

CHAPTER 290A

PROPERTY TAX REFUND

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290A.01 CITATION.

This chapter may be cited as the "state of Minnesota property tax refund act."

History: 1975 c 437 art 1 s 1; 1977 c 423 art 2 s 1; 1Sp1981 c 4 art 1 s 137; 1984 c 514 art 4 s 17

290A.02 PURPOSE.

The purpose of this chapter is to provide property tax relief to certain persons who own or rent their homesteads.

History: 1975 c 437 art 1 s 2; 1Sp1981 c 4 art 1 s 138; 1984 c 514 art 4 s 17

290A.03 DEFINITIONS.

Subdivision 1. **Generally.** The following words, terms, and phrases when used in this chapter shall have the meaning ascribed to them in this section, except where the context indicates a different meaning.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue of the state of Minnesota.

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

(a) federal adjusted gross income as defined in the Internal Revenue Code; and

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

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) 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;

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

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) 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;

(x) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

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 or carryforward or a capital loss carryback or carryforward allowed for the year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, 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 this chapter; or

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

(3) The sum of the following amounts may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 of the year for which the taxes were levied or rent paid, the exemption amount.

For purposes of this subdivision, the "exemption amount" means the exemption amount under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year for which the income is reported.

Subd. 4. Household. "Household" means a claimant and an individual related to the claimant as husband or wife who are domiciled in the same homestead.

Subd. 5. Household income. "Household income" means all income received by all persons of a household in a calendar year while members of the household, other than income of a dependent.

Subd. 6. Homestead. "Homestead" means the dwelling occupied as the claimant's 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 22, except for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to 320 acres or, where the farm homestead is rented, one acre. The homestead may be owned or rented and may be a part of a multidwelling or multipurpose building and the land on which it is built. A manufactured home, as defined in section 274.19, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Subd. 7. Dependent. "Dependent" means any person who is considered a depen-

dent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1991. In the case of a son, stepson, daughter, or stepdaughter of the claimant, amounts received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the claimant.

Subd. 8. Claimant. (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 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.54, 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, paragraphs (1) and (2), 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, paragraphs (1) and (2), 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 the 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. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. 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) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Subd. 9. Disabled claimant. "Disabled claimant" means any claimant who has a disability.

Subd. 10. Disability. "Disability" means:

(a) Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in

death or has lasted or can be expected to last for a continuous period of not less than 12 months, or

(b) Blindness; and the term "blindness" means central acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

(c) An individual shall be determined to be under a disability only if the physical or mental impairment or impairments are of such severity that the individual is not only unable to do previous work but cannot, considering age, education, and work experience, engage in any other kind of substantial gainful work which exists in the state economy, regardless of whether the work exists in the immediate area of residence, or whether a specific job vacancy exists for the individual, or whether the individual would be hired on applying for work. For purposes of the preceding sentence, "work which exists in the state economy" means work which exists in significant numbers either in the area where the individual lives or in several areas of the state.

(d) A "physical or mental impairment" is an impairment that results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

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 for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter 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 gross rent paid by the claimant for the calendar year for the unit by a fraction, the numerator of which is the net tax on the property where the unit is located and the denominator of which is the total scheduled rent. In no case may the rent constituting property taxes exceed 50 percent of the gross rent paid by the claimant during that calendar year. In the case of a claimant who resides in a unit for which (1) a rent subsidy is paid to, or for, the claimant based on the income of the claimant or the claimant's family, or (2) a subsidy is paid to a public housing authority that owns or operates the claimant's rental unit, pursuant to United States Code, title 42, section 1437c, 20 percent of gross rent actually paid in cash or its equivalent shall be the claimant's "rent constituting property taxes paid." For purposes of this subdivision, "rent subsidy" does not include any housing assistance received under aid to families with dependent children, general assistance, Minnesota supplemental assistance, supplemental security income, or similar income maintenance programs.

Subd. 12. Gross rent. "Gross rent" means rental paid for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

Any amount paid by a claimant residing in property assessed pursuant to section 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Subd. 12a. Total scheduled rent. "Total scheduled rent" means the sum of the monthly rents assigned to the residential rental units in the property multiplied by 12.

The assigned rents are the rents effective on May 3 for taxes payable in 1990 and April 15 for taxes payable in 1991 and thereafter. The rents must be an arm's-length rental, including garage rents if any, but not including charges for medical services furnished by the landlord as a part of the rental agreement. In determining total scheduled rent, no deduction is allowed for vacant units, uncollected rent, or reduced cash rents in units occupied by employees or agents of the owner.

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 under section 273.13 but after deductions made under sections 273.132, 273.135, 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 274.19, 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. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. 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, subdivision 22 or 23, 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, and after reduction for any state paid property tax credits as required in subdivision 13 except for the reduction under section 273.13, subdivisions 22 and 23, 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 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 net tax capacity of the residential rental portion and the denominator of which is the total net tax capacity 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.

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1991.

History: 1975 c 359 s 23; 1975 c 437 art 1 s 3; 1976 c 245 s 2; 1976 c 268 s 2; 1976 c 334 s 15; 1977 c 376 s 12; 1977 c 423 art 2 s 2-8; 1978 c 721 art 9 s 2; 1979 c 303 art 2 s 28-30; 1980 c 419 s 43,44; 1980 c 607 art 3 s 1; 1981 c 60 s 24; 1981 c 178 s 112,113; 1981 c 343 s 36; 1981 c 365 s 9; 1Sp1981 c 1 art 3 s 2; art 5 s 9; art 8 s 16; 1Sp1981 c 4 art 1 s 139-143; 1982 c 523 art 1 s 63,64; art 8 s 1; art 36 s 2; art 40 s 13; 1983 c 15 s 28; 1983 c 294 s 4,5; 1983 c 342 art 1 s 40; art 4 s 1-5; 1984 c 514 art 1 s 7; art 2 s 32,33; art 3 s 8; art 4 s 10,11,17; 1984 c 522 s 9,10; 1984 c 655 art 1 s 51; 1985 c 210 art 1 s 17; art 2 s 9; 1Sp1985 c 14 art 1 s 58; art 4 s 85-88; art 5 s 1; 1986 c 444; 1Sp1986 c 1 art 1 s 8; art 3 s 20; art 4 s 38,39; 1987 c 268 art 3 s 1-3; art 6 s 46,47; 1988 c 719 art 3 s 10; art 4 s 1-4; art 5 s 84; 1989 c 28 s 25; 1989 c 277 art 2 s 46; 1989 c 329 art 15 s 20; 1990 c 480 art 5 s 10; 1990 c 604 art 2 s 16; art 5 s 1,2; 1991 c 199 art 2 s 1; 1991 c 291 art 6 s 40,41,46; 1992 c 511 art 6 s 19; art 7 s 19

290A.04 REFUND ALLOWABLE.

Subdivision 1. A refund 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 as specified in subdivision 2. 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. **Homeowners.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income 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 state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.2 percent	22 percent	\$400
1,000 to 1,999	1.3 percent	24 percent	\$400
2,000 to 2,999	1.4 percent	26 percent	\$400
3,000 to 3,999	1.6 percent	28 percent	\$400
4,000 to 4,999	1.7 percent	30 percent	\$400
5,000 to 5,999	1.9 percent	33 percent	\$400
6,000 to 6,999	1.9 percent	35 percent	\$400
7,000 to 7,999	2.1 percent	38 percent	\$400
8,000 to 8,999	2.2 percent	40 percent	\$400
9,000 to 9,999	2.3 percent	42 percent	\$400
10,000 to 10,999	2.4 percent	45 percent	\$400
11,000 to 11,999	2.5 percent	48 percent	\$400
12,000 to 13,999	2.6 percent	48 percent	\$400
14,000 to 14,999	2.8 percent	48 percent	\$400
15,000 to 15,999	3.0 percent	50 percent	\$400
16,000 to 16,999	3.2 percent	50 percent	\$400
17,000 to 20,999	3.3 percent	50 percent	\$400
21,000 to 23,999	3.4 percent	50 percent	\$400
24,000 to 24,999	3.5 percent	50 percent	\$400
25,000 to 27,999	3.5 percent	50 percent	\$400
28,000 to 29,999	3.5 percent	50 percent	\$400
30,000 to 34,999	3.5 percent	55 percent	\$400
35,000 to 39,999	3.7 percent	55 percent	\$400

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40,000 to 56,999	4.0 percent	55 percent	\$400
57,000 to 57,999	4.0 percent	55 percent	\$300
58,000 to 58,999	4.0 percent	55 percent	\$200
59,000 to 59,999	4.0 percent	55 percent	\$100

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$60,000 or more.

Subd. 2a. MS 1984 [Repealed, 1Sp1985 c 14 art 5 s 7]

Subd. 2a. MS 1987 SUPP [Repealed, 1988 c 719 art 4 s 13]

Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.0 percent	9 percent	\$1,000
1,000 to 1,999	1.0 percent	9 percent	\$1,000
2,000 to 2,999	1.0 percent	10 percent	\$1,000
3,000 to 3,999	1.0 percent	10 percent	\$1,000
4,000 to 4,999	1.1 percent	11 percent	\$1,000
5,000 to 5,999	1.2 percent	12 percent	\$1,000
6,000 to 6,999	1.2 percent	13 percent	\$1,000
7,000 to 7,999	1.3 percent	14 percent	\$1,000
8,000 to 8,999	1.3 percent	15 percent	\$1,000
9,000 to 9,999	1.4 percent	16 percent	\$1,000
10,000 to 10,999	1.4 percent	17 percent	\$1,000
11,000 to 11,999	1.5 percent	19 percent	\$1,000
12,000 to 12,999	1.5 percent	21 percent	\$1,000
13,000 to 13,999	1.6 percent	23 percent	\$1,000
14,000 to 14,999	1.7 percent	24 percent	\$1,000
15,000 to 15,999	1.8 percent	26 percent	\$1,000
16,000 to 16,999	1.8 percent	27 percent	\$1,000
17,000 to 17,999	1.9 percent	28 percent	\$1,000
18,000 to 18,999	2.0 percent	30 percent	\$1,000
19,000 to 19,999	2.2 percent	32 percent	\$1,000
20,000 to 20,999	2.4 percent	34 percent	\$1,000
21,000 to 21,999	2.6 percent	36 percent	\$1,000
22,000 to 22,999	2.7 percent	37 percent	\$1,000
23,000 to 23,999	2.8 percent	38 percent	\$1,000
24,000 to 24,999	2.9 percent	40 percent	\$1,000
25,000 to 25,999	3.0 percent	43 percent	\$1,000
26,000 to 26,999	3.1 percent	43 percent	\$1,000
27,000 to 27,999	3.2 percent	45 percent	\$1,000
28,000 to 28,999	3.3 percent	47 percent	\$ 900
29,000 to 29,999	3.4 percent	47 percent	\$ 800
30,000 to 30,999	3.5 percent	48 percent	\$ 700
31,000 to 31,999	3.5 percent	48 percent	\$ 600
32,000 to 32,999	3.5 percent	50 percent	\$ 500
33,000 to 33,999	3.5 percent	50 percent	\$ 300
34,000 to 34,999	3.5 percent	50 percent	\$ 100

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$35,000 or more.

Subd. 2b. [Repealed, 1Sp1985 c 14 art 5 s 7]

Subd. 2b. The commissioner may reconstruct the tables in subdivision 2 for homeowners to reflect the elimination of the homestead credit beginning for claims based on taxes payable in 1990.

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

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

Subd. 2e. [Repealed, 1987 c 268 art 3 s 13]

Subd. 2f. [Repealed, 1Sp1986 c 1 art 3 s 21]

Subd. 2g. [Repealed, 1987 c 268 art 3 s 13]

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than 12 percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is \$80 or more for taxes payable in 1993, and \$100 or more for taxes payable in 1994, a claimant who is a homeowner shall be allowed an additional refund equal to 75 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or \$80 for taxes payable in 1993, and 75 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or \$100 for taxes payable in 1994. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes.

In the case of refunds for property taxes payable in 1993 and thereafter, the maximum refund allowed under this subdivision is \$1,500.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 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 subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) 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, 1993, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims for taxes payable in 1994 exceed \$5,500,000, the commissioner shall increase the \$100 amount of tax increase which must occur before a taxpayer qualifies for a refund, and increase by an equal amount the \$100 threshold used in determining the amount of the refund, so that the estimated total refund claims do not exceed \$5,500,000.

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

Subd. 2i. If the net property taxes payable in 1990 on a seasonal residential and recreational property, not devoted to commercial use, increase more than ten percent over the net property taxes payable in 1989 and if the amount is \$40 or more, one individual who is an owner of the property in both years is allowed a refund equal to 75 percent of the first \$250 of the excess of the increase over ten percent. This subdivision does not apply to the portion of an increase in taxes payable that are attributable to improvements to the property.

The individual claiming the refund can use only one contiguous seasonal residential and recreational property in computing the refund and is allowed only one refund. For the purposes of this subdivision, a husband and wife are treated as one individual.

In addition to the other proofs required by this chapter, each individual claiming a refund under this subdivision shall file with the application a copy of the property tax statement for property taxes payable in 1989 and 1990 and any other documents required by the commissioner.

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and refund allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivision 2, 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.

The commissioner shall include on the form an appropriate space or method for the claimant to identify if the property taxes paid are for a manufactured home, as defined in section 274.19, subdivision 8, paragraph (c).

Subd. 5. **Combined renter and homeowner refund.** In the case of a claimant who is entitled to a refund in a calendar year for claims based both on rent constituting property taxes and property taxes payable, the refund allowable equals the sum of the refunds allowable.

History: 1975 c 437 art 1 s 4; 1976 c 245 s 3,4; 1977 c 423 art 2 s 9-11; 1978 c 766 s 9,10; 1979 c 303 art 2 s 31-34; 1980 c 607 art 3 s 2; 1981 c 178 s 114,115; 1Sp1981 c 1 art 2 s 19,20; 1983 c 15 s 29; 1983 c 342 art 4 s 6-12; 1984 c 502 art 3 s 21-23; 1984 c 514 art 4 s 12,13; 1Sp1985 c 14 art 4 s 89; art 5 s 2-4; 1986 c 444; 1987 c 268 art 3 s 4-6; art 6 s 48; 1988 c 719 art 4 s 5-7; 1989 c 356 s 37; 1Sp1989 c 1 art 7 s 1-5; 1990 c 480 art 5 s 11-13; 1990 c 604 art 5 s 3-5; 1991 c 199 art 2 s 21; 1991 c 291 art 1 s 34; 1992 c 511 art 2 s 30

NOTE: Subdivision 2h is repealed by Laws 1989, First Special Session chapter 1, article 7, section 9, effective for property taxes payable in 1995 and thereafter. See Laws 1989, First Special Session chapter 1, article 7, section 10.

290A.045 [Repealed, 1990 c 604 art 5 s 7]

290A.05 COMBINED HOUSEHOLD INCOME.

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, 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. For purposes of this section, "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead and does not have an ownership interest in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, the property tax payable or rent constituting property tax shall be reduced as follows.

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

History: 1975 c 437 art 1 s 5; 1977 c 423 art 2 s 12; 1983 c 294 s 6; 1984 c 522 s 11; 1991 c 291 art 6 s 42

290A.06 [Repealed, 1990 c 480 art 1 s 45]

290A.07 TIME FOR PAYMENT.

Subdivision 1. Allowable claims filed pursuant to the provisions of this chapter shall be paid by the commissioner from the general fund.

Subd. 2. [Repealed, 1982 c 641 art 2 s 13]

Subd. 2a. A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 274.19, subdivision 8, paragraph (c), shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Subd. 3. A claimant not included in subdivision 2a shall receive full payment after September 15 and before September 30.

Subd. 4. [Repealed, 1981 c 343 s 43]

History: 1975 c 437 art 1 s 7; 1980 c 419 s 45; 1981 c 178 s 117; 1981 c 343 s 37,38; 1Sp1981 c 3 s 6-8; 1982 c 523 art 1 s 65; 1982 c 641 art 2 s 2,3; 1983 c 342 art 4 s 13; 1984 c 514 art 3 s 9,10; 1Sp1985 c 14 art 15 s 11,12; 1Sp1989 c 1 art 7 s 6; 1990 c 480 art 1 s 36,37

290A.08 ONE CLAIMANT PER HOUSEHOLD.

Only one claimant per household per year is entitled to relief under this chapter. Payment of the claim for relief may be made payable to the husband and wife as one claimant. The commissioner, upon written request, may issue separate checks, to the husband and wife for one-half of the relief provided the original check has not been issued or has been returned. Individuals related as husband and wife who were married during the year may elect to file a joint claim which shall include each spouse's income, rent constituting property taxes, and property taxes payable. The maximum dollar amount allowable for a joint claim shall not exceed the amount that one person could receive.

History: 1975 c 437 art 1 s 8; 1977 c 423 art 2 s 13; 1981 c 343 s 39; 1Sp1981 c 4 art 1 s 144; 1984 c 514 art 4 s 17

290A.09 PROOF OF CLAIM.

Every claimant shall supply to the department of revenue, in support of the claim, proof of eligibility under this chapter, including but not limited to amount of rent paid or property taxes accrued, name and address of owner or managing agent of property rented, changes in homestead, household membership, household income, size and nature of property claimed as a homestead.

Disabled persons filing claims shall submit proof of disability in the form and manner as the department may prescribe. The department may require examination and certification by the claimant's physician or by a physician designated by the department. The cost of any examination shall be borne by the claimant, unless the examination proves the disability, in which case the cost of the examination shall be borne by the department.

A determination of disability of a claimant by the social security administration under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

History: 1975 c 437 art 1 s 9; 1Sp1981 c 4 art 1 s 145; 1984 c 514 art 4 s 17; 1986 c 444

290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.

The cooperative manager of a leasehold cooperative shall furnish a statement to each tenant by March 31 of the year in which the property tax is payable showing each unit's share of the gross property tax and each unit's share of any property tax credits. Each tenant may apply for a property tax refund under this chapter as a homeowner based on each tenant's share of property taxes. The tenant may not include any rent constituting property taxes paid on that unit. For the purposes of this section, a leasehold cooperative is formed on the day that leasehold cooperative status is granted by the appropriate county official.

History: 1987 c 268 art 3 s 8; 1991 c 291 art 6 s 43

290A.10 PROOF OF TAXES PAID.

Every claimant who files a claim for relief for property taxes payable shall include with the claim a property tax statement or a reproduction thereof in a form deemed satisfactory by the commissioner of revenue indicating that there are no delinquent

property taxes on the homestead. Indication on the property tax statement from the county treasurer that there are no delinquent taxes on the homestead shall be sufficient proof. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.

History: 1975 c 437 art 1 s 10; 1977 c 423 art 2 s 14; 1986 c 444

290A.11 OBJECTIONS TO CLAIMS.

Subdivision 1. [Repealed, 1990 c 480 art 1 s 45]

Subd. 1a. [Repealed, 1990 c 480 art 1 s 45]

Subd. 2. [Repealed, 1990 c 480 art 1 s 45]

Subd. 3. [Repealed, 1990 c 480 art 1 s 45]

Subd. 4. [Repealed, 1990 c 480 art 1 s 45]

Subd. 5. **Assignment of refund.** The commissioner shall not honor an assignment by the claimant to another person or entity of a property tax refund prior to the refund check being presented to the claimant.

History: 1975 c 437 art 1 s 11; 1976 c 134 s 78; 1977 c 307 s 29; 1978 c 767 s 23; 1980 c 607 art 3 s 4; 1981 c 343 s 40,41; 1Sp1981 c 4 art 1 s 146; 1982 c 523 art 1 s 66; 1983 c 294 s 7; 1984 c 514 art 4 s 17; 1984 c 628 art 3 s 11; 1985 c 210 art 1 s 18,19; 1987 c 268 art 17 s 19; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20

290A.111 [Repealed, 1990 c 480 art 1 s 45]

290A.112 [Repealed, 1990 c 480 art 1 s 45]

290A.12 [Repealed, 1990 c 480 art 1 s 45]

290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.

No claim for relief under this chapter shall be allowed if the commissioner determines that the claimant received title or tenancy to the homestead primarily for the purpose of receiving benefits under this chapter and not for bona fide residence purposes.

History: 1975 c 437 art 1 s 13; 1Sp1981 c 4 art 1 s 147; 1984 c 514 art 4 s 17; 1986 c 444

290A.14 PROPERTY TAX STATEMENT.

The county treasurer shall prepare and send a sufficient number of copies of the property tax statement to the owner, and to the owner's escrow agent if the taxes are paid via an escrow account, to enable the owner to comply with the filing requirements of this chapter and to retain one copy as a record. The property tax statement, in a form prescribed by the commissioner, shall indicate the manner in which the claimant may claim relief from the state and the amount of the tax for which the applicant may claim relief. The statement shall also indicate if there are delinquent property taxes on the property in the preceding year. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.

History: 1975 c 437 art 1 s 14; 1976 c 334 s 17; 1977 c 423 art 2 s 15; 1986 c 444

290A.15 CLAIM APPLIED AGAINST OUTSTANDING LIABILITY.

The amount of any claim otherwise payable under this chapter may be applied by the commissioner against any delinquent tax liability of the claimant or spouse of the claimant payable to the department of revenue.

History: 1975 c 437 art 1 s 15; 1Sp1981 c 4 art 1 s 148; 1984 c 514 art 4 s 17

290A.16 [Repealed, 1984 c 514 art 4 s 18]

290A.17 [Repealed, 1989 c 184 art 1 s 20]

290A.18 RIGHT TO FILE CLAIM; RIGHT TO RECEIVE CREDIT.

Subdivision 1. **Claim by surviving spouse or dependent.** If a person entitled to relief under this chapter 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.

Subd. 2. **Claimant cannot be located.** If the commissioner cannot locate the claimant within two years from the date that the original warrant was issued, the right to the credit shall lapse, and the warrant shall be deposited in the general fund.

History: 1975 c 437 art 1 s 18; 1977 c 423 art 2 s 16; 1980 c 607 art 3 s 6; 1983 c 342 art 4 s 14; 1984 c 514 art 4 s 17; 1987 c 268 art 3 s 9

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

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent constituting property tax to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

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

(c) 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 that 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.

(d) By January 31 of the year following the year in which the rent was collected, each owner or managing agent shall report to the commissioner on a form prescribed by the commissioner the net tax pertaining to the rental residential part of the property, the total scheduled rent, and the fraction computed under section 290A.03, subdivision 11. A copy of the property tax statement for taxes payable in that year must be attached.

History: 1975 c 437 art 1 s 19; 1977 c 423 art 2 s 17; 1980 c 607 art 3 s 7; 1981 c 104 s 1; 1983 c 289 s 115 subd 1; 1983 c 342 art 4 s 15; 1984 c 595 s 8; 1985 c 210 art 1 s 20; 1Sp1985 c 14 art 5 s 6; 1986 c 444; 1987 c 268 art 3 s 10; 1990 c 480 art 1 s 38; 1990 c 604 art 5 s 6; 1992 c 511 art 7 s 25; 1992 c 511 art 7 s 20,25

290A.20 RULES.

The commissioner shall promulgate rules which the commissioner deems appropriate for the administration of this chapter and shall also make available forms with instructions for claimants as the commissioner deems necessary for the proper administration of this chapter. The claim shall be in the form the commissioner may prescribe.

History: 1975 c 437 art 1 s 20; 1Sp1981 c 4 art 1 s 151; 1984 c 514 art 4 s 17; 1985 c 248 s 70; 1986 c 444

290A.21 [Repealed, 1977 c 423 art 2 s 20]

290A.22 SUPPLEMENTAL HOUSING ALLOWANCE FOR AFDC RECIPIENTS.

Recipients of the aid to families with dependent children program who receive a supplemental housing allowance under section 256.879 are not eligible for the tax credit set forth under this chapter. The commissioner of revenue shall assist the commissioner of human services in the administration of the supplemental housing allowance, and shall provide the commissioner of human services with such records and information as are necessary to administer the housing allowance.

History: 1976 c 334 s 18; 1Sp1981 c 4 art 1 s 152; 1984 c 514 art 4 s 17; 1984 c 654 art 5 s 58

290A.23 APPROPRIATION.

Subdivision 1. Renters credit and targeting. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2a and 2h.

Subd. 2. Homeowners property tax refund. There is appropriated from the local government trust fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivision 2.

History: 1977 c 423 art 2 s 18; 1992 c 511 art 1 s 11

NOTE: This section, as amended by Laws 1992, chapter 511, article 1, section 11, is effective July 1, 1993. See Laws 1992, chapter 511, article 1, section 27.

290A.24 FINANCIAL REPORTING.

For financial reporting and accounting purposes and for purposes of the state budget, the refunds paid under this chapter must be recognized and accounted for as an adjustment in the total amount of withholding tax paid under section 290.92 and declarations of estimated tax under section 289A.25.

History: 1988 c 719 art 4 s 9; 1990 c 480 art 1 s 46

290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.

Annually, the commissioner of revenue shall furnish a list to the county assessor containing the names and social security numbers of persons who have applied for both homestead classification under section 273.13 and a property tax refund as a renter under this chapter.

Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was improperly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that has been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, and the taconite homestead credit under section 273.1391. The county auditor shall send a notice to the owners of the property, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The total amount of penalty collected must be deposited in the county general fund.

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290A.25 PROPERTY TAX REFUND

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History: *1992 c 511 art 2 s 31*

NOTE: This section, as added by Laws 1992, chapter 511, article 2, section 31, is effective for property taxes levied in 1993, payable in 1994, and thereafter. See Laws 1992, chapter 511, article 2, section 61.