

CHAPTER 290A

PROPERTY TAX REFUND ACT

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290A.01 CITATION.

Sections 290A.01 to 290A.20 may be cited as the "State of Minnesota Property Tax Refund Act."

History: 1975 c 437 art 1 s 1; 1977 c 423 art 2 s 1; 1Sp1981 c 4 art 1 s 137

290A.02 PURPOSE.

The purpose of sections 290A.01 to 290A.20 is to provide property tax relief to certain persons who own or rent their homesteads.

History: 1975 c 437 art 1 s 2; 1Sp1981 c 4 art 1 s 138

290A.03 DEFINITIONS.

Subdivision 1. **Generally.** The following words, terms, and phrases when used in sections 290A.01 to 290A.20 shall have the meaning ascribed to them in this section, except where the context indicates a different meaning.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue of the state of Minnesota.

Subd. 3. **Income.** (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1981; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20a, Clauses (1), (3), (9), (14), (15), and (21);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

- (viii) workers' compensation;
- (ix) unemployment benefits;
- (x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

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

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

(d) relief granted under sections 290A.01 to 290A.20;

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

(f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Subd. 4. Household. "Household" means a claimant and an individual related to the claimant as husband or wife who are domiciled in the same homestead.

Subd. 5. Household income. "Household income" means all income received by all persons of a household in a calendar year while members of the household, other than income of a dependent.

Subd. 6. Homestead. "Homestead" means the dwelling occupied by a claimant as a place of residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home, except that this restriction shall not be applicable to agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6. The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A manufactured home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Subd. 7. Dependent. "Dependent" means any person who is under 18 years of age at the end of the calendar year who receives more than 50 percent of his support from the claimant, or who is between 18 and 21 years of age and is a full time student who receives more than 50 percent of his support from the claimant. "Dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead. "Dependent" includes a person over 18 years of age who lives in the claimant's homestead and who receives more than 50 percent of his support from the claimant.

Subd. 8. Claimant. "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was

filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim. "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter. In the case of a claim for rent constituting property taxes of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Subd. 9. **Disabled claimant.** "Disabled claimant" means any claimant who has a disability.

Subd. 10. **Disability.** "Disability" means:

(a) Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or

(b) Blindness; and the term "blindness" means central acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

(c) An individual shall be determined to be under a disability only if his physical or mental impairment or impairments are of such severity that he is not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the state economy, regardless of whether the work exists in the immediate area in which he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for work. For purposes of the preceding sentence, "work which exists in the state economy" means work which exists in significant

numbers either in the area where the individual lives or in several areas of the state.

(d) A "physical or mental impairment" is an impairment that results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

Subd. 11. Rent constituting property taxes. "Rent constituting property taxes" means 23 percent of the gross rent actually paid in cash, or its equivalent, or that portion of gross rent which is paid in lieu of property taxes, in any calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.20 by the claimant.

Subd. 12. Gross rent. "Gross rent" means rental paid solely for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any utilities, services, furniture, or furnishings furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, he may adjust the gross rent to a reasonable amount for purposes of sections 290A.01 to 290A.20.

If the landlord does not supply the charges for any utilities, furniture, or furnishings furnished by him, or if the charges appear to be incorrect the commissioner may apply a percentage determined from samples of similar gross rents paid solely for the right of occupancy.

Any amount paid by a claimant residing in property assessed pursuant to section 273.133 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section 273.133 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Subd. 13. Property taxes payable. "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, and 273.1391 in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead

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classification has been made prior to July 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b.

History: 1975 c 359 s 23; 1975 c 437 art 1 s 3; 1976 c 245 s 2; 1976 c 268 s 2; 1976 c 334 s 15; 1977 c 376 s 12; 1977 c 423 art 2 s 2-8; 1978 c 721 art 9 s 2; 1979 c 303 art 2 s 28-30; 1980 c 419 s 43,44; 1980 c 607 art 3 s 1; 1981 c 60 s 24; 1981 c 178 s 112,113; 1981 c 343 s 36; 1981 c 365 s 9; 1Sp1981 c 1 art 3 s 2; art 5 s 9; art 8 s 16; 1Sp1981 c 4 art 1 s 139-142; 1982 c 523 art 1 s 63,64; art 8 s 1; art 36 s 2; art 40 s 13

290A.04 CREDIT ALLOWABLE.

Subdivision 1. A credit shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid. The maximum credit for any claimant who was disabled on or before June 1 or who attained the age of 65 prior to June 1 of the year following the year for which the taxes were levied or in which the rent was paid shall be \$200 above the maximum for which that claimant would otherwise be eligible according to his income.

Subd. 2. The refund shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

\$0 to \$2,999, 0.5 percent, up to \$650;

3,000 to 3,999, 0.6 percent, up to \$650;

4,000 to 4,999, 0.7 percent, up to \$650;

5,000 to 5,999, 0.8 percent, up to \$650;

6,000 to 6,999, 0.9 percent, up to \$650;

7,000 to 7,999, 1.0 percent, up to \$650;

8,000 to 8,999, 1.1 percent, up to \$650;

9,000 to 9,999, 1.2 percent, up to \$650;

10,000 to 10,999, 1.3 percent, up to \$650;

11,000 to 11,999, 1.4 percent, up to \$650;

12,000 to 19,999, 1.5 percent, up to \$650;

20,000 to 22,999, 1.6 percent, up to \$650;

23,000 to 25,999, 1.8 percent, up to \$600;

26,000 to 30,999, 2.0 percent, up to \$550;

31,000 to 35,999, 2.2 percent, up to \$525;

36,000 to 40,999, 2.4 percent, up to \$500;

41,000 to 44,999, 2.6 percent, up to \$500;

45,000 to 52,999, 2.8 percent, up to \$500;

53,000 to 65,999, 3.0 percent, up to \$500;

66,000 to 81,999, 3.2 percent, up to \$500;

82,000 to 99,999, 3.5 percent, up to \$500;

100,000 and over, 4.0 percent, up to \$500;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

The payment made to a claimant shall be the amount of refund calculated pursuant to this subdivision, but not exceeding \$850, less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Subd. 2a. An additional refund shall be allowed each claimant who was not disabled or who had not attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes payable or rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$0 to 25,999, up to \$1,000;

26,000 to 35,999, up to \$850;

36,000 and over, up to \$550;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$25 per \$1,000; between \$26,000 and \$36,000 decline \$30 per \$1,000. A claimant who owns his own homestead part of the year and rents part of the year may add his rent constituting property taxes to the qualifying tax on his homestead and receive the additional refund provided in subdivision 2a.

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes payable or rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$0 to 22,999, up to \$1,000;

23,000 to 25,999, up to \$975;

26,000 to 35,999, up to \$950;

36,000 and over, up to \$750;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$8.33 per \$1,000; between \$26,000 and \$36,000 decline \$20 per \$1,000.

In the case of a claimant who was disabled on or before June 1 or who attained the age of 65 on the date specified in subdivision 1, the refund shall not be less than the refund which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

Subd. 2c. If the net property taxes payable on a homestead in 1981 increase more than ten percent over the net property taxes payable in 1980 on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds ten percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$500.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 273.13, subdivisions 6, 7 and 14a; and 273.115; 273.116; and 273.139; and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to proofs required pursuant to this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

Subd. 2d. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 75 percent of the amount by which the increase exceeds 20 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$200.

For purposes of this subdivision, "net property taxes payable" means property taxes, whether or not the taxes are eligible for reimbursement pursuant to section 273.13, subdivision 15b, payable after reductions made pursuant to sections 273.13, subdivisions 6, 7 and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 124.2137; 273.135; and 273.1391; and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b but with no deduction of the amount received pursuant to this subdivision for the preceding year.

In addition to proofs required pursuant to this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1981, the commissioner shall redetermine the estimated total amount of the refunds paid or payable pursuant to Minnesota Statutes 1980, Section 290A.04, Subdivision 2c. If the amount so redetermined is less than \$13,800,000, the commissioner shall add the difference to the appropriation provided in First Special Session Laws 1981, Chapter 1, Article 2, Section 24 to make the payments.

On or before December 1, 1981, the commissioner shall estimate the cost of making the payments provided by this section. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed the total funds available to pay the refunds, the commissioner shall adjust accordingly the percentage increase in net property taxes payable over the previous year which is required to qualify for the credit provided in this subdivision.

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivisions 2, 2a, and 2b, except that the commissioner may graduate the transition between income brackets.

For homestead property owners who are disabled or are 65 or older, as provided in subdivision 1, the commissioner shall base his determination of the credit on the gross qualifying tax reduced by the average statewide effective homestead credit percentage for taxes payable in 1975 calculated under section 273.13, subdivisions 6 and 7.

History: 1975 c 437 art 1 s 4; 1976 c 245 s 3,4; 1977 c 423 art 2 s 9-11; 1978 c 766 s 9,10; 1979 c 303 art 2 s 31-34; 1980 c 607 art 3 s 2; 1981 c 178 s 114,115; 1Sp1981 c 1 art 2 s 19,20

290A.05 COMBINED HOUSEHOLD INCOME.

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, the property tax payable or rent constituting property tax shall be reduced as follows:

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

History: 1975 c 437 art 1 s 5; 1977 c 423 art 2 s 12

290A.06 FILING TIME LIMIT, LATE FILING.

Any claim for property taxes payable shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable. Any claim for rent constituting property taxes shall be filed with the department of revenue on or before August 31 of the year following the year in which the rent was paid. The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in his judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be cancelled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in his judgment other good cause exists. In any event no claim shall be allowed if the initial claim is filed two years after the original due date for filing the claim.

The time limit on redetermination of claims for refund and examination of records shall be governed by sections 290.49, 290.50, and 290.56 and for purposes of computing the time limit as provided in these sections the due date of the property tax refund return shall be the same as the due date contained in section 290.42 for an income tax return covering the year in which the rent was paid or the year preceding the year in which the property taxes are payable.

History: 1975 c 437 art 1 s 6; 1976 c 334 s 16; 1977 c 386 s 10; 1980 c 607 art 3 s 3; 1981 c 178 s 116

290A.07 TIME FOR PAYMENT.

Subdivision 1. Allowable claims filed pursuant to the provisions of this chapter shall be paid by the commissioner from the general fund.

Subd. 2. [Repealed, 1982 c 641 art 2 s 13]

Subd. 2a. A claimant who is a renter shall receive full payment prior to August 15 or 60 days after receipt of the application, whichever is later. Interest shall be added at six percent per annum from August 15 or 60 days after receipt of the application whichever is later.

Subd. 3. Any claimant not included in subdivision 2a shall receive full payment after September 30 and prior to October 15. Interest shall be added at six percent per annum from October 15 or 60 days after receipt of the application

if the application is filed after August 31. Interest will be computed until the date the claim is paid.

Subd. 4. [Repealed, 1981 c 343 s 43]

History: 1975 c 437 art 1 s 7; 1980 c 419 s 45; 1981 c 178 s 117; 1981 c 343 s 37,38; 1Sp1981 c 3 s 6-8; 1982 c 523 art 1 s 65; 1982 c 641 art 2 s 2,3

290A.08 ONE CLAIMANT PER HOUSEHOLD.

Only one claimant per household per year is entitled to relief under sections 290A.01 to 290A.20. Payment of the claim for relief may be made payable to the husband and wife as one claimant. The commissioner, upon written request, may issue separate checks, to the husband and wife for one-half of the relief provided the original check has not been issued or has been returned. Individuals related as husband and wife who were married during the year may elect to file a joint claim which shall include each spouse's income, rent constituting property taxes, and property taxes payable. The maximum dollar amount allowable for a joint claim shall not exceed the amount that one person could receive.

History: 1975 c 437 art 1 s 8; 1977 c 423 art 2 s 13; 1981 c 343 s 39; 1Sp1981 c 4 art 1 s 144

290A.09 PROOF OF CLAIM.

Every claimant shall supply to the department of revenue, in support of his claim, proof of eligibility under sections 290A.01 to 290A.20, including but not limited to amount of rent paid or property taxes accrued, name and address of owner or managing agent of property rented, changes in homestead, household membership, household income, size and nature of property claimed as a homestead.

Disabled persons filing claims shall submit proof of disability in the form and manner as the department may prescribe. The department may require examination and certification by the claimant's physician or by a physician designated by the department. The cost of any examination shall be borne by the claimant, unless the examination proves the disability, in which case the cost of the examination shall be borne by the department.

A determination of disability of a claimant by the social security administration under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

History: 1975 c 437 art 1 s 9; 1Sp1981 c 4 art 1 s 145

290A.10 PROOF OF TAXES PAID.

Every claimant who files a claim for relief for property taxes payable shall include with his claim a property tax statement or a reproduction thereof in a form deemed satisfactory by the commissioner of revenue indicating that there are no delinquent property taxes on the homestead. Indication on the property tax statement from the county treasurer that there are no delinquent taxes on the homestead shall be sufficient proof. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.

History: 1975 c 437 art 1 s 10; 1977 c 423 art 2 s 14

290A.11 OBJECTIONS TO CLAIMS.

Subdivision 1. **Audit of claim.** When on the audit of any claim filed under sections 290A.01 to 290A.20 the department determines the amount thereof to

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have been incorrectly determined, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final unless appealed to the Minnesota tax court within 60 days of notice thereof. The redetermination under this subdivision and subdivision 1a shall be recovered by assessment and collection in the manner provided in chapter 290 for collection of income tax. The assessment shall bear interest from the date the claim is paid by the state until the date of repayment by the claimant, at the rate specified in section 270.75.

Subd. 1a. Reduction in assessed value, redetermination of claims. If the commissioner is notified pursuant to section 375.192, subdivision 1, that a reduction in assessed value was granted and the claimant's property taxes were decreased, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final unless appealed to the Minnesota tax court within 60 days of notice thereof.

Subd. 2. Fraudulent claim; penalty. In any case in which it is determined that the claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full. If the claim has been paid, the amount disallowed shall be recovered by assessment and collection in the manner provided in chapter 290 for collection of income tax. The assessment shall bear interest from the date the claim is paid by the state until the date of repayment by the claimant, at the rate specified in section 270.75. The claimant, and any person who assisted in the preparation of filing of the excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, is guilty of a misdemeanor.

Any person who knowingly prepares, assists in preparing, or files false or excessive claims with the intent of defrauding the state of Minnesota of \$2,500 or more, aggregated within any 12 month period, is guilty of a felony and upon conviction may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. Excessive or negligent claim. If it is determined that a claim is excessive and was negligently prepared, ten percent of the corrected claim shall be disallowed. If the claim has been paid, the amount erroneously paid out plus penalty shall be recovered as provided in subdivision 2.

Subd. 4. Interest. Amounts to be repaid to the state shall bear interest at the rate specified in section 270.75 from the date the state paid the claim until the date of repayment by the claimant.

History: 1975 c 437 art 1 s 11; 1976 c 134 s 78; 1977 c 307 s 29; 1978 c 767 s 23; 1980 c 607 art 3 s 4; 1981 c 343 s 40,41; 1Sp1981 c 4 art 1 s 146; 1982 c 523 art 1 s 66

290A.111 ACTION TO ENJOIN PROPERTY TAX REFUND RETURN PREPARERS.

Subdivision 1. Authority to seek injunction. A civil action in the name of the state of Minnesota may be commenced in the same manner and pursuant to the same authority as provided in section 290.521, subdivision 1, to enjoin any person who is a property tax refund return preparer doing business in this state from further engaging in any conduct described in subdivision 2 or from further acting as a property tax refund return preparer.

Subd. 2. Adjudication and decrees. In any action under subdivision 1, if the court finds:

(a) that a property tax refund return preparer has:

(1) engaged in any conduct subject to the criminal penalty provided by section 290A.11, subdivision 2, or subject to the civil penalty under section 290A.112,

(2) misrepresented his eligibility to practice before the department of revenue, or otherwise misrepresented his experience or education as a property tax refund return preparer,

(3) guaranteed the payment of any property tax refund or the allowance of any property tax refund credit against income tax,

(4) engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the provisions of this chapter,

the court may decree appropriate injunctive relief pursuant to the authority granted in section 290.521, subdivision 2.

Subd. 3. **Property tax refund return preparer defined.** For purposes of this section and section 290A.112, the term "property tax refund return preparer" shall have the same meaning as the term "income tax return preparer" as defined in section 290.521, subdivision 3, to the extent that the definition applies to the preparation of a claim for relief under this chapter.

History: 1982 c 523 art 31 s 3

290A.112 OVERSTATEMENT OF TAXPAYER'S CLAIM BY PROPERTY TAX REFUND RETURN PREPARER.

Subdivision 1. **Wilful overstatement of claim.** If any part of an excessive claim with respect to any property tax refund return is due to a wilful attempt in any manner to overstate the claim for relief allowed under this chapter by a person who is a property tax refund return preparer with respect to the return, the person shall pay to the commissioner a penalty of \$500 with respect to the return. The penalty under this section may not be assessed against the employer of a property tax refund return preparer unless the employer was actively involved in the wilful attempt to overstate the claim for property tax refund. This penalty shall be considered to be an income tax liability and may be assessed at any time as provided in section 290.49, subdivision 6. In any proceeding involving the issue of whether or not a property tax refund return preparer has wilfully attempted in any manner to overstate the property tax refund claim, the burden of proof in respect of the issue shall be upon the commissioner and the claim of the claimant may be disclosed to the property tax refund return preparer notwithstanding section 290A.17.

Subd. 2. **Overstatement of claim defined.** For purposes of this section, the term "overstatement of claim" means any overstatement of the net amount refundable, or the net amount creditable against income tax, with respect to any claim for property tax relief provided by this chapter. The determination of whether or not there is an overstatement of a claim shall be made without regard to any administrative or judicial action involving the claimant.

History: 1982 c 523 art 31 s 4

290A.12 APPEAL.

Any person aggrieved by the denial, in whole or in part, of relief claimed under this chapter, except when the denial is based upon late filing of a claim for relief, may appeal the denial to the Minnesota tax court by filing a petition with the tax court within 60 days after the denial, as provided in chapter 271.

History: 1975 c 437 art 1 s 12; 1976 c 134 s 78; 1977 c 307 s 29; 1978 c 767 s 24

290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.

No claim for relief under sections 290A.01 to 290A.20 shall be allowed if the commissioner determines that the claimant received title or tenancy to his home-

stead primarily for the purpose of receiving benefits under sections 290A.01 to 290A.20 and not for bona fide residence purposes.

History: 1975 c 437 art 1 s 13; 1Sp1981 c 4 art 1 s 147

290A.14 PROPERTY TAX STATEMENT.

The county treasurer shall prepare and send a sufficient number of copies of the property tax statement to the owner, and to his escrow agent if the taxes are paid via an escrow account, to enable him to comply with the filing requirements of this chapter and to retain one copy for his records. The property tax statement, in a form prescribed by the commissioner, shall indicate the manner in which the claimant may claim relief from the state and the amount of the tax for which the applicant may claim relief. The statement shall also indicate if there are delinquent property taxes on the property in the preceding year. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.

History: 1975 c 437 art 1 s 14; 1976 c 334 s 17; 1977 c 423 art 2 s 15

290A.15 CLAIM APPLIED AGAINST OUTSTANDING LIABILITY.

The amount of any claim otherwise payable under sections 290A.01 to 290A.20 may be applied by the commissioner against any delinquent tax liability of the claimant or spouse of the claimant payable to the department of revenue.

History: 1975 c 437 art 1 s 15; 1Sp1981 c 4 art 1 s 148

290A.16 INCOME TAX DEDUCTION PROHIBITED.

Notwithstanding section 290.09, subdivision 4, the income tax deduction for property taxes paid shall not exceed the amount paid, reduced by the amount of credit allowed with respect to the tax pursuant to sections 290A.01 to 290A.20.

History: 1975 c 437 art 1 s 16; 1Sp1981 c 4 art 1 s 149

290A.17 PUBLISHING OR RELEASING INFORMATION ON CLAIMS.

The provisions of section 290.61 relating to the confidential nature of income tax returns shall be applicable to claims filed pursuant to the provisions of chapter 290A. When it is necessary to adjust or audit a claim that is required to include or recognize the income of another person, or information furnished by that person, the commissioner is authorized to disclose the income and other information of all people involved, to each person involved, so that a proper claim may be allowed.

Nothing herein shall be construed to prohibit the commissioner from publishing or releasing the information concerning amounts of property tax accrued and the relief granted to taxpayers without including information which would identify individual taxpayers. The commissioner may examine income tax returns as he deems necessary and may utilize the information in legal and administrative proceedings to insure proper administration of sections 290A.01 to 290A.20, notwithstanding section 290.61.

History: 1975 c 437 art 1 s 17; 1977 c 387 s 3; 1980 c 607 art 3 s 5; 1Sp1981 c 4 art 1 s 150

290A.18 RIGHT TO FILE CLAIM.

If a person entitled to relief under sections 290A.01 to 290A.23 dies prior to receiving relief, the surviving spouse, dependent or personal representative of the person shall be entitled to file the claim and receive relief.

History: 1975 c 437 art 1 s 18; 1977 c 423 art 2 s 16; 1980 c 607 art 3 s 6

290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.

The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent paid to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

History: 1975 c 437 art 1 s 19; 1977 c 423 art 2 s 17; 1980 c 607 art 3 s 7; 1981 c 104 s 1

290A.20 RULES AND REGULATIONS.

The commissioner shall promulgate rules and regulations which he deems appropriate for the administration of sections 290A.01 to 290A.20. He shall also make available forms with instructions for claimants as he deems necessary for the proper administration of sections 290A.01 to 290A.20. The claim shall be in the form the commissioner may prescribe.

History: 1975 c 437 art 1 s 20; 1Sp1981 c 4 art 1 s 151

290A.21 [Repealed, 1977 c 423 art 2 s 20]**290A.22 SUPPLEMENTAL HOUSING ALLOWANCE FOR AFDC RECIPIENTS.**

Recipients of the aid to families with dependent children program who receive a supplemental housing allowance under section 256.879 are not eligible for the tax credit set forth under sections 290A.01 to 290A.20. The commissioner of revenue shall assist the commissioner of public welfare in the administration of the supplemental housing allowance, and shall provide the commissioner of public welfare with such records and information as are necessary to administer the housing allowance.

History: 1976 c 334 s 18; 1Sp1981 c 4 art 1 s 152

290A.23 APPROPRIATION.

There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required by chapter 290A.

History: 1977 c 423 art 2 s 18