shall be made without regard to any administrative or judicial action involving the claimant.

**History:** 1983 c 15 s 31

**290A.16 INCOME TAX DEDUCTION PROHIBITED.**

The income tax deduction for property taxes paid shall not exceed the amount paid, reduced by the amount of credit allowed with respect to the tax pursuant to sections 290A.01 to 290A.20.

**History:** 1983 c 342 art 1 s 41

**290A.18 RIGHT TO FILE CLAIM.**

If a person entitled to relief under sections 290A.01 to 290A.23 dies prior to receiving relief, the surviving spouse or dependent of the person shall be entitled to file the claim and receive relief. If there is no surviving spouse or dependent, the right to the credit shall lapse.

**History:** 1983 c 342 art 4 s 14

**290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.**

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent constituting property tax to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

(b) If the owner or managing agent elects to provide the renter with the certificate at the time he moves, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:

(i) The net tax shall be reduced by 1/12th for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(c) The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.

(d) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

**History:** 1983 c 342 art 4 s 15