

**INDIVIDUAL INCOME TAX
PROPERTY TAX REFUND
Copay Percentages Reduced**

March 11, 2026

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of H.F. 4119 (Rehrauer) as proposed to be amended by H4119A1

	Fund Impact			
	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
Renters Income Tax Credit	\$0	(\$16,600)	(\$17,000)	(\$17,400)
Homestead Credit Refund	\$0	\$0	(\$44,400)	(\$44,900)
General Fund Total	\$0	(\$16,600)	(\$61,400)	(\$62,300)

Effective for renter credits in taxable years 2026 and thereafter.
Effective for homestead credit refunds based on property taxes payable in 2027 and thereafter.

EXPLANATION OF THE BILL

Under current law the copay percentage for homeowners claiming a property tax refund ranges from 12% to 47% depending on household income. For renters claiming an income tax credit, the copay percentage ranges from 5% to 50%.

The proposal would lower the copay percentages by 5 percentage points for all income ranges, with the lowest renters credit range becoming 2.5%.

REVENUE ANALYSIS DETAIL

- By lowering the copay percentages for renters, income tax credits would increase by \$16.6 million beginning in FY 2027.
 - Approximately 91% of renters credit claimants would receive an increased credit, with the average credit increase being approximately \$47.
- By lowering the copay percentages for homeowners, state-paid property tax refunds to homeowners would increase by \$44.4 million beginning in FY 2028.
 - Under the proposal, approximately 81% of homeowner PTR claimants would receive an increased refund, with the average refund increase being approximately \$93.

Number of Taxpayers: 357,000 renters would receive an increased credit, and 476,000 homeowners would receive an increased refund.

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

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