

198.1

ARTICLE 8

198.2

RENTER'S TAX CREDIT

198.3 Section 1. Minnesota Statutes 2020, section 270B.12, subdivision 8, is amended to read:

198.4 Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The
198.5 commissioner may disclose names and Social Security numbers of individuals who have
198.6 applied for both homestead classification under section 273.13 and a ~~property tax refund~~
198.7 ~~as a renter under chapter 290A~~ renter's credit under section 290.0693 for the purpose of and
198.8 to the extent necessary to administer section 290A.25.

198.9 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
198.10 December 31, 2021.

198.11 Sec. 2. Minnesota Statutes 2020, section 289A.38, subdivision 4, is amended to read:

198.12 Subd. 4. **Property tax refund.** For purposes of computing the limitation under this
198.13 section, the due date of the property tax refund return as provided for in chapter 290A is
198.14 the due date for an income tax return covering ~~the year in which the rent was paid or the~~
198.15 year preceding the year in which the property taxes are payable.

198.16 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
198.17 December 31, 2021.

198.18 Sec. 3. Minnesota Statutes 2020, section 289A.56, subdivision 6, is amended to read:

198.19 Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a~~
198.20 ~~property tax refund, an unpaid refund bears interest after August 14, or 60 days after the~~
198.21 ~~refund claim was made, whichever is later, until the date the refund is paid.~~

198.22 ~~(b)~~ (b) When ~~any other~~ a claimant is owed a property tax refund under chapter 290A, the
198.23 unpaid refund bears interest after September 29, or 60 days after the refund claim was made,
198.24 whichever is later, until the date the refund is paid.

198.25 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
198.26 December 31, 2021.

198.27 Sec. 4. Minnesota Statutes 2020, section 289A.60, subdivision 12, is amended to read:

198.28 Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a
198.29 property tax refund claim is excessive and was negligently prepared, a claimant is liable

199.1 for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount
199.2 disallowed must be recovered by assessment and collection.

199.3 (b) An owner who without reasonable cause fails to give a certificate of rent constituting
199.4 property tax to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and 290A.19,
199.5 paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

199.6 (c) If the owner or managing agent knowingly gives rent certificates that report total
199.7 rent constituting property taxes in excess of the amount of actual rent constituting property
199.8 taxes paid on the rented part of a property, the owner or managing agent is liable for a
199.9 penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An
199.10 overstatement of rent constituting property taxes is presumed to be knowingly made if it
199.11 exceeds by ten percent or more the actual rent constituting property taxes.

199.12 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
199.13 December 31, 2021.

199.14 Sec. 5. **[290.0693] RENTER'S CREDIT.**

199.15 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
199.16 the meanings given.

199.17 (b) "Dependent" means any individual who is considered a dependent under sections
199.18 151 and 152 of the Internal Revenue Code.

199.19 (c) "Disability" has the meaning given in section 290A.03, subdivision 10.

199.20 (d) "Exemption amount" means the exemption amount under section 290.0121,
199.21 subdivision 1, paragraph (b).

199.22 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a
199.23 homestead, exclusive of charges for any medical services furnished by the landlord as a
199.24 part of the rental agreement, whether expressly set out in the rental agreement or not. The
199.25 gross rent of a resident of a nursing home or intermediate care facility is \$530 per month.
199.26 The gross rent of a resident of an adult foster care home is \$830 per month. The commissioner
199.27 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The
199.28 statutory year is 2022. If the landlord and tenant have not dealt with each other at arm's
199.29 length and the commissioner determines that the gross rent charged was excessive, the
199.30 commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

199.31 (f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

199.32 (g) "Household" has the meaning given in section 290A.03, subdivision 4.

200.1 (h) "Household income" means all income received by all persons of a household in a
200.2 taxable year while members of the household, other than income of a dependent.

200.3 (i) "Income" means adjusted gross income, minus:

200.4 (1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

200.5 (2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

200.6 (3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

200.7 (4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

200.8 (5) for the taxpayer's fifth dependent, the exemption amount; and

200.9 (6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or
200.10 before the close of the taxable year, the exemption amount.

200.11 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid
200.12 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable
200.13 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the
200.14 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim
200.15 for a credit under this section by the claimant. If an individual occupies a homestead with
200.16 another person or persons not related to the individual as the individual's spouse or as
200.17 dependents, and the other person or persons are residing at the homestead under a rental or
200.18 lease agreement with the individual, the amount of rent constituting property tax for the
200.19 individual equals that portion not covered by the rental agreement.

200.20 Subd. 2. **Credit allowed; refundable.** (a) An individual is allowed a credit against the
200.21 tax due under this chapter equal to the amount that rent constituting property taxes exceeds
200.22 the percentage of the household income of the claimant specified in subdivision 3 in the
200.23 taxable year in which the rent was paid as specified in that subdivision.

200.24 (b) If the amount of credit which a taxpayer is eligible to receive under this section
200.25 exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the
200.26 excess to the taxpayer.

200.27 Subd. 3. **Renters.** (a) A taxpayer whose rent constituting property taxes exceeds the
200.28 percentage of the household income stated below must pay an amount equal to the percent
200.29 of income shown for the appropriate household income level along with the co-payment of
200.30 the remaining amount of rent constituting property taxes. The credit under subdivision 2
200.31 equals the amount of rent constituting property taxes that remain, up to the maximum credit
200.32 amount shown below.

	<u>Household Income</u>	<u>Percent of Income</u>	<u>Co-payment</u>	<u>Maximum Credit</u>
201.1				
201.2	<u>\$0 to 5,879</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,400</u>
201.3	<u>5,880 to 7,809</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,400</u>
201.4	<u>7,810 to 9,769</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 2,330</u>
201.5	<u>9,770 to 13,699</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 2,280</u>
201.6	<u>13,700 to 17,609</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 2,210</u>
201.7	<u>17,610 to 19,559</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 2,150</u>
201.8	<u>19,560 to 21,499</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,100</u>
201.9	<u>21,500 to 25,429</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,030</u>
201.10	<u>25,430 to 27,379</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 1,980</u>
201.11	<u>27,380 to 29,329</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 1,980</u>
201.12	<u>29,330 to 33,249</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 1,980</u>
201.13	<u>33,250 to 35,189</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 1,980</u>
201.14	<u>35,190 to 41,059</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 1,980</u>
201.15	<u>41,060 to 46,919</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 1,980</u>
201.16	<u>46,920 to 54,759</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 1,980</u>
201.17	<u>54,760 to 56,699</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,800</u>
201.18	<u>56,700 to 58,669</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,620</u>
201.19	<u>58,670 to 60,629</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,370</u>
201.20	<u>60,630 to 62,569</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,190</u>
201.21	<u>62,570 to 64,539</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,080</u>
201.22	<u>64,540 to 66,489</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 600</u>
201.23	<u>66,490 to 68,439</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 230</u>

201.24 The credit is the amount calculated under this subdivision. No credit is allowed if the
201.25 taxpayer's household income is \$68,440 or more.

201.26 (b) The commissioner must annually adjust the dollar amounts of the income thresholds
201.27 and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory
201.28 year is 2022.

201.29 (c) The commissioner shall construct and make available to taxpayers a comprehensive
201.30 table showing the rent constituting property taxes to be paid and refund allowed at various
201.31 levels of income and assessment. The table shall follow the schedule of income percentages,
201.32 maximums, and other provisions specified in paragraph (a), except that the commissioner
201.33 may graduate the transition between income brackets. All refunds shall be computed in
201.34 accordance with tables prepared and issued by the commissioner.

201.35 Subd. 4. Owner or managing agent to furnish rent certificate. (a) The owner or
201.36 managing agent of any property for which rent is paid for occupancy as a homestead must

202.1 furnish a certificate of rent paid to a person who is a renter on December 31, in the form
202.2 prescribed by the commissioner. If the renter moves before December 31, the owner or
202.3 managing agent may give the certificate to the renter at the time of moving, or mail the
202.4 certificate to the forwarding address if an address has been provided by the renter. The
202.5 certificate must be made available to the renter before February 1 of the year following the
202.6 year in which the rent was paid. The owner or managing agent must retain a duplicate of
202.7 each certificate or an equivalent record showing the same information for a period of three
202.8 years. The duplicate or other record must be made available to the commissioner upon
202.9 request.

202.10 (b) The commissioner may require the owner or managing agent, through a simple
202.11 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
202.12 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
202.13 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
202.14 may require the Social Security number, individual taxpayer identification number, federal
202.15 employer identification number, or Minnesota taxpayer identification number of the owner
202.16 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
202.17 Before implementation, the commissioner, after consulting with representatives of owners
202.18 or managing agents, shall develop an implementation and administration plan for the
202.19 requirements of this paragraph that attempts to minimize financial burdens, administration
202.20 and compliance costs, and takes into consideration existing systems of owners and managing
202.21 agents.

202.22 Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section
202.23 if the taxpayer is an individual, other than a dependent, as defined under sections 151 and
202.24 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue
202.25 Code, who filed for a credit and who was a resident of this state during the taxable year for
202.26 which the credit was claimed.

202.27 (b) In the case of a credit for rent constituting property taxes of a part-year Minnesota
202.28 resident, the household income and rent constituting property taxes reflected in this
202.29 computation shall be for the period of Minnesota residency only. Any rental expenses paid
202.30 that may be reflected in arriving at federal adjusted gross income cannot be utilized for this
202.31 computation.

202.32 (c) When two individuals of a household are able to meet the qualifications to claim a
202.33 credit under this section, the individuals may determine among them as to which individual
202.34 may claim the credit. If the individuals are unable to agree, the matter shall be referred to
202.35 the commissioner of revenue whose decision shall be final.

203.1 (d) To claim a credit under this section, the taxpayer must have resided in a rented or
203.2 leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes,
203.3 including payments of special assessments imposed in lieu of ad valorem taxes, are payable
203.4 at some time during the taxable year for which the taxpayer claimed the credit.

203.5 **Subd. 6. Residents of nursing homes, intermediate care facilities, long-term care**
203.6 **facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim
203.7 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care
203.8 facility, long-term residential facility, or a facility that accepts housing support payments
203.9 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income
203.10 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
203.11 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
203.12 of the Social Security Act, or the housing support program under chapter 256I.

203.13 (b) If only a portion of the rent constituting property taxes is paid by these programs,
203.14 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,
203.15 the numerator of which is adjusted gross income, reduced by the total amount of income
203.16 from the above sources other than vendor payments under the medical assistance program
203.17 and the denominator of which is adjusted gross income, plus vendor payments under the
203.18 medical assistance program, to determine the allowable credit.

203.19 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing
203.20 home, intermediate care facility, long-term residential facility, or facility for which the rent
203.21 was paid for the claimant by the housing support program for only a portion of the taxable
203.22 year covered by the claim, the taxpayer may compute rent constituting property taxes by
203.23 disregarding the rent constituting property taxes from the nursing home or facility and may
203.24 use only that amount of rent constituting property taxes or property taxes payable relating
203.25 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household
203.26 income is the income for the entire taxable year covered by the claim.

203.27 **Subd. 7. Credit for unmarried taxpayers residing in the same household.** If a
203.28 homestead is occupied by two or more renters who are not married to each other, the rent
203.29 shall be deemed to be paid equally by each renter, and separate claims shall be filed by each
203.30 renter. The income of each renter shall be each renter's household income for purposes of
203.31 computing the amount of credit to be allowed.

203.32 **Subd. 8. One claimant per household.** Only one taxpayer per household per year is
203.33 entitled to claim a credit under this section. In the case of a married taxpayer filing a separate
203.34 return, only one spouse may claim the credit under this section. The credit amount for the

204.1 spouse that claims the credit must be calculated based on household income and not solely
204.2 on the income of the spouse.

204.3 Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall
204.4 supply to the commissioner of revenue, in support of the claim, proof of eligibility under
204.5 this section, including but not limited to amount of rent paid, name and address of owner
204.6 or managing agent of property rented, changes in household membership, and household
204.7 income.

204.8 (b) Taxpayers with a disability shall submit proof of disability in the form and manner
204.9 as the commissioner prescribes. The department may require examination and certification
204.10 by the taxpayer's physician or by a physician designated by the commissioner. The cost of
204.11 any examination shall be borne by the taxpayer, unless the examination proves the disability,
204.12 in which case the cost of the examination shall be borne by the commissioner.

204.13 (c) A determination of disability of a taxpayer by the Social Security Administration
204.14 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of
204.15 disability.

204.16 Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section
204.17 shall be allowed if the commissioner determines that the claimant received tenancy to the
204.18 homestead primarily for the purpose of receiving a credit under this section and not for bona
204.19 fide residence purposes.

204.20 Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section
204.21 is appropriated from the general fund to the commissioner.

204.22 Subd. 12. **Simplified filing for individuals without an income tax liability.** The
204.23 commissioner of revenue must establish a simplified filing process through which a taxpayer
204.24 who did not file an individual income tax return due to a lack of tax liability may file a
204.25 return to claim the credit under this section. The filing process and forms may be in the
204.26 form or manner determined by the commissioner, but must be designed to reduce the
204.27 complexity of the filing process and the time needed to file for individuals without an income
204.28 tax liability.

204.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
204.30 31, 2021.

205.1 Sec. 6. Minnesota Statutes 2020, section 290A.02, is amended to read:

205.2 **290A.02 PURPOSE.**

205.3 The purpose of this chapter is to provide property tax relief to certain persons who own
205.4 ~~or rent~~ their homesteads.

205.5 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
205.6 and following years.

205.7 Sec. 7. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended
205.8 to read:

205.9 Subd. 3. **Income.** (a) "Income" means the sum of the following:

205.10 (1) federal adjusted gross income as defined in the Internal Revenue Code; and

205.11 (2) the sum of the following amounts to the extent not included in clause (1):

205.12 (i) all nontaxable income;

205.13 (ii) the amount of a passive activity loss that is not disallowed as a result of section 469,
205.14 paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss
205.15 carryover allowed under section 469(b) of the Internal Revenue Code;

205.16 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a
205.17 solvent individual excluded from gross income under section 108(g) of the Internal Revenue
205.18 Code;

205.19 (iv) cash public assistance and relief;

205.20 (v) any pension or annuity (including railroad retirement benefits, all payments received
205.21 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),
205.22 which was not exclusively funded by the claimant or spouse, or which was funded exclusively
205.23 by the claimant or spouse and which funding payments were excluded from federal adjusted
205.24 gross income in the years when the payments were made;

205.25 (vi) interest received from the federal or a state government or any instrumentality or
205.26 political subdivision thereof;

205.27 (vii) workers' compensation;

205.28 (viii) nontaxable strike benefits;

206.1 (ix) the gross amounts of payments received in the nature of disability income or sick
206.2 pay as a result of accident, sickness, or other disability, whether funded through insurance
206.3 or otherwise;

206.4 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
206.5 1986, as amended through December 31, 1995;

206.6 (xi) contributions made by the claimant to an individual retirement account, including
206.7 a qualified voluntary employee contribution; simplified employee pension plan;
206.8 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
206.9 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
206.10 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
206.11 the claimant and spouse;

206.12 (xii) to the extent not included in federal adjusted gross income, distributions received
206.13 by the claimant or spouse from a traditional or Roth style retirement account or plan;

206.14 (xiii) nontaxable scholarship or fellowship grants;

206.15 (xiv) alimony received to the extent not included in the recipient's income;

206.16 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
206.17 Code;

206.18 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
206.19 Code; and

206.20 (xvii) the amount deducted for certain expenses of elementary and secondary school
206.21 teachers under section 62(a)(2)(D) of the Internal Revenue Code.

206.22 In the case of an individual who files an income tax return on a fiscal year basis, the
206.23 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in
206.24 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
206.25 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
206.26 or carryforward allowed for the year.

206.27 (b) "Income" does not include:

206.28 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

206.29 (2) amounts of any pension or annuity which was exclusively funded by the claimant
206.30 or spouse and which funding payments were not excluded from federal adjusted gross
206.31 income in the years when the payments were made;

207.1 (3) to the extent included in federal adjusted gross income, amounts contributed by the
207.2 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed
207.3 the retirement base amount reduced by the amount of contributions excluded from federal
207.4 adjusted gross income, but not less than zero;

207.5 (4) surplus food or other relief in kind supplied by a governmental agency;

207.6 (5) relief granted under this chapter;

207.7 (6) child support payments received under a temporary or final decree of dissolution or
207.8 legal separation;

207.9 (7) restitution payments received by eligible individuals and excludable interest as
207.10 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,
207.11 Public Law 107-16;

207.12 (8) alimony paid; or

207.13 (9) veterans disability compensation paid under title 38 of the United States Code.

207.14 (c) The sum of the following amounts may be subtracted from income:

207.15 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

207.16 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

207.17 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

207.18 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

207.19 (5) for the claimant's fifth dependent, the exemption amount; and

207.20 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or
207.21 before December 31 of the year for which the taxes were levied ~~or rent paid~~, the exemption
207.22 amount.

207.23 (d) For purposes of this subdivision, the following terms have the meanings given:

207.24 (1) "exemption amount" means the exemption amount under section 290.0121,
207.25 subdivision 1, paragraph (b), for the taxable year for which the income is reported;

207.26 (2) "retirement base amount" means the deductible amount for the taxable year for the
207.27 claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for
207.28 inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard
207.29 to whether the claimant or spouse claimed a deduction; and

208.1 (3) "traditional or Roth style retirement account or plan" means retirement plans under
208.2 sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

208.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
208.4 and following years.

208.5 Sec. 8. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

208.6 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
208.7 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
208.8 reasonably necessary for use of the dwelling as a home and any other property used for
208.9 purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural
208.10 land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead"
208.11 is limited to the house and garage and immediately surrounding one acre of land. The
208.12 homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose
208.13 building and the land on which it is built. A manufactured home, as defined in section
208.14 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012,
208.15 subdivision 9, assessed as personal property may be a dwelling for purposes of this
208.16 subdivision.

208.17 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
208.18 and following years.

208.19 Sec. 9. Minnesota Statutes 2020, section 290A.03, subdivision 8, is amended to read:

208.20 Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined
208.21 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)
208.22 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a
208.23 resident of this state as provided in chapter 290 during the calendar year for which the claim
208.24 for relief was filed.

208.25 ~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall~~
208.26 ~~have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu~~
208.27 ~~of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem~~
208.28 ~~taxes, are payable at some time during the calendar year covered by the claim.~~

208.29 ~~(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,~~
208.30 ~~long-term residential facility, or a facility that accepts housing support payments whose~~
208.31 ~~rent constituting property taxes is paid pursuant to the Supplemental Security Income~~
208.32 ~~program under title XVI of the Social Security Act, the Minnesota supplemental aid program~~

209.1 ~~under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX~~
209.2 ~~of the Social Security Act, or the housing support program under chapter 256I.~~

209.3 ~~If only a portion of the rent constituting property taxes is paid by these programs, the~~
209.4 ~~resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant~~
209.5 ~~to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as~~
209.6 ~~defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income~~
209.7 ~~from the above sources other than vendor payments under the medical assistance program~~
209.8 ~~and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),~~
209.9 ~~plus vendor payments under the medical assistance program, to determine the allowable~~
209.10 ~~refund pursuant to this chapter.~~

209.11 ~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,~~
209.12 ~~intermediate care facility, long-term residential facility, or facility for which the rent was~~
209.13 ~~paid for the claimant by the housing support program for only a portion of the calendar year~~
209.14 ~~covered by the claim, the claimant may compute rent constituting property taxes by~~
209.15 ~~disregarding the rent constituting property taxes from the nursing home or facility and use~~
209.16 ~~only that amount of rent constituting property taxes or property taxes payable relating to~~
209.17 ~~that portion of the year when the claimant was not in the facility. The claimant's household~~
209.18 ~~income is the income for the entire calendar year covered by the claim.~~

209.19 ~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota~~
209.20 ~~resident, the income and rent reflected in this computation shall be for the period of~~
209.21 ~~Minnesota residency only. Any rental expenses paid which may be reflected in arriving at~~
209.22 ~~federal adjusted gross income cannot be utilized for this computation. When two individuals~~
209.23 ~~of a household are able to meet the qualifications for a claimant, they may determine among~~
209.24 ~~them as to who the claimant shall be. If they are unable to agree, the matter shall be referred~~
209.25 ~~to the commissioner of revenue whose decision shall be final. If a homestead property owner~~
209.26 ~~was a part-year Minnesota resident, the income reflected in the computation made pursuant~~
209.27 ~~to section 290A.04 shall be for the entire calendar year, including income not assignable to~~
209.28 ~~Minnesota.~~

209.29 ~~(f) If a homestead is occupied by two or more renters, who are not married to each other,~~
209.30 ~~the rent shall be deemed to be paid equally by each, and separate claims shall be filed by~~
209.31 ~~each. The income of each shall be each renter's household income for purposes of computing~~
209.32 ~~the amount of credit to be allowed.~~

209.33 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
209.34 and following years.

210.1 Sec. 10. Minnesota Statutes 2020, section 290A.03, subdivision 12, is amended to read:

210.2 Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at
 210.3 arm's length, of a site on which a homestead, ~~exclusive of charges for any medical services~~
 210.4 ~~furnished by the landlord as a part of the rental agreement, whether expressly set out in the~~
 210.5 ~~rental agreement or not~~ which is a manufactured home as defined in section 273.125,
 210.6 subdivision 8, including a manufactured home located in a manufactured home community
 210.7 owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
 210.8 manufactured homes under section 168.012, subdivision 9, is located.

210.9 ~~(b) The gross rent of a resident of a nursing home or intermediate care facility is \$500~~
 210.10 ~~per month. The gross rent of a resident of an adult foster care home is \$780 per month. The~~
 210.11 ~~commissioner shall annually adjust the amounts in this paragraph as provided in section~~
 210.12 ~~270C.22. The statutory year is 2018.~~

210.13 ~~(e)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the
 210.14 commissioner determines that the gross rent charged was excessive, the commissioner may
 210.15 adjust the gross rent to a reasonable amount for purposes of this chapter.

210.16 ~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section
 210.17 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from~~
 210.18 ~~gross rent for purposes of this chapter. However, property taxes imputed to the homestead~~
 210.19 ~~of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead~~
 210.20 ~~treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the~~
 210.21 term "property taxes payable" as defined in subdivision 13, to the extent allowed,
 210.22 notwithstanding the fact that ownership is not in the name of the claimant.

210.23 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 210.24 and following years.

210.25 Sec. 11. Minnesota Statutes 2020, section 290A.04, subdivision 1, is amended to read:

210.26 Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that
 210.27 property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the
 210.28 household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the
 210.29 taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or~~
 210.30 2a. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to
 210.31 or less than the percentage of the household income of the claimant specified in subdivision
 210.32 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid,~~
 210.33 the claimant shall not be eligible for a state refund pursuant to this section.

211.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
211.2 and following years.

211.9 Sec. 13. Minnesota Statutes 2020, section 290A.05, is amended to read:

211.10 **290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND**
211.11 **REDUCTION OF PROPERTY TAXES PAYABLE.**

211.12 (a) If a person occupies a homestead with another person not related to the person as
211.13 the person's spouse, excluding dependents, roomers or boarders on contract, and has property
211.14 tax payable with respect to the homestead, the household income of the claimant or claimants
211.15 for the purpose of computing the refund allowed by section 290A.04 shall include the total
211.16 income received by the other persons residing in the homestead. For purposes of this section,
211.17 "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead
211.18 and does not have an ownership interest in the homestead.

211.19 (b) If a person occupies a homestead with another person or persons not related to the
211.20 person as the person's spouse or as dependents, ~~the property tax payable or rent constituting~~
211.21 ~~property tax shall be reduced as follows.~~

211.22 ~~If~~ and the other person or persons are residing at the homestead under a rental or lease
211.23 agreement with the homeowner, the amount of property tax payable ~~or rent constituting~~
211.24 ~~property tax shall be~~ equals that portion not covered by the rental agreement.

211.25 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
211.26 and property taxes payable in 2023, and following years.

211.27 Sec. 14. Minnesota Statutes 2020, section 290A.07, subdivision 2a, is amended to read:

211.28 Subd. 2a. ~~Time of payment to renter or manufactured home homeowner.~~ A claimant
211.29 who is ~~a renter or~~ a homeowner who occupies a manufactured home, as defined in section
211.30 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under
212.1 section 168.012, subdivision 9, shall receive full payment after August 1 and before August
212.2 15 or 60 days after receipt of the application, whichever is later.

212.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
212.4 and following years.

212.5 Sec. 15. Minnesota Statutes 2020, section 290A.08, is amended to read:

212.6 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

212.7 Only one claimant per household per year is entitled to relief under this chapter. Payment
 212.8 of the claim for relief may be made payable to the spouses as one claimant. The
 212.9 commissioner, upon written request, may issue separate checks, to the spouses for one-half
 212.10 of the relief provided the original check has not been issued or has been returned. Individuals
 212.11 related as spouses who were married during the year may elect to file a joint claim which
 212.12 shall include each spouse's income, ~~rent constituting property taxes,~~ and property taxes
 212.13 payable. Spouses who were married for the entire year and were domiciled in the same
 212.14 household for the entire year must file a joint claim. The maximum dollar amount allowable
 212.15 for a joint claim shall not exceed the amount that one person could receive.

212.16 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 212.17 and following years.

212.18 Sec. 16. Minnesota Statutes 2020, section 290A.09, is amended to read:

212.19 **290A.09 PROOF OF CLAIM.**

212.20 Every claimant shall supply to the commissioner of revenue, in support of the claim,
 212.21 proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~
 212.22 ~~property taxes accrued, name and address of owner or managing agent of property rented,~~
 212.23 changes in homestead, household membership, household income, size and nature of property
 212.24 claimed as a homestead.

212.25 Persons with a disability filing claims shall submit proof of disability in the form and
 212.26 manner as the commissioner may prescribe. The department may require examination and
 212.27 certification by the claimant's physician or by a physician designated by the commissioner.
 212.28 The cost of any examination shall be borne by the claimant, unless the examination proves
 212.29 the disability, in which case the cost of the examination shall be borne by the commissioner.

212.30 A determination of disability of a claimant by the Social Security Administration under
 212.31 Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

213.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 213.2 and following years.

213.3 Sec. 17. Minnesota Statutes 2020, section 290A.091, is amended to read:

213.4 **290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.**

213.5 The cooperative manager of a leasehold cooperative shall furnish a statement to each
 213.6 tenant by March 31 of the year in which the property tax is payable showing each unit's
 213.7 share of the gross property tax and each unit's share of any property tax credits. Each tenant
 213.8 may apply for a property tax refund under this chapter as a homeowner based on each
 213.9 tenant's share of property taxes. The tenant may not ~~include any rent constituting property~~
 213.10 ~~taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of
 213.11 this section, a leasehold cooperative is formed on the day that leasehold cooperative status
 213.12 is granted by the appropriate county official.

213.13 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 213.14 and following years.

213.15 Sec. 18. Minnesota Statutes 2020, section 290A.13, is amended to read:

213.16 **290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

213.17 No claim for relief under this chapter shall be allowed if the commissioner determines
 213.18 that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of
 213.19 receiving benefits under this chapter and not for bona fide residence purposes.

213.20 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 213.21 and following years.

213.22 Sec. 19. Minnesota Statutes 2020, section 290A.19, is amended to read:

213.23 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

213.24 (a) The park owner ~~or managing agent of any of a~~ property for which rent is paid for
 213.25 occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter
 213.26 on December 31, in the form prescribed by the commissioner. If the renter moves before
 213.27 December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at
 213.28 the time of moving, or mail the certificate to the forwarding address if an address has been
 213.29 provided by the renter. The certificate must be made available to the renter before February
 213.30 1 of the year following the year in which the rent was paid. The park owner ~~or managing~~
 213.31 ~~agent~~ must retain a duplicate of each certificate or an equivalent record showing the same
 214.1 information for a period of three years. The duplicate or other record must be made available
 214.2 to the commissioner upon request.

214.3 (b) The commissioner may require the park owner ~~or managing agent~~, through a simple
 214.4 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
 214.5 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
 214.6 the content, format, and manner of the form pursuant to section 270C.30. Prior to
 214.7 implementation, the commissioner, after consulting with representatives of park owners ~~or~~
 214.8 ~~managing agents~~, shall develop an implementation and administration plan for the
 214.9 requirements of this paragraph that attempts to minimize financial burdens, administration
 214.10 and compliance costs, and takes into consideration existing systems of park owners ~~and~~
 214.11 ~~managing agents~~.

214.12 (c) For the purposes of this section, "~~owner~~" ~~includes~~ "park owner" means a park owner
 214.13 as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined
 214.14 under section 327C.01, subdivision 3.

214.15 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 214.16 and following years.

214.17 Sec. 20. Minnesota Statutes 2020, section 290A.25, is amended to read:

214.18 **290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

214.19 Annually, the commissioner of revenue shall furnish a list to the county assessor
 214.20 containing the names and Social Security numbers of persons who have applied for both
 214.21 homestead classification under section 273.13 and a ~~property tax refund as a renter under~~
 214.22 ~~this chapter~~ renter's credit under section 290.0693.

214.23 Within 90 days of the notification, the county assessor shall investigate to determine if
 214.24 the homestead classification was improperly claimed. If the property owner does not qualify,
 214.25 the county assessor shall notify the county auditor who will determine the amount of
 214.26 homestead benefits that has been improperly allowed. For the purpose of this section,
 214.27 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county
 214.28 auditor shall send a notice to persons who owned the affected property at the time the
 214.29 homestead application related to the improper homestead was filed, demanding
 214.30 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead
 214.31 benefits. The person notified may appeal the county's determination with the Minnesota
 214.32 Tax Court within 60 days of the date of the notice from the county as provided in section
 214.33 273.124, subdivision 13b.

215.1 If the amount of homestead benefits and penalty is not paid within 60 days, and if no
 215.2 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to

215.3 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits
215.4 and penalty amounts at the rate provided for delinquent personal property taxes for the
215.5 period beginning 60 days after demand for payment was made until payment. If the person
215.6 notified is the current owner of the property, the treasurer may add the total amount of
215.7 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property
215.8 in the following year. If the person notified is not the current owner of the property, the
215.9 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,
215.10 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce
215.11 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent
215.12 tax obligations of the person who owned the property at the time the application related to
215.13 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
215.14 personal liability for the benefits, penalty, interest, and costs, and instead extend those
215.15 amounts on the tax lists against the property for taxes payable in the following year to the
215.16 extent that the current owner agrees in writing.

215.17 Any amount of homestead benefits recovered by the county from the property owner
215.18 shall be distributed to the county, city or town, and school district where the property is
215.19 located in the same proportion that each taxing district's levy was to the total of the three
215.20 taxing districts' levy for the current year. Any amount recovered attributable to taconite
215.21 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the
215.22 taconite property tax relief account. Any amount recovered that is attributable to supplemental
215.23 homestead credit is to be transmitted to the commissioner of revenue for deposit in the
215.24 general fund of the state treasury. The total amount of penalty collected must be deposited
215.25 in the county general fund.

215.26 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
215.27 and following years.

215.28 Sec. 21. Minnesota Statutes 2020, section 462A.05, subdivision 24, is amended to read:

215.29 Subd. 24. **Housing for elderly, persons with physical or developmental disabilities,**
215.30 **and single parent families.** (a) It may engage in housing programs for low- and
215.31 moderate-income elderly, persons with physical or developmental disabilities, or single
215.32 parent families in the case of home sharing programs, as defined by the agency, to provide
215.33 grants or loans, with or without interest, for:

215.34 (1) accessibility improvements to residences occupied by elderly persons;

216.1 (2) housing sponsors, as defined by the agency, of home sharing programs to match
216.2 existing homeowners with prospective tenants who will contribute either rent or services

216.3 to the homeowner, where either the homeowner or the prospective tenant is elderly, a person
216.4 with physical or developmental disabilities, or the head of a single parent family;

216.5 (3) the construction of or conversion of existing buildings into structures for occupancy
216.6 by the elderly that contain from three to 12 private sleeping rooms with shared cooking
216.7 facilities and common space; and

216.8 (4) housing sponsors, as defined by the agency, to demonstrate the potential for home
216.9 equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine
216.10 the need in those equity conversions for consumer safeguards.

216.11 (b) In making the grants or loans, the agency shall determine the terms and conditions
216.12 of repayment and the appropriate security, if any, should repayment be required. The agency
216.13 may provide technical assistance to sponsors of home sharing programs or may contract or
216.14 delegate the provision of the technical assistance in accordance with section 462A.07,
216.15 subdivision 12.

216.16 (c) Housing sponsors who receive funding through these programs shall provide
216.17 homeowners and tenants participating in a home sharing program with information regarding
216.18 their rights and obligations as they relate to federal and state tax law including, but not
216.19 limited to, taxable rental income, homestead classification under chapter 273, the renter's
216.20 credit under section 290.0693, and the property tax refund act under chapter 290A.

216.21 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
216.22 and following years.

216.23 Sec. 22. **REPEALER.**

216.24 Minnesota Statutes 2020, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivisions
216.25 2a and 5; and 290A.23, subdivision 1, are repealed.

216.26 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
216.27 and following years.