



Homeowners must have property taxes in excess of the threshold percentage times their household income before qualifying for a refund. With the change in this section, homeowners with household incomes from \$32,630 to \$100,780 will be eligible for a refund if their property taxes exceed 2.5 percent of their income. This will make more homeowners eligible for refunds, and will result in a larger portion of property taxes qualifying for a refund for homeowners in that income range who have property taxes in excess of the lower current law thresholds.

- 3 Inflation adjustment.** Provides for the homeowner property tax refund income brackets and maximum refund amounts to be adjusted for inflation, using the brackets and maximums proposed in section 2 as the base year. The income brackets and maximum refund amounts for the renter property tax refunds would continue to be annually adjusted for inflation using a base year of 2001, as in current law.
- 4 Authorization (local sales taxes).** States that local governments may adopt local sales taxes as provided in section 5. Eliminates obsolete language. Effective the day after final enactment.
- 5 Requirements for adoption, use, termination.** Allows a political subdivision to impose a local sales tax for any governmental purpose, provided it is approved by the voters at a general election. Removes the requirements that proceeds be used to fund a specific capital project, that the tax terminate when the project is paid for, and that the local government must wait one year between the ending of one local sales tax and the reimposition of the tax.
- 6 New taxes prohibited.** Deletes the statutory prohibition against local governments imposing sales taxes. Effective the day after final enactment.
- 7 Revisor's instruction.** Provides that all references to sections repealed in section 8 will be removed from Minnesota Rules and Statutes.
- 8 Repealer.** Repeals the following programs:
- local government aid (LGA);
  - county program aid (CPA);
  - homestead and agricultural market value credits;
  - metropolitan and Iron Range fiscal disparities;
  - green acres, rural preserves, metropolitan agricultural preserves, and conservation tax credits;
  - levy limits;
  - payments in lieu of taxes (PILT);
  - taconite aids and credits;
  - disparity reduction aid;
  - disparity reduction credit;
  - property tax refund targeting;
  - utility transition aid;
  - tribal casino aid;
  - wetlands credit;
  - sustainable forest credits;

- disaster credit;
- bovine tuberculosis credit;
- aid to police & fire;
- police & fire amortization aid;
- local police & fire amortization aid;
- firefighter relief aid;
- PERA aid;
- performance measurement reimbursement aid; and
- requirements for local sales tax resolutions.