

Minnesota Property Tax Refund and Deferral Programs

1. Minnesota Property Tax Refund (“Circuit Breaker”)
 - Available to all owners of homestead property - both residential and agricultural (the refund on agricultural homestead property is based on the taxes paid on only the house, garage, and one acre)
 - Similar credit available to renters, based on estimated rent attributed to property taxes
 - For 2009 taxes, annual income must be less than \$98,290 for homeowners and \$53,030 for renters (income limits are higher if you have dependents)
 - Refund is based on total property taxes and income
 - Maximum refund is **\$2,350** for homeowners and \$1,510 for renters
 - Additional taxes associated with a bond issue or referendum levy **may increase the refund by as much as 80 percent of the additional taxes**
 - To determine eligibility, fill out state tax form M1-PR
2. Targeted Homeowners Property Tax Refund
 - Available for all homestead properties (residential and agricultural) with a gross property tax increase of at least 12% and \$100 over the prior year
 - Refund is 60 percent of the amount by which the tax increase exceeds the greater of 12% or \$100; maximum refund is \$1,000 per taxpayer
 - Particularly beneficial in the **first year of a new bond issue or referendum levy** - many property owners will qualify, due to the relatively large tax increase
 - To determine eligibility, fill out state tax form M1-PR (same form as refund #1)
3. Senior Citizen Property Tax Deferral Program
 - Allows homeowners 65 years or older with a household income of \$60,000 or less to defer a portion of the property taxes on their homes
 - Taxes to be paid in any year are limited to 3% of total household income for the year before entering the program; this amount does not change in future years
 - Additional taxes are not forgiven, but are deferred
 - State charges interest of up to 5% per year on all deferred taxes, and attaches a lien to the property
 - Deferred taxes (plus interest charges and filing fees) must be paid if the property is sold or transferred, the homeowners die, the property no longer qualifies as a homestead, or the homeowner voluntarily withdraws
 - Forms and information available at www.taxes.state.mn.us or from County Auditor