



Engaging Minnesota to Help Property Taxpayers

Paul Marquart | Commissioner

Agenda

- Welcome
- August 13 Meeting recap
- Review Various Revenue Property Tax Reports and Resources
- Making Our Property Tax System Easier to Understand
 - Question 1: What information would help you better understand how your property taxes are calculated?
 - Question 2: Can you share any examples where a local, county, or state government made the property tax process easier to understand?
 - Question 3: What one change would make the property tax system clearer for you?
- Next Meeting
- Closing



August 13 Meeting Recap

Property taxpayers need help

Problems with the property tax system:

- Tax burden on families, seniors, farmers and businesses
- Too complicated for taxpayers to understand and appreciate
- State property tax relief programs lessen the full impact of local governments' levy decisions
- Low participation by taxpayers

Refocusing on the Property Taxpayer

How can the state and local government, and the property tax system benefit property taxpayers?

- Most efforts look at **administrative and government perspectives**.
- This series of engagement looks from the **taxpayer's perspective**.

Engagement: Roundtables, Targeted Outreach, and Surveying

Why we need to engage:

- No property tax task force enacted during the 2026 Legislative session
- Lack of comprehensive and long-term efforts on:
 - Easing the burden on property owners
 - Tools for property owners to effectively influence the process
- Property taxes continue to frustrate property taxpayers

Goals of the Property Taxpayer Engagement Series

Revenue is considering ideas and recommendations to improve the property tax system for taxpayers. We strive for a system that is:

- Easier to understand
- More accessible
- More accountable
- Simpler and less costly

Ideas and Recommendations

Ideas and recommendations will focus on:

- How the **state and local governments** can make the property tax system more understandable, accountable, accessible, and simpler for property taxpayers
- How the **property tax process** can be improved

Potential Topics

State	Local Governments	Property Tax Process
• Property tax aids and credits • Market value exclusion • Property tax mandates to local governments • Levy limits	• Service delivery • Citizen advisory committee • Tax Increment Financing • Property tax incentives • Local sales tax	• Truth in Taxation requirements, timing, information, etc. • Preliminary final levies • Market value assessment • Education

Structure of Meetings

Recommendations should:

- Be low to no-cost to implement
- Not shift property taxes from one group of taxpayers to another
- Prioritize beneficial impacts to the property taxpayer above all else

Goals for the Property Taxpayer				
	Easier to Understand	More Accessible	More Accountable	Simpler and Less Costly
State				
Local Governments				
Property Tax Process				



Review of Property Tax Reports and Resources

2012 Property Tax Working Group Guiding Principles

- [Property Tax Working Group - Final Report](#)

- **Guiding Principles (page 1 – 2)**

- Property Tax purpose to pay for local services
- Base property taxes on market value
- Base property taxes on property attributes
- Defend broad-based goals

- **Guiding Principles, continued**

- Consider more transparent alternatives
- Provide sunsets to prompt review
- Require value or intention statements with new legislation
- Make simplicity and transparency a priority
- Require local impact notes for any property tax changes

2012 Property Tax Working Group Report Summary: Recommendation

- [Property Tax Working Group - Final Report](#)

- **Recommendations (page 2 – 4)**

- Reduce the number of classification
- Expand the Property Tax Refund Program
- Avoid or eliminate tiers and parcel-linkage
- Revamp the agricultural homestead classification process
- Establish an agreed upon (“ratio”) between classification rates
- Consolidate reporting, applications, and effective dates
- Base assessment on the most current economic conditions
- Make improvements to the Truth in Taxation Process

- **Recommendations, Continued**

- Make improvements to notices and statements
- Investigate and plan for an eventual statewide computer system
- Convert the tax capacity system to an assessed value system
- Eliminate the use of property taxes for state funding
- Avoid limits, caps, and freezes
- Exclusions
- Credits
- Exemptions
- Aids
- Special Valuations and Deferrals
- Refunds



Property Taxpayer Process

LINE: ASSESSMENT YEAR

JANUARY 2
Assessment date for both
real and personal property.

MARCH-APRIL
Valuation notices are mailed.
(Must be 10 days prior to
Local Board meeting.)

MAY 1
Last day to file application
for Green Acres for the
current assessment year.

SEPTEMBER 30
Each county, city, town,
special taxing district, and
school district must have
certified its proposed
property tax levies.

NOVEMBER 1
Last day for senior citizens to file for property
tax deferral for the current assessment year
(next year's taxes).

NOVEMBER 11-23
County Treasurer sends Truth in Taxation (TNT)
notices to all property owners (before budgets are
finalized for the next year).

NOVEMBER-DECEMBER TNT public hearings are held.

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

FEBRUARY 1
Last day to file for exemption
from taxation with the assessor.

APRIL 1 - MAY 31
Local Boards of Appeal and
Equalization are convened.

JUNE
County Board of Appeal and Equalization convene.
Boards must have at least one meeting after 7 PM
(or offer appointments up to 7 PM) or on a Saturday.
Boards must adjourn by the end of June.

DECEMBER 29-31
The Department of Revenue certifies the
final tax rates for the state general property.
tax by the last business day in December.
Last day for real property owners to establish
and apply for homestead for the current year.
Last day disabled veterans can file applications for
value exclusion for the current assessment year.

R TWO: PAYABLE YEAR

MARCH 31
Last day to mail tax
statements for all real and
personal property, except
manufactured homes.

MAY 15
Most first half real property taxes are due.

NOVEMBER 15
Last day to pay second half of personal property taxes
on manufactured homes and second half of real estate
taxes on parcels with any agricultural land.

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

APRIL 30
Last day to file Tax Court petition for dispute
over value, classification, or special programs
that affects the taxes payable in the current year.

AUGUST 15
Last day to file for Property
Tax Refund, form M1PR.
AUGUST 31
Last day to pay first half of
personal property tax on

OCTOBER 15
Last day to pay second half
of real estate taxes unless
part of the parcel is classified
as 2a agricultural land.

ACT TO PROPERTY TAXPAYERS

Property Tax Process: Assessment Year Part 1

January 2

- Assessment date for real and personal property.

February 1

- Last day to file for exemption from taxation with assessor.

March - April

- Valuation notices mailed at least 10 days before local board meetings.

April - May

- Local Boards of Appeal and Equalization convene.

Property Tax Process: Assessment Year Part 2

May 1

Last day to file Green Acres application for current year.

June

County Board of Appeal and Equalization convene. Must adjourn by end of June.

July 1

Valuations are finalized.

September 30

Taxing jurisdictions must certify their proposed property tax levies.

Property Tax Process: Assessment Year Part 3

November 1

Last day for senior citizens to file for property tax deferral for following year.

November 11 to 23

- Country treasurer sends Truth in Taxation notices to property owners.

November to December

- Truth in Taxation public hearings.

Property Tax Process: Assessment Year Part 4

5 working days after December 20

- **Final levy certification**

December 29 - 31

- Revenue certifies final tax rates for state general property tax.
- **Last day real property owners can establish and apply for homestead for current year.**
- **Last day disabled veterans can apply for value exclusion for current year.**

Property Tax Process: Payable Year Part 1

March 31

- **Last day to mail tax statements for real and personal property.**

April 30

- **Last day to file tax court petition for disputes affecting taxes payable in current year.**

May 15

- **Most first half real property taxes due.**

August 15

- **Last day to file for Property Tax Refund.**

Property Tax Process: Payable Year Part 2

August 31

- **Last day to pay first half of personal property tax on manufactured homes.**

October 15

- **Last day to pay second half of real estate taxes unless part of parcel is 2a agricultural land.**

November 15

- **Last day to pay second half of personal property taxes on manufactured homes and second half of real estate taxes on parcels with any agricultural land.**



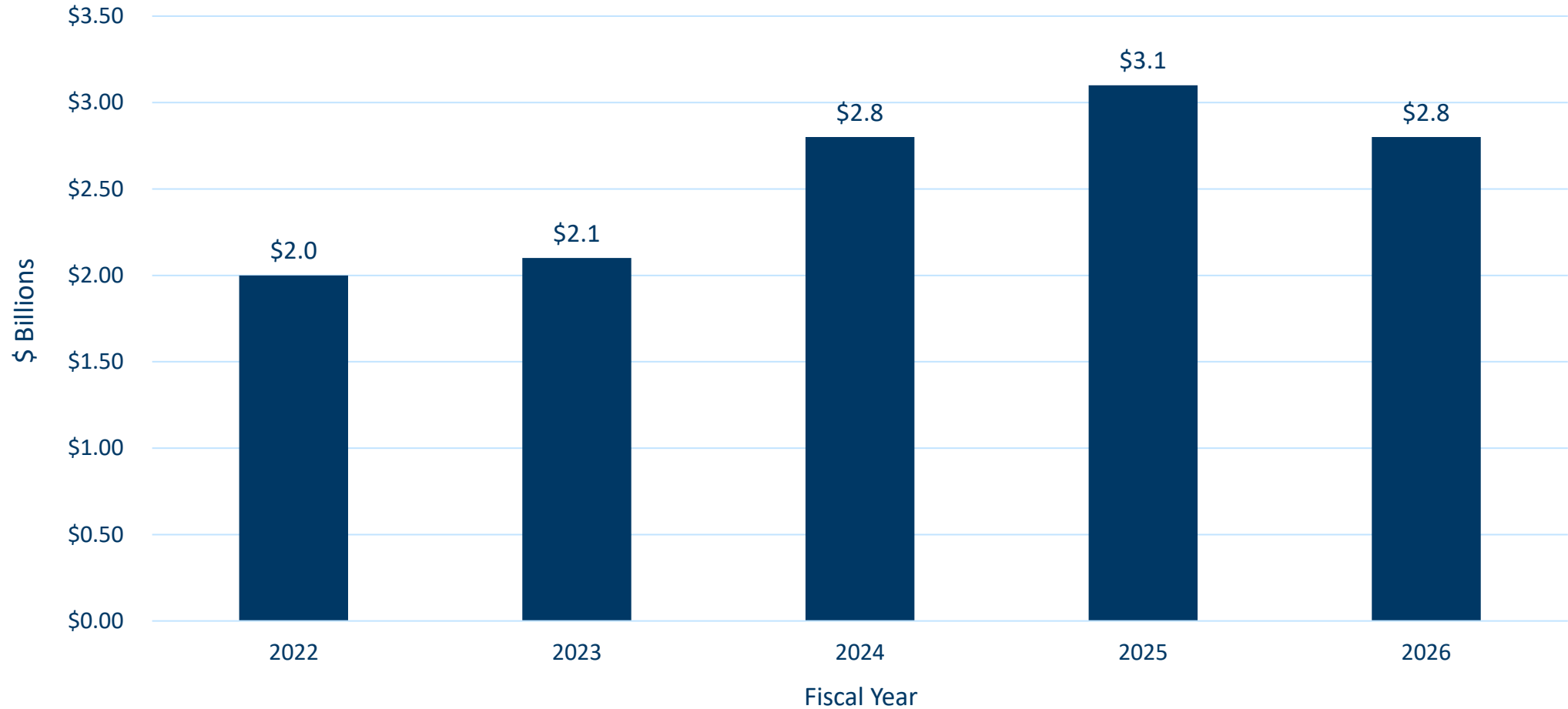
Other Property Tax Reports and Resources

Property Tax Aids, Credits, and Refunds

Program	\$ millions
Homestead Credit Refund	965
Renter's Credit	387
Special Property Tax Refund	12
City Local Government Aid	644
County Program Aid	341
Tribal Nation Aid	35
Police State Aid	141
Fire State Aid	60
School Building Bond Ag Credit	127

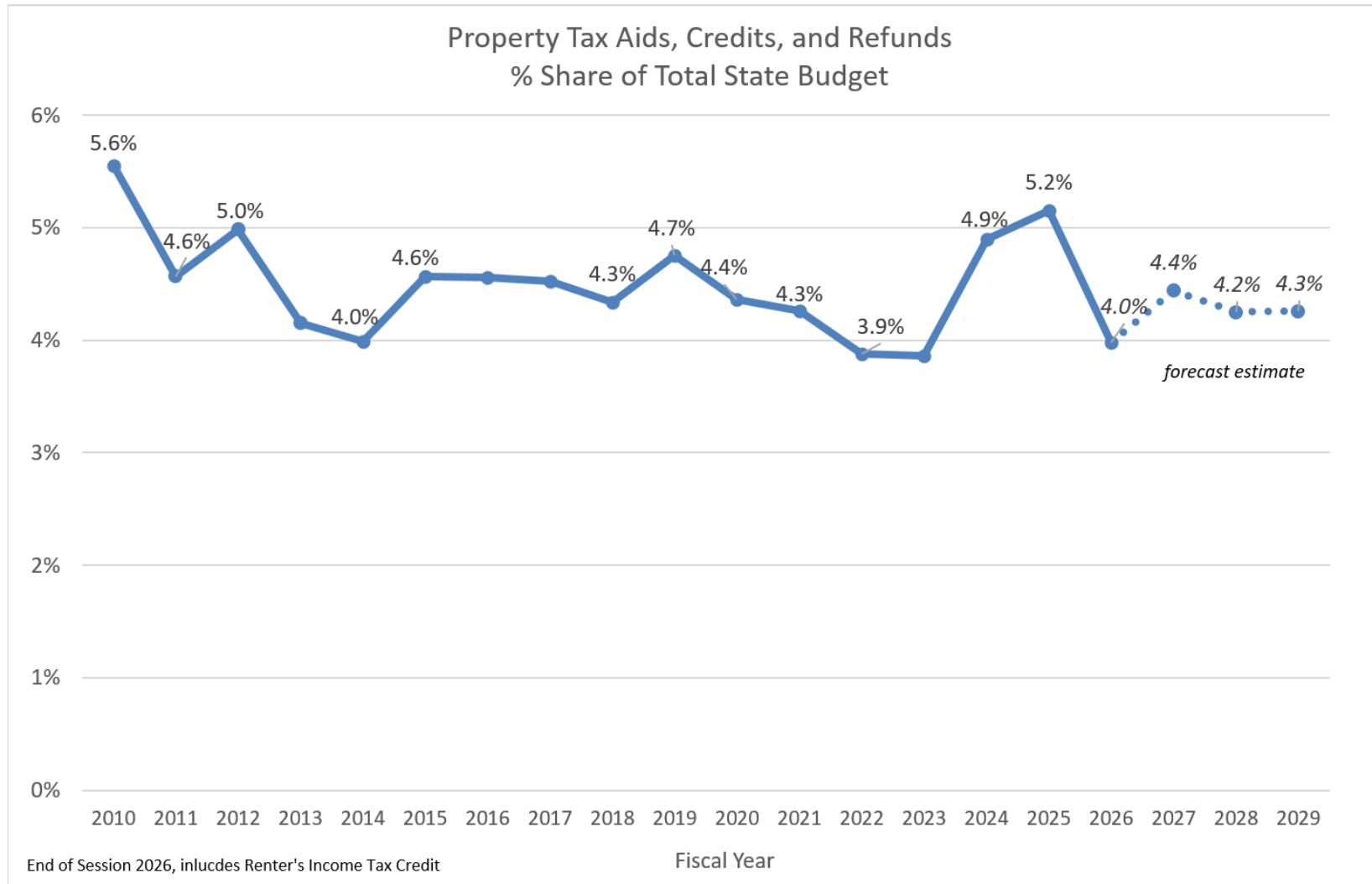
End of Session 2026 estimates for fiscal year 2027.

Annual Property Tax Aids, Credits, and Refunds



Includes Renter's Income Tax Credit beginning in 2025.
Does not include federal COVID-19 aid.

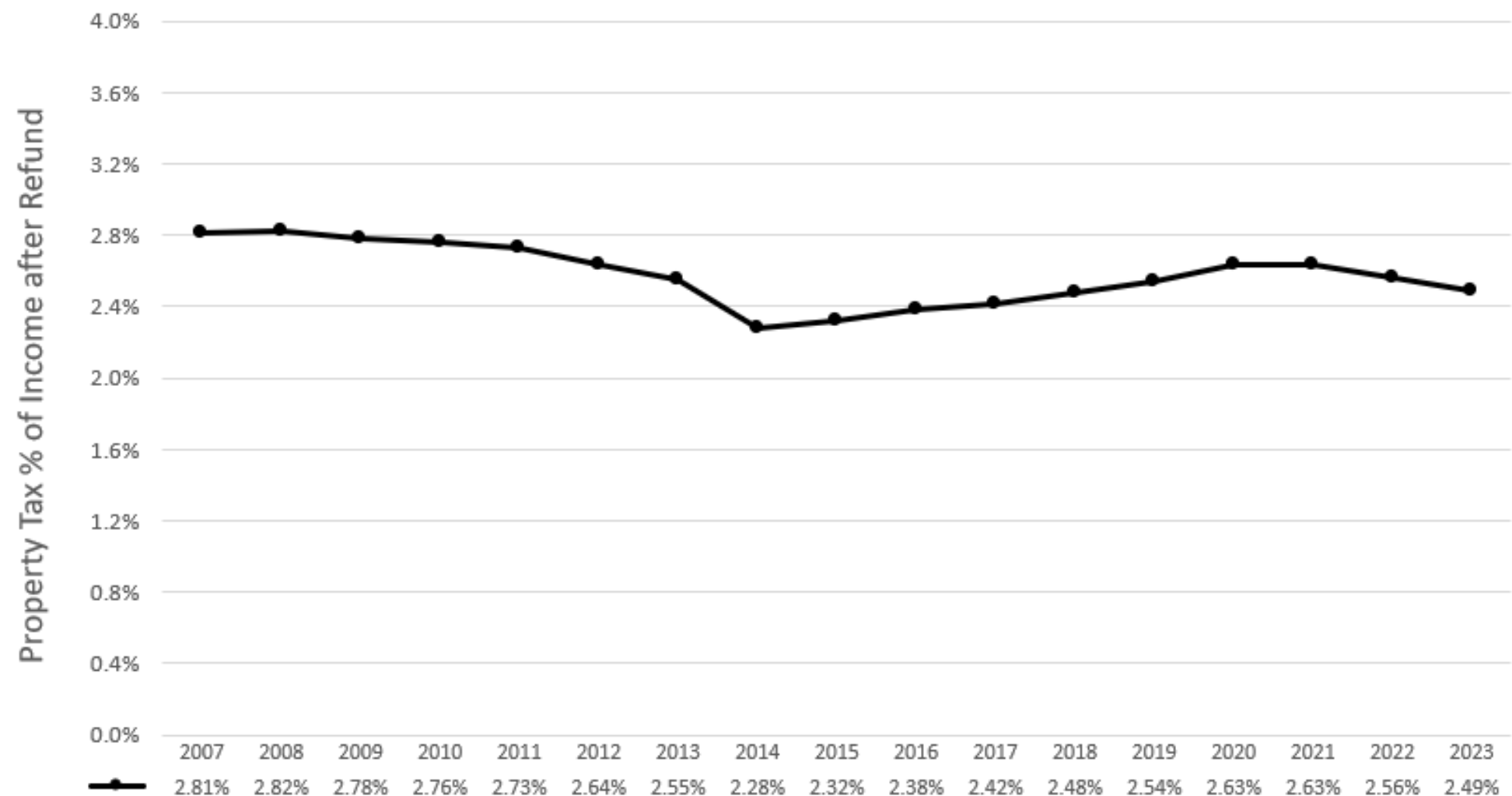
Budget Trends with Property Tax Aids, Credits, and Refunds



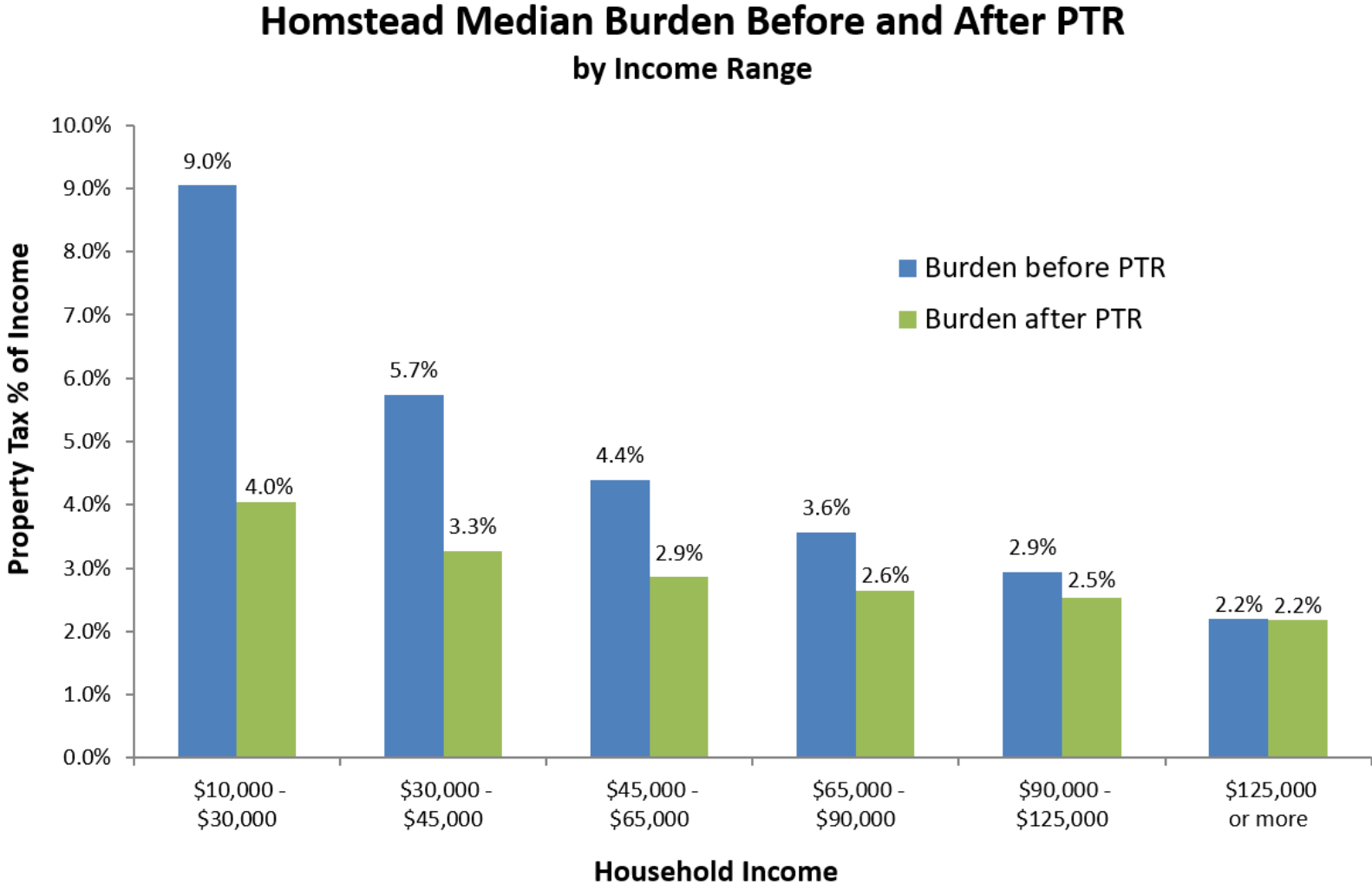
Property Tax Levies in \$ millions

Payable Year	Counties	% Change	Cities	% Change	Towns	% Change	Schools	% Change
2026	4,519	7.6%	3,985	7.8%	350	5.0%	4,378	5.6%
2025	4,201	6.0%	3,698	7.7%	333	6.2%	4,148	4.3%
2024	3,962	5.5%	3,434	7.6%	314	6.3%	3,976	7.4%
2023	3,757	4.2%	3,192	8.4%	295	3.7%	3,703	6.3%
2022	3,605	3.3%	2,946	6.0%	285	1.9%	3,484	3.5%
5-year change		29.5%		43.3%		25.2%		30.0%

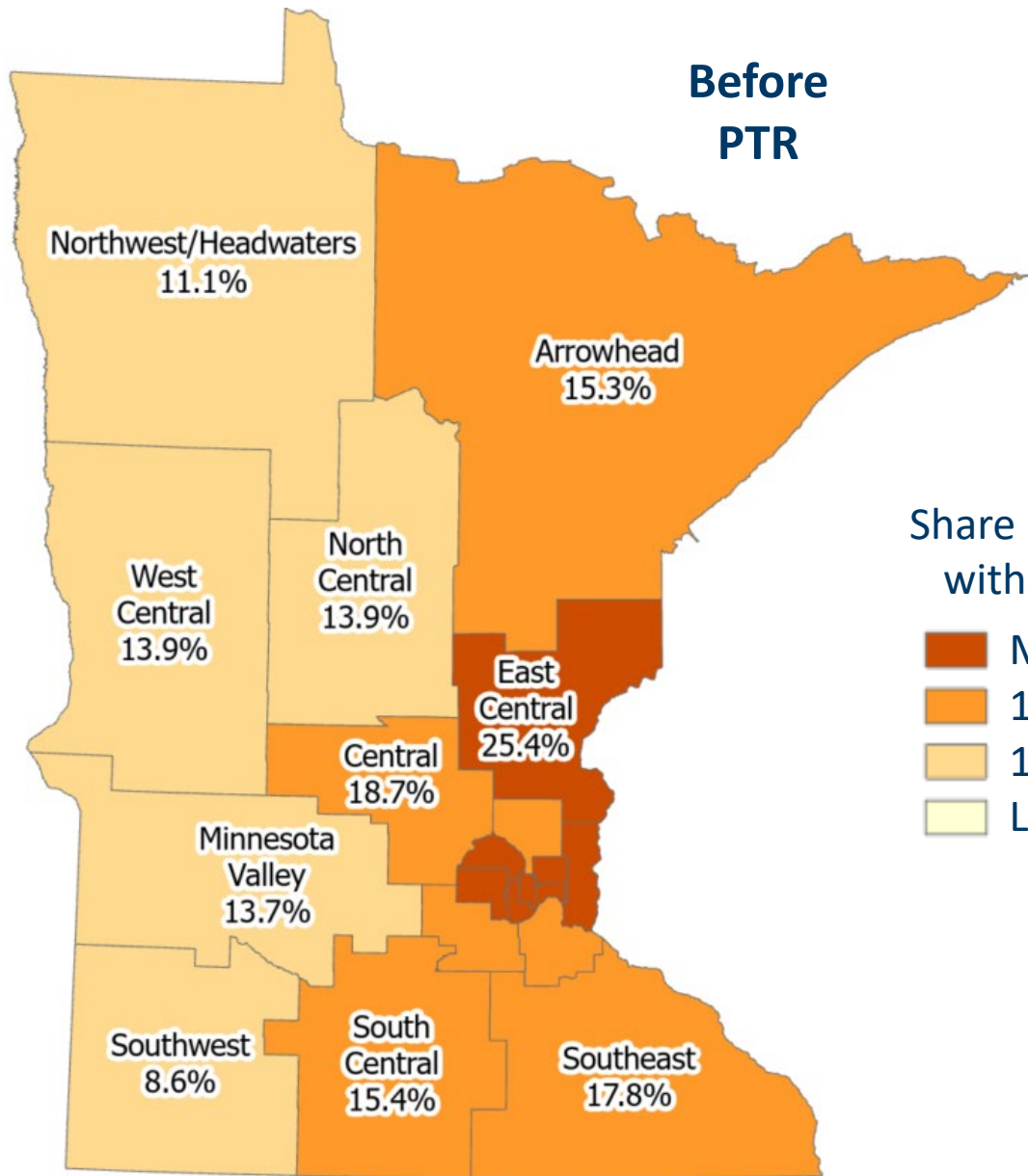
Median Homestead Property Tax Burden



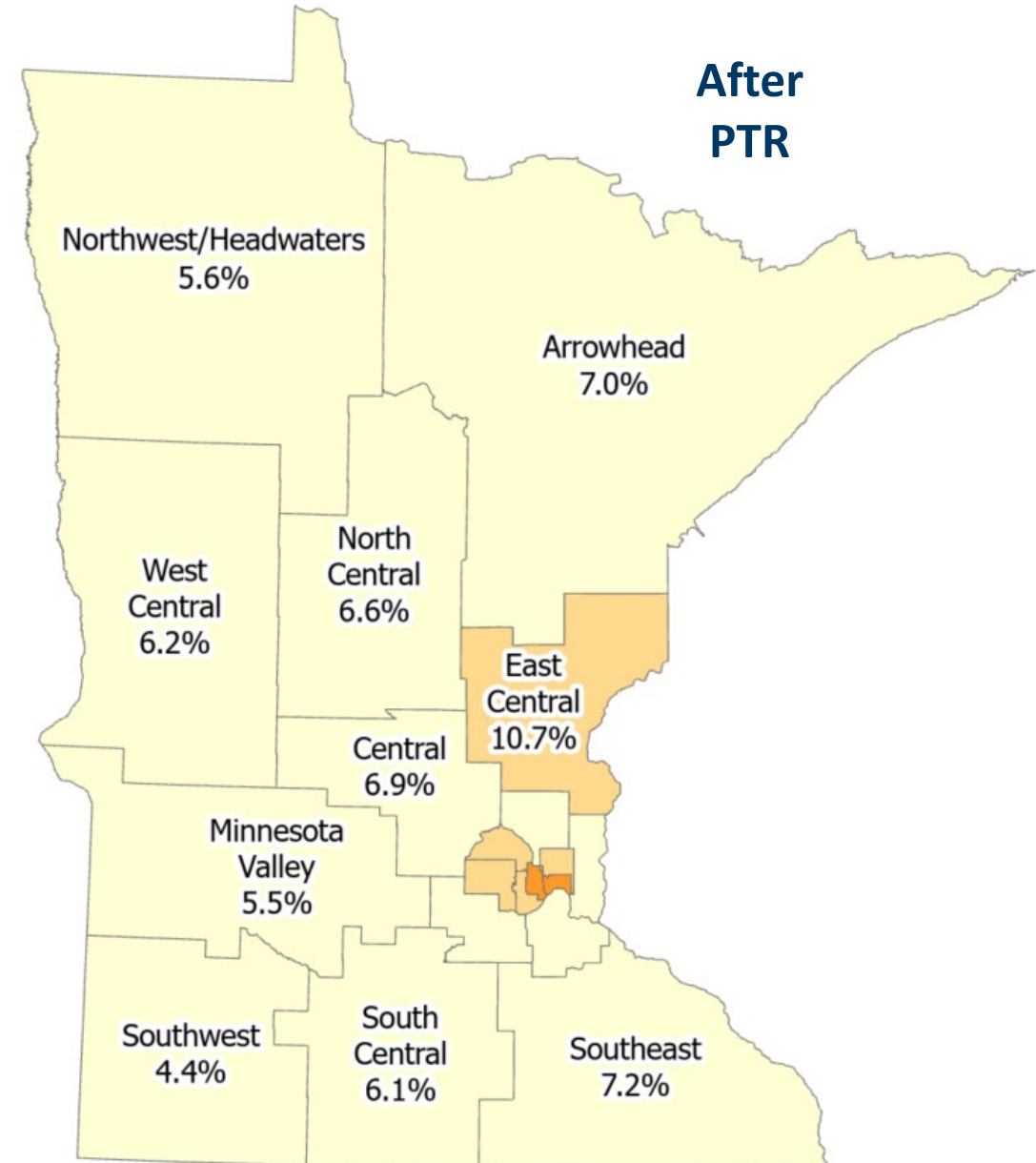
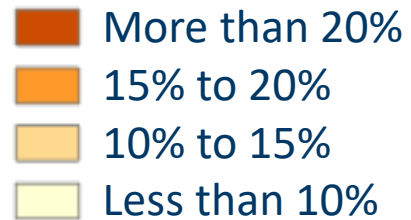
Graph: Homestead Median Burden Before and After Property Tax Refund



State of Minnesota: Homestead Median Burden Greater than 5% of Income

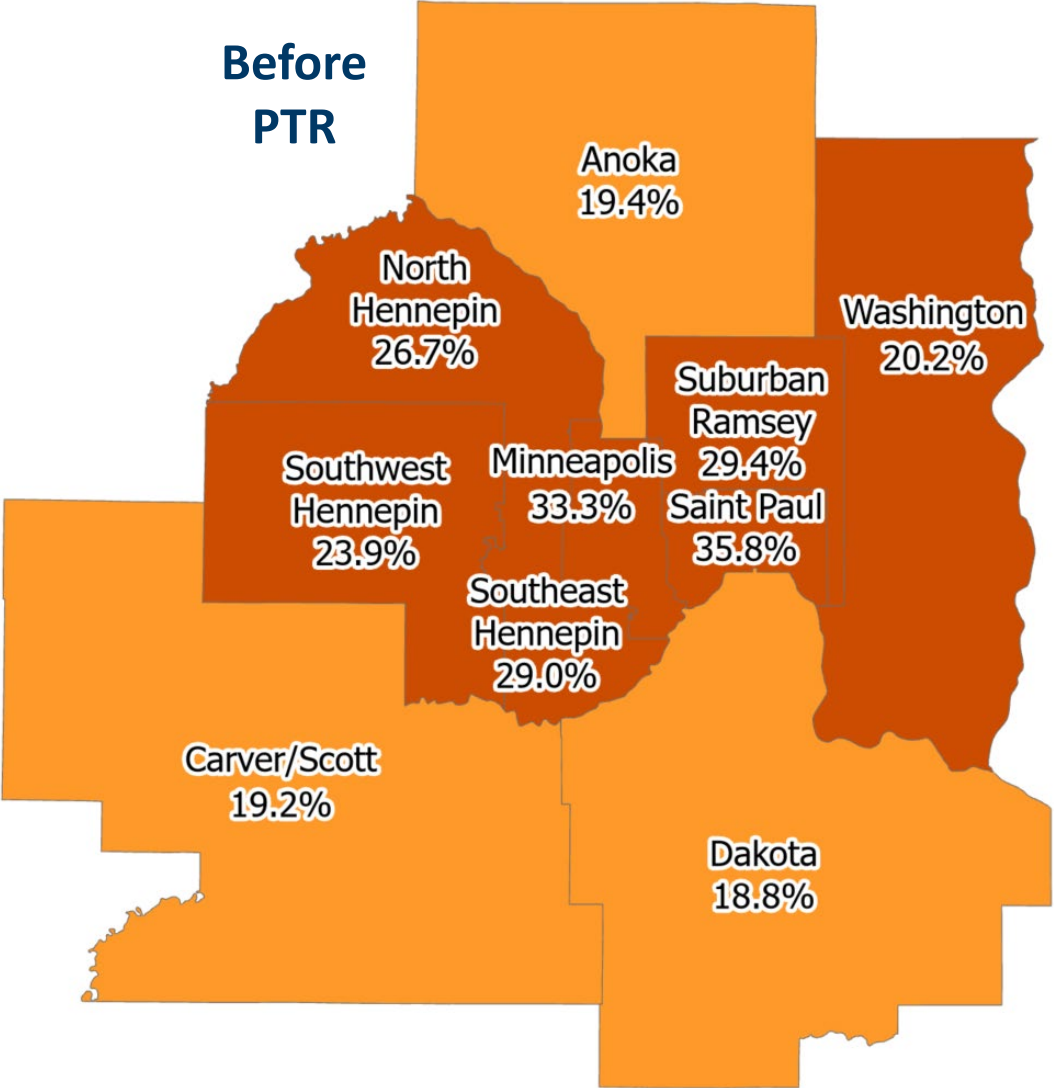


Share of Homesteads
with Burden > 5%



Seven-County Metro: Homestead Median Burden Greater than 5% of Income

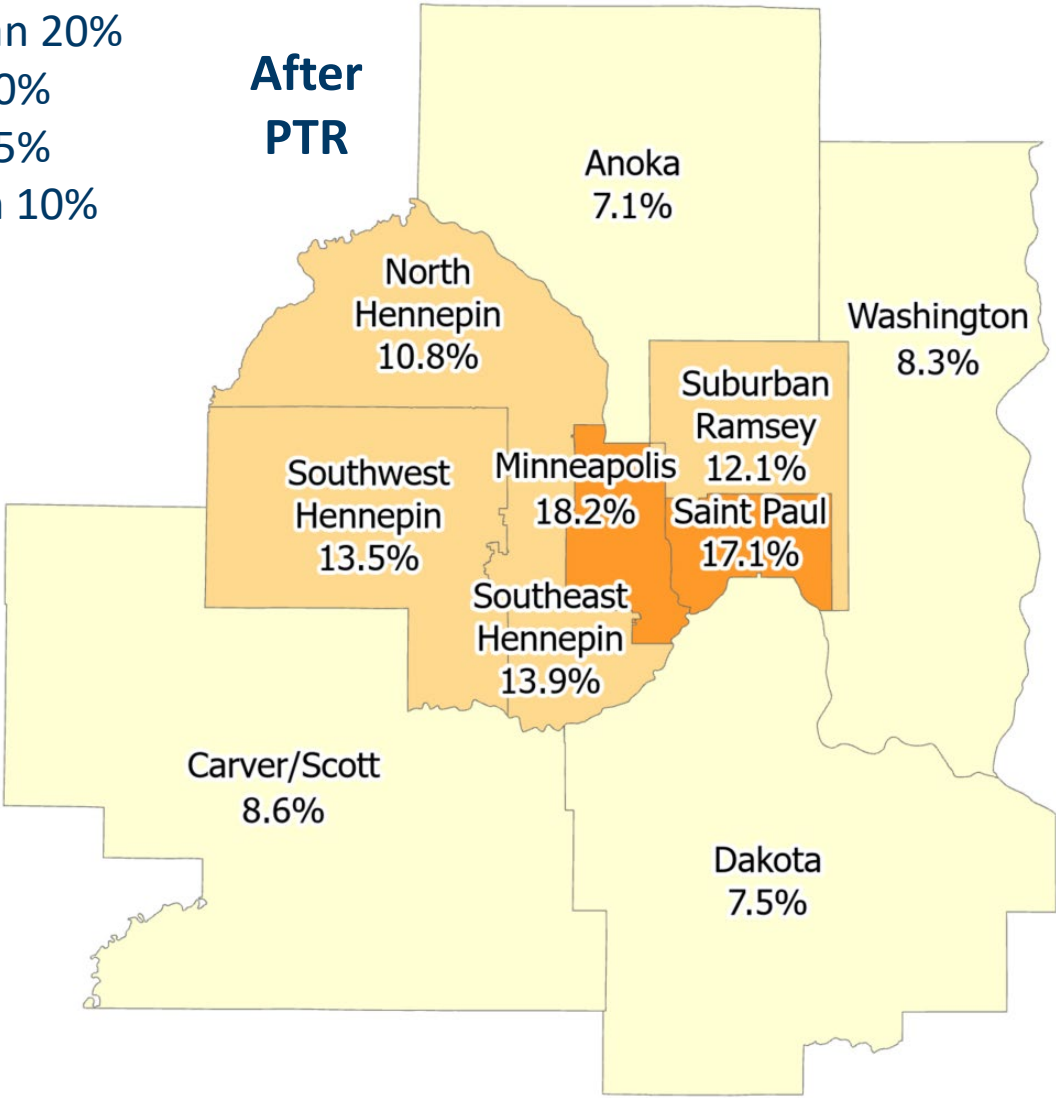
**Before
PTR**



Share of Homesteads
with Burden > 5%

- More than 20%
- 15% to 20%
- 10% to 15%
- Less than 10%

**After
PTR**



Tax Incidence: Effective Tax Rates

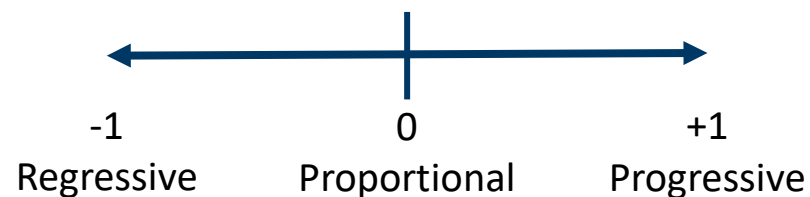
Effective Tax Rate (ETR) is the percent of your total income you pay as taxes.

- **Progressive:** ETR rises with income
- **Regressive:** ETR falls with income
- **Proportional:** ETR is the same at all incomes

We measure progressivity and regressivity of a tax with the Suits Index

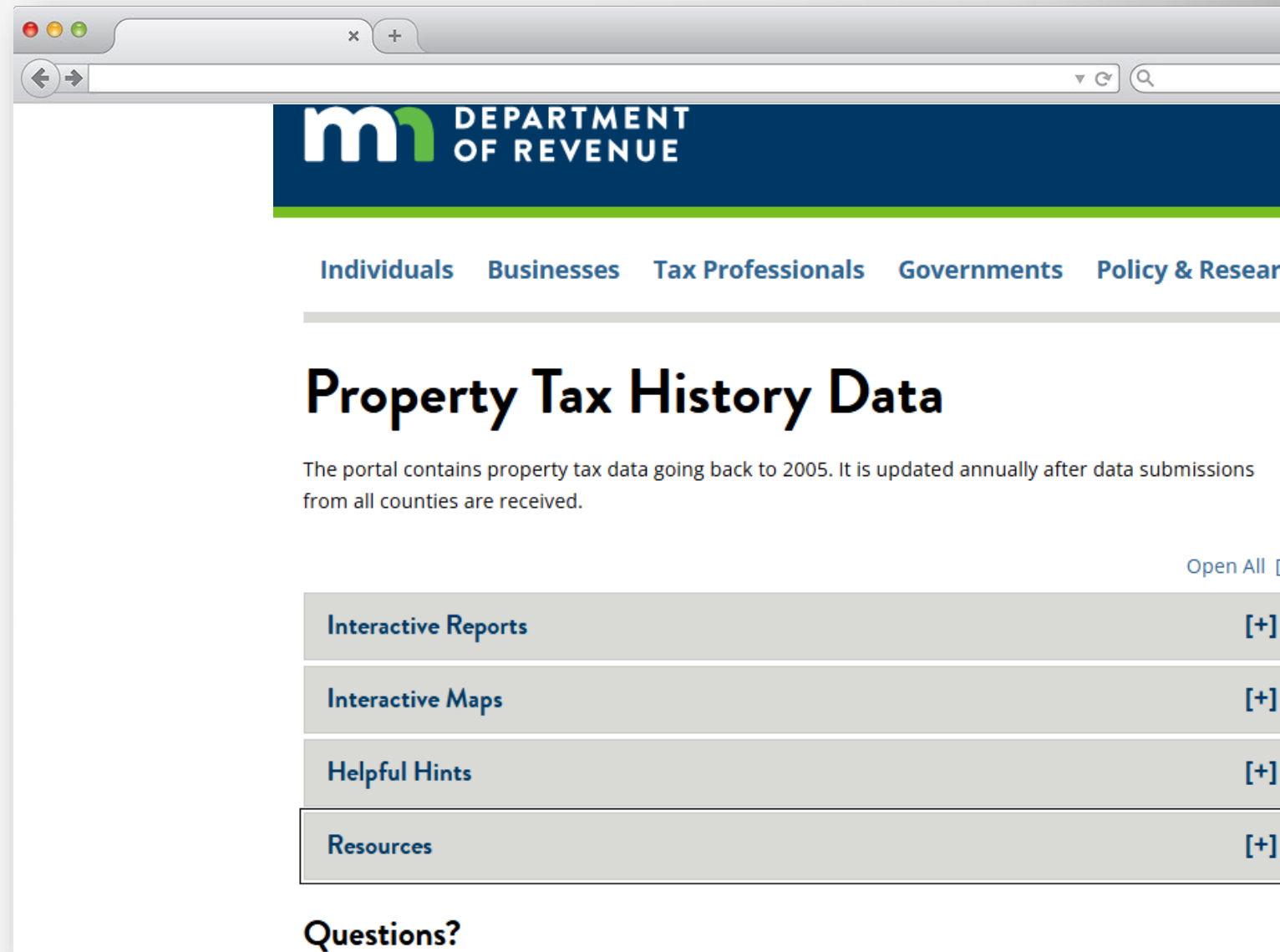
Tax Incidence: Comparing Property Tax to Individual Income Tax and Sales Tax

Tax Type	<u>Before</u> Property Tax Refund	<u>After</u> Property Tax Refund
Renter property taxes	-0.31	-0.15
Homeowner property taxes	-0.30	-0.24
Sales Tax	-0.27	-0.27
Individual Income Tax	+0.30	+0.30
Total Taxes	-0.05	-0.03



Interactive Property Tax Data

- The Minnesota Department of Revenue has a portal with property tax data going back to 2005.
- Visit our [Property Tax History Data](#) for
 - Interactive Reports
 - Interactive Maps
 - Helpful Hints
 - Additional Resources





Making the Property Tax System Easier to Understand

Goals Defined: Easier to Understand

- Taxpayers can follow and navigate the full property tax process from start to finish (assessment, budget, levy, payment) and understand how each step connects to the next
- **Examples:** Revenue's [Understanding Minnesota Property Tax](#) video, Truth in Taxation information

Some ideas we have already received

- Use plain language in materials
- Multi-lingual materials
- “Show the math”
- Decision-tree for benefits you may qualify for
- Knowledgeable people answering questions on the phone

What information would help you better understand how your property taxes are calculated?

Can you share any examples where a local, county, or state government made the property tax process easier to understand?

What one change would make the property
tax system clearer for you?

Next Meeting

Making the Property Tax System More Accessible for Property Taxpayers

Date: Tuesday, September 1st

Time: 1 p.m. to 2:30 p.m.

In person: Room 2000, Stassen Building, 600 N. Robert St., St. Paul, MN 55101

Virtually: Link provided when you register

For agenda and registration information, visit [Engaging Minnesota to Help Property Taxpayers](#) or go to revenue.state.mn.us and enter **Engaging Minnesota** into the Search box.



Thank you!
Commissioner Paul Marquart