

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4119

03/09/2026 Authored by Rehrauer The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; increasing property tax refunds and renters credits by reducing
1.3 co-pay percentages; amending Minnesota Statutes 2024, sections 290.0693,
1.4 subdivision 3; 290A.04, subdivisions 2, 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 290.0693, subdivision 3, is amended to read:

1.7 Subd. 3. Renters. (a) A taxpayer whose rent constituting property taxes exceeds the
1.8 percentage of the household income stated below must pay an amount equal to the percent
1.9 of income shown for the appropriate household income level along with the percent paid
1.10 by claimant of the remaining amount of rent constituting property taxes. The credit under
1.11 subdivision 2 equals the amount of rent constituting property taxes that remain, up to the
1.12 maximum credit amount shown below.

Table with 5 columns: Household Income, Percent of Income, Percent paid by claimant, and Maximum Credit. Rows 1.13-1.26 show income brackets and corresponding percentages and credits.

2.1	21,540 to 23,679		20	2,310
2.2	<u>22,670 to 24,919</u>	1.4 percent	<u>15 percent</u>	\$ <u>2,430</u>
2.3	23,680 to 28,009		20	2,240
2.4	<u>24,920 to 29,469</u>	1.5 percent	<u>15 percent</u>	\$ <u>2,360</u>
2.5	28,010 to 30,159		20	2,180
2.6	<u>29,470 to 31,739</u>	1.6 percent	<u>15 percent</u>	\$ <u>2,290</u>
2.7	30,160 to 32,309		25	2,180
2.8	<u>31,740 to 33,999</u>	1.7 percent	<u>20 percent</u>	\$ <u>2,290</u>
2.9	32,310 to 36,629		25	2,180
2.10	<u>34,000 to 38,539</u>	1.8 percent	<u>20 percent</u>	\$ <u>2,290</u>
2.11	36,630 to 38,769		30	2,180
2.12	<u>38,540 to 40,799</u>	1.9 percent	<u>25 percent</u>	\$ <u>2,290</u>
2.13	38,770 to 45,229		30	2,180
2.14	<u>40,800 to 47,589</u>	2.0 percent	<u>25 percent</u>	\$ <u>2,290</u>
2.15	45,230 to 51,689		35	2,180
2.16	<u>47,590 to 54,389</u>	2.0 percent	<u>30 percent</u>	\$ <u>2,290</u>
2.17	51,690 to 60,319		40	2,180
2.18	<u>54,390 to 63,469</u>	2.0 percent	<u>35 percent</u>	\$ <u>2,290</u>
2.19	60,320 to 62,459		45	1,980
2.20	<u>63,470 to 65,719</u>	2.0 percent	<u>40 percent</u>	\$ <u>2,080</u>
2.21	62,460 to 64,619		45	1,780
2.22	<u>65,720 to 67,999</u>	2.0 percent	<u>40 percent</u>	\$ <u>1,870</u>
2.23	64,620 to 66,789		45	1,510
2.24	<u>68,000 to 70,279</u>	2.0 percent	<u>40 percent</u>	\$ <u>1,590</u>
2.25	66,790 to 68,929		50	1,320
2.26	<u>70,280 to 72,529</u>	2.0 percent	<u>45 percent</u>	\$ <u>1,390</u>
2.27	68,930 to 71,089		50	1,190
2.28	<u>72,530 to 74,809</u>	2.0 percent	<u>45 percent</u>	\$ <u>1,250</u>
2.29	71,090 to 73,239		50	660
2.30	<u>74,810 to 77,069</u>	2.0 percent	<u>45 percent</u>	\$ <u>690</u>
2.31	73,240 to 75,389		50	260
2.32	<u>77,070 to 79,329</u>	2.0 percent	<u>45 percent</u>	\$ <u>270</u>

2.33 The credit is the amount calculated under this subdivision. No credit is allowed if the
 2.34 taxpayer's household income is ~~\$75,389~~ \$79,330 or more.

2.35 (b) The commissioner must annually adjust the dollar amounts of the income thresholds
 2.36 and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory
 2.37 year is ~~2024~~ 2026.

2.38 (c) The commissioner shall construct and make available to taxpayers a comprehensive
 2.39 table showing the rent constituting property taxes to be paid and refund allowed at various
 2.40 levels of income and assessment. The table shall follow the schedule of income percentages,
 2.41 maximums, and other provisions specified in paragraph (a), except that the commissioner

3.1 may graduate the transition between income brackets. All refunds shall be computed in
 3.2 accordance with tables prepared and issued by the commissioner.

3.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 3.4 31, 2025.

3.5 Sec. 2. Minnesota Statutes 2024, section 290A.04, subdivision 2, is amended to read:

3.6 Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes
 3.7 payable are in excess of the percentage of the household income stated below shall pay an
 3.8 amount equal to the percent of income shown for the appropriate household income level
 3.9 along with the percent to be paid by the claimant of the remaining amount of property taxes
 3.10 payable. The state refund equals the amount of property taxes payable that remain, up to
 3.11 the state refund amount shown below.

3.12			Percent Paid by	Maximum
3.13	Household Income	Percent of Income	Claimant	State
3.14				Refund
3.15	\$0 to 2,079		12	3,310
3.16	<u>2,249</u>	1.0 percent	<u>7</u> percent	\$ <u>3,580</u>
3.17	2,080 to 4,139		12	3,310
3.18	<u>2,250 to 4,469</u>	1.1 percent	<u>7</u> percent	\$ <u>3,580</u>
3.19	4,140 to 6,269		12	3,310
3.20	<u>4,470 to 6,779</u>	1.2 percent	<u>7</u> percent	\$ <u>3,580</u>
3.21	6,270 to 8,369		17	3,310
3.22	<u>6,780 to 9,049</u>	1.3 percent	<u>12</u> percent	\$ <u>3,580</u>
3.23	8,370 to 10,439		17	3,310
3.24	<u>9,050 to 11,279</u>	1.4 percent	<u>12</u> percent	\$ <u>3,580</u>
3.25	10,440 to 14,619		17	3,310
3.26	<u>11,280 to 15,799</u>	1.5 percent	<u>12</u> percent	\$ <u>3,580</u>
3.27	14,620 to 16,689		17	3,310
3.28	<u>15,800 to 18,039</u>	1.6 percent	<u>12</u> percent	\$ <u>3,580</u>
3.29	16,690 to 18,799		17	3,310
3.30	<u>18,040 to 20,319</u>	1.7 percent	<u>12</u> percent	\$ <u>3,580</u>
3.31	18,800 to 20,879		17	3,310
3.32	<u>20,320 to 22,559</u>	1.8 percent	<u>12</u> percent	\$ <u>3,580</u>
3.33	20,880 to 22,949		22	3,310
3.34	<u>20,560 to 24,799</u>	1.9 percent	<u>17</u> percent	\$ <u>3,580</u>
3.35	22,950 to 29,239		22	3,310
3.36	<u>24,800 to 31,599</u>	2.0 percent	<u>17</u> percent	\$ <u>3,580</u>
3.37	29,240 to 31,319		27	3,310
3.38	<u>31,600 to 33,849</u>	2.0 percent	<u>22</u> percent	\$ <u>3,580</u>
3.39	31,320 to 35,509		27	3,310
3.40	<u>33,850 to 38,379</u>	2.0 percent	<u>22</u> percent	\$ <u>3,580</u>

4.1	35,510 to 50,099		32	3,310
4.2	<u>38,380 to 54,139</u>	2.0 percent	<u>27</u> percent	\$ <u>3,580</u>
4.3	50,100 to 73,059		32	2,680
4.4	<u>54,140 to 78,959</u>	2.0 percent	<u>27</u> percent	\$ <u>2,900</u>
4.5	73,060 to 83,499		37	2,350
4.6	<u>78,960 to 90,239</u>	2.0 percent	<u>32</u> percent	\$ <u>2,540</u>
4.7	83,500 to 93,939		37	1,940
4.8	<u>90,240 to 101,519</u>	2.1 percent	<u>32</u> percent	\$ <u>2,100</u>
4.9	93,940 to 104,379		37	1,740
4.10	<u>101,520 to 112,799</u>	2.2 percent	<u>32</u> percent	\$ <u>1,880</u>
4.11	104,380 to 114,819		37	1,520
4.12	<u>112,800 to 124,089</u>	2.3 percent	<u>32</u> percent	\$ <u>1,640</u>
4.13	114,820 to 121,089		42	1,280
4.14	<u>124,090 to 130,859</u>	2.4 percent	<u>37</u> percent	\$ <u>1,380</u>
4.15	121,090 to 125,289		42	1,070
4.16	<u>130,860 to 135,399</u>	2.5 percent	<u>37</u> percent	\$ <u>1,160</u>
4.17	125,290 to 130,349		47	870
4.18	<u>135,400 to 140,869</u>	2.5 percent	<u>42</u> percent	\$ <u>940</u>
4.19	130,350 to 135,409		47	650
4.20	<u>140,870 to 146,339</u>	2.5 percent	<u>42</u> percent	\$ <u>700</u>

4.21 The payment made to a claimant shall be the amount of the state refund calculated under
4.22 this subdivision. No payment is allowed if the claimant's household income is ~~\$135,410~~
4.23 \$146,340 or more.

4.24 **EFFECTIVE DATE.** This section is effective beginning with refunds based on property
4.25 taxes payable in 2027.

4.26 Sec. 3. Minnesota Statutes 2024, section 290A.04, subdivision 4, is amended to read:

4.27 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
4.28 amounts of the income thresholds and the maximum refunds under subdivision 2 as provided
4.29 in section 270C.22. The statutory year is ~~2023~~ 2026.

4.30 **EFFECTIVE DATE.** This section is effective beginning with refunds based on property
4.31 taxes payable in 2027.