

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3086
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Subject: Increasing the agricultural market value credit

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Overview

H.F. 3086 permanently increases the amount of the agricultural homestead market value credit. It is effective beginning with taxes payable in 2014, and a procedure is established to provide for the state to make supplemental credit payments to taxpayers for taxes payable in 2014 since it is too late for the additional credit to be reflected on property tax statements.

Section

1 Agricultural homestead market value credit. Increases the rate of the agricultural homestead market value credit so that it reaches a maximum of \$500 at a market value of \$270,000 and over. Under current law, it reaches a maximum of \$345 at \$115,000 of value, but then decreases to \$230 at a value of \$345,000 and over. Effective beginning with taxes payable in 2014 – the administrative procedure to issue the payments for taxes payable in 2014 is in section 2

2 Supplemental agricultural credit for taxes payable in 2014.

Subdivision 1. Certification of supplemental credit amount. Provides that each county must determine the amount of additional agricultural market value credit due to each owner of an agricultural homestead for 2014 under section 1, and notify the taxpayer and the commissioner of revenue of the amount by September 15, 2014.

Subd. 2. Payment of supplemental credit. Requires the commissioner of revenue to pay the supplemental credit amounts to each property owner by October 15, 2014.

Subd. 3. Property tax statements for taxes payable in 2015. Provides that the

Section

proposed and final property tax statements for taxes payable in 2015 will reflect the supplemental credit amounts for taxes payable in 2014 under this section.

Subd. 4. Costs of administration. Appropriates \$40,000 to the commissioner of revenue to make grants to counties to compensate for county administrative expenses incurred under this section.