

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 856

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Version: As introduced

Authors: Atkins and others

Subject: Limiting homeowner property taxes to a percentage of income

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Overview

Provides an additional property tax refund for homeowners equal to the amount that property taxes exceed five percent of income.

Effective for claims filed in 2008 and thereafter.

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- 1 **Refund.** Technical changes necessary because the property tax refund is broadened beyond its current scope.
- 2 **Homeowner refunds.** Paragraph (b) allows an additional property tax refund for the portion of a homeowner's property tax that exceeds five percent of household income (after taking the refund under paragraph (a) into account).

Notes:

(1) The changes in paragraph (a) are technical changes to allow for the two different components of the program, the "old" or "original" refund and the new refund in paragraph (b). Part of the technical change is that the table in paragraph (a) has been restated to reflect the percentage of excess property taxes to be paid by the state rather than the percentage to be paid by the claimant, which is not a substantive change.

(2) The income and maximum refund amounts appearing in this section of statute are indexed for inflation in § 290A.04, subd. 4, so the figures printed in the bill are somewhat

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less than the actual figures in place for claims to be filed in 2008. For example, the maximum qualifying income for 2008 claims is expected to be \$93,310 rather than the \$77,520 figure that appears in the bill.