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Overview

Extends income eligibility for the renter property tax refund from household income up to \$57,170 to household income up to \$75,000.

Section

1 Renter property tax refund schedule. Expands eligibility for the renter property tax refund to renters with household incomes up to \$75,000. Under current law, eligibility is limited to renters with household income up to \$57,170. Makes no changes to the schedule for incomes under \$47,370. Modifies the schedule for renters with incomes from \$47,370 to \$57,169, to gradually phase out refunds as income increases, consistent with the proposed expansion of income eligibility. For incomes from \$47,370 to \$57,169, maximum refunds are increased. For some income ranges, the threshold percentage is decreased by one-tenth of one percentage point, and for some income ranges, the copayment percentage is decreased by five percentage points. Effective for refunds based on rent paid in 2013.

Background. The renter property tax refund equals a percentage of property taxes paid over a threshold of income, up to a maximum refund amount. The income measure used is household income, a broad measure that includes most forms of taxable and nontaxable income, after adjustment for household size. The refund schedule under current law has 29 income brackets: the threshold percentage increases as income increases, the percentage of taxes over the threshold paid by the renter (the copayment) also increases as income increases, and the maximum refund decreases as income increases. For refunds based on rent paid in 2013, the maximum income eligible is projected to be \$57,169.

Section

- 2** **Inflation adjustment.** Updates the annual inflation adjustment of the income brackets and maximum refunds for renters to be calculated relative to the schedule provided in section 1. Retains the inflation adjustment of the income brackets and maximum refund amounts for homeowners as in current law.