

**PROPERTY TAX REFUND  
Increase Maximum Property  
Tax Refund for Renters**

March 22, 2022

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 4227 (Gomez) as proposed to be amended by H4227A1

	<b>Fund Impact</b>			
	<u>F.Y. 2022</u>	<u>F.Y. 2023</u>	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>
	(000's)			
General Fund	\$0	\$0	(\$6,900)	(\$7,300)

Effective beginning for refunds based on rent paid in 2022.

**EXPLANATION OF THE BILL**

Under current law the maximum renter refund amounts vary by income level and are adjusted annually for inflation. Maximum refund amounts currently range from \$230 to \$2,400.

As understood, the proposal would increase maximum refunds for currently eligible renters between \$270 and \$1,130.

**REVENUE ANALYSIS DETAIL**

- The estimates are based on the February 2022 forecast.
- By increasing the maximum refunds for renters, state-paid property tax refunds to renters would increase by \$6.9 million beginning in FY 2024.
- Under the proposal, approximately 5% of renter PTR claimants would receive an increased refund, with the average refund increase being approximately \$435.

Number of Taxpayers: 16,000 renter PTR claimants would receive an increased refund.

## PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral
<i>Efficiency &amp; Compliance</i>	Neutral
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral
<i>Stability &amp; Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

*The bill is scored on a three-point scale (decrease, neutral, increase) for each principle in comparison to current law.*

Source: Minnesota Department of Revenue  
Property Tax Division – Research Unit  
<https://www.revenue.state.mn.us/revenue-analyses>

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