

A bill for an act
relating to taxation; property tax refunds for homeowners; modifying the
schedule and ending inflation adjustment of brackets and maximum refund
amounts; amending Minnesota Statutes 2008, section 290A.04, subdivisions 2, 4.

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

Section 1. Minnesota Statutes 2008, section 290A.04, subdivision 2, is amended to
read:

Subd. 2. **Homeowners.** A claimant whose property taxes payable are in excess
of the percentage of the household income stated below shall pay an amount equal to
the percent of income shown for the appropriate household income level along with the
percent to be paid by the claimant of the remaining amount of property taxes payable.
The state refund equals the amount of property taxes payable that remain, up to the state
refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 1,189 <u>1,519</u>	1.0 percent	15 percent	1,850 \$ <u>2,370</u>
1,190 to 2,379 <u>1,520 to 3,049</u>	1.1 percent	15 percent	1,850 \$ <u>2,370</u>
2,380 to 3,589 <u>3,050 to 4,599</u>	1.2 percent	15 percent	1,800 \$ <u>2,310</u>
3,590 to 4,789 <u>4,600 to 6,129</u>	1.3 percent	20 percent	1,800 \$ <u>2,310</u>
4,790 to 5,979 <u>6,130 to 7,659</u>	1.4 percent	20 percent	1,730 \$ <u>2,220</u>
5,980 to 8,369 <u>7,660 to 10,719</u>	1.5 percent	20 percent	1,730 \$ <u>2,220</u>

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2.1	8,370 to 9,559			1,670
2.2	<u>10,720 to 12,239</u>	1.6 percent	25 percent	\$ <u>2,140</u>
2.3	9,560 to 10,759			1,670
2.4	<u>12,240 to 13,779</u>	1.7 percent	25 percent	\$ <u>2,060</u>
2.5	10,760 to 11,949			1,610
2.6	<u>13,780 to 15,299</u>	1.8 percent	25 percent	\$ <u>1,970</u>
2.7	11,950 to 13,139			1,610
2.8	<u>15,300 to 16,829</u>	1.9 percent	30 percent	\$ <u>1,900</u>
2.9	13,140 to 14,349			1,540
2.10	<u>16,830 to 18,379</u>	2.0 percent	30 percent	\$ <u>1,820</u>
2.11	14,350 to 16,739			1,540
2.12	<u>18,380 to 21,439</u>	2.1 percent	30 percent	\$ <u>1,740</u>
2.13	16,740 to 17,929			1,480
2.14	<u>21,440 to 22,959</u>	2.2 percent	35 percent	\$ <u>1,590</u>
2.15	17,930 to 19,119			1,480
2.16	<u>22,960 to 24,479</u>	2.3 percent	35 percent	\$ <u>1,420</u>
2.17	19,120 to 20,319			1,420
2.18	<u>24,480 to 26,019</u>	2.4 percent	35 <u>40</u> percent	\$ <u>1,270</u>
2.19	20,320 to 25,099			1,420
2.20	<u>26,020 to 32,139</u>	2.5 percent	40 percent	\$ <u>1,110</u>
2.21	25,100 to 28,679			1,360
2.22	<u>32,140 to 36,729</u>	2.6 percent	40 <u>45</u> percent	\$ <u>950</u>
2.23	28,680 to 35,849			1,360
2.24	<u>36,730 to 45,909</u>	2.7 percent	40 <u>45</u> percent	\$ <u>780</u>
2.25	35,850 to 41,819			1,240
2.26	<u>45,910 to 53,549</u>	2.8 percent	45 <u>50</u> percent	\$ <u>640</u>
2.27	41,820 to 47,799			1,240
2.28	<u>53,550 to 58,499</u>	3.0 percent	45 <u>50</u> percent	\$ <u>470</u>
2.29	47,800 to 53,779	3.2 percent	45 percent	\$ 1,110
2.30	53,780 to 59,749	3.5 percent	50 percent	\$ 990
2.31	59,750 to 65,729	3.5 percent	50 percent	\$ 870
2.32	65,730 to 69,319	3.5 percent	50 percent	\$ 740
2.33	69,320 to 71,719	3.5 percent	50 percent	\$ 610
2.34	71,720 to 74,619	3.5 percent	50 percent	\$ 500
2.35	74,620 to 77,519	3.5 percent	50 percent	\$ 370

2.36 The payment made to a claimant shall be the amount of the state refund calculated
2.37 under this subdivision. No payment is allowed if the claimant's household income is
2.38 ~~\$77,520~~ \$58,500 or more.

2.39 **EFFECTIVE DATE.** This section is effective for refunds based on property taxes
2.40 payable in 2011 and thereafter.

2.41 Sec. 2. Minnesota Statutes 2008, section 290A.04, subdivision 4, is amended to read:

2.42 Subd. 4. **Inflation adjustment.** Beginning for property tax refunds payable in
2.43 calendar year 2002, the commissioner shall annually adjust the dollar amounts of the

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income thresholds and the maximum refunds under ~~subdivisions 2 and~~ subdivision 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section 1(f) of the Internal Revenue Code, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on June 30, 2000, to the year ending on June 30 of the year preceding that in which the refund is payable. The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under ~~subdivisions 2 and~~ subdivision 2a for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round the thresholds and the maximum amounts, as adjusted to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount.

The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective the day following final enactment.