

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1139

DATE: April 18, 2005

Version: As introduced

Authors: Thissen

Subject: Exempting first tier of commercial-industrial property from state general levy

Analyst: Steve Hinze (651-296-8956)
Karen Baker (651-296-8959)

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

Exempts the first tier of commercial-industrial market value (up to \$150,000) from the state general levy. Locks in the shares of the state general levy so that the portion of the state general levy that would no longer be paid by first-tier commercial-industrial value shifts to upper-tier commercial-industrial value and not to seasonal recreational property. Effective beginning with taxes payable in 2006.

Section

- 1 Commercial-industrial tax capacity.** Exempts the first tier of commercial-industrial property value from the definition of commercial-industrial net tax capacity for the state general levy.
- 2 Apportionment and levy of state general tax.** Locks in the shares of the state general tax to be paid by commercial-industrial property and seasonal recreational property at 94 percent for commercial-industrial and 6 percent for seasonal recreational, which was the approximate breakdown of the state general levy for taxes payable in 2004.

Provides that the commissioner of revenue will certify two state general levy rates (i.e., one for commercial-industrial property and one for seasonal recreational property) to the county auditors. Currently, all property subject to the state tax levy pays at the same rate.