

Subject Short-term rental property

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Summary

Adds to the 4(b)1 property tax classification short-term rental properties containing less than four units that were rented for more than 14 days in the preceding year. The bill as amended defines short-term rental property as residential real estate rented for periods of less than 30 consecutive days. The 4(b)1 classification has a class rate of 1.25 percent, is not subject to the state general levy, and is subject to referendum market value (RMV) taxes.

Class Rate Comparison

Class	Description	Tiers	Class Rate	State General Rate	Subject to RMV Taxes
1a	Residential Homestead	First \$500,000 Over \$500,000	1.00% 1.25%	N/A	Yes
3a	Commercial/Industrial	First \$150,000 Over \$150,000	1.50% 2.00%	1.50%* 2.00%	Yes
4(b)1	Residential Nonhomestead		1.25%	N/A	Yes
4(c)1	Seasonal Residential Recreational Commercial (resorts)	First \$500,000 Over \$500,000	1.00% 1.25%	1.00% 1.25%	Yes
4(c)12	Seasonal Residential Recreational Noncommercial (cabins)	First \$76,000 \$76,000-\$500,000 Over \$500,000	1.00% 1.00% 1.25%	0.40% 1.00% 1.25%	No

*Commercial/Industrial property is subject to the C/I portion of the state general levy, the first \$100,000 of value is exempt from the state general levy. Class 4(c)1 and 4(c)12 property is subject to the seasonal residential recreational portion of the state general levy.