

April 5, 2022

To Members of the Minnesota House Taxes Committee:

The undersigned organizations thank you for making low- and modest-income Minnesotans a priority in this year's tax decisions by **expanding their property tax refunds through the Renters' Credit and Homestead Credit Refund** for homeowners (also called the "Circuit Breaker").

Minnesotans want safe, affordable homes for themselves and their families. But some Minnesotans earning lower wages or on fixed incomes struggle to afford both the cost of housing and other basic necessities.

Property tax refunds for renters and homeowners help bring down one of the costs of housing for workers, families, seniors, and people living with disabilities. The Renters' Credit and Circuit Breaker are targeted based on income and prioritize those for whom property taxes make up a larger share of their budget – both homeowners who pay property taxes directly on their homes and renters who pay property taxes through their rents.

The House omnibus tax bill would make transformational changes in the Renters' Credit that would benefit hundreds of thousands of Minnesota renters in every part of the state by:

- Reducing barriers so more currently eligible renters receive the property tax refund they qualify for;
- Simplifying the process to apply for and calculate the credit;
- Providing larger property tax refunds for many currently eligible renters and allowing more renters to qualify;
- Getting refunds out to renters much sooner; and
- Maintaining the sliding-fee structure of the Renters' Credit that prioritizes those with the lowest incomes and folks whose property taxes are particularly high in relation to their incomes.

It also includes important expansions to the homeowner property tax refund that prioritize low- and modest-income Minnesotans.

Increasing property tax refunds with a focus on low- and modest-income Minnesotans is one way to respond to Minnesota's long-standing shortage of affordable housing, and provide a needed economic boost to the many Minnesotans who have faced hardship during the pandemic and in the unequal recovery that has followed.

Expanding property tax refunds would also benefit our economy when Minnesotans spend their tax refunds in their local communities for some of the most basic expenses, whether that be toothpaste, dental care or other health care expenses not covered by insurance, or because the tax refund arrives in late summer, essential purchases for children going back to school.

Thank you for recognizing the role that expanded property tax refunds can play in building broader economic security and a fair tax system.

Sincerely,

AARP Minnesota
AFSCME Council 5
Arc Northland
Association for Financial Counseling and Planning Education
Big Brothers Big Sisters Twin Cities
Center for Economic Inclusion
Frank Theatre
Gifts for Seniors
Growth & Justice
HOME Line
ISAIAH
Joint Religious Legislative Coalition
Legal Services Advocacy Project
Minnesota AFL-CIO
Minnesota Asset Building Coalition
Minnesota Budget Project
Minnesota Coalition for the Homeless
Mount Olivet Rolling Acres, Inc.
Open Access Connections
Prepare + Prosper
PRISM
Reviving the Islamic Sisterhood for Empowerment
SEIU Healthcare Minnesota
The Arc Minnesota
Voices for Racial Justice
Will Work for Recovery
YWCA Minneapolis