

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Westfall and others

**Subject:** Agricultural property tax credit

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### Overview

This bill provides a credit on the first-half payable 1999 property taxes for agricultural property. The credit is equal to the taxes on the agricultural homestead and non-homestead land and buildings, excluding those taxes related to the house, garage, and surrounding acre of land, and also excluding those taxes related to any portion of the land which is leased for the 1998 agricultural production year. The property must be owned by a Minnesota resident to qualify for the credit.

#### **1 May 15, 1999, agricultural property tax credit.**

**Subd. 1. Credit.** Provides a credit equal to the full amount of the May 15, 1999 property tax payment on agricultural land and buildings, excluding those taxes attributable to the house, garage, and surrounding acre of land, and excluding any portion of the taxes on that agricultural property that was leased for the 1998 production year. Only property owned by a resident of the state of Minnesota is eligible for the credit.

**Subd. 2. Certification.** Requires the commissioner of revenue to develop a form for the county auditors by February 15, 1999, to use to ascertain qualification for the credit. The form shall require property owners to certify that the owner is a Minnesota resident and to indicate the percentage of the property, if any, that was leased to another party for the 1998 production year. The auditors shall send the form to each owner of property in the county who potentially qualifies for the credit. The form must be returned to the county by April 15, 1999.

**Subd. 3. Verification.** Provides that the auditor verify the form for its accuracy and determine the amount of the credit for all qualifying property in the county. By May 1, 1999, the auditor shall notify all applicants of the amount of the credit and if applicable, any remaining amount of taxes due for the May 15, 1999 payment. If the May payment has already been paid, the auditor shall deduct the credit amount from the November 15, 1999 payment.

**Subd. 4. State reimbursement.** Provides that the county auditor shall submit a listing of the credit amounts issued to the commissioner by June 1, 1999, and the commissioner shall remit a

payment to each county treasurer for the total amount of credit by June 15, 1999. The treasurer shall treat this state payment in the same manner as property taxes when making the property tax settlements to the various taxing jurisdictions.

**Subd. 5. Property tax refund and targeting.** Provides that taxpayers benefitting from this credit must deduct the amount of the credit from their net taxes when applying for the state property tax refunds.

**Subd. 6. Appropriation.** Appropriates the amount necessary to the commissioner of revenue in FY 99 to make the payments under this section. Appropriates \$1 million in FY 99 to the commissioner of revenue for distribution to the counties for the costs of administration of this section.

**2 Effective date.** Provides that the act is effective the day following final enactment.