

HOUSE RESEARCH

Bill Summary

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Overview

This bill would revive the bovine tuberculosis (bovine TB) property tax credit for eligible livestock producers located within the bovine TB management zone in northwestern Minnesota. By law, the tax credit had expired after the state Board of Animal Health (BAH) certified that the state is free of bovine TB.

For 2012 and future years, the tax credit would be equal to the dollar amount of the credit that a qualifying producer received in 2011. As was the case before, state General Fund dollars would be used to reimburse local units of government for lost property tax revenue.

- 1 Tax credit for property in bovine tuberculosis management zone.** Modifies the existing statute that authorized the property tax credit. Provides that the credit is only available to producers in the Bovine TB Management Zone, which is considerably smaller than the Bovine TB Modified Accredited Zone. Eliminates the formula for calculating a qualifying producer's credit amount and sets the credit level going forward at the amount of credit the producer received for property taxes payable in 2011.

For taxes payable in 2012, a qualifying producer would submit an application to the county no later than July 1, 2012, and receive a cash payment in lieu of a property tax break, provided the producer does not owe delinquent property taxes. For future tax years, a qualifying producer would receive a credit that lowers their property tax liability.

The Department of Revenue will use state General Fund dollars to reimburse local units of government for lost property tax revenue. The department will distribute the funds to affected counties, townships, and school districts. However for taxes payable in 2012 Revenue will reimburse counties only.

Eligible producers could claim the credit each year until BAH discontinues all required bovine TB activities in the management zone.

Effective date: This section is effective for property taxes payable in 2012 and thereafter.

