

Subject Additional homeowner property tax refund

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Date March 14, 2023

Summary

Under current law, Minnesota allows an “additional” property tax refund for homeowners whose property taxes payable increased more than 12 percent year over year. This refund program is often referred to as the “targeting” refund. To qualify for a refund, the increase in the claimant’s property taxes must be greater than \$100.

The refund equals 60 percent of the amount of the increase in property taxes in excess of 12 percent. The maximum refund is \$1,000.

H.F. 2725 would reduce the 12 percent threshold to qualify for a refund to eight percent, and would increase the maximum refund to \$2,000. This permanent change to the additional refund program would take effect for refunds payable in 2024 (based on property taxes payable in 2024).

For refunds payable in 2023 (based on property taxes payable in 2023), the bill allows a larger onetime increase in the refund. For that year, the property tax increase needed to receive a refund is six percent, and the maximum refund is \$2,500.