

CHAPTER 290A

PROPERTY TAX REFUND

290A.03 Definitions.
 290A.04 Refund allowable.
 290A.055 Repealed.

290A.19 Owner or managing agent to furnish
 rent certificate.
 290A.26 Repealed.

290A.03 DEFINITIONS.

[For text of subs 1 to 6, see M.S.1996]

Subd. 7. Dependent. "Dependent" means any person who is considered a dependent under sections 151 and 152 of the Internal Revenue Code. In the case of a son, stepson, daughter, or stepdaughter of the claimant, amounts received as an aid to families with dependent children grant, allowance to or on behalf of the child, or as a grant or allowance to or on behalf of the child under the successor program pursuant to Public Law Number 104-193, surplus food, or other relief in kind supplied by a governmental agency must not be taken into account in determining whether the child received more than half of the child's support from the claimant.

[For text of subs 8 to 10, see M.S.1996]

Subd. 11. Rent constituting property taxes. "Rent constituting property taxes" means 18 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent 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.

[For text of subd 12, see M.S.1996]

Subd. 12a. [Repealed, 1997 c 231 art 5 s 19]

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 after deductions made under sections 273.135, 273.1382, 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 273.125, subdivision 8, and for homesteads which are park trailers taxed as manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall also include 18 percent of the gross rent paid in the preceding year for the site on which the homestead is located. 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 273.124, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before December 15 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Subd. 14. [Repealed, 1997 c 231 art 5 s 19]

Subd. 15. Internal Revenue Code. "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1996.

History: 1997 c 231 art 1 s 14; art 5 s 11-13; art 6 s 24

290A.04 REFUND ALLOWABLE.

[For text of subs 1 to 2b, see M.S.1996]

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 and occupied by the same owner on January 2 of both years, and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be allowed an additional refund equal to 60 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or \$100. 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. This subdivision shall not apply to any increase in the gross property taxes payable attributable to the termination of valuation exclusions under section 273.11, subdivision 16.

The maximum refund allowed under this subdivision is \$1,000.

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

(1) "Net property taxes payable" means property taxes payable minus 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.

(d) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided on a magnetic computer disk. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.

Subd. 2j. Seasonal residential recreational credit. If the net property taxes payable on a seasonal residential recreational property not used for commercial purposes, classified under section 273.13, subdivision 25, increase more than ten percent over its net property taxes payable in the previous year, and if the amount of the increase is \$100 or more, a claimant who is an owner of the property in both years is allowed a credit under section 290.06, subdivision 25, equal to 75 percent of the first \$300 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.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the application a copy of the property tax statement for property taxes payable in the current year and the previous year and any other documents required by the commissioner.

For purposes of this subdivision, "net property taxes payable" means property taxes payable minus credit amounts for which a claimant qualify's under this subdivision for the previous year.

The credit under this subdivision is effective for property taxes payable in 1998, for credits under section 290.06, subdivision 25, for tax year 1998, income tax returns filed in 1999; and for property taxes payable in 1999, for credits under section 290.06, subdivision 25, for tax year 1999, income tax returns filed in 2000.

[For text of subs 3 and 5, see M.S.1996]

Subd. 6. Inflation adjustment. Beginning for property tax refunds payable in calendar year 1996, the commissioner shall annually adjust the dollar amounts of the income thresh-

olds and the maximum refunds under subdivisions 2 and 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section 290.06, subdivision 2d, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on June 30, 1994, to the year ending on June 30 of the year preceding that in which the refund is payable. The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round the thresholds and the maximum amounts, as adjusted to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount.

The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

History: 1997 c 31 art 1 s 18; 1997 c 84 art 1 s 4; 1997 c 231 art 5 s 14

290A.055 [Repealed, 1997 c 231 art 2 s 70]

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

The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid 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. For the purposes of this section, "owner" includes a park owner as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined under section 327C.01, subdivision 3.

History: 1997 c 231 art 5 s 15

290A.26 [Repealed, 1997 c 231 art 2 s 70]