Overview

Modifies the property tax refund by providing a single schedule for both homeowners and renters, deletes the maximum property tax refund, and increases the maximum qualifying household income eligible for the refund. Effective for rent paid in 1999 and property taxes payable in 2000 and thereafter.

Section

1  Computation of refunds. Changes the property tax refund schedule and provides that both homeowners and renters will use the same schedule. The proposed schedule ranges from claimants paying from 1 percent to 6 percent of their household income with the percent of the tax paid by the claimant ranging from 10 percent to 45 percent. There is no maximum state refund. Increases the maximum household income for all claimants to $85,001.

Under current law, homeowners must pay from 1.2 percent to 4.0 percent of their household income with the percent of tax paid by the claimant ranging from 18 percent to 50 percent. For refunds filed in 1999, the maximum homeowner refund is $490 and the maximum qualifying household income is $68,680.

Currently for renters, the percent of income ranges from 1.0 percent to 3.5 percent with the percent paid by the claimant ranging from 5 percent to 50 percent. For refunds filed in 1999, the maximum refund is $1,140 and the maximum qualifying household income is $40,060.

2  Repealer. Repeals the renter property tax refund schedule (subdivision 2a) since homeowners and renters are included in the same schedule. Also repeals an obsolete reference (subdivision 2b).

3  Effective date. Provides that sections 1 and 2 are effective for claims based on rent constituting property taxes paid in 1999 and property taxes payable in payable 2000 and thereafter.