

**Subject** Advance homestead credit refund for seniors

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**Date** March 26, 2024

## Overview

H.F. 4826 establishes a system through which seniors may elect to receive an advance payment of their homestead credit refund. The advance payment would equal 50 percent of the homeowner's homestead credit refund in the previous year. The credit would be paid to the homeowner as a property tax credit, and would reduce the homeowner's first half (May) property taxes by the amount of the advance payment. The homeowner's property tax refund for the year in which the homeowner received the credit would be reduced by the amount of the advance payment.

## Summary

Section	Description
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1	<b>Advance homestead credit for seniors.</b>
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Establishes the advance homestead credit for seniors. Properties owned by an "eligible senior claimant" (defined in section 7) are eligible for the credit. The credit would be applied to the first half (May) property tax payment and would be equal to 50 percent of the homestead credit refund the property owner received in the previous year, except that the credit cannot reduce the first half payment below \$0. The commissioner of revenue would reimburse local taxing jurisdictions for the credit in the same manner that other property tax credits are reimbursed.

Effective beginning with property taxes payable in 2026.

2	<b>Payment; school districts.</b>
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Adds the advance homestead credit for seniors to the list of property tax credits for which school districts are reimbursed.

Effective beginning July 1, 2026.

<b>Section</b>	<b>Description</b>
3	<p><b>Computation of net property taxes.</b></p> <p>Adds the advance homestead credit for seniors to the computation of property taxes.</p> <p>Effective beginning with property taxes payable in 2026.</p>
4	<p><b>Notice of proposed property taxes.</b></p> <p>Adds the advance homestead credit for seniors to the proposed property tax statement that is sent out in the fall.</p> <p>Effective beginning with property taxes payable in 2026.</p>
5	<p><b>Contents of tax statements.</b></p> <p>Adds the advance homestead credit for seniors to the property tax statement.</p> <p>Effective beginning with property taxes payable in 2026.</p>
6	<p><b>Property taxes payable.</b></p> <p>Specifies that the amount of property taxes payable used to calculate the homestead credit refund is not reduced by the amount of any advance payments of the refund.</p> <p>Effective for refunds based on property taxes payable in 2026.</p>
7	<p><b>Eligible senior claimant.</b></p> <p>Defines “eligible senior claimant” as a claimant who is 65 or older. In the case of a married claimant filing a joint claim, one spouse must be 62 and the other must be 65 to qualify as an eligible senior claimant.</p> <p>Effective for advance payment elections in 2025 and refunds based on property taxes payable in 2026.</p>
8	<p><b>Homestead credit refund.</b></p> <p>Defines “homestead credit refund” as the refund under section 290A.04, subdivision 2.</p> <p>Effective for advance payment elections in 2025 and refunds based on property taxes payable in 2026.</p>
9	<p><b>Advance credit of homestead credit refunds.</b></p> <p>Requires the Department of Revenue (DOR) to establish a program through which eligible senior claimants could opt to receive an “advance payment” of their property tax refund in the form of a property tax credit. The advance payment would equal 50 percent of the senior claimant’s homestead credit refund in the previous year.</p>

**Section**   **Description**

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**Subd. 1. Advanced payment election established.** Requires DOR to establish a program to elect to receive advance credits of the homestead credit refund.

**Subd. 2. Election for senior claimants to receive advance payments.** Allows eligible senior claimants to elect to receive an advance homestead credit refund on their application for the homestead credit refund. The advance credit is paid as a property tax credit, as described in section 1 above. As part of the application, the claimant must attest that they intend to continue occupying the same homestead in the following year.

**Subd. 3. Reconciliation.** Requires property tax refund claimants to repay any excess credits if their advance payments exceed the property tax refund amount for which they are eligible. Requires claimants receiving an advance payment to file a property tax refund return in any year for which they receive an advance payment.

Effective for advance payment elections in 2025 and refunds based on property taxes payable in 2026.



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