

HOUSE RESEARCH

Bill Summary

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Subject: Excludes military pay from income in determining property tax refunds

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Overview

Excludes military pay from the definition of household income used in determining eligibility for the renter and homeowner property tax refunds.

Section

- 1 Household income; property tax refund.** Excludes from the definition of household income used to determine homeowner and renter property tax refunds military pay that is allowed as a subtraction under the income tax, and also related housing allowances. This would exclude compensation for active duty performed outside Minnesota, and compensation received by national guard and reserve members called to active service in Minnesota by the President or the Governor, such as for airport security or flood relief. This provision would not exclude national guard and reserve regular training or drill pay from household income.

Effective for property tax refund claims based on rent paid in 2005 and taxes payable in 2006 and following years. These returns are typically filed between January and August 2006, so claimants affected by this provision would need to file amended returns if this provision is enacted.