

File Number: H.F. 1055
Version: As introduced

Date: February 28, 2017

Authors: Heintzeman and others

Subject: Late payments for property taxes

Analyst: Chris Kleman

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

Under current law, the penalties for late payments of property taxes due in the second-half of the year are higher than they are for late first-half payments. This bill equalizes the penalties for first- and second-half late payments of property taxes. The bill also restructures the existing statute for clarity.

Section

- 1** **Due dates and penalties.** Reduces the penalty rate for late payments of second-half property taxes due on homestead and nonhomestead properties to correspond to the penalties for late payments on first-half property taxes. Clarifies the formula for determining the penalty rates.
Adds new paragraphs clarifying and restating current statutory provisions regarding how due dates and/or penalties apply when: a property tax statement has been mailed out late, property taxes are under \$100, and a commercial seasonal recreational property earns 60% of its gross income during the summer months.
- 2** **Agricultural property.** Reduces the penalty rate for late payments of second-half property taxes due on agricultural homestead and agricultural nonhomestead properties to correspond to the penalties for late payments on first-half property taxes.
Deletes a provision applicable to tax payable in 2010 and 2011.

Homesteads and non-commercial seasonal recreational property

Date	Current Law		New Proposal	
	1 st half	2 nd half	1 st half	2 nd half
May 16	2%		2%	
June 1	4%		4%	
July 1	5%		5%	
August 1	6%		6%	
September 1	7%		7%	
October 1	8%		8%	
October 16	8%	2%	8%	2%
November 1	8%	6%	8%	4%
December 1	8%	8%	8%	5%

Nonhomestead properties

Date	Current Law		New Proposal	
	1 st half	2 nd half	1 st half	2 nd half
May 16	4%		4%	
June 1	8%		8%	
July 1	9%		9%	
August 1	10%		10%	
September 1	11%		11%	
October 1	12%		12%	
October 16	12%	4%	12%	4%
November 1	12%	8%	12%	8%
December 1	12%	12%	12%	9%