

**PROPERTY TAX
One-Time Property
Tax Refund**

April 13, 2026

Department of Revenue

Analysis of H.F. 4906 (Davids) as proposed to be amended by H4906A1

	Yes	No
DOR Administrative Costs/Savings	X	

Fund Impact

	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
One-Time Refund	\$0	(\$4,000,000)	\$0	\$0
Income Tax Interaction	\$0	\$20,000	\$0	\$0
Property Tax Refund Interaction	\$0	\$200,000	\$0	\$0
General Fund Total	\$0	(\$3,780,000)	\$0	\$0

The one-time property tax refund is effective July 1, 2026. Changes to homeowner property tax refunds are effective the day following final enactment.

EXPLANATION OF THE BILL

The proposal would create a one-time property tax refund for property taxes payable in 2026. The appropriation for the refund is \$4 billion in fiscal year 2027. The refund would be distributed to eligible properties based on each property owner's share of the total property taxes paid by properties eligible for the refund. Eligible properties include:

- Class 1a or 1b residential homestead and
- Class 2 house, garage, and immediately surrounding one acre of land.

To receive a refund, property owners would need to apply to the commissioner of revenue by September 15, 2026. Refunds would be paid by December 31, 2026.

If a property owner applies for a homeowner property tax refund under Chapter 290A by September 15, 2026, then that homeowner property tax refund would be subtracted from the property tax amount used to calculate the proposed one-time refund. If a property owner applies for a homeowner property tax refund after September 15, 2026, then their homeowner property tax refund would be adjusted by the amount of the proposed one-time refund.

REVENUE ANALYSIS DETAIL

- The proposed one-time refund would cost the state general fund \$4 billion in fiscal year 2027. If all eligible homeowners apply, the average refund would be approximately \$2,500.
- The proposed one-time decrease in property taxes for homeowners would reduce deductions on income tax returns, increasing state tax collections by \$20 million in fiscal year 2027.

- The proposal would affect some homeowner property tax refunds under Chapter 290A.
 - The proposal would not affect homeowner property tax refunds for homeowners that apply for that refund by September 15, 2026. The proposed one-time refund would be adjusted for individual homeowners depending on their homeowner property tax refund amount. It is assumed that approximately 75% of eligible homeowners would apply for the homeowner property tax refund by September 15, 2026.
 - The proposal would decrease the homeowner property tax refund for the remaining 25% of eligible homeowners that apply for that refund after September 15, 2026. The total reduction in the homeowner property tax refund is estimated to be \$200 million in fiscal year 2027.

Number of Taxpayers: Approximately 1.6 million homeowners would be eligible for the one-time refund under the proposal.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral	
<i>Efficiency & Compliance</i>	Neutral	Adjustments to the one-time refund and homeowner PTR would differ depending on when a taxpayer applies for homeowner PTR.
<i>Equity (Vertical & Horizontal)</i>	Neutral	
<i>Stability & Predictability</i>	Neutral	One-time refund.
<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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