

## 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 of 1986, as amended through December 31, 1995;
  - (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;
  - (xii) nontaxable scholarship or fellowship grants;
  - (xiii) the amount of deduction allowed under section 199 of the Internal Revenue Code;
  - (xiv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue Code;
  - (xv) the amount of tuition expenses required to be added to income under section 290.01, subdivision 19a, clause (12);

(xvi) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code; and

(xvii) unemployment compensation.

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) and 102;

(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;

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

(f) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16.

(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 on or before December 31 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 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 the house and garage and immediately surrounding one acre of land. 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 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed as personal property may be a dwelling for purposes of this subdivision.

Subd. 7. **Dependent.** "Dependent" means any person who is considered a dependent under sections 151 and 152 of the Internal Revenue Code.

Subd. 8. **Claimant.** (a) "Claimant" means a person, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3) of the Internal Revenue Code, 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, long-term residential facility, or a facility that accepts group residential housing payments 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, the general assistance medical care program pursuant to section 256D.03, subdivision 3, or the group residential housing program under chapter 256I.

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, long-term residential facility, or facility for which the rent was paid for the claimant by the group residential housing program 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 or 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 19 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.

Subd. 12. **Gross rent.** (a) "Gross rent" means rental paid for the right of occupancy, at arm's 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.

(b) The gross rent of a resident of a nursing home or intermediate care facility is \$350 per month. The gross rent of a resident of an adult foster care home is \$550 per month. Beginning for rent paid in 2002, the commissioner shall annually adjust for inflation the gross rent amounts stated in this paragraph. The adjustment must be made in accordance with section 1(f) of the Internal Revenue Code, except that for purposes of this paragraph the percentage increase shall be determined from the year ending on June 30, 2001, to the year ending on June 30 of the year in which the rent is paid. The commissioner shall round the gross rents to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount. The determination of the commissioner under this paragraph is not a rule under the Administrative Procedure Act.

(c) If the landlord and tenant have not dealt with each other at arm's 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.

(d) 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. [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, 273.1384, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year, and after any refund claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the year that the property tax is payable. 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 19 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 March 31, 2009.

**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; 1993 c 13 art 2 s 9; 1993 c 375 art 6 s 1-3; art 8 s 14; 1994 c 416 art 1 s 40; 1994 c 465 art 2 s 1; 1994 c 587 art 1 s 24; 1995 c 186 s 119; 1995 c 264 art 1, s 4; art 3 s 22,23; art 4 s 10; 1996 c 471 art 3 s 52; 1997 c 231 art 1 s 14; art 2 s 70; art 5 s 11-13; art 6 s 24; 1998 c 389 art 2 s 18,19; art 7 s 9,10; 1999 c 159 s 128; 1999 c 243 art 2 s 28; art 3 s 5; art 5 s 27; 2000 c 490 art 12 s 4; 1Sp2001 c 5 art 4 s 1,2; art 7 s 44; art 10 s 9; 2002 c 377 art 2 s 12; art 10 s 17; 2002 c 379 art 1 s 67; 2003 c 127 art 2 s 20; art 4 s 4; 1Sp2003 c 21 art 3 s 4; 1Sp2005 c 3 art 4 s 16,17; 2006 c 259 art 2 s 7; 2007 c 1 s 4; 2008 c 154 art 4 s 8; art 11 s 19; 2009 c 12 art 1 s 9,10; 2009 c 88 art 1 s 11,12

## **290A.04 REFUND ALLOWABLE.**

Subdivision 1. **Refund.** 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 or 2a in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or 2a. 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 or 2a 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 1,189	1.0 percent	15 percent	\$ 1,850
1,190 to 2,379	1.1 percent	15 percent	\$ 1,850
2,380 to 3,589	1.2 percent	15 percent	\$ 1,800
3,590 to 4,789	1.3 percent	20 percent	\$ 1,800
4,790 to 5,979	1.4 percent	20 percent	\$ 1,730
5,980 to 8,369	1.5 percent	20 percent	\$ 1,730
8,370 to 9,559	1.6 percent	25 percent	\$ 1,670



9,560 to 10,759	1.7 percent	25 percent	\$ 1,670
10,760 to 11,949	1.8 percent	25 percent	\$ 1,610
11,950 to 13,139	1.9 percent	30 percent	\$ 1,610
13,140 to 14,349	2.0 percent	30 percent	\$ 1,540
14,350 to 16,739	2.1 percent	30 percent	\$ 1,540
16,740 to 17,929	2.2 percent	35 percent	\$ 1,480
17,930 to 19,119	2.3 percent	35 percent	\$ 1,480
19,120 to 20,319	2.4 percent	35 percent	\$ 1,420
20,320 to 25,099	2.5 percent	40 percent	\$ 1,420
25,100 to 28,679	2.6 percent	40 percent	\$ 1,360
28,680 to 35,849	2.7 percent	40 percent	\$ 1,360
35,850 to 41,819	2.8 percent	45 percent	\$ 1,240
41,820 to 47,799	3.0 percent	45 percent	\$ 1,240
47,800 to 53,779	3.2 percent	45 percent	\$ 1,110
53,780 to 59,749	3.5 percent	50 percent	\$ 990
59,750 to 65,729	3.5 percent	50 percent	\$ 870
65,730 to 69,319	3.5 percent	50 percent	\$ 740
69,320 to 71,719	3.5 percent	50 percent	\$ 610
71,720 to 74,619	3.5 percent	50 percent	\$ 500
74,620 to 77,519	3.5 percent	50 percent	\$ 370

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 \$77,520 or more.

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 3,589	1.0 percent	5 percent	\$ 1,190
3,590 to 4,779	1.0 percent	10 percent	\$ 1,190
4,780 to 5,969	1.1 percent	10 percent	\$ 1,190

5,970 to 8,369	1.2 percent	10 percent	\$ 1,190
8,370 to 10,759	1.3 percent	15 percent	\$ 1,190
10,760 to 11,949	1.4 percent	15 percent	\$ 1,190
11,950 to 13,139	1.4 percent	20 percent	\$ 1,190
13,140 to 15,539	1.5 percent	20 percent	\$ 1,190
15,540 to 16,729	1.6 percent	20 percent	\$ 1,190
16,730 to 17,919	1.7 percent	25 percent	\$ 1,190
17,920 to 20,319	1.8 percent	25 percent	\$ 1,190
20,320 to 21,509	1.9 percent	30 percent	\$ 1,190
21,510 to 22,699	2.0 percent	30 percent	\$ 1,190
22,700 to 23,899	2.2 percent	30 percent	\$ 1,190
23,900 to 25,089	2.4 percent	30 percent	\$ 1,190
25,090 to 26,289	2.6 percent	35 percent	\$ 1,190
26,290 to 27,489	2.7 percent	35 percent	\$ 1,190
27,490 to 28,679	2.8 percent	35 percent	\$ 1,190
28,680 to 29,869	2.9 percent	40 percent	\$ 1,190
29,870 to 31,079	3.0 percent	40 percent	\$ 1,190
31,080 to 32,269	3.1 percent	40 percent	\$ 1,190
32,270 to 33,459	3.2 percent	40 percent	\$ 1,190
33,460 to 34,649	3.3 percent	45 percent	\$ 1,080
34,650 to 35,849	3.4 percent	45 percent	\$ 960
35,850 to 37,049	3.5 percent	45 percent	\$ 830
37,050 to 38,239	3.5 percent	50 percent	\$ 720
38,240 to 39,439	3.5 percent	50 percent	\$ 600
38,440 to 40,629	3.5 percent	50 percent	\$ 360
40,630 to 41,819	3.5 percent	50 percent	\$ 120

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 \$41,820 or more.

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

Subd. 2b. **Tables may be reconstructed.** 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. **Additional refund.** (a) If the gross property taxes payable on a homestead increase more than 12 percent over the 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 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 "gross property taxes payable" means 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. 2i. [Repealed, 1995 c 264 art 15 s 6]

Subd. 2j. [Repealed, 1Sp2001 c 5 art 7 s 66]

Subd. 3. **Table.** 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 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9.

Subd. 4. **Inflation adjustment.** Beginning for property tax refunds payable in calendar year 2002, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section 1(f) of the Internal Revenue Code, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on June 30, 2000, 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.

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.

Subd. 6. [Renumbered subd 4]

**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 1-5,9; 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; 1993 c 375 art 2 s 32,33; art 3 s 48; art 6 s 4,5; 1994 c 383 s 1; 1994 c 587 art 4 s 1-4; 1995 c 264 art 3 s 24; art 4 s 11; art 15 s 3,4,6; 1996 c 471 art 3 s 33,52; 1997 c 31 art 1 s 18; 1997 c 84 art 1 s 4; 1997 c 231 art 2 s 70; art 5 s 14; 1Sp2001 c 5 art 4 s 3-6; 2002 c 377 art 10 s 18; 2008 c 366 art 1 s 1

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

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

**290A.07 CLAIMS PAYMENTS.**

Subdivision 1. **Authority.** 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. **Time of payment to renter or manufactured home homeowner.** A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Subd. 3. **Time of payment to other claimants.** 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]

Subd. 5. **Early payment; e-file claims.** The commissioner may pay a claim up to 30 days earlier than the first permitted date under subdivision 2a or 3 if the claim is submitted

by electronic means.

**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; 1993 c 375 art 3 s 48; 1995 c 264 art 3 s 25; art 4 s 13; 1996 c 471 art 3 s 52; 1997 c 231 art 2 s 70; 2005 c 151 art 3 s 13

#### **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. Husbands and wives who were married for the entire year and were domiciled in the same household for the entire year must file a joint claim. 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; 1994 c 510 art 1 s 9

#### **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 277.23 or 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 277.23 or 279.37.

**History:** 1975 c 437 art 1 s 10; 1977 c 423 art 2 s 14; 1986 c 444; 2009 c 88 art 7 s 9

#### **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 under both this chapter and chapter 290B, 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 277.23 or 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 277.23 or 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; 1998 c 389 art 5 s 2; 2009 c 88 art 7 s 10

**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 any member of the household. If there are two members of the household, the commissioner may apply only one-half of a refund to the separate liability of either member of the household.

**History:** 1975 c 437 art 1 s 15; 1Sp1981 c 4 art 1 s 148; 1984 c 514 art 4 s 17; 1995 c 264 art 4 s 14; 1996 c 471 art 3 s 52; 1997 c 231 art 2 s 70; 1Sp2001 c 5 art 7 s 45

**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, or if a claimant to whom a warrant has been issued does not cash that warrant within two years from the date the 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; 1994 c 510 art 1 s 10; 1995 c 264 art 4 s 15; 1996 c 471 art 3 s 52; 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:** 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 20,25; 1994 c 592 s 1; 1997 c 231 art 5 s 15

#### **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** [Repealed, 1999 c 159 s 154]

#### **290A.23 APPROPRIATION.**

Subdivision 1. **Renters credit.** 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, subdivision 2a.

Subd. 2. [Repealed, 1994 c 587 art 3 s 21 para (b)]

Subd. 3. **Annual appropriation.** For payments made after July 1, 1996, there is annually appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2 and 2h.

**History:** 1977 c 423 art 2 s 18; 1992 c 511 art 1 s 11; 1993 c 375 art 6 s 6; 1994 c 587 art 4 s 5; 1994 c 587 art 3 s 11

**290A.24** [Repealed, 1993 c 192 s 110]

### **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" has the meaning given in section 273.124, subdivision 13, paragraph (h). The county auditor shall send a notice to persons who owned the affected property at the time the homestead application related to the improper homestead was filed, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The person notified may appeal the county's determination with the Minnesota Tax Court within 60 days of the date of the notice from the county as provided in section 273.124, subdivision 13, paragraph (h).

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 county treasurer. The county treasurer will add interest to the unpaid homestead benefits and penalty amounts at the rate provided for delinquent personal property taxes for the period beginning 60 days after demand for payment was made until payment. If the person notified is the current owner of the property, the treasurer may add the total amount of benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property in the following year. If the person notified is not the current owner of the property, the treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent tax obligations of the person who owned the property at the time the application related to the improperly allowed homestead was filed. The treasurer may relieve a prior owner of personal liability for the benefits, penalty, interest, and costs, and instead extend

those amounts on the tax lists against the property for taxes payable in the following year to the extent that the current owner agrees in writing.

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. Any amount recovered that is attributable to supplemental homestead credit is to be transmitted to the commissioner of revenue for deposit in the general fund of the state treasury. The total amount of penalty collected must be deposited in the county general fund.

**History:** 1992 c 511 art 2 s 31; 1996 c 471 art 3 s 34

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

**290A.27 ROUNDING.**

In computing the dollar amount of items on the property tax refund claim form and accompanying schedules, items may be rounded off to the nearest whole dollar amount, disregarding amounts of less than 50 cents and increasing amounts of 50 cents to 99 cents to the next highest dollar.

**History:** 1996 c 471 art 3 s 35