

Rep. Jeanne Poppe
LETTER TO THE EDITOR
Minnesota House of Representatives
District 27B 651-296-4193 – rep.jeanne.poppe@house.mn
291 State Office Building, St. Paul, MN 55155

FOR IMMEDIATE RELEASE

CONTACT: Daniel Borgertpoeping
651-296-9873 or daniel.borgertpoeping@house.mn
May 16, 2017

Tax credit for Minnesota farmers benefits our schools

St. Paul, Minn. – A tax credit targeted to Minnesota farmers is being discussed with legislative leaders and the Governor. The credit is included in the conference committee report as it currently stands and is anticipated to be included when we get to the final adoption of the Tax bill.

The Ag2School tax credit is designed to balance the tax impact for taxpayers throughout our state's school districts. If passed, it would establish a tax credit on property classified as agricultural, equal to 40 percent of the property's tax attributable to school district debt levies. All agricultural land besides the house, garage, and surrounding one acre is eligible for the credit.

This credit reduces farmers' property tax burden, making it easier for schools to raise funds to provide quality facilities for students. To be clear, this is an ongoing tax credit that would be included in the base. That means it is unlikely it would ever go away as it would take legislative action to discontinue it.

Gov. Dayton included this credit in his tax proposal this year and it has no phase-out date, providing permanent property tax relief to Minnesota's farmers. This would be good news for school districts who are contemplating and promoting school bond referendums at this time.

The legislature has less than a week left in the legislative session. Completing the budget is the highest priority as that's what keeps state government funded beyond July 1, 2017. The tax bill is one that isn't required to be completed but it carries with it great expectations for targeted reductions. It is my hope that a final tax bill of moderate size and scope - including the Ag2school property tax cut - is passed. Currently the Governor and legislative leaders are negotiating the overall budget targets. It is the strong desire of the Governor and the DFL minority in the legislature to see improvements in the funding priorities of E-12 education, higher education, the court system, and Health and Human Services including funding for home and community based care givers. Funding these budget areas adequately and providing tax relief for farmers, small business owners, families, and homeowners should not be contradictory outcomes.

