

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2192  
**Version:** As amended (H2192A1)

**DATE:** March 14, 2016

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**Subject:** Increasing the agricultural market value credit

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### Overview

H.F. 2192 allows the agricultural market value credit to apply to the entire value of an agricultural homestead, whereas under current law the credit reaches its \$490 maximum at a market value of \$260,000. It also allows agricultural non-homestead property to receive the credit at a rate equal to 0.05 percent of market value, which is half the rate on agricultural homestead property.

#### Section

- 1**      **Agricultural market value credit.** Extends the agricultural homestead market value credit at a rate of 0.1 percent of market value all the way to the first tier valuation limit, which is \$2,050,000 for taxes payable in 2017. For a farm valued at the valuation limit, the credit would be \$2,280 versus \$490 under current law. In addition, provides for a credit of 0.05 percent of market value on non-homestead agricultural property and on homestead property above the first-tier valuation limit.
- 2**      **Payment; school districts.** (Technical) Eliminates the reference to the repealed homestead market value credit in a list of credit payment going to school districts.
- 3**      **Notice of proposed taxes.** (Technical) Changes the name of the agricultural homestead credit to the agricultural credit on the truth-in-taxation statement (notice of proposed taxes).
- 4**      **Contents of tax statements.** (Technical) Changes the name of the agricultural homestead credit to the agricultural credit on the tax statement.
- 5**      **Annual financial reporting; tax increment financing districts.** (Technical) Changes the name of the agricultural homestead credit to the agricultural credit on tax increment financing reports.

