

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3689
Version: As Introduced

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Authors: Westrom

Subject: Modifying homeowner property tax refund schedule

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Overview

Scales back the homeowner property tax refund by reducing the maximum income eligible for a refund, decreasing the maximum refund allowed, and eliminating the annual inflation adjustment of the income brackets and maximum refund amounts.

Section

- 1 Homeowner property tax refund.** Restricts the current law homeowner property tax refund program (“circuit breaker”) by
- ▶ reducing the maximum household income eligible for a refund from \$99,270 under present law to \$58,500; homeowners with household income over \$58,500 would not be eligible for a refund, and
 - ▶ decreasing the maximum refund allowed from \$2,370 under present law to \$2,000.

Also makes corresponding increases in the co-pay percentages and decreases in the maximum refunds for income brackets leading up to the new maximum income of \$58,500. Co-pay percentages would increase for household incomes over \$24,480, and maximum refund amounts would decrease for all income levels to reflect both the reduction in the maximum income eligible and the reduction in the maximum refund.

(Note: The maximums and income brackets appearing in the statute are in 2008 dollars; the amounts that would be in effect for payable 2011 are the statutory amounts adjusted for inflation to 2011).

Effective for refunds based on taxes payable in 2011.

- 2 Inflation adjustment.** Eliminates the annual inflation adjustment of the income brackets

and maximum refund amounts for the homeowner property tax refund.