

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 868**

(SENATE AUTHORS: NELSON and Chamberlain)

DATE  
02/13/2017

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577 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; property; modifying the state general levy base; amending  
1.3 Minnesota Statutes 2016, section 275.025, subdivision 1.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2016, section 275.025, subdivision 1, is amended to read:

1.6 Subdivision 1. **Levy amount.** The state general levy is levied against  
1.7 commercial-industrial property and seasonal residential recreational property, as defined  
1.8 in this section. The state general levy base amount is ~~\$592,000,000 for taxes payable in~~  
1.9 ~~2002. For taxes payable in subsequent years, the levy base amount is increased each year~~  
1.10 ~~by multiplying the levy base amount for the prior year by the sum of one plus the rate of~~  
1.11 ~~increase, if any, in the implicit price deflator for government consumption expenditures and~~  
1.12 ~~gross investment for state and local governments prepared by the Bureau of Economic~~  
1.13 ~~Analysts of the United States Department of Commerce for the 12-month period ending~~  
1.14 ~~March 31 of the year prior to the year the taxes are payable.~~ for taxes payable in 2018 and  
1.15 thereafter is \$862,551,300. The tax under this section is not treated as a local tax rate under  
1.16 section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

1.17 The commissioner shall increase or decrease the preliminary or final rate for a year as  
1.18 necessary to account for errors and tax base changes that affected a preliminary or final rate  
1.19 for either of the two preceding years. Adjustments are allowed to the extent that the necessary  
1.20 information is available to the commissioner at the time the rates for a year must be certified,  
1.21 and for the following reasons:

1.22 (1) an erroneous report of taxable value by a local official;

2.1 (2) an erroneous calculation by the commissioner; and

2.2 (3) an increase or decrease in taxable value for commercial-industrial or seasonal  
2.3 residential recreational property reported on the abstracts of tax lists submitted under section  
2.4 275.29 that was not reported on the abstracts of assessment submitted under section 270C.89  
2.5 for the same year.

2.6 The commissioner may, but need not, make adjustments if the total difference in the tax  
2.7 levied for the year would be less than \$100,000.

2.8 **EFFECTIVE DATE.** This section is effective for taxes payable in 2018 and thereafter.