

**PROPERTY TAX REFUND
Homeowner Copays Reduced**

March 19, 2025

Department of Revenue
Analysis of H.F. 2475 (Tabke) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
General Fund	\$0	(\$18,000)	(\$18,000)	(\$18,000)

Effective for refunds based on property taxes payable in 2026 and thereafter.

EXPLANATION OF THE BILL

Under current law the copay percentages for homeowners claiming a property tax refund range from 12% to 47% depending on household income.

The proposal would lower the homeowner copay percentages by 5 percentage points for income ranges below \$52,960.

REVENUE ANALYSIS DETAIL

- The estimate is based on the February 2025 forecast.
- By lowering the copay percentages for homeowners, state-paid property tax refunds to homeowners would increase by \$18.0 million beginning in FY 2027.
- Under the proposal, approximately 29% of homeowner PTR claimants would receive an increased refund, with the average refund increase being \$104.

Number of Taxpayers: 174,000 homeowner PTR claimants would receive an increased refund.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

The bill is scored on a three-point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>