

HOUSE RESEARCH

Bill Summary

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Anzelc

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Authors: Anzelc

Subject: Veterans; Property Tax; Exempting Property of Veteran Service Organizations

Analyst: Steve Hinze (651) 296-8956
Jim Cleary (651) 296-5053

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Overview

Exempts from property taxes certain properties owned and operated by qualifying veterans organizations within Minnesota.

Section

1 Veterans organizations; property tax exemption.

Exempts from property taxes any real property owned and operated by an organization of military service veterans or an auxiliary unit of such organization, if the organization or auxiliary unit is organized within Minnesota and is exempt from federal taxation under section 501(c) of the Internal Revenue Code.

2 Effective Date. The bill is effective for assessment year 2011 and thereafter, for property taxes payable in 2012 and thereafter.

Note A: Minnesota Statutes 3.192, enacted in 2010, requires all new tax expenditures enacted by the legislature to include "a statement of intent that clearly provides the purpose of the tax expenditure and a standard or goal against which its effectiveness may be measured." Since this bill creates a new tax expenditure, it would be subject to this new purpose statement requirement.

Note B: Since property taxes are administered and paid locally, this bill is expected to have negligible cost to the state. The amount of any property tax reduction to Veterans Service Organizations would get spread over all other property tax payers in the same local taxing jurisdictions.