

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1479**

(SENATE AUTHORS: SAXHAUG, Bakk, Skoe, Gazelka and Ruud)

DATE	D-PG	OFFICIAL STATUS
03/09/2015	603	Introduction and first reading Referred to Taxes

1.1 A bill for an act  
1.2 relating taxation; property; modifying the state general levy base amount;  
1.3 modifying seasonal residential recreational tax capacity; amending Minnesota  
1.4 Statutes 2014, section 275.025, subdivisions 1, 3; repealing Minnesota Statutes  
1.5 2014, section 275.025, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2014, section 275.025, subdivision 1, is amended to read:

1.8 Subdivision 1. **Levy amount.** The state general levy is levied against  
1.9 commercial-industrial property and seasonal residential recreational property, as defined  
1.10 in this section. The state general levy base amount for commercial-industrial property is  
1.11 ~~\$592,000,000~~ \$726,001,800 for taxes payable in 2002 2016. The state general levy base  
1.12 amount for seasonal residential recreational property is \$34,973,700 for taxes payable in  
1.13 2016, \$22,716,400 for taxes payable in 2017, and \$10,745,600 for taxes payable in 2018.  
1.14 For taxes payable in subsequent years, ~~the~~ each levy base amount is increased each year  
1.15 by multiplying the levy base amount for the prior year by the sum of one plus the rate of  
1.16 increase, if any, in the implicit price deflator for government consumption expenditures  
1.17 and gross investment for state and local governments prepared by the Bureau of Economic  
1.18 Analysts of the United States Department of Commerce for the 12-month period ending  
1.19 March 31 of the year prior to the year the taxes are payable. The tax under this section is  
1.20 not treated as a local tax rate under section 469.177 and is not the levy of a governmental  
1.21 unit under chapters 276A and 473F.

1.22 The commissioner shall increase or decrease the preliminary or final rate for a year  
1.23 as necessary to account for errors and tax base changes that affected a preliminary or final  
1.24 rate for either of the two preceding years. Adjustments are allowed to the extent that the

2.1 necessary information is available to the commissioner at the time the rates for a year must  
2.2 be certified, and for the following reasons:

2.3 (1) an erroneous report of taxable value by a local official;

2.4 (2) an erroneous calculation by the commissioner; and

2.5 (3) an increase or decrease in taxable value for commercial-industrial or seasonal  
2.6 residential recreational property reported on the abstracts of tax lists submitted under  
2.7 section 275.29 that was not reported on the abstracts of assessment submitted under  
2.8 section 270C.89 for the same year.

2.9 The commissioner may, but need not, make adjustments if the total difference in the tax  
2.10 levied for the year would be less than \$100,000.

2.11 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
2.12 thereafter.

2.13 Sec. 2. Minnesota Statutes 2014, section 275.025, subdivision 3, is amended to read:

2.14 Subd. 3. **Seasonal residential recreational tax capacity.** For the purposes of this  
2.15 section, "seasonal residential recreational tax capacity" means the tax capacity of tier III of  
2.16 class 1c under section 273.13, subdivision 22, and all class 4c(1), 4c(3)(ii), and 4c(12)  
2.17 property under section 273.13, subdivision 25, except that the first \$76,000 of market  
2.18 value of each noncommercial class 4c(12) property ~~has a tax capacity for this purpose~~  
2.19 equal to 40 percent of its tax capacity under section 273.13 shall be excluded for taxes  
2.20 payable in 2016, the first \$150,000 shall be excluded for taxes payable in 2017, and the  
2.21 first \$300,000 shall be excluded for taxes payable in 2018 and thereafter.

2.22 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
2.23 thereafter.

2.24 Sec. 3. **REPEALER.**

2.25 Minnesota Statutes 2014, section 275.025, subdivision 4, is repealed.

2.26 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
2.27 thereafter.

APPENDIX  
Repealed Minnesota Statutes: 15-3503

**275.025 STATE GENERAL TAX.**

Subd. 4. **Apportionment and levy of state general tax.** Ninety-five percent of the state general tax must be levied by applying a uniform rate to all commercial-industrial tax capacity and five percent of the state general tax must be levied by applying a uniform rate to all seasonal residential recreational tax capacity. On or before October 1 each year, the commissioner of revenue shall certify the preliminary state general levy rates to each county auditor that must be used to prepare the notices of proposed property taxes for taxes payable in the following year. By January 1 of each year, the commissioner shall certify the final state general levy rate to each county auditor that shall be used in spreading taxes.