

# HOUSE RESEARCH

## Bill Summary

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**Version:** As introduced

**Authors:** Marquart and others

**Subject:** Property tax; agricultural homesteads

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### Overview

This bill makes three changes to agricultural homestead property:

- eliminates the "four township/city" requirement for noncontiguous land to be considered part of an agricultural homestead;
- decreases the class rate on the first tier from 0.55 percent to 0.5 percent of market value; and
- increases the market value credit for all ag homesteads valued over \$115,000.

### Section

**1**      **Agricultural homesteads.** Eliminates the requirement that in order for property to be considered part of an agricultural homestead, that property must be within four townships or cities or combinations of townships or cities from the agricultural homestead itself. The language eliminating this requirement is made throughout the section for all types of agricultural homesteads

Effective for taxes payable in 2008 and thereafter.

**2**      **Class 2.** Reduces the class rate on the first tier of agricultural homesteads from 0.55 percent to 0.5 percent of market value. For taxes payable in 2007, the first tier of agricultural market

**Section**

value is \$690,000. For taxes payable in 2008, the first tier will be \$790,000.

Effective for taxes payable in 2008 and thereafter.

- 3** **Agricultural homestead market value credit.** Increases the market value at which the maximum agricultural credit is received and the phaseout begins from the current \$115,000 to \$150,000 market value. This increases the maximum credit amount from \$345 to \$450, and means that all ag homesteads over \$380,000 in value will receive a credit of \$335 instead of \$230.

Effective for taxes payable in 2008 and thereafter.