

**Subject** Renter's credit for nonprofit child care facilities

**Authors** Youakim and others

**Analyst** Sean Williams

**Date** March 10, 2025

## Overview

H.F. 802 establishes a renter's property tax refund program for nonprofit child care facilities. The refund would equal ten percent of rent paid in the calendar year. Both center and family-based day cares would be eligible for the refund. Property owners that lease property to child care facilities would be annually required to provide the facility with a certificate of rent paid.

The bill also requires DOR to submit a report on the share of rent constituting property taxes for child care facilities.

The bill is effective for refunds paid in 2025, based on rent paid in 2024.

## Summary

Section	Description
---------	-------------

- |   |  |
|---|--|
| 1 | <p><b>Gross rent.</b></p> <p>Adds child care property to the definition of "gross rent."</p> <p>Effective beginning with refunds based on rent paid in 2024.</p>   |
| 2 | <p><b>Eligible child care facility.</b></p> <p>Defines "eligible child care facility" as a licensed child care facility that accepts families participating in the child care assistance program, and that qualifies for an exemption under section 501(c)(3) of the Internal Revenue Code. Defines "licensed child care facility" as a child care center, licensed family day care, or group family day care.</p> <p>Effective beginning with refunds based on rent paid in 2024.</p> |
| 3 | <p><b>Eligible child care property.</b></p> <p>Defines "eligible child care property" as the portion of a property used to operate a licensed child care property.</p>   |

Section	Description
	Effective beginning with refunds based on rent paid in 2024.
4	<b>Refund for child care facilities.</b> Establishes a property tax refund program for eligible child care facilities. The refund equals ten percent of gross rent paid in the calendar year. To receive a refund, facilities would have to apply to the commissioner in the form and manner specified by the commissioner. Refunds would be paid out in early fall, consistent with other property tax refund programs.  Effective beginning with refunds based on rent paid in 2024.
5	<b>Owner or managing agent to furnish rent certificate.</b> Requires the owner of eligible child care property for which an eligible child care facility paid rent to furnish the facility with a certificate of rent paid. The process for distributing certificates would mirror the process in current law for the renter's credit.  Effective beginning with refunds based on rent paid in 2024.
6	<b>Refund for child care facilities; appropriation.</b> Appropriates the amount necessary to pay the refund for child care facilities.  Effective beginning with refunds based on rent paid in 2024.
7	<b>Special rule for certificates of rent paid for eligible child care facilities based on rent paid in 2024.</b> Requires owners of child care facilities to furnish a certificate of rent paid in 2024 no later than July 31, 2025.  Effective the day following final enactment.
8	<b>Report; rent constituting property taxes for child care facilities.</b> Requires the Department of Revenue to submit a report to the legislative tax committees estimating the share of rent constituting property taxes for eligible child care facilities. To the extent feasible, the report must contain an estimate for Minneapolis, St. Paul, the seven-county metro, and greater Minnesota.  The report would be due March 1, 2026.  Effective the day following final enactment.



**MN HOUSE  
RESEARCH**

*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn.gov/hrd](http://www.house.mn.gov/hrd) | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155