

2016

Property Tax Refund Notification Study



Minnesota Statutes, section 3.197, requires any report to the Legislature to include the cost of preparing the report, including any costs incurred by another agency or another level of government.

This report cost \$50,000

MINNESOTA • REVENUE

January 29, 2016

The Honorable Greg Davids
Chair, House Taxes Committee
585 State Office Bldg., St. Paul, MN 55155

The Honorable Paul Marquart
DFL Lead, House Taxes Committee
261 State Office Bldg., St. Paul, MN 55155

The Honorable Steve Drazkowski
Chair, House Property Tax and
Local Government Finance Division
591 State Office Bldg., St. Paul, MN 55155

The Honorable Jim Davnie
DFL Lead, House Property Tax and
Local Government Finance Division
393 State Office Bldg., St. Paul, MN 55155

The Honorable Rod Skoe
Chair, Senate Taxes Committee
3211 Minnesota Senate Bldg., St. Paul, MN 55155

The Honorable Julianne Ortman
Ranking Minority Member,
Senate Taxes Committee
119 State Office Bldg., St. Paul, MN 55155

The Honorable Ann Rest
Chair, Senate Tax Reform Division
3209 Minnesota Senate Bldg., St. Paul, MN 55155

The Honorable Dave Thompson
Ranking Minority Member,
Senate Tax Reform Division
131 State Office Bldg., St. Paul, MN 55155

To Members of the Legislature of the State of Minnesota:

I am pleased to present this Property Tax Refund Notification Study undertaken by the Minnesota Department of Revenue as required by Minnesota Statutes, section 290A.28.

Sincerely,



Cynthia Bauerly
Commissioner

Contents

Executive Summary	1
Purpose of this Report.....	2
Notification and Outreach Efforts.....	3
Calculating the Property Tax Refund	3
Identifying and Notifying Homeowners	3
Expanded Outreach.....	4
Results.....	4
Analysis of Results	5
Household Income is an Unknown.....	5
Determining Household Income.....	5
What is and is not included in household income?.....	6
Conclusion	8
Appendix I – Homestead Credit Refund Notification Law.....	9
Appendix II – Notification Letter Sent to Taxpayers	11
Appendix III – Notifications/Responses by County.....	13
Appendix IV – 2015 PTR Refund Notification Study.....	16

Executive Summary

Minnesota Statutes, section 290A.28, required the Minnesota Department of Revenue to notify certain homeowners that they may qualify for a refund based on their estimated income and property taxes payable in 2014. The statute also required us to report to the Legislature about the results of these notifications. This is the second and final report.

The department sent 46,456 letters to notify taxpayers of their potential eligibility for a Homestead Credit Refund (for Homeowners). Of these taxpayers, 14,784 of them filed for a refund, resulting in \$19.6 million in additional refunds from this notification effort.

These results represent nearly 75 percent of the projected number of additional returns filed and refunds issued (in dollars). In the first report, we discussed three factors that we determined were potential issues during the taxpayer identification phase of this project. We believe these factors contributed to a lower response rate than expected.

Chief among these factors is the inherent difficulties in estimating household income for potentially eligible taxpayers, covered in greater depth in the analysis section of this report. The other two factors:

- Some taxpayers received other letters from us about law changes during the notification effort.
- Law changes during the late filing season may have led some taxpayer to delay filing or made them ineligible for a property tax refund (if the changes increased their household income).

For purposes of comparison, 484,589 homeowners filed for a refund based on property taxes payable in 2014, receiving a total of \$406.2 million in refunds.

Purpose of this Report

A law passed during the 2013 legislative session required the Minnesota Department of Revenue to notify certain taxpayers of their potential eligibility for a Homestead Credit Refund (for Homeowners) on property taxes payable in 2014. This law directed the department to submit two reports to summarize the results of the notification and outreach effort.

We submitted the first report to the Legislature on March 13, 2015. This second and final report updates the results of the notification and outreach effort. It includes:

- A brief explanation of how the property tax refund is calculated
- Updated statistics of the number and dollar amount of Homestead Credit Refund claims from taxpayers whom we notified, statewide and by county
- Analysis of the results

Please refer to the first report (at the end of this document) for a complete discussion of:

- The history of the property tax refund in Minnesota
- How the property tax refund is calculated
- How we identified which taxpayers to notify and estimated their potential refunds
- Our other outreach to inform taxpayers about the property tax refund
- The notification letter
- Challenges with the notification letter and study
- The number of letters sent and preliminary results as of March 9, 2015

See Appendix I for the full text of the notification statute. ¹:

¹ The entire property tax refund law is found in Minnesota Statutes, Chapter 290A, which can be viewed online at <https://www.revisor.mn.gov/statutes/?id=290A&view=chapter>. The notification requirement is found in [section 290A.28](#).

Notification and Outreach Efforts

Calculating the Property Tax Refund

The Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refunds are based on a taxpayer's household income and the property tax they pay on their home or through their rent.

Broadly speaking, the steps to calculate a property tax refund are:

1. Determine household income (by adding the filer's taxable income, certain nontaxable income, and income from other adults living in your household)
2. Determine "property taxes payable" (from a Property Tax Statement or Certificate of Rent Paid)
3. Determine the refund amount (based on form instructions, tax software, or our online filing tool)

For more details about each of these steps, see the department's 2015 Property Tax Notification Study. To see the full process, refer to the Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund form and instructions.²

Identifying and Notifying Homeowners

The notification law required the department to estimate each homeowner's potential Homestead Credit Refund and to notify them if the amount was at least \$1,000 and they had not filed for a homeowner's refund in the last two years (2012 and 2013). To identify homeowners who met these criteria, we:

1. Analyzed a recent federal income tax return or income documents to estimate household income
2. Matched that income with the homeowner's property taxes payable in 2014 to project a potential refund
3. Checked if they had filed for a homeowner's refund in the previous two years.

We sent a notification letter to each homeowner who qualified for a potential refund of at least \$1,000 and who not filed for a 2012 or 2013 homeowner's refund. We sent 46,456 notification letters in all.

See Appendix II for a copy of the notification letter. For more details about how we identified and notified homeowners, see the 2015 Property Tax Notification Study.³

² See pages 4-5 of the 2015 Property Tax Refund Notification Study, which you can find at the end of this document or view on the department's website. (Go to www.revenue.state.mn.us and type "PTR study" into the Search box.)

³ See pages 6-7 of the 2015 Property Tax Refund Notification Study, which you can find at the end of this document or view on the department's website.

Expanded Outreach

The department conducted a wide range of public outreach activities in 2013 and 2014 to inform Minnesotans about the Homestead Credit Refund and Renter’s Property Tax Refund. For example we:

- Participated in five conferences, conducted numerous presentations and workshops, and participated in television, radio, and more than 45 community outreach events.
- Issued three press releases and held four conference calls where we highlighted the Homestead Credit Refund and Renter’s Property Tax Refund.
- Posted eight social media updates in 2013 and 2014 that specifically highlighted the property tax refund; we also mentioned the refund in other social media posts.
- Featured the property tax refund prominently in handouts and signage at our information booth at the Minnesota State Fair.

The property tax refund has been a primary focus of our outreach efforts for a number of years before this notification effort. We continue to emphasize the refund in our outreach to help Minnesotans understand and, if they qualify, receive this important tax benefit.

For more details about our outreach activities, see the 2015 Property Tax Refund Notification Study.⁴

Results

Taxpayers who were notified filed 14,784 returns and the department issued \$19.6 million in refunds to them. (See Appendix III for detailed, county-by-county results.)

Homestead Credit Refund – Total Notification Refunds Received

	Count	Dollars (millions)	Average Refund
Mailed Aug. 20-22, 2014	46,456	\$72.1	\$1,552
Projected to Receive	20,000	\$26.7	\$1,337
Received to Date	14,784	\$19.6	\$1,323

Minnesota Department of Revenue, Property Tax Research (1/3/2016)

In all, 484,589 homeowners filed for a Homestead Credit Refund based on property taxes payable in 2014, receiving a total of \$406.2 million in refunds.

⁴ See pages 9-20 and appendices D and E of the 2015 Property Tax Refund Notification Study, which you can find at the end of this document or view on the department’s website. (Go to www.revenue.state.mn.us and type “PTR study” into the Search box.)

Analysis of Results

The department previously noted three challenges that affected our efforts to identify and notify taxpayers of their potential eligibility for a Homestead Credit Refund (for Homeowners). We believe these factors contributed to a lower response rate than expected.

- Because household income includes both taxable and nontaxable sources, we could not always identify all of a homeowner’s sources of household income. We likely provided notice to taxpayers who were not eligible as a result.
- Due to tax law changes in 2014 that also required notification letters, some taxpayers received other letters at the same time. They may not have responded to the PTR notification letter as a result.
- Passage of the 2014 federal conformity bill may have affected taxpayer filing behavior.⁵ The conformity bill was enacted on March 21, 2014, late in the income tax filing season. Uncertainty about federal conformity in early 2014 likely caused some taxpayers to delay filing or made them ineligible for a property tax refund (if the bill increased their household income).

The department received feedback from some taxpayers that confirmed each of these concerns. We believe the most significant factor in the lower-than-expected response rate is due to difficulty in accurately identifying household income for the purpose of the notification.

Household Income is an Unknown

The property tax refund is based on each filer’s “household income” and the property tax they paid on their home or through their rent payments. The biggest challenge in this notification effort was trying to estimate household income, which is necessary to accurately project a potential refund for homeowners.

Household income is different from – and generally higher than – the taxable income reported on federal and state income tax returns. Household income includes both taxable and nontaxable sources; it also may include income from other adults who live in the filer’s home. As a result, we could not always identify all of a homeowner’s sources of household income.

It is difficult to estimate household income with precision for filers with any significant amounts of nontaxable income. As a result, some taxpayers who received our notification did not qualify or file for a refund because their income exceeded the limits of the program or because their income when compared to their property tax payment made them ineligible.

Determining Household Income

Calculating household income for a property tax refund starts with each filer’s Federal Adjusted Gross Income from their federal return. This figure is then adjusted by:

⁵ See page 8 of the 2015 Property Tax Refund Notification Study, which you can find at the end of this document or view on the department’s website. (Go to www.revenue.state.mn.us and type “PTR study” into the Search box.)

- Adding certain types of nontaxable income (including some tax deductions and employer- or government-provided benefits)
- Subtracting certain other deductions they may have had on their income tax return
- Adjusting for other variables such as the number of dependents, contributions to a qualified retirement plan, age, and disability status

What is and is not included in household income?

It can be complicated for taxpayers to identify which nontaxable income to include when calculating their household income for a property tax refund. The list of what to include or exclude in household income can seem random.

Some – but not all – of the included items are listed on their federal return, Form W-2, or other tax documents. The same is true of excluded items. In both cases, some of the items may be obvious to filers while others are not. For examples of what is and is not included, refer to the tables below.

Nontaxable income included in Household Income

- **Workers' compensation benefits**
- **Contributions to an employee elective deferral plan, such as a 401(k), 403(b), 457 deferred compensation or SIMPLE/SEP plan**
- **Contributions made to a dependent care account (as shown on Form W-2) and/or medical expense account**
- **Nontaxable employee transit and parking expenses**
- **Veterans benefits**
- **Nontaxable scholarships, fellowships, grants for education, including those from foreign sources, and tuition waivers or reductions**
- **Certain nontaxable pension and annuity payments, including disability payments**
- **Amount reported on line 1 of Schedule M1LS**
- **Interest and mutual fund dividends that are exempt from federal tax**
- **Income excluded by a tax treaty**
- **Rent reduction received for being a caretaker**
- **Military or clergy housing allowance**
- **Nontaxable military earned income, such as combat pay**
- **Strike benefits**
- **Gain on the sale of your home excluded from federal income**
- **Debt forgiveness income not included in federal adjusted gross income**
- **Tuition and fees deduction**
- **Educator expenses deduction**
- **Health savings account, Archer MSA, and domestic production activities deductions**
- **Capital loss carryforward**
- **Net operating loss carryforward/carryback**
- **Passive activity loss not disallowed as a result of Internal Revenue Code section 469, paragraph (i) or (m)**
- **Prior year passive activity loss carryforward claimed in 2014 for federal purposes**

Nontaxable income NOT included in Household Income

- **Minnesota property tax refunds**
- **Child support payments**
- **Dependent's income, including Social Security**
- **Any state income tax refunds not included in FAGI**
- **Dollar value of food, clothing, food stamps and medical supplies received from government agencies**
- **Payments from life insurance policies**
- **Payments by someone else for your care by a nurse, nursing home or hospital**
- **Fuel assistance payments**
- **IRA rollovers**
- **Gifts and inheritances**
- **Nontaxable Holocaust settlement payments**

Conclusion

As mandated by the Legislature, the Minnesota Department of Revenue sent 46,546 letters to notify taxpayers of their potential eligibility for the Homestead Credit Refund (for Homeowners) for property taxes paid in 2014.

After receiving our letter, 14,784 of these taxpayers filed for a refund, receiving a total of \$19.6 million in refunds. These results are lower than initially projected due to several factors identified during the taxpayer identification phase of this project. Chief among these factors is the inherent difficulties in estimating household income, as detailed in this report.

Appendix I – Homestead Credit Refund Notification Law

Minnesota Statutes, section 290A.28, Notification of Potential Eligibility.

Subdivision 1. Notification of eligibility.

- (a) By September 1, 2014, the commissioner shall notify, in writing or electronically, individual homeowners whom the commissioner determines may be eligible for a homestead credit refund under this chapter for that property taxes payable year as provided in this section. In determining whether to notify a homeowner, the commissioner shall consider the property tax information available to the commissioner under paragraph (b) for the homeowner and must estimate the homeowner's household income using the most recent income information available to the commissioner from filing under this chapter for the prior year, under chapter 290 for the current or prior year, and any other income information available to the commissioner. For each homeowner, the commissioner must estimate the homestead credit refund amount under the schedule in section [290A.04, subdivision 2](#), using the homeowner's property tax amount and estimated household income. If the estimated homestead credit refund is at least \$1,000, the commissioner must notify the homeowner of potential eligibility for the homestead credit refund. The notification must include information on how to file for the homestead credit refund. The notification requirement under this section does not apply to a homeowner who has already filed for the homestead credit refund for the current or prior year.
- (b) By May 15, 2014, each county auditor shall transmit to the commissioner of revenue the following information for each property classified as a residential or agricultural homestead under section [273.13, subdivision 22](#) or 23:
- (1) the property taxes payable;
 - (2) the name and address of the owner;
 - (3) the Social Security number or numbers of the owners; and
 - (4) any other information the commissioner deems necessary or useful to carry out the provisions of this section.

The information must be provided in the form and manner prescribed by the commissioner.

Subd. 2. Reports.

- (a) By March 15, 2015, the commissioner must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections [3.195](#) and [3.197](#). The report must provide information on the number and dollar amount of homeowner property tax refund claims based on taxes payable in 2014, including:
- (1) the number and dollar amount of claims projected for homestead credit refunds based on taxes payable in 2014 prior to enactment of the notification requirement in this section;

- (2) the number of notifications issued as provided in this section, including the number issued by county;
 - (3) preliminary information on the number and dollar amount of claims for homestead credit refunds based on taxes payable in 2014; and
 - (4) a description of any outreach efforts undertaken by the commissioner for homestead credit refunds based on taxes payable in 2014, in addition to the notification required in this section.
- (b) By February 1, 2016, the commissioner must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections [3.195](#) and [3.197](#). The report must include the information required in paragraph (a) and must also include final information on the number and dollar amount of claims for homestead credit refunds based on taxes payable in 2014.

Appendix II – Notification Letter Sent to Taxpayers

MINNESOTA • REVENUE

August 21, 2014

Letter ID: [NUMBER]

TAXPAYER NAME(S)
ADDRESS
CITY, STATE ZIP

You may qualify for a refund

Dear [TAXPAYER NAME]:

You may be eligible for a 2013 Homestead Credit Refund (for Homeowners) from the Minnesota Department of Revenue. The homestead credit refund is a state-paid refund that provides tax relief to homeowners whose property taxes are high compared to their household income.

How do I know if I'm eligible?

- Your total household income for 2013 must be less than \$105,500
- You must have owned and lived in your home on January 2, 2014
- Your property must be classified as your homestead
- You must have been a full- or part-year resident of Minnesota in 2013
- You cannot be a dependent

You may be eligible even if you're not required to file a 2013 Minnesota income tax return. To find out if you get a refund, you'll need to complete a return.

What information will I need?

- Your Statement of Property Taxes Payable in **2014**
- Your total household income, which includes taxable and nontaxable sources

How do I get my refund?

File an electronic or paper return. We encourage you to choose direct deposit instead of a paper check - it's a fast, safe, easy, and convenient way to get your refund.

File electronically for free

Go to www.revenue.state.mn.us and enter **Homeowners** in the "Search" box. Look for our Property Tax Refund Online Filing System.

Income Tax and Withholding Division
An equal opportunity employer
www.revenue.state.mn.us

TTY: Call 711 for the Minnesota Relay

Appendix II – Notification Letter Sent to Taxpayers

August 21, 2014
Page 2

Letter ID: [NUMBER]

File on paper

Complete the 2013 Form M1PR, *Minnesota Homestead Credit Refund (for Homeowners)*. You can print or download the form and instructions from our website. Go to www.revenue.state.mn.us and enter **M1PR** in the “Search” box.

To have forms and instructions sent to you, call us at 651-296-4444 or 1-800-657-3676 (toll-free).

What’s the deadline for filing?

You must file no later than August 15, 2015.

What if I have questions?

Contact us if you have questions about this letter or need other assistance.

By phone: 651-296-3781 or 1-800-652-9094 (toll-free), from 8:00 a.m. to 4:30 p.m., Monday through Friday

By email: individual.incometax@state.mn.us

Income Tax and Withholding Division
An equal opportunity employer
www.revenue.state.mn.us

TTY: Call 711 for the Minnesota Relay

Appendix III – Notifications/Responses by County

County	Number of Homesteads	% Share of State Total	Notifications Issued (in Aug. 2014)	% Share of State Total	Notifications Refund Claims To Date	% of Total Notifications Issued
TOTAL	1,494,284	100.0%	46,456	100.0%	14,784	32%
AITKIN	5,679	0.4%	88	0.2%	35	40%
ANOKA	95,517	6.4%	2,658	5.7%	788	30%
BECKER	10,049	0.7%	252	0.5%	80	32%
BELTRAMI	10,176	0.7%	205	0.4%	71	35%
BENTON	10,034	0.7%	328	0.7%	128	39%
BIG STONE	1,808	0.1%	11	0.0%	5	45%
BLUE EARTH	14,872	1.0%	303	0.7%	104	34%
BROWN	8,587	0.6%	94	0.2%	42	45%
CARLTON	10,518	0.7%	597	1.3%	233	39%
CARVER	27,050	1.8%	116	0.2%	26	22%
CASS	9,394	0.6%	269	0.6%	82	30%
CHIPPEWA	3,942	0.3%	41	0.1%	10	24%
CHISAGO	16,071	1.1%	727	1.6%	283	39%
CLAY	15,181	1.0%	317	0.7%	117	37%
CLEARWATER	2,809	0.2%	15	0.0%	5	33%
COOK	1,820	0.1%	74	0.2%	22	30%
COTTONWOOD	3,767	0.3%	27	0.1%	7	26%
CROW WING	20,189	1.4%	639	1.4%	231	36%
DAKOTA	114,845	7.7%	3,797	8.2%	1,138	30%
DODGE	6,146	0.4%	86	0.2%	26	30%
DOUGLAS	11,560	0.8%	335	0.7%	149	44%
FARIBAUT	5,030	0.3%	31	0.1%	11	35%
FILLMORE	7,018	0.5%	83	0.2%	28	34%
FREEBORN	10,142	0.7%	143	0.3%	42	29%
GOODHUE	14,255	1.0%	365	0.8%	125	34%
GRANT	2,121	0.1%	31	0.1%	14	45%
HENNEPIN	300,968	20.1%	13,996	30.1%	3,944	28%
HOUSTON	6,474	0.4%	271	0.6%	101	37%
HUBBARD	6,723	0.4%	152	0.3%	53	35%

Appendix III – Notifications/Responses by County

County	Number of Homesteads	% Share of State Total	Notifications Issued (in Aug. 2014)	% Share of State Total	Notifications Refund Claims To Date	% of Total Notifications Issued
ISANTI	11,646	0.8%	40	0.1%	4	10%
ITASCA	14,971	1.0%	436	0.9%	191	44%
JACKSON	3,644	0.2%	16	0.0%	4	25%
KANABEC	5,170	0.3%	104	0.2%	29	28%
KANDIYOHI	12,336	0.8%	176	0.4%	68	39%
KITTSOON	1,577	0.1%	1	0.0%	0	0%
KOOCHICHING	4,507	0.3%	57	0.1%	14	25%
LAC QUI PARLE	2,767	0.2%	13	0.0%	3	23%
LAKE	3,869	0.3%	99	0.2%	29	29%
LAKE OF THE WOODS	1,438	0.1%	26	0.1%	11	42%
LE SUEUR	8,868	0.6%	29	0.1%	8	28%
LINCOLN	2,174	0.1%	11	0.0%	2	18%
LYON	6,845	0.5%	49	0.1%	21	43%
MCLEOD	10,918	0.7%	193	0.4%	68	35%
MAHNOMEN	1,299	0.1%	12	0.0%	1	8%
MARSHALL	3,308	0.2%	11	0.0%	4	36%
MARTIN	6,780	0.5%	54	0.1%	20	37%
MEEKER	7,271	0.5%	87	0.2%	27	31%
MILLE LACS	7,203	0.5%	188	0.4%	69	37%
MORRISON	10,746	0.7%	166	0.4%	62	37%
MOWER	11,544	0.8%	82	0.2%	33	40%
MURRAY	3,143	0.2%	26	0.1%	12	46%
NICOLLET	8,734	0.6%	230	0.5%	79	34%
NOBLES	5,733	0.4%	53	0.1%	21	40%
NORMAN	2,261	0.2%	11	0.0%	1	9%
OLMSTED	41,603	2.8%	1,092	2.4%	375	34%
OTTER TAIL	19,064	1.3%	392	0.8%	144	37%
PENNINGTON	4,023	0.3%	102	0.2%	43	42%
PINE	8,489	0.6%	153	0.3%	57	37%
PIPESTONE	3,182	0.2%	22	0.0%	8	36%
POLK	8,843	0.6%	138	0.3%	42	30%
POPE	3,776	0.3%	48	0.1%	27	56%

Appendix III – Notifications/Responses by County

County	Number of Homesteads	% Share of State Total	Notifications Issued (in Aug. 2014)	% Share of State Total	Notifications Refund Claims To Date	% of Total Notifications Issued
RAMSEY	117,795	7.9%	4,998	10.8%	1,483	30%
RED LAKE	1,339	0.1%	26	0.1%	6	23%
REDWOOD	5,088	0.3%	23	0.0%	9	39%
RENVILLE	5,321	0.4%	25	0.1%	6	24%
RICE	16,170	1.1%	580	1.2%	209	36%
ROCK	3,209	0.2%	15	0.0%	2	13%
ROSEAU	4,690	0.3%	68	0.1%	14	21%
SAINT LOUIS	58,385	3.9%	1,999	4.3%	674	34%
SCOTT	37,889	2.5%	1,766	3.8%	638	36%
SHERBURNE	25,234	1.7%	913	2.0%	323	35%
SIBLEY	4,904	0.3%	57	0.1%	24	42%
STEARNS	39,740	2.7%	828	1.8%	320	39%
STEELE	10,807	0.7%	258	0.6%	100	39%
STEVENS	2,636	0.2%	26	0.1%	14	54%
SWIFT	3,270	0.2%	22	0.0%	6	27%
TODD	7,850	0.5%	124	0.3%	51	41%
TRAVERSE	1,198	0.1%	6	0.0%	2	33%
WABASHA	7,045	0.5%	200	0.4%	61	31%
WADENA	4,236	0.3%	42	0.1%	8	19%
WASECA	5,671	0.4%	113	0.2%	40	35%
WASHINGTON	72,207	4.8%	2,818	6.1%	960	34%
WATONWAN	3,496	0.2%	18	0.0%	8	44%
WILKIN	2,044	0.1%	11	0.0%	2	18%
WINONA	13,345	0.9%	218	0.5%	73	33%
WRIGHT	36,749	2.5%	1,109	2.4%	362	33%
YELLOW MEDICINE	3,489	0.2%	25	0.1%	12	48%

Minnesota Department of Revenue, Property Tax Research (1/3/2016)

Appendix IV – 2015 PTR Notification Study

The following pages contain the 2015 Property Tax Notification Study in its entirety. All page numbers and other references were left as they appeared when the report was published on March 9, 2015.

2015

Property Tax Refund
Notification Study



Minnesota Department of Revenue

March 13, 2015

Minnesota Statutes, section 3.197, requires any report to the Legislature to include the cost of preparing the report, including any costs incurred by another agency or another level of government.

This report cost \$200,000.

MINNESOTA • REVENUE

March 13, 2015

The Honorable Greg Davids
Chair, Minnesota House Taxes Committee
585 State Office Building, St. Paul, MN 55155

The Honorable Ann Lenczewski
DFL Lead, Minnesota House Taxes Committee
209 State Office Building, St. Paul, MN 55155

The Honorable Steve Drazkowski
Chair, Minnesota House Property Tax and
Local Government Finance Division
591 State Office Building, St. Paul, MN 55155

The Honorable Jim Davnie
DFL Lead, Minnesota House Property Tax and
Local Government Finance Division
393 State Office Building, St. Paul, MN 55155

The Honorable Rod Skoe
Chair, Minnesota Senate Taxes Committee
235 Capitol, St. Paul, MN 55155

The Honorable Julianne Ortman
Ranking Minority Member,
Minnesota Senate Taxes Committee
119 State Office Building, St. Paul, MN 55155

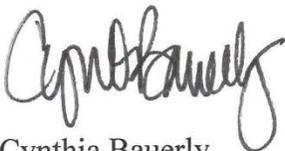
The Honorable Ann Rest
Chair, Minnesota Senate Tax Reform Division
235 Capitol, St. Paul, MN 55155

The Honorable Dave Thompson
Ranking Minority Member,
Minnesota Senate Tax Reform Division
131 State Office Building, St. Paul, MN 55155

To Members of the Legislature of the State of Minnesota:

I am pleased to present this Property Tax Refund Notification Study undertaken by the Department of Revenue, as required by Minnesota Statutes, section 290A.28.

Sincerely,



Cynthia Bauerly
Commissioner
Minnesota Department of Revenue

Contents

Executive Summary	1
Purpose of this Report	2
History of the Property Tax Refund in Minnesota	3
Calculating the Property Tax Refund	4
Homestead Credit Refund Notification Letter	6
Estimating Potential Refunds – Methodology	6
Projected Results.....	7
Notification Letter.....	7
Challenges with the Letter	8
Results (to Date)	8
Outreach Activities	9
Overview.....	9
Education	9
Communications	10
Tax Preparer Outreach	11
Volunteer Outreach.....	11
VITA Tax Sites Run by the Department of Revenue	12
Community Outreach.....	12
Pre-Retirement Seminars	13
Military Outreach.....	13
Pre-Filing Season Meeting with IRS	14
Senior Linkage Line.....	14
Media Relations	14
Conference Calls.....	14
Website	14
Tax Law Changes	15
Property Tax Refund Videos	16
Property Tax Refund Web Pages	16
Property Tax Refund Online Filing System (for Homeowners).....	17
News Flash.....	18

Contents

Social Media	18
Email Updates (GovDelivery)	18
Handouts and Other Materials	19
Minnesota State Fair	20
Instruction Booklets	20
Appendix A – Homestead Credit Refund Notification Law	21
Appendix B – Notification Letter Sent to Taxpayers	23
Appendix C – Notifications/Responses by County.....	24
Appendix D –2013 and 2014 Education	27
Tax Preparer Outreach	27
Volunteer Outreach.....	28
Community Outreach.....	30
Television.....	30
Radio.....	30
Community Events.....	30
Financial Literacy Events	34
Appendix E – 2013 and 2014 Communications.....	35
Press Releases	36
Press Conferences	39
News Stories	40
Conference Calls.....	44
Social Media	45
Email Bulletins (GovDelivery).....	47
Handouts and Other Materials	53

Executive Summary

Minnesota Statutes, section 290A.28, required the department to notify certain homeowners that they may qualify for a refund based on their estimated income and 2014 property taxes. The statute also required us to report to the Legislature about the results of these notifications. This is the first of two required reports; the second report is due by February 1, 2016.

To identify taxpayers who should receive a notification, we analyzed homeowners' 2014 property tax data (provided by the counties) and estimated household income (based on four sources of tax information). We used this information to estimate potential refunds for these taxpayers.

Then, as required by M.S. 290A.28, we mailed notifications to taxpayers if their potential Homestead Credit Refund was at least \$1,000 and they had not filed for a property tax refund in the last two years (2012 and 2013). We mailed 46,456 notification letters in all.

To date, fewer than expected taxpayers who we notified have filed returns. Our most recent estimate was that taxpayers would file 20,000 additional returns for a total of \$26.7 million (and an average refund of \$1,337).

As of March 9, 2015, taxpayers who were notified have filed 10,956 returns. These taxpayers received an average Homestead Credit Refund of \$1,333, for a total of \$14.6 million. Taxpayers have until August 15, 2015, to file for the 2014 property tax year.

In addition to sending the letters as required, the department conducts a wide range of education and outreach efforts for taxpayers, tax preparers, community representatives, and others. The department's outreach staff regularly attends events, conduct training, and work with minority communities, taxpayers who are elderly or have disabilities, members of the military, volunteer and paid tax preparers, and the general public.

In 2013 and 2014, we discussed the Homestead Credit Refund and Renter's Property Tax Refund at more than 60 outreach events throughout Minnesota. We educated volunteer tax preparers who provide free tax help at 250 sites across the state – serving taxpayers who are low-income, age 60 or older, have a disability, or who speak limited or no English.

Each year, we emphasize the property tax refund in these activities and in our media and other communications efforts (press releases, social media and website updates, electronic newsletters, etc.). In 2013 and 2014, we discussed the Homestead Credit Refund and Renter's Property Tax Refund in more than 12 media events and conference calls. We also featured the refund at our information booth at the Minnesota State Fair, and we issued 20 email bulletins and social media updates about the refund.

Purpose of this Report

A law passed during the 2013 legislative session required the Department of Revenue to notify certain taxpayers of their potential eligibility for the Homestead Credit Refund (for Homeowners). This law directed the department to:

- Estimate taxpayers' potential refund based on property taxes they paid and known information about their household income
- Notify taxpayers if their estimated potential refund was at least \$1,000 and they had not filed for a property tax refund in the last two years (2012 and 2013)
- Provide information to these taxpayers about how to file for a refund

The law also requires the department to submit two reports to summarize the results of this notification effort. This is the first of the required reports; the second is due Feb. 1, 2016. See Appendix A for the full text of the notification statute.¹

This report includes a brief history of the property tax refund, how it is calculated, and the following information:

- The department's initial projections, before the notification requirement was enacted, of the number and dollar amount of claims for Homestead Credit Refunds in 2014
- The number of notifications issued by the department, statewide and by county
- Preliminary estimates of the actual number and dollar amount of claims for homestead credit refunds in 2014
- Details about the department's 2014 outreach efforts, beyond the required notification letters

¹ The entire property tax refund law is found in Minnesota Statutes, Chapter 290A, which can be viewed online at <https://www.revisor.mn.gov/statutes/?id=290A&view=chapter>. The notification requirement is found in [section 290A.28](#).

History of the Property Tax Refund in Minnesota

Minnesota's property tax refund was enacted in 1975 as the Income-adjusted Homestead Credit. This program was intended to offer property tax relief for Minnesotans who paid rent to a landlord or who owned a home and paid property taxes. This credit replaced a number of other tax credits, including the senior credit, disabled credit, and renter's credit.

The credit name has since changed to the Minnesota Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund. These two refunds are often referred to collectively as the "property tax refund."

The Homestead Credit Refund is based on a taxpayer's household income and property taxes paid on their home. The Renter's Property Tax Refund is based on a taxpayer's household income and rent paid. For purposes of this program, "household income" includes taxable and nontaxable sources of income.

When the program was enacted, taxpayers claimed the credit against taxes owed on their Individual Income Tax return. In 1981 and 1982, the law was changed so taxpayers instead receive this credit as a refund, paid in August for renters and September for homeowners. Today, taxpayers file a separate return to claim a property tax refund using Form M1PR, tax software or – for qualifying homeowners – the free online filing tool offered on our website.

Over the years, the property tax refund has increased significantly from the original maximum of \$475 in 1975. Today, the maximum refund is \$2,620 for homeowners and \$2,030 for renters. Eligibility is capped at a certain income level: Currently, only taxpayers with household income below \$107,150 for homeowners and \$58,060 for renters may qualify for a refund.

Calculating the Property Tax Refund

Property tax refunds are based on a taxpayer's household income and the property tax they pay on their home or through their rent. For renters, a percentage of the rent paid is considered property tax.

The basic steps to calculate a property tax refund are outlined below. To see the full process, refer to Homestead Credit Refund and Renter's Property Tax Refund form and instructions.²

1. Determine household income

Household income is defined differently for the property tax refund than for some other programs. To determine household income, taxpayers must include:

- Taxable income such as wages, business income and capital gains
- Many types of nontaxable income such as municipal bond interest and nontaxable Social Security income
- Certain other deductions from their income tax return, such as a deduction for a prior-year passive activity loss

Taxpayers are allowed to subtract certain amounts from their household income if they have dependents, contribute to a qualified retirement plan, are age 65 or older, or have a disability.

2. Determine "property taxes payable"

Homeowners receive a property tax statement in March from their county which shows their property taxes payable for the year. Renters receive this information from their landlord on a Certificate of Rent Paid, which shows total rent they paid for the year and the amount that is considered property tax (currently 17% of total rent).

Taxpayers who take the home office deduction on their income tax return must adjust their property taxes payable accordingly. This adjustment is needed because property tax refunds only apply to taxes paid on residential property, and not to taxes paid on any part of the property used "regularly and exclusively" for business.

3. Determine the refund amount

After determining household income and property taxes payable, taxpayers look up their refund amount in the tables provided in the Form M1PR instruction booklet (the process is similar to filing an income tax return). If they use tax software or our online filing tool, the refund is calculated for them.

² Go to www.revenue.state.mn.us and type "property tax refund" into the Search box to find the form, instructions, and other information, or view the 2014 Form M1PR or the instruction booklet directly using the links below.

- Form M1PR: www.revenue.state.mn.us/Forms_and_Instructions/m1pr_14.pdf
- Instruction booklet: www.revenue.state.mn.us/Forms_and_Instructions/m1pr_inst_14.pdf

Calculating the Property Tax Refund

The refund tables are adjusted for inflation every year and based on a formula provided in statute (M.S. 290A.04). This formula requires the taxpayer pay two separate amounts in property tax to qualify for a refund:

First Amount: A percentage of their income. This percentage increases as income increases and ranges from 1% to 2.5% for homeowners and 1% to 2% for renters.

Second Amount: A percentage of the property taxes eligible for refund (explained below). This percentage also increases as income increases and ranges from 15% to 50% for homeowners and 5% to 50% for renters. “Property taxes eligible for refund” is calculated by subtracting the First Amount from total property taxes payable.

These two required payment amounts are subtracted from the total property taxes payable to calculate a taxpayer’s refund. The formula also caps the maximum refund, based on income. The maximum refund decreases as income increases.

The cap and income limit are also adjusted each year for inflation. For 2015, the maximum refund ranges from \$510 to \$2,620 for homeowners and \$200 to \$2,030 for renters. Only taxpayers with household income below \$107,150 for homeowners and \$58,060 for renters may qualify for a refund.

Homestead Credit Refund Notification Letter

The notification law required the Department of Revenue to estimate each homeowner's potential Homestead Credit Refund and to notify them if the amount was at least \$1,000 and they had not filed for a homeowner's refund in the last two years (2012 and 2013).

Estimating Potential Refunds – Methodology

To estimate potential refunds, the department needed information about each homeowner's household income and their property tax payable for 2014.

The department estimated household income based on one of four known income sources, as detailed below. Property tax data for 2014 for each homeowner was provided by the counties and included identifying information such as name, property address, mailing address, and Social Security number.

To estimate household income, the department had to identify reliable and accessible sources of income information. After considerable analysis, we decided to use the following:

- 2013 electronic federal return
- 2012 electronic federal return
- 2012 federal return supplied by IRS
- 2011 income documents (W2 and 1099 forms)

We analyzed these income sources in the order listed above and used only one source for each homeowner. For example, if a homeowner hadn't filed a 2013 Minnesota return we looked at the next available item on the list.

Next, we programmed our tax processing system to project a refund for each identified homeowner based on household income and 2014 property tax. The system had to consider several different variables for each projected refund, such as:

- Which income sources we would use
- Whether the taxpayer had nontaxable income to include with household income
- The taxpayer's age and disability status
- The number of dependents

If the calculated refund was at least \$1000 and neither a 2012 nor a 2013 homeowner's property tax return was filed, we sent a notification letter to the homeowner.

We used the active address in our system for these mailings. Out of the 46,456 letters sent, 400 taxpayers were not registered in our system; for those taxpayers, we used the property address provided by their county.

Projected Results

When the notification requirement was enacted, the department’s Property Tax Research Unit estimated the impact of the law change on state revenues. A revenue estimate is prepared for every law that would change property tax aids, credits, and refunds.

The original estimate assumed that the notification would be sent to 50,000 non-filers, would generate 25,000 additional filers and \$34 million of refunds. The estimate has since been revised to 20,000 filers and \$26.7 million of refunds, as the entire refund program was projected to grow more slowly due to moderate homestead tax increases.

Homestead Credit Refund – FY2015 Projected Estimate (End of Session 2013)

	Count	Dollars (millions)
Baseline (February 2013 Forecast)	410,100	\$340.5
+ Notification of Eligibility	25,000	\$34.0
+ Other Legislative Changes	112,000	\$74.4
= End of Session 2013 Estimate	547,000	\$448.9

Minnesota Department of Revenue, Property Tax Research Unit (June 14, 2013)

Notification Letter

The department mailed a letter to all taxpayers whose projected refund was at least \$1,000 and who had not filed for a Homestead Credit Refund in the last two years (2012 and 2013). While the statute allowed us to notify taxpayers by mail or electronically, we used a paper letter because we do not have taxpayers’ email addresses.

We designed the letter to catch the attention of homeowners. We used clear wording and basic information in a bulleted fashion to notify the homeowner about the possibility of qualifying for a refund. The letter also explained:

- How homeowners could determine if they were eligible for a refund
- How to file for a refund electronically or by paper
- The deadline for filing
- How to contact the department with questions

See Appendix B for a copy of the letter.

Challenges with the Letter

Overall the process worked well to identify and notify taxpayers. However, we encountered three issues that caused confusion for some taxpayers:

1. **Because household income includes both taxable and nontaxable sources, we could not always identify all of a homeowner’s sources of household income.** As a result, notification letters were sent to some taxpayers who did not qualify for a refund because they had nontaxable income that was unknown at the time the letter was sent. We received phone calls and feedback from some of those taxpayers.
2. **Due to tax law changes in 2014 that also required notification letters, some taxpayers received other letters around the same time.** Those other letters may have been about federal conformity adjustments, the percentage increase to the property tax refund, or the Supplemental Agricultural Credit. The fact that these letters were mailed within weeks of each other caused confusion for some taxpayers and resulted in increased call volume to our phone centers.
3. **Late passage of the 2014 federal conformity bill may have affected taxpayer filing behavior.** The conformity bill was enacted March 21, 2014. In a typical year, many taxpayers file their income and property tax returns together before this date. But uncertainty about federal conformity in early 2014 made it difficult for them to file an accurate property tax return. Since this return is not due until August 15, many taxpayers may have waited until this year to file.

We believe these challenges with the notification letter approach contributed to a lower-than-expected response to our notifications.

Results (to Date)

Through March 9, 2015, taxpayers who were notified have filed 10,956 returns and the department has issued \$14.6 million in refunds to them. Taxpayers have until August 15 to file for the 2014 property tax year.

Homestead Credit Refund – Total Notification Refunds Received as of 3/9/2015

	Count	Dollars (millions)	Average Refund
Mailed Aug. 20-22, 2014	46,456	\$72.1	\$1,552
Projected to Receive	20,000	\$26.7 *	\$1,337
Received to Date	10,956	\$14.6	\$1,333

* February 2015 Budget Forecast estimate (original estimate during 2013 session was 25,000 for \$34.0 million)

See Appendix C for detailed, county-by-county results.

Outreach Activities

In addition to the notification letter, the Department of Revenue informs the public about Individual Income Tax and Property Tax refunds through a variety of outreach including education activities and extensive communication –directly with taxpayers, on our website, and through traditional and social media channels.

The department is also focused on improving customer service by making greater use of electronic and online systems. For example, we:

- Redesigned our website and conducted extensive user testing to ensure ease of use
- Developed our e-file and e-Services systems to allow taxpayers more freedom to file and pay through our website
- Started using GovDelivery to provide targeted email updates to our customers
- Created a free online method for homeowners to file for a Homestead Credit Refund

Overview

The department’s divisions and units work together to inform taxpayers and others about the Homestead Credit Refund and Renter’s Property Tax Refund through the full range of our public outreach, education, and communications channels.

These efforts are summarized below, followed by more information about specific channels and programs. See Appendix D and Appendix E as indicated for detailed lists and examples of our outreach materials about the property tax refund.

Education

The department’s outreach and education staff play an important role in our efforts inform taxpayers and tax preparers about the property tax refund.

Department staff regularly attends outreach events, conducts training, and works with: minority communities, taxpayers who are elderly or have disabilities, members of the military, tax preparers, and the general public. They work in partnership with the Internal Revenue Service, AARP Tax Aide, Volunteer Income Tax Assistance (VITA), state and local agencies, and other organizations to provide tax education and assistance.

From May 2013 through December 2014, we discussed the Homestead Credit Refund and Renter’s Property Tax Refund at more than 60 outreach and education events throughout Minnesota. Some of these events were sponsored by the department, and some by our partners.

Outreach Activities

We tailor our materials and message to serve a number of different audiences, including:

- Tax preparers
- Volunteer preparers
- Volunteer Income Tax Assistance (VITA) sites run by the department
- Community members
- Pre-retirement seminars
- Members of the military
- Senior citizens
- IRS employees (during our annual pre-filing season meeting)

Communications

Each year we emphasize the property tax refund in our full range of communications activities, including:

- Media Relations (press releases, news conferences, and news stories)
- Conference Calls
- Website
- Social Media
- Email Bulletins
- Handouts and Materials (including informational booth at Minnesota State Fair)

From May 2013 through December 2014, we discussed the Homestead Credit Refund and Renter's Property Tax Refund at more than 12 media events and conference calls with tax preparers, software companies, reporters, and taxpayers. We also:

- Posted reminders and information about the property tax refund on social media eight times
- Issued 12 email bulletins about the refund to various subscriber groups
- Featured the refund at our information booth at the Minnesota State Fair
- Produced handouts and other printed materials used at the State Fair and in various other outreach activities for taxpayers, tax preparers, and news media
- Publicized our free online tool to file for a Homestead Credit Refund on our instruction booklet

More information about specific outreach channels and programs can be found on the following pages. See Appendix D and Appendix E as indicated for detailed lists and examples of our outreach materials about the property tax refund.

Tax Preparer Outreach

Each year, we conduct or attend several events to inform and educate tax preparers about state tax laws and new law changes. We cover the property tax refund in detail as part of these presentations so that preparers can identify and help clients who qualify for a refund.

From May 2013 through December 2014, we discussed the Homestead Credit Refund and Renter's Property Tax Refund at the following forums:

- Practitioner Liaison Meeting
- University of Minnesota Income Tax Short Courses
- National Association of Tax Professionals Regional Conferences
- Minnesota Society of Enrolled Agents Conference
- Minnesota Association of Professional Accountants Conference
- Twin Cities Tax Professionals Discussion Group
- Metro Guardians and Conservators

See Appendix D for details and examples.

Volunteer Outreach

Every year, the department trains volunteer tax preparers who help taxpayers meet their income tax filing obligations and, if eligible, claim a property tax refund. This free tax assistance program comprises over 250 Volunteer Income Tax Assistance (VITA) sites and AARP Tax Aide sites throughout Minnesota. Free tax assistance is available to taxpayers who:

- Are age 60 or older
- Have a disability
- Speak limited or no English
- Have income of \$53,000 or less

We present at numerous training events throughout the state to educate and inform volunteers on Minnesota tax law and department updates. We train them to gather the appropriate information from taxpayers so they can accurately complete income tax and property tax refund returns that range from simple to complex. Many of these volunteers go on to train others.

From May 2013 through December 2014, we educated volunteers about the Homestead Credit Refund and Renter's Property Tax Refund at the following forums:

- AARP District Coordinator Presentations, Instructor Workshops, and Tax Aide Counselor Training Sessions
- Prepare + Prosper (Formerly AccountAbility Minnesota) Tax Site Management Presentations
- Non-Resident Alien Tax Education

See Appendix D for details and examples.

VITA Tax Sites Run by the Department of Revenue

The department also operates several of its own Volunteer Income Tax Assistance (VITA) sites during the filing season. These sites are staffed by department and community volunteers. In 2014, we operated eight VITA sites, helping taxpayers file 987 property tax refund returns and claim \$561,884 in refunds.

We trained more than 100 volunteers for our VITA sites in January 2014. Our training covered the Homestead Credit Refund and Renter's Property Tax Refund in detail including eligibility requirements, what is included in household income, special filing situations, and other related topics.

These sites are open to any taxpayer who meets the income and eligibility criteria, but they are strategically located to serve pockets of the population who may struggle with English as a second language. The volunteers who staff these sites are fluent in a variety of languages including Hmong, Somali, Spanish, Vietnamese, and Karen (mainly spoken in parts of Myanmar and Thailand). Our 2014 VITA locations included:

- Mt. Airy Community Center, St. Paul
- Roosevelt Community Center, St. Paul
- McDonough Community Center, St. Paul
- Seward Towers, Minneapolis
- Sagrado Corazon de Jesus, Minneapolis
- Vietnam Center, St. Paul
- Prince of Peace Mission Outpost, Burnsville
- New Creation, Shakopee
- Karen Organization of Minnesota, St. Paul

Community Outreach

We conducted many outreach activities that were broader in scope to inform members of various communities about the property tax refund program and how to file a return. These events varied greatly in the type of audience, outreach method used, and the level of information provided about the property tax refund.

Outreach Activities

From May 2013 through December 2014, we educated community members about the Homestead Credit Refund and Renter's Property Tax Refund at the following forums:

- Radio shows
- Community events
- Financial literacy events and meetings
- Newsletters

See Appendix D for details and examples.

Pre-Retirement Seminars

The department is committed to helping people prepare for retirement by providing education on their changing tax obligations. We partnered with state agencies including Minnesota Management & Budget, Department of Corrections, Department of Transportation, and the federal government to provide this training.

Part of this education addresses the Homestead Credit Refund and Renter's Property Tax Refund. We educate participants about eligibility requirements and how to file the return. These seminars are conducted throughout the state during the year.

See Appendix D for details and examples.

Military Outreach

The department is committed to educating our service members about tax benefits they are entitled to, including the Homestead Credit Refund and Renter's Property Tax Refund. We partner with Beyond the Yellow Ribbon to provide tax education to service members and their families who are leaving for deployment, returning from deployment, and during their deployment. Examples include:

- **Initial Reintegration Events** – We welcome service members back from their deployment, inform them of tax benefits they are entitled to, and provide them with forms and instructions on how to complete returns.
- **30- and 60-Day Reintegration Events** – We provide detailed tax information to service members at 30- and 60-day intervals from the date they return home from deployment. We answer questions one-on-one that they may have.
- **Family Preparedness and Reintegration Academies** – We provide information to families of service members and serve as a resource for them in navigating the Minnesota tax system.
- **Miscellaneous Events** – We attend other events with various branches of the military as opportunities arise to educate them on tax benefits they are entitled to.

Pre-Filing Season Meeting with IRS

We continue to promote the Homestead Credit Refund and Renter's Property Tax Refund in our discussions with the IRS. We hold annual meetings with our IRS colleagues to prepare for the upcoming filing season. We discuss department updates and tax law changes. We ask our IRS colleagues to share this information with their co-workers and external partners.

Senior Linkage Line

We provided educational material to the Senior Linkage Line, which included information on the Homestead Credit Refund and Renter's Property Tax Refund. This information is used to train members who answer calls so they can offer these solutions to the customers they serve. We also shared outreach material that they use when attending Senior Linkage Line events.

Media Relations

The department issues press releases, holds press conferences, and responds to media inquiries for news stories. These activities help us publicize law changes, tax programs, upcoming due dates, and other important information. Each year, we emphasize the Homestead Credit Refund and Renter's Property Tax Refund in these activities. Examples include:

- **Press releases** – In 2013 and 2014, we issued three press releases about the property tax refund and mentioned it in other media advisories and statements.
- **Press conferences** – In 2014, we presented information about the property tax refund during two press conferences.
- **News stories** – In 2014, we provided information about the property tax refund for four print news articles around the state. Many other news outlets covered the refund and our reminders based on press releases and other activities.

Conference Calls

In 2013, the Department of Revenue began hosting conference calls. We heavily promote these calls to tax professionals, software vendors, and the public as an opportunity to connect directly with us to discuss new tax laws, new or updated forms and instructions, and process changes at the department.

In 2014, we discussed the Homestead Credit Refund and Renter's Property Tax Refund in four conference calls. See Appendix E for more information and materials for each call.

Website

For many taxpayers, our website is their first point of contact with the department. We use the website to distribute information that we would have previously communicated by paper. This is especially true when we communicate about new and special programs – like the homeowner notification letters sent last year – to wide audiences.

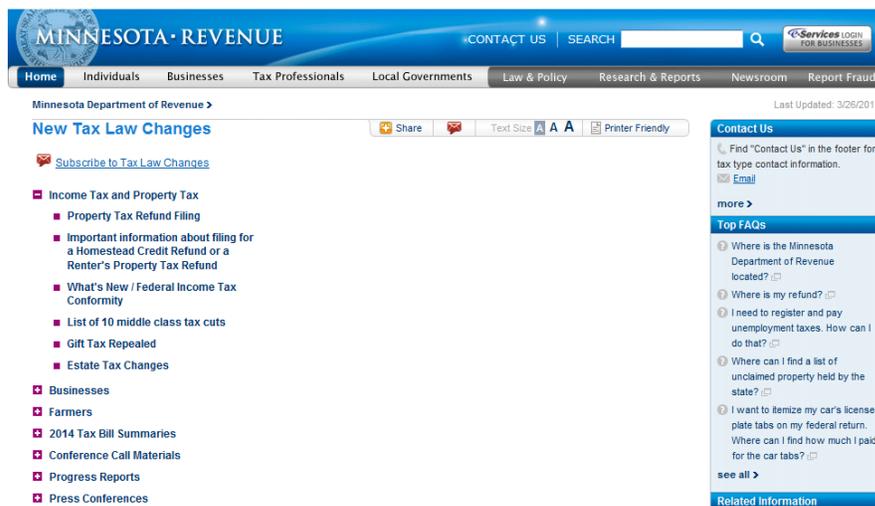
In 2014, we communicated with taxpayers through our website about the Homestead Credit Refund and the Renter's Property Tax Refund in the following ways or areas:

- Tax Law Changes web pages
- Property Tax Refund videos
- Property Tax Refund web pages
- Property Tax Refund online filing tool for homeowners
- News Flash (a rotating feature on our home page)

Tax Law Changes

The Department of Revenue is continuously updating our public website to provide the most current information to the public. We have dedicated web pages that are designed to educate and inform taxpayers about recent law changes. This information is updated during and after each legislative session.³

The 2014 version of our Tax Law Changes page is shown below and included links to our filing and "What's New" pages for the Homestead Credit Refund and Renter's Property Tax Refund.^{4,5}



³ To view the most current information, go to www.revenue.state.mn.us and click the orange Tax Law Changes button at the bottom of the page, or go to http://www.revenue.state.mn.us/Pages/law_changes.aspx.

⁴ The main Property Tax Refund Filing page provides information and links that explain how to file for a refund and what you need to do so: http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/File-and-Pay.aspx.

⁵ The Property Tax Refund "What's New" page provides timely information about changes and what you need to file for a refund: http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/What-s-New.aspx.

Property Tax Refund Videos

As part of an ongoing effort to provide information to taxpayers, we have produced several videos that are available on YouTube and Vimeo. These videos cover a variety of topics and are designed to answer common taxpayer questions.

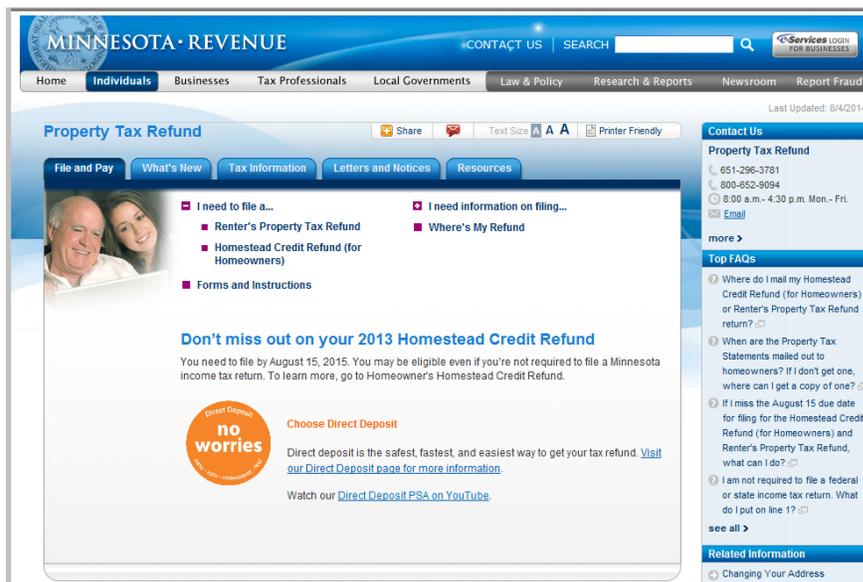
We currently have two videos available for taxpayers with questions about the Homestead Credit Refund.

- **2014 Homeowners Property Tax Update** - This video explains the increase to the Homestead Credit Refund from the 2014 tax law changes. ⁶
- **File Your Minnesota Homeowners Property Tax Refund Online** - This video explains who qualifies to e-file and provides the list of information needed to submit your refund online. ⁷

Property Tax Refund Web Pages

Our website includes a wide range of information about the Homestead Credit Refund and Renter's Property Tax Refund. Some of the key pages are shown below.

Property Tax Refund Home ⁸



⁶ To view the video, go to: <https://www.youtube.com/watch?v=Lf9axc2sk6s&list=UUCLHH0EOeDorwFhSHyzDLBQ>.

⁷ To view the video, go to: https://www.youtube.com/watch?v=_wsIRQRx0G8&feature=youtu.be.

⁸ To view this page, go to www.revenue.state.mn.us and click Property Tax Refund (under For Individuals), or go to http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/File-and-Pay.aspx.

Filing for the Homestead Credit Refund ⁹

MINNESOTA · REVENUE CONTACT US SEARCH [e-Services LOGIN FOR BUSINESSES](#)

Home Individuals Businesses Tax Professionals Local Governments Law & Policy Research & Reports Newsroom Report Fraud

Property Tax Refund > Share Text Size A A Printer Friendly Last Updated: 12/3/2014

Filing for the Homestead Credit Refund (for Homeowners)

Free Online Filing using e-Services

- File for FREE using the [Property Tax Refund Online Filing System](#) (for Homeowners only)
- For more information about free online filing, [watch our video](#).

Filing on Paper

Use Form M1PR, Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund.

- [2013 Form M1PR, fill in and print version](#)
- [2013 Form M1PR, print only version](#)
- [2013 Minnesota Homestead Credit Refund \(for Homeowners\) and Renter's Property Tax Refund Instructions](#)

When to expect your refund

Refunds for homeowners will be mailed beginning the end of September or 60 days after filing, whichever is later.

You may receive your refund up to 30 days earlier than the dates listed above if you:

- Electronically file your return by July 1, and
- Choose the direct deposit option, and
- Filed Form M1PR for the previous year

If you have questions when filing your return

You must contact the customer support area for the product you're using. Software companies provide these services, not the Minnesota Department of Revenue. The Department of Revenue does not endorse any company or offer technical assistance for the software products.

Contact Us

Property Tax Refund

- 651-296-3781
- 800-652-9094
- 8:00 a.m. - 4:30 p.m. Mon. - Fri.
- [Email](#)

more >

Top FAQs

- When will I get my refund?
- If I start my Homestead Credit Refund Return using e-services but can't finish it, can I save it and come back later?
- What if I have questions about the software vendor?
- Where do I mail my paper form?
- How do I fill out the M1PR on screen?

[see all >](#)

Related Information

- Filing Due Date for the Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund
- When to Expect your Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund
- Collection Information

About This Page

- Rate this page

Property Tax Refund Online Filing System (for Homeowners)

Homeowners can file for a Homestead Credit Refund through our website using a tool we created in our e-Services system. We began offering this free service in 2012. ¹⁰

MINNESOTA · REVENUE **e-Services** Welcome to the Property Tax Refund Online Filing System

Menu [Home](#)

NOTICE

Due to scheduled maintenance, this system will be unavailable starting 8:00 a.m. December 6 to 12:00 p.m. December 7. Regular deadlines for filing and paying your taxes still apply. Please plan accordingly. We apologize for this inconvenience.

The Property Tax Refund Online Filing System lets homeowners electronically file a Homeowners Credit Refund with the Minnesota Department of Revenue.

Once you begin you cannot save and come back later. Make sure you have all needed information before you begin.

Homeowners, you can use this system if you:

- Are filing an original Property Tax Refund return (not an amended return).
- Are filing a refund for 2013 or later.
- Did not rent out your home.
- Did not use your home for business.

Homeowners, before you begin you will need the following information:

- Social Security Number
- Address
- Valid email address
- Household income records. [Click here for more information](#)
- Property tax statement ("Statement of Property Taxes Payable" from your county)
- Bank account and routing numbers (All refunds are sent electronically)

View, Print, or Cancel a Return:

- You can cancel returns until 5 p.m. Central time on the date you submitted the return. [View, Print, or Cancel a Return](#)

[File My Property Tax Refund Return](#)

⁹ To view this page, go to www.revenue.state.mn.us and type "homeowner refund" into the Search box, or go to: [www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Electronic Filing for the Property Tax Refund.aspx](http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Electronic_Filing_for_the_Property_Tax_Refund.aspx).

¹⁰ To view this page, to go: <https://www.mndor.state.mn.us/tp/propertytaxrefund/>.

News Flash

We use a News Flash on the department’s home page to highlight important or timely information. Clicking on the News Flash brings up a web page or document with more in-depth information. In 2014, we posted two news flashes (shown below) to remind taxpayers to file for their property tax refunds.



File for your Property Tax Refund

Qualifying homeowners and renters can file for their 2013 Property Tax Refund



Department of Revenue offers free online Property Tax Refund filing for homeowners

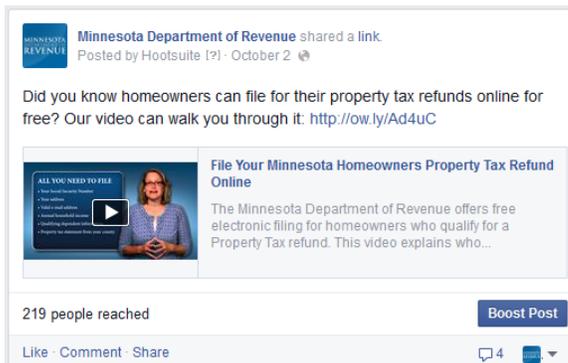
Starting March 25, homeowners can file for the Property Tax Refund online for free at the Minnesota Department of Revenue website.

Social Media

Social media is one of the most effective ways to get information out to the public as well as receive feedback, answer questions, understand our customer’s experiences, and learn about how we can do better.

The department has accounts with the most widely used social media websites: Facebook, Twitter, LinkedIn, and YouTube. These accounts allow us to communicate important information to our customers.

In 2013 and 2014, we posted eight social media updates to remind taxpayers to file for a Homestead Credit Refund or Renter’s Property Tax Refund. One example is shown below. See Appendix E for other examples.



Email Updates (GovDelivery)

The Department of Revenue uses the GovDelivery system to communicate by email with various groups of customers who subscribe to the bulletins through our website. We have groups for taxpayers, tax preparers, news media, and other audiences so that we can efficiently communicate the right messages to the right audience at the right time.

From March 2013 through August 2014, we sent 12 messages about the Homestead Credit Refund and Renter's Property Tax Refund to subscribers of these updates. One example is shown below. See Appendix E for a detailed list and examples of all the bulletins.



Handouts and Other Materials

The Department of Revenue participates in numerous public events each year. We strive to provide relevant information that addresses current issues and answers questions.

We have developed a number of handouts, fliers, and other marketing materials about the Homestead Credit Refund and Renter's Property Tax Refund. These materials are:

- Displayed and distributed at outreach and other events statewide
- Made available to counties to provide to their residents
- Used by the revenue commissioner at public events

One example is shown below. See Appendix E for more details and examples.



Minnesota State Fair

Each year the Department of Revenue staffs a booth in the Education building at the Minnesota State Fair. In 2014, we provided information about the Supplemental Agricultural Credit, the Homestead Credit Refund, and the Renter’s Property Tax Refund. One example is shown below. See Appendix E for details and more examples.

MINNESOTA FARMERS Property Tax Refund	MINNESOTA HOMEOWNERS Property Tax Refund	MINNESOTA RENTERS Property Tax Refund
Supplemental Agricultural Credit <ul style="list-style-type: none"> 2014 refund up to \$205 Refund up to \$490 in 2015 and beyond Checks mailed October 1–15 You don't have to do anything Questions? Call your county 	Homestead Credit Refund <ul style="list-style-type: none"> Refund up to \$2,657 3% increase for 2014 Refunds come at end of September (or 60 days after filing, whichever is later) To qualify, your 2013 household income must be less than \$105,500 Free online filing www.revenue.state.mn.us 	Renter's Property Tax Refund <ul style="list-style-type: none"> Refund up to \$2,120 6% increase for 2014 Refund come at end of August (or 60 days after filing, whichever is later) To qualify, your 2013 household income must be less than \$57,170 Free file with form M1PR

Instruction Booklets

The instruction booklet for the Homestead Credit Refund and Renter’s Property Tax Refund provides line-by-line instructions on how to complete a property tax return.

The booklet also references what’s new for the filing season, lists eligibility requirements, and information about how to calculate household income. The front cover is shown below. See Appendix E for more examples.

2013
Revised 8/26/14

Minnesota Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund
Forms and Instructions

Direct Deposit. No Worries.
Safe. Easy. Convenient. Fast.
See page 10 for more information.

www.revenue.state.mn.us

Inside this booklet

- Form M1PR Homestead Credit Refund for Homeowners and Renter's Property Tax Refund

To check on the status of your refund:

- Go to www.revenue.state.mn.us
- Call 855.296.4444 or 1.800.657.3876

Homeowners: You may be eligible to file electronically for FREE!

e-services
Start here: www.revenue.state.mn.us

MINNESOTA • REVENUE

Appendix A – Homestead Credit Refund Notification Law

Minnesota Statutes, section 290A.28, Notification of Potential Eligibility.

Subdivision 1. Notification of eligibility.

- (a) By September 1, 2014, the commissioner shall notify, in writing or electronically, individual homeowners whom the commissioner determines may be eligible for a homestead credit refund under this chapter for that property taxes payable year as provided in this section. In determining whether to notify a homeowner, the commissioner shall consider the property tax information available to the commissioner under paragraph (b) for the homeowner and must estimate the homeowner's household income using the most recent income information available to the commissioner from filing under this chapter for the prior year, under chapter 290 for the current or prior year, and any other income information available to the commissioner. For each homeowner, the commissioner must estimate the homestead credit refund amount under the schedule in section [290A.04, subdivision 2](#), using the homeowner's property tax amount and estimated household income. If the estimated homestead credit refund is at least \$1,000, the commissioner must notify the homeowner of potential eligibility for the homestead credit refund. The notification must include information on how to file for the homestead credit refund. The notification requirement under this section does not apply to a homeowner who has already filed for the homestead credit refund for the current or prior year.
- (b) By May 15, 2014, each county auditor shall transmit to the commissioner of revenue the following information for each property classified as a residential or agricultural homestead under section [273.13, subdivision 22](#) or 23:
- (1) the property taxes payable;
 - (2) the name and address of the owner;
 - (3) the Social Security number or numbers of the owners; and
 - (4) any other information the commissioner deems necessary or useful to carry out the provisions of this section.

The information must be provided in the form and manner prescribed by the commissioner.

Subd. 2. Reports.

- (a) By March 15, 2015, the commissioner must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with

sections [3.195](#) and [3.197](#). The report must provide information on the number and dollar amount of homeowner property tax refund claims based on taxes payable in 2014, including:

- (1) the number and dollar amount of claims projected for homestead credit refunds based on taxes payable in 2014 prior to enactment of the notification requirement in this section;
- (2) the number of notifications issued as provided in this section, including the number issued by county;
- (3) preliminary information on the number and dollar amount of claims for homestead credit refunds based on taxes payable in 2014; and
- (4) a description of any outreach efforts undertaken by the commissioner for homestead credit refunds based on taxes payable in 2014, in addition to the notification required in this section.

(b) By February 1, 2016, the commissioner must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections [3.195](#) and [3.197](#). The report must include the information required in paragraph (a) and must also include final information on the number and dollar amount of claims for homestead credit refunds based on taxes payable in 2014.

Appendix B – Notification Letter Sent to Taxpayers

MINNESOTA • REVENUE

August 21, 2014

Letter ID: [NUMBER]

TAXPAYER NAME(S)
ADDRESS
CITY, STATE ZIP

You may qualify for a refund

Dear [TAXPAYER NAME]:

You may be eligible for a 2013 Homestead Credit Refund (for Homeowners) from the Minnesota Department of Revenue. The homestead credit refund is a state-paid refund that provides tax relief to homeowners whose property taxes are high compared to their household income.

How do I know if I'm eligible?

- Your total household income for 2013 must be less than \$105,500
- You must have owned and lived in your home on January 2, 2014
- Your property must be classified as your homestead
- You must have been a full- or part-year resident of Minnesota in 2013
- You cannot be a dependent

You may be eligible even if you're not required to file a 2013 Minnesota income tax return. To find out if you get a refund, you'll need to complete a return.

What information will I need?

- Your Statement of Property Taxes Payable in 2014
- Your total household income, which includes taxable and nontaxable sources

How do I get my refund?

File an electronic or paper return. We encourage you to choose direct deposit instead of a paper check - it's a fast, safe, easy, and convenient way to get your refund.

File electronically for free

Go to www.revenue.state.mn.us and enter **Homeowners** in the "Search" box. Look for our Property Tax Refund Online Filing System.

Income Tax and Withholding Division
An equal opportunity employer
www.revenue.state.mn.us

TTY: Call 711 for the Minnesota Relay

August 21, 2014
Page 2

Letter ID: [NUMBER]

File on paper

Complete the 2013 Form M1PR, *Minnesota Homestead Credit Refund (for Homeowners)*. You can print or download the form and instructions from our website. Go to www.revenue.state.mn.us and enter **M1PR** in the "Search" box.

To have forms and instructions sent to you, call us at 651-296-4444 or 1-800-657-3676 (toll-free).

What's the deadline for filing?

You must file no later than August 15, 2015.

What if I have questions?

Contact us if you have questions about this letter or need other assistance.

By phone: 651-296-3781 or 1-800-652-9094 (toll-free), from 8:00 a.m. to 4:30 p.m., Monday through Friday

By email: individual.incometax@state.mn.us

Appendix C – Notifications/Responses by County

County	Number of Homesteads	% Share of State Total	Notifications Issued (in Aug. 2014)	% Share of State Total	Notifications Refund Claims To Date	% of Total Notifications Issued
TOTAL	1,494,284	100.0%	46,456	100.0%	10,956	24%
AITKIN	5,679	0.4%	88	0.2%	23	26%
ANOKA	95,517	6.4%	2,658	5.7%	589	22%
BECKER	10,049	0.7%	252	0.5%	66	26%
BELTRAMI	10,176	0.7%	205	0.4%	56	27%
BENTON	10,034	0.7%	328	0.7%	93	28%
BIG STONE	1,808	0.1%	11	0.0%	2	18%
BLUE EARTH	14,872	1.0%	303	0.7%	71	23%
BROWN	8,587	0.6%	94	0.2%	31	33%
CARLTON	10,518	0.7%	597	1.3%	154	26%
CARVER	27,050	1.8%	116	0.2%	19	16%
CASS	9,394	0.6%	269	0.6%	59	22%
CHIPPEWA	3,942	0.3%	41	0.1%	5	12%
CHISAGO	16,071	1.1%	727	1.6%	197	27%
CLAY	15,181	1.0%	317	0.7%	94	30%
CLEARWATER	2,809	0.2%	15	0.0%	2	13%
COOK	1,820	0.1%	74	0.2%	18	24%
COTTONWOOD	3,767	0.3%	27	0.1%	6	22%
CROW WING	20,189	1.4%	639	1.4%	172	27%
DAKOTA	114,845	7.7%	3,797	8.2%	883	23%
DODGE	6,146	0.4%	86	0.2%	21	24%
DOUGLAS	11,560	0.8%	335	0.7%	110	33%
FARIBAULT	5,030	0.3%	31	0.1%	8	26%
FILLMORE	7,018	0.5%	83	0.2%	22	27%
FREEBORN	10,142	0.7%	143	0.3%	30	21%
GOODHUE	14,255	1.0%	365	0.8%	83	23%
GRANT	2,121	0.1%	31	0.1%	12	39%
HENNEPIN	300,968	20.1%	13,996	30.1%	2,928	21%
HOUSTON	6,474	0.4%	271	0.6%	76	28%
HUBBARD	6,723	0.4%	152	0.3%	40	26%

Appendix C – Notifications/Responses by County

County	Number of Homesteads	% Share of State Total	Notifications Issued (in Aug. 2014)	% Share of State Total	Notifications Refund Claims To Date	% of Total Notifications Issued
ISANTI	11,646	0.8%	40	0.1%	3	8%
ITASCA	14,971	1.0%	436	0.9%	141	32%
JACKSON	3,644	0.2%	16	0.0%	4	25%
KANABEC	5,170	0.3%	104	0.2%	21	20%
KANDIYOHI	12,336	0.8%	176	0.4%	44	25%
KITTSOON	1,577	0.1%	1	0.0%	0	0%
KOOCHICHING	4,507	0.3%	57	0.1%	13	23%
LAC QUI PARLE	2,767	0.2%	13	0.0%	3	23%
LAKE	3,869	0.3%	99	0.2%	20	20%
LAKE OF THE WOODS	1,438	0.1%	26	0.1%	8	31%
LE SUEUR	8,868	0.6%	29	0.1%	5	17%
LINCOLN	2,174	0.1%	11	0.0%	2	18%
LYON	6,845	0.5%	49	0.1%	12	24%
MCLEOD	10,918	0.7%	193	0.4%	48	25%
MAHONOMEN	1,299	0.1%	12	0.0%	1	8%
MARSHALL	3,308	0.2%	11	0.0%	2	18%
MARTIN	6,780	0.5%	54	0.1%	17	31%
MEEKER	7,271	0.5%	87	0.2%	19	22%
MILLE LACS	7,203	0.5%	188	0.4%	48	26%
MORRISON	10,746	0.7%	166	0.4%	43	26%
MOWER	11,544	0.8%	82	0.2%	25	30%
MURRAY	3,143	0.2%	26	0.1%	11	42%
NICOLLET	8,734	0.6%	230	0.5%	50	22%
NOBLES	5,733	0.4%	53	0.1%	17	32%
NORMAN	2,261	0.2%	11	0.0%	0	0%
OLMSTED	41,603	2.8%	1,092	2.4%	292	27%
OTTER TAIL	19,064	1.3%	392	0.8%	113	29%
PENNINGTON	4,023	0.3%	102	0.2%	30	29%
PINE	8,489	0.6%	153	0.3%	47	31%
PIPESTONE	3,182	0.2%	22	0.0%	8	36%
POLK	8,843	0.6%	138	0.3%	34	25%
POPE	3,776	0.3%	48	0.1%	22	46%

Appendix C – Notifications/Responses by County

County	Number of Homesteads	% Share of State Total	Notifications Issued (in Aug. 2014)	% Share of State Total	Notifications Refund Claims To Date	% of Total Notifications Issued
RAMSEY	117,795	7.9%	4,998	10.8%	1,063	21%
RED LAKE	1,339	0.1%	26	0.1%	4	15%
REDWOOD	5,088	0.3%	23	0.0%	9	39%
RENVILLE	5,321	0.4%	25	0.1%	3	12%
RICE	16,170	1.1%	580	1.2%	157	27%
ROCK	3,209	0.2%	15	0.0%	1	7%
ROSEAU	4,690	0.3%	68	0.1%	12	18%
SAINT LOUIS	58,385	3.9%	1,999	4.3%	502	25%
SCOTT	37,889	2.5%	1,766	3.8%	469	27%
SHERBURNE	25,234	1.7%	913	2.0%	235	26%
SIBLEY	4,904	0.3%	57	0.1%	20	35%
STEARNS	39,740	2.7%	828	1.8%	225	27%
STEELE	10,807	0.7%	258	0.6%	79	31%
STEVENS	2,636	0.2%	26	0.1%	10	38%
SWIFT	3,270	0.2%	22	0.0%	3	14%
TODD	7,850	0.5%	124	0.3%	31	25%
TRAVERSE	1,198	0.1%	6	0.0%	2	33%
WABASHA	7,045	0.5%	200	0.4%	45	23%
WADENA	4,236	0.3%	42	0.1%	6	14%
WASECA	5,671	0.4%	113	0.2%	31	27%
WASHINGTON	72,207	4.8%	2,818	6.1%	735	26%
WATONWAN	3,496	0.2%	18	0.0%	7	39%
WILKIN	2,044	0.1%	11	0.0%	2	18%
WINONA	13,345	0.9%	218	0.5%	51	23%
WRIGHT	36,749	2.5%	1,109	2.4%	271	24%
YELLOW MEDICINE	3,489	0.2%	25	0.1%	10	40%

Minnesota Department of Revenue, Property Tax Research (current as of 3/9/15)

Appendix D – 2013 and 2014 Outreach and Education

The Department of Revenue presented information about the Homestead Credit Refund and Renter’s Property Tax Refund at the following events and forums.

Note: Where available, examples of the materials we used are listed under the event information. You can view each example by clicking its file icon. If needed, you can find an electronic version of this report on our website at <http://www.revenue.state.mn.us/legislativeupdate/Pages/home.aspx>.

Tax Preparer Outreach

- **Practitioner Liaison Meeting** – This is a joint federal and state meeting with the preparer community. We teach several topics which include property tax refund education.



PLM - December 2013



PLM - December 2014

- **U of M Income Tax Short Courses** – These courses are offered to the preparer community through the University Of Minnesota’s College of Continuing Education. These presentations are offered at various locations throughout the state. We teach several topics which include property tax refund education.



UM Short Course - 2013



Course Manual - 2013



UM Short Course - 2014



Course Manual - 2014

- **National Association of Tax Professionals (NATP) Regional Conferences** – This is an annual conference coordinated by NATP for the preparer community at various locations throughout the state. We teach several topics which include property tax refund education.



NATP Conference - 2013



NATP Conference 2014

- **Minnesota Society of Enrolled Agents (MNSEA) Conference** – This is an annual conference coordinated by MNSEA for the preparer community. We teach several topics which include property tax refund education.



MNSEA - 2013

- **Minnesota Association of Professional Accountants (MAPA) Conference** – This is an annual conference coordinated by MAPA for the preparer community. We teach several topics which include property tax refund education.



MAPA - 2014

- **Twin Cities Tax Professionals Discussion Group** – This is a discussion group facilitated by the preparer community in which the Department of Revenue answers specific tax questions. Various topics including the property tax refund are discussed.



TCTP Group - 2014

- **Metro Guardians and Conservators** – This is a meeting with a group of guardians, conservators, trustees, and personal representatives of incapacitated taxpayers. We provide property tax refund education and guidance on specific property tax refund questions.



Metro Guardians - 2013

Volunteer Outreach

- **AARP District Coordinator Presentations** – These are annual presentations we conduct with AARP Tax Aide District Coordinators throughout the state to provide them with department updates, tax law changes, and general program administration reminders. District Coordinators in turn present this information to their Local Coordinators.



AARP Coordinators 2013



AARP Coordinators 2014

- **AARP Instructor Workshops** – These are annual workshops we conduct with AARP Tax Aide instructors throughout the state to provide them with department updates and educate them on new and existing tax law. The property tax refund is a major point of emphasis in our presentations.

Instructors in turn present this information to AARP Tax Aide counselors (preparers) at their various tax sites.



AARP Instructors 2013



AARP Instructors 2014

- AARP Tax Aide Counselor Training Sessions** – These are annual training sessions we conduct with AARP Tax Aide counselors throughout the state. These are conducted all throughout the month of January. We teach about the property tax refund in detail including eligibility requirements, what is included in household income, special filing situations and other related topics.



AARP Tax Aide 2013

- Prepare + Prosper (Formerly AccountAbility Minnesota) Tax Site Management Presentations** – These are annual presentations we conduct with site coordinators of Prepare + Prosper from throughout the state to provide them with department updates, tax law changes, and general program administration reminders. Site coordinators in turn present this information to their volunteers. We cover the property tax refund in detail including eligibility requirements, what is included in household income, special filing situations, and other related topics.



AccountAbility 2013

- Non-Resident Alien Tax Education** – These are annual presentations we conduct for students from the University of Minnesota, University of St. Thomas, Macalester College, and Hamline University on how to complete Minnesota income tax and property tax refund returns. These students run their own Volunteer Income Tax Assistance (VITA) sites at their schools, preparing returns for international students with unique filing situations. We cover the property tax refund in detail including eligibility requirements, what is included in household income, special filing situations, and other related topics.



Nonresident Aliens 2013

Community Outreach

Television

- **Call N’ Talk Taxes** – We participate in this annual two-part, call-in television show with the IRS and a local CPA. We provide updates and take questions about the department and tax law changes, which includes information on the property tax refund. The program is broadcast by NDC4-Northern Dakota County Cable Communications Commission.

Part 1: http://townsquaretv.granicus.com/MediaPlayer.php?view_id=2&clip_id=5758

Part 2: http://townsquaretv.granicus.com/MediaPlayer.php?view_id=2&clip_id=5790

Radio

- **Hmong Programs** – We participated on 2 Hmong radio programs broadcasted in the metro area to discuss common tax questions in the Hmong community. The property tax refund is an important topic. We provide education on the qualifications and how to file the refund.



Hmong Radio 2014

- **Latino Programs** – We participate on 5 Spanish radio programs that broadcast in the metro area to discuss common tax questions in the Latino community. The property tax refund is an important topic we provide education on as many in the community do not know about this program, what the qualifications are, and how to file the refund.



Spanish Radio 2014

Community Events



PTR Flyer 2014

- **Cedar Riverside Community School Parent/Staff Meeting, Minneapolis** – We provide tax education, which includes the property tax refund to parents who are primarily of Somali ethnicity.
- **Workforce Center Educator of the Day, Bloomington** – We provide tax education and handouts at workforce centers, which includes the property tax refund, through an informational booth.

- **Twin Cities World Refugee Day, St. Paul** – We provide tax education and handouts, which includes the property tax refund, at this community resource event for refugees and non-refugees through an informational booth.
- **Parent Registration for Head Start Program, Rochester** – We provide tax education and handouts, which includes the property tax refund, to parents through an informational booth.
- **Chicano Latino Affairs Council (CLAC) Community Forum, Long Prairie** – We partner with CLAC to provide tax education, which includes the property tax refund, to Latino communities outside the metro area. We discussed issues they are having and provided guidance as needed about tax issues.
- **Food Distribution Programs, Minneapolis and Burnsville** – We partner with local community organizations to provide tax education, which includes the property tax refund, to individuals when they are picking up their food boxes.
- **Hmong Cultural Center Tax Presentations, St. Paul** – We provide tax education, which includes the property tax refund to the Hmong community through presentations.
- **How to Create a Better Financial Path, Cold Spring** – We provide tax education, which includes the property tax refund to the Latino community through a presentation and informational booth.
- **Karen Organization of Minnesota Tax Presentations, St. Paul** – We provide tax education, which includes the property tax refund to the Karen community through a presentation. Participants are refugees who have recently arrived in Minnesota.
- **Dream Act Workshop, Minneapolis** – We provide tax education, which includes the property tax refund to parents and students about tax benefits they may be entitled to through a presentation and informational booth.
- **Sabathani Community Center- Up and Rising, Minneapolis** – We provide tax education, which includes the property tax refund to parents and students about tax benefits they may be entitled to through an informational booth.
- **Back to School Supply Drives, St. Paul and Minneapolis** – We provide tax education, which includes the property tax refund to parents and students about tax benefits they may be entitled to through an informational booth.
- **Minneapolis Area B Family and Community Meeting, Minneapolis** – We provide tax education, which includes the property tax refund, to parents, educators, school administrators, and community leaders who in turn relay this information to those they work with.
- **New Millennium Academy PTO Meeting, Minneapolis** – We provide tax education to parents and students about tax benefits they may be entitled to, which include the property tax refund, through a presentation and informational booth.

- **Restoring Hope Elderly Program, St. Paul** – We provide tax education, which includes the property tax refund, to the Hmong community through a presentation.
- **Eastern Heights Elementary School Parents Technology Night, St. Paul** – We provide tax education, which includes the property tax refund, to parents of students about tax benefits they may be entitled to through an informational booth.
- **Cedar Riverside Community School- Somali Parent Night, Minneapolis** – We provide tax education, which includes the property tax refund, to parents, educators, and school administrators who in turn relay this information to those they work with through a short presentation.
- **Navigate Conference, St. Paul** – We provide tax education, which includes the property tax refund, to immigrant young through a presentation and informational booth.
- **Chicana Latina Mother Daughter Conference, Mankato** – We provide tax education, which includes the property tax refund, to mothers and daughters through an informational booth.
- **Hubbs Center Resource Fair, St. Paul** – We provide tax education, which includes the property tax refund, to students and educators through an informational booth.
- **International Game Night, Austin** – We provide tax education, which includes the property tax refund, to students and parents about tax benefits they may be entitled to through an informational booth.
- **Paying for College- First Generation Students, Minneapolis** – We provide tax education, which includes the property tax refund, to students and parents about tax benefits they may be entitled to through an informational booth.
- **Holy Redeemer Church Spanish Mass, Marshall** – We provide tax education, which includes the property tax refund, to members of the congregation after mass to inform them about the free tax preparation program and the basics about taxes.
- **Adult Basic Education Classes, Robbinsdale and Golden Valley** – We partner with local organizations to provide tax education, which includes the property tax refund, to English Language Learners and Adult Basic Educations class participants.
- **Hubbs Center Tax Presentation, St. Paul** – We provide tax education, which includes the property tax refund, to adult English Language Learners.
- **Dugsi Academy Parent Night Event, St. Paul** – We provide tax education, which includes the property tax refund, to parents and students about tax benefits they may be entitled to through an informational booth.
- **Lao Family English School Tax Presentation, St. Paul** – We provide tax education, which includes the property tax refund, to adult English Language Learners throughout the state through a presentation.

- **English Learning Center Event, Minneapolis** – We provide tax education, which includes the property tax refund, to adult English Language Learners throughout the state through a presentation and informational booth.
- **Inver Hills Student Success Day Events, Inver Grove Heights** – We provide tax education, which includes the property tax refund, to students through a presentation.
- **Phalen Lake Elementary Health, Science, and Community Resource Fair, St. Paul** – We provide tax education, which includes the property tax refund, to students and parents through an information booth.
- **Roosevelt Fire Safety and Family Night, St. Paul** – We provide tax education, which includes the property tax refund, to residents of the Roosevelt St. Paul Public Housing complex through an informational booth.
- **MPS Back to School Event, Minneapolis** – We provide tax education, which includes the property tax refund, to parents and students through an informational booth.
- **McDonough Neighborhood Event, St. Paul** – We provide tax education, which includes the property tax refund, to residents of McDonough St. Paul Public Housing complex through an informational booth.
- **Mexican Mobile Consulate Events, Austin, Waite Park, and Marshall** – We provide tax education, which includes the property tax refund, to individuals within the Mexican community through an informational booth.
- **Inver Hills Civic Engagement Fair, Inver Grove Heights** – We provide tax education, which includes the property tax refund, to students through an informational booth.
- **Southern Minnesota Latino Summit, Mankato** – We participated in a meeting, which includes sharing information about the property tax refund, with Latino community leaders throughout southern Minnesota.
- **Peruvian Consulate Mobile Consulate, Minneapolis** – We provide tax education, which includes sharing information about the property tax refund, to individuals within the Peruvian community through an informational booth.
- **Community Stabilization Project- Tenant/Landlord Tax Filing Training, St. Paul** – We provide education to tenants about the Minnesota Renter’s property tax refund including qualifications and how to file.
- **Hmong Resource Fairs, St. Paul and Mounds View** – We provide tax education, which includes sharing information about the property tax refund, to individuals within the Hmong community through an informational booth.
- **Legal Resource Fair, St. Paul** – We provide tax education, which includes information about the property tax refund, to individuals within the Latino community through an informational booth.

- **Mt. Airy Housing New Resident Orientation, St. Paul** – We provide tax education, which includes sharing information about the property tax refund, to new residents of the Mt. Airy St. Paul Public Housing complex.
- **Center for Asians and Pacific Islanders Tax Presentation, Minneapolis** – We provide tax education, which includes sharing information about the property tax refund, to individuals within the community through a presentation.
- **McDonough Housing Resident Council Meeting, St. Paul** – We provide tax education, which includes sharing information about the property tax refund, to resident advocates within McDonough St. Paul Public Housing complex, who in turn relay this information to other residents, through a presentation.

Financial Literacy Events

- **Senior Homestead Credit Promotion, Roseville** – As part of the official Financial Literacy month of April, we hosted an event to promote the Minnesota Homestead Credit (for Homeowners) to the senior community as many of them qualify for the credit due based on their income in relation to the property taxes payable. We also made them aware of free options to file their return on the department’s website. We talked to seniors one-on-one and in small groups.
- **Minnesota Tax Education and Assistance Coalition (MNTEAC) Meetings** – We participate in meetings with local agencies and organizations who work directly with Minnesotans who need information pertaining to tax education, which includes sharing information about the property tax refund and benefits available to them.
- **Newsletters** – We partner with local organizations to print articles encouraging Minnesotans to file and claim their property tax refund.

- We created an article on that was posted on the Minnesota Homeownership Center’s website. We promoted the increases to the property tax refund, provided education on qualifications and how to file, and gave resources for additional information.

View the article at www.hocmn.org/blog/july-time-think-homestead-credit-refund/

- We created a handout that was distributed to St. Paul Public Housing, Seward Towers, Sagrado Corazon de Jesus, Prince of Peace Mission Outpost, New Creation Lutheran Church, and other partner organizations to educate their clients about changes to the property tax refund.



Latino Newsletter 2014



PTR Handout 2014

Appendix E – 2013 and 2014 Communications

The Department of Revenue focused extensively on the Homestead Credit Refund and Renter's Property Tax Refund in our communications with taxpayers, news media, and other audiences during 2013 and 2014. The following pages have examples and links to the resources we used.

Press Releases

March 26, 2013 – Free Electronic Filing for Property Tax Returns (Homeowners)



MINNESOTA • REVENUE

www.revenue.state.mn.us

News Release

CONTACT Lisa Erickson
PHONE 651-556-6397
E-MAIL lisa.erickson@state.mn.us

FOR IMMEDIATE RELEASE:

March 26, 2013

Contact: Lisa Erickson
Phone: 651-556-6397
lisa.erickson@state.mn.us

Department now offers free electronic filing for property tax returns

ST. PAUL, Minn. — The Minnesota Department of Revenue is pleased to announce that most homeowners can now file for their property tax refund on our website for free.

"We are thrilled to offer a free electronic filing option. It's something we have worked toward for years," said Terri Steenblock, Assistant Commissioner for Individual Taxes. "Homeowners who choose this option will be able to file their property tax return quickly and easily, allowing them to receive their refund even faster."

To file electronically for free, you must be:

- A homeowner filing an original property tax refund
- Filing a refund for property taxes paid in 2012 or later
- Living in your home and not renting or using it for a business
- Electing direct deposit for your refund

What you need to electronically file:

- Social Security number
- Address
- Valid email address
- Household income
- Qualifying dependent information
- County property tax statement
- Your bank account and routing number

This new, free e-filing option saves the state more than \$400,000 a biennium.

The department is committed to doing everything we can to expand our online services.

To electronically file your property tax return, [click here](#). Or type keyword homeowner in the Search box on our website, www.revenue.state.mn.us.

Communications Division
Mail Station 4300
St. Paul, MN 55116-4300

Tel: 651-556-6344
Fax: 651-556-3194
TDD: 711 for Minnesota Relay
An equal opportunity employer.

August 8, 2013 – Reminder of Upcoming Property Tax Refund Deadline



www.revenue.state.mn.us

CONTACT Ryan Brown
PHONE 651-556-6750
E-MAIL ryan.brown@state.mn.us

FOR IMMEDIATE RELEASE
August 8, 2013

Contact: Ryan Brown
Phone: 651-556-6750
ryan.brown@state.mn.us

Department of Revenue reminds taxpayers of upcoming property tax refund deadline

ST. PAUL, Minn. – The Minnesota Department of Revenue is reminding homeowners and renters that the due date to file for a 2012 property tax refund is August 15, 2013. While the due date to file is August 15, homeowners and renters have an additional one year grace period to claim the 2012 refund.

Taxpayers also still have time to file their 2011 property tax refund. The final deadline to file the 2011 property tax refund return is August 15, 2013. It expires after this date and homeowners will not be able to claim it for 2011 property taxes.

"We want to encourage every eligible taxpayer to file for their property tax refund. Every year, thousands of eligible Minnesota homeowners and renters fail to file and receive their property tax refunds," said Revenue Commissioner Myron Frans. "With the August 15 deadline approaching, we want to increase awareness of the property tax refund program and explain how taxpayers can apply for and track the progress of their refund claim."

The department offers some tips for homeowners and renters:

- *Find out if you qualify for a property tax refund.* Renters and homeowners that meet certain household income requirements may be eligible. To see if you qualify visit our website: http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Eligibility_Requirements_for_the_Property_Tax_Refund.aspx
- *Update your address.* Let us know if your address has changed. Filers who have moved since filing their return should contact the department immediately to update their address. This can be done 24 hours a day, 7 days a week using our automated phone system at 651-296-4444 or toll free at 800-657-3676.
- *Direct Deposit.* Direct Deposit is the fastest way to receive your refund. Filers should be sure their bank account will still be open in July, August and September when the refunds go out.

Communications Division
Mail Station 4300
St. Paul, MN 55146-4300

Tel: 651-556-6454
Fax: 651-556-5194
TDD: 711 for Minnesota Relay
An equal opportunity employer.

August 13, 2014 – Reminder of Upcoming Property Tax Refund Deadline



MINNESOTA • REVENUE

www.revenue.state.mn.us

News Release

CONTACT Lisa Erickson
PHONE 651-556-6397
E-MAIL lisa.erickson@state.mn.us

FOR IMMEDIATE RELEASE
August 13, 2014

Contact: Lisa Erickson
Phone: 651-556-6397
[Lisa.erickson@state.mn.us](mailto:lisa.erickson@state.mn.us)

Department of Revenue reminds homeowners and renters of upcoming property tax refund deadline

ST. PAUL, Minn. – The Minnesota Department of Revenue is reminding homeowners and renters that the due date to file for a 2013 property tax refund is Aug. 15, 2014. State law provides for a one-year grace period to claim these refunds, however, the sooner the return is filed, the sooner the refund can be issued.

The grace period for the 2012 property tax refund ends on Aug. 15, 2014. The property tax refund expires after this date and homeowners and renters will not be able to claim it.

"We encourage every eligible taxpayer to file for their property tax refund. This refund, particularly with this year's increase, helps thousands of Minnesota homeowners and renters with relief from property taxes. Thousands of taxpayers miss out on their property tax refunds each year by failing to file their return," said Revenue Commissioner Myron Frans. "The August 15 deadline is fast approaching and we want to make sure eligible taxpayers do not miss out on their refunds because they fail to file."

A new law signed on May 20, 2014, increased property tax refunds for Minnesota homeowners and renters. For 2013 returns only, the law increases the Homestead Credit Refund (for Homeowners) by 3 percent and the Renter's Property Tax Refund by 6 percent. The average 2013 refund is \$837 for homeowners and \$643 for renters.

The department offers some tips for homeowners and renters:

- *Find out if you qualify for a property tax refund.* Renters and homeowners that meet certain household income requirements may be eligible. [To see if you qualify visit our website.](#)

Communications Division
Mail Station 4500
St. Paul, MN 55146-4300

Tel: 651-556-6454
Fax: 651-556-5194
TDD: 711 for Minnesota Relay
An equal opportunity employer.

Press Conferences

The Department of Revenue discussed property tax refunds during two press conferences in 2014. These conferences addressed how tax law changes were affecting income tax and property tax refund returns.

March 24, 2014 – A handout (“What to Expect”) included the following information:

Property tax refunds may be delayed. Property tax refunds are affected by a filer’s Minnesota income. This means we must review and process income tax returns first to ensure the accuracy of property tax refunds. The department’s priority for the next three weeks is processing income tax returns.

We posted video and handouts from this press conference on our website. To view them, go to:

http://www.revenue.state.mn.us/Pages/press_conference_materials_032414.aspx.

May 6, 2014 – A handout (“What to Expect”) included the following information:

Homestead Credit Refund for Homeowners and Property Tax Refund for Renters

It is important to note that income tax returns must be adjusted to reflect the correct income amount before taxpayers file a property tax refund. Therefore, the department is asking homeowners and renters who are affected by the 2013 tax law changes to WAIT to file their property tax refund claims. If you have not filed your property tax refund yet – WAIT. If you already filed, WAIT and do not amend at this time, the department will contact you after we begin reviewing property tax refunds.

“We know taxpayers depend on the property tax and renter’s refunds, but the current review process of income tax returns and the possibility of changes being made during the legislative session make it necessary to ask taxpayers to wait to file their property tax refunds,” said Commissioner Frans. “The good news is that some homeowners and renters may be entitled to a larger property tax refund. We will issue a FILE NOW date for property tax refunds after we complete the income tax return reviews and know more about any new legislation.”

We posted video and handouts from this press conference on our website. To view them, go to:

<http://www.revenue.state.mn.us/Pages/May-6-Press-Conference.aspx>.

News Stories

Throughout the year, we answer questions from the press on various topics. In 2014, we provided information for several news stories about the Homeowner’s Homestead Credit Refund and Renter’s Property Tax Refund. Four stories from different areas of the state appear below.

June 12, 2014 (St. Cloud Times) – Minnesota officials notifying property tax refund recipients

Mark Sommerhauser, msommerhauser@stcloudtimes.com

More Minnesota homeowners and renters will get property tax refunds this year, and some people who qualify will get larger refunds.

But a few taxpayers should wait a little longer this summer to file for their refunds, Minnesota Department of Revenue Commissioner Myron Frans said Thursday.

Frans, speaking to reporters in a conference call, outlined steps some taxpayers should take if they qualify for the Renter’s Property Tax Refund or the Homeowner’s Homestead Credit Refund.

In March, state lawmakers and Gov. Mark Dayton passed a raft of income-tax cuts for middle-class taxpayers. Revenue Department officials are notifying taxpayers who qualify for the tax cuts but who filed their income tax returns before they took effect.

On Thursday, Frans said people who think they might qualify for one or more of the tax cuts — but who filed their income tax returns before the changes took effect and haven’t yet been told they qualify by Revenue Department officials — should wait until June 25 to file for their renter’s or homeowner’s refund.

The holdup is meant to allow Revenue Department workers time to notify everyone who filed returns before the March changes took effect and who qualify for one or more of them, because the March changes could affect the household income figure used to calculate their renter’s or homeowner’s tax refund, Frans said.

Most taxpayers who qualify for one of the property tax refunds may file for it immediately. That includes taxpayers who don’t qualify for any of the March income tax cuts, who filed their income tax returns after the changes took effect or who filed before the changes took effect but have been notified that they qualify for one or more of them.

Aug. 15 is the due date to file for the renter’s or homeowner’s refund.

State lawmakers passed the property-tax refund increases in May, in the waning days of their 2014 session. They provide a 6 percent refund boost for qualifying renters and a 3 percent boost for homeowners, Frans said.

A taxpayer shouldn't discount the possibility they qualify for one of the refunds just because they didn't in the past. Some renters and homeowners are newly eligible, Frans said.

Qualifying homestead farmers also will get an increase in the amount they receive this year through a state tax credit, Frans said. He said there's no action required on the part of those who qualify.

On the Net

Visit the Department of Revenue website at www.revenue.state.mn.us to learn more. To learn about the income-tax cuts passed in March, click on the orange button at the website labeled "Tax Law Changes."

August 14, 2014 (Fillmore County Journal) – Department of Revenue reminds homeowners and renters of upcoming property tax refund deadline

By News Team, ads@fillmorecountyjournal.com

ST. PAUL, Minn. – The Minnesota Department of Revenue is reminding homeowners and renters that the due date to file for a 2013 property tax refund is Aug. 15, 2014. State law provides for a one-year grace period to claim these refunds, however, the sooner the return is filed, the sooner the refund can be issued.

The grace period for the 2012 property tax refund ends on Aug. 15, 2014. The property tax refund expires after this date and homeowners and renters will not be able to claim it.

"We encourage every eligible taxpayer to file for their property tax refund. This refund, particularly with this year's increase, helps thousands of Minnesota homeowners and renters with relief from property taxes. Thousands of taxpayers miss out on their property tax refunds each year by failing to file their return," said Revenue Commissioner Myron Frans. "The August 15 deadline is fast approaching and we want to make sure eligible taxpayers do not miss out on their refunds because they fail to file."

A new law signed on May 20, 2014, increased property tax refunds for Minnesota homeowners and renters. For 2013 returns only, the law increases the Homestead Credit Refund (for Homeowners) by 3 percent and the Renter's Property Tax Refund by 6 percent. The average 2013 refund is \$837 for homeowners and \$643 for renters.

The department offers some tips for homeowners and renters:

- Find out if you qualify for a property tax refund. Renters and homeowners that meet certain household income requirements may be eligible. To see if you qualify visit our website.
- Update your address. Let us know if your address has changed. Filers who have moved since filing their return should contact the department immediately to update their address. This can be done 24 hours a day, 7 days a week using our automated phone system at 651-296-4444 or toll free at 800-657-3676.

- Direct Deposit. Direct Deposit is the fastest way to receive your refund. Filers should be sure their bank account will still be open in July, August, and September when the refunds go out.
- Check the status of your refund online. Filers can check the status of their refund on our homepage by clicking the “Where’s My Refund?” link.

Follow the latest news and updates from the Minnesota Department of Revenue on Twitter and Facebook.

September 11, 2014 (KBJR News) – Minnesota homeowners could be eligible for credit refund

By KBJR News 1, September 11, 2014

Duluth, MN (NNCNOW.com) --- An often over-looked source of relief could soon come to Minnesota homeowners.

The Homestead Credit Refund is a state-paid refund that helps homeowners whose property taxes are high compared to their household income.

The Minnesota Department of Revenue recently sent out a letter to homeowners it’s identified as likely being eligible for a refund of \$1,000 or more.

But leaders say there are others who probably qualify for some level of refund.

To be eligible, the total household income for 2013 must be less than \$105,500.

The property must be classified as homestead, and the person filing must have owned and lived in the home on January 2, 2014.

Eligible filers cannot be a dependent and must have been a full- or part-year Minnesota resident in 2013.

“People will call us when they get their tax statement, wondering what kind of help might be available,” said Don Dicklich, St. Louis County Auditor, “and so we want to call attention to this special program. The Homestead Credit Refund can reduce a homeowner’s property tax amount, and it’s likely there are a lot of eligible homeowners in St. Louis County who aren’t taking advantage of it.”

To file, homeowners must have a copy of their Statement of Property Taxes Payable in 2014.

Homeowners will also need the amount of their total household income, including both taxable and non-taxable sources.

The filing deadline is August 15 of next year.

The refund can be filed for online through the Department of Revenue’s website.

Homeowners also can file on paper by completing the “2013 Form M1PR, Minnesota Homestead Credit Refund”.

Copies of the form are available in the County Auditor’s Office, or can be downloaded from the Department of Revenue’s website.

People can also request a copy be sent to them by calling 1-800-657-3676.

Any questions about the Homestead Credit Refund should be directed to the Minnesota Department of Revenue either by phone at (651) 296-3781 or toll-free (800) 652-9094, or by email:

individual.incometax@state.mn.us.

September 26, 2014 (KSTP News) – Thousands in Minnesota still waiting for their Renter or Homeowner tax refund

By Lindsey Brown, KSTP.com

This year waiting for a tax return has been just about as agonizing as house hunting

Thousands of Minnesotans who qualify for a 2013 property tax return are still waiting for their money. A delay within the department of revenue caused checks to get backed up.

FIVE EYEWITNESS NEWS went directly to the top to find out when the rest of you will get your refunds.

"It's all because the state legislature passed two new tax codes late in the session increasing the percentage renters get back and increasing the number of people who qualify," says Minnesota Department of Revenue Commissioner, Myron Frans.

Ninety-five percent of renters' refunds will be out by the end of September, along with 82 percent of homeowners' refunds. The state says everyone should have all their money by November.

Conference Calls

In 2014, the Department of Revenue hosted four conference calls in which we discussed the Homestead Credit Refund and Renter’s Property Tax Refund. These calls are listed below, with details about the topics covered and links to videos and other materials on our website.

March 26, 2014 Conference Call for Tax Professionals

Review the impact of tax law changes passed by Minnesota lawmakers Friday, March 21. This video highlights a step-by-step review of how the law changes impact individual income tax returns for the 2013 tax year.

Video on YouTube: http://youtu.be/s82IrSv_xy4

June 5, 2014 Conference Call with Tax Professionals and Software Vendors

- Supplemental agricultural credit for taxes payable in 2014
- Renter property tax refund increase
- Homestead credit refund increase
- Eligible property tax refund notification
- March 21, 2014 tax law changes

Video on YouTube: http://youtu.be/-DLeAHSAD_4

Conference call materials: http://www.revenue.state.mn.us/Pages/conference_call_June5.aspx

June 27, 2014 Conference Call for Individual Taxpayers

- March 21, 2014 tax law changes
- Renter property tax refund increase
- Homestead credit refund increase
- Supplemental agricultural credit for taxes payable in 2014
- Tax relief for those affected by severe weather and flooding

Video on YouTube: <http://youtu.be/d723KBrzvio>

Conference call materials: http://www.revenue.state.mn.us/Pages/June26_conference_call.aspx

September 11, 2014 Conference Call for Tax Professionals and Software Vendors

- 2014 Schedule M1M
- Schedule M1READ, Schedule M1C, Schedule M1CD, Schedule M1B
- Property tax refund provisions
- Error rejection codes

Video on YouTube:

www.youtube.com/watch?v=kRCPS8fGiw&list=UUCLHH0EOeDorwFhSHyzDLBQ&index=2

Social Media

We posted information and reminders about the property tax refund on social media eight times in 2013 and 2014. These postings (below) link readers back to our website, videos, and other online information.

Minnesota Department of Revenue
March 26

Commissioner Frans spoke with Senate TV today about tax law changes and what filers need to know. Check out the video! <http://ow.ly/V0x3k>



288 people reached

Like · Comment · Share

Minnesota Department of Revenue
April 2

Tax Law Change Update: Taxpayers - File Now! -- April 2, 2014 Press...

Governor Mark Dayton and Commissioner of Revenue, Myron Frans, hosted a press conference on April 2, 2014 to give Minnesota taxpayers a green light...



417 people reached

Like · Comment · Share

Minnesota Department of Revenue
April 2

News release: Today, Commissioner Frans and Governor Dayton announced that the department has completed its tax software updates to reflect the middle class tax cuts passed on March 21. All taxpayers now have access to the most up-to-date software and should file their taxes before April 15, 2014. <http://ow.ly/VIE3Q>



415 people reached

Like · Comment · Share

Minnesota Department of Revenue shared a link.
Posted by Hootsuite (?) · August 25

Did you know homeowners can file for their property tax refunds online for free? Our video can walk you through it: <http://ow.ly/Ad4uC>



File Your Minnesota Homeowners Property Tax Refund Online

The Minnesota Department of Revenue offers free electronic filing for homeowners who qualify for a Property Tax refund. This video explains who...

315 people reached

Like · Comment · Share

Minnesota Department of Revenue shared a link.
Posted by Hootsuite (?) · June 30

Looking for materials and video from last week's conference call with taxpayers? Look no further: <http://ow.ly/BzUJ>

June 27 Tax Law Changes Conference Call for Individual Taxpayers
www.revenue.state.mn.us

Contact Us About Us Taxpayer Rights Other Language Privacy & Security Use of Information Link Policy Minnesota.gov Disaster Relief Fraud Alert Site...

248 people reached

Like · Comment · Share

Appendix E – 2013 and 2014 Communications

 **Minnesota Department of Revenue** shared a link.
Posted by Hootsuite [?] · October 2

Did you know homeowners can file for their property tax refunds online for free? Our video can walk you through it: <http://ow.ly/Ad4uC>



File Your Minnesota Homeowners Property Tax Refund Online

The Minnesota Department of Revenue offers free electronic filing for homeowners who qualify for a Property Tax refund. This video explains who...

219 people reached Boost Post

Like · Comment · Share 4

 **Minnesota Department of Revenue** shared a link.
March 6, 2013

Exciting news! Homeowners who qualify for a Property Tax Refund will be able to file for their refund electronically starting March 25, 2013. Check out our video for more information.

http://www.youtube.com/watch?v=_wsIRQRx0G8&feature=youtu.be

File Your Minnesota Homeowners Property Tax Refund Online
www.youtube.com

On March 25, 2013 the Minnesota Department of Revenue will begin offering free electronic filing for homeowners who qualify for a Property Tax Refund. This...

541 people reached Boost Post

Like · Comment · Share 4

 **Minnesota Department of Revenue** shared a link.
Posted by Hootsuite [?] · June 10

Materials, video, and Q&A from the June 5 conference call outlining the property tax law changes can be found here: <http://ow.ly/xQtX7>

June 5, 2014 Conference Call with Tax Professionals and Software Vendors
www.revenue.state.mn.us

Contact Us About Us Taxpayer Rights Other Language Privacy & Security Use of Information Link Policy Minnesota.gov Disaster...

209 people reached Boost Post

Like · Comment · Share 1 Share

Email Bulletins (GovDelivery)

March 5, 2013 –New Video: File Your Homeowners Property Tax Refund Online

Email Lists: AARP Tax Aide Coordinators, Individual Income Tax Updates - Tax Professionals, Software Vendor Updates, Tax Law Changes, VITA Site Coordinators



MINNESOTA · REVENUE

Minnesota Department of Revenue releases new video "File Your Minnesota Homeowners Property Tax Refund Online"

Minnesota Department of Revenue sent this bulletin at 03/05/2013 03:43 PM CST

On March 25, 2013 the Minnesota Department of Revenue will begin offering free electronic filing for homeowners who qualify for a Property Tax Refund. This video explains who qualifies to e-file and provides the list of information needed to submit your refund online.

This is the first time the Minnesota Department of Revenue has offered a free online filing solution for individual property taxes, and is thrilled to provide this new option to homeowners. The department is committed to continued expansion of online services in the future.

For more information about e-Services, visit the Department of Revenue website at www.revenue.state.mn.us or email dorweb.comm@state.mn.us.

Click below to view the video.

May 21, 2014 – Tax Law Change: Property Tax Refund Increases

Email Lists: AARP Tax Aide Volunteers, Electronic Filing Updates, Forms and Instructions, Free Tax Preparation Sites, Income Tax Information, Individual Income Tax Forms, Individual Income Tax Updates - Tax Professionals, Military Information, Taxpayer Rights, VITA Volunteers



MINNESOTA · REVENUE

Tax Law Change Alert: Property Tax Refund Increases

Minnesota Department of Revenue sent this bulletin at 05/21/2014 08:45 AM CDT

Tax Law Change Alert: Property Tax Refund Increases

A [new tax law](#) was signed on May 20, 2014. This law increases refunds for qualifying homeowners and renters filing their 2013 property tax refund this year.

If you have not yet filed your property tax refund return – please WAIT to file. If you already filed, WAIT and do not amend at this time.

We are asking you to wait to ensure you get the biggest refund you are entitled to. After we update our systems, property tax refund tables, and instructions we will let you know when to file.

For more information on the tax law changes, please visit our [website](#) and click the orange "tax law change" button.

View the complete law (HF 3167) on the Minnesota Legislature website:
<http://www.house.leg.state.mn.us/bills/billnum.asp?billnumber=hf3167>.

May 22, 2014 – Property Tax Refund Forms and Tables are Posted

Email Lists: Software Vendor Updates

MINNESOTA • REVENUE

Revised property tax refund forms and tables are now posted
Minnesota Department of Revenue sent this bulletin at 05/22/2014 12:04 PM CDT

A [new tax law](#) was signed on May 20, 2014. This law increases refunds for qualifying homeowners and renters filing their 2013 property tax refund this year. We have updated the forms and tables to reflect these changes. Please use this information to update your software as soon as possible.

The updated forms and tables can be found [on the software developer page of our website](#). As a reminder, your forms and tables need to exactly mirror our forms and tables.

Starting at 5 p.m. on June 4, 2014, we will reject any Homestead Credit Refunds for homeowners and property tax refunds for renters submitted using outdated forms or tables.

Thank you for your work to implement these changes into your products.

If you have any questions, please contact us at 651-556-4818 or email at Efile.DevSupport@state.mn.us

June 4, 2014 – Upcoming Conference Call for Software Vendors and Tax Practitioners

Email Lists: Individual Income Tax Updates, Tax Professionals, Software Vendors, AARP Tax Aide coordinators, VITA site coordinators

MINNESOTA • REVENUE

The Minnesota Department of Revenue will host a conference call and webinar for software vendors and tax practitioners to go over the property tax law changes that passed during the 2014 legislative session.

During the presentation we will discuss:

- Supplemental agricultural credit for taxes payable in 2014.
- Renter property tax refund increase.
- Homestead credit refund increase.
- Eligible property tax refund notification.

We will also provide an update on the March 21, 2014 tax law changes.

When: Thursday, June 5, 2014, 9-10 a.m., Central Daylight Time
Register for the web portion of the presentation: <https://revenue.webex.com/revenue/onstage/g.php?d=742095581&t=a>
Call-In Number: (855) 419-8491
Conference ID: 55577271

June 9, 2014 – View Materials on Our Website for Recent Conference Call

Email Lists: Individual Income Tax, Tax Professionals, Software Vendors, Tax Law Changes

June 5 Property Tax Update Conference Call Follow Up Ryan Brown [Close](#)

We held a conference call and webinar with tax professionals and software vendors on June 5 to go over property tax law changes that passed during the 2014 legislative session. We discussed three main topics:

- Supplemental agricultural credit for taxes payable in 2014
- Renter property tax refund increase
- Homestead credit refund increase

We posted materials from the conference call on our website:

[Video of the call and webinar](#)
[Script](#)
[Presentation](#)
[Q&A](#)

Here are some of the top questions and answers from the discussion:

Q: I received an additional Minnesota income tax refund as a result of the March 21, 2014, Middle Class Tax cuts. How does this affect my 2014 income tax return?

A: Starting January 31, 2015, you can look up the amount of your 2013 Minnesota income tax refund [here](#). You will need to enter your Social Security number or Individual Taxpayer Identification Number (ITIN).

The amount reported will reflect the refund on the return you filed, plus the additional refund that you received. This amount will not include any K-12 Education Credit, Child and Dependent Care Credit or Minnesota Working Family Credit that you may have received.

The amount on your 1099-G may also be different than the refund on your return if you contributed to the nongame wildlife fund, filed an amended return or claimed business and investment credits , or we made changes to your return.

Q: I received a Homeowners' Homestead Credit Refund and/or a Supplemental Agriculture Homestead Credit in 2014. How does this affect my 2014 income tax return?

A: The homestead credit refund and/or supplemental agriculture homestead credit you received is not taxable income because they are a reduction in the tax payable in the current year.

When preparing your 2014 federal income tax return, reduce your real estate tax deduction by the amount of the credit you received.

Q: Will the Department of Revenue be adjusting homeowners' homestead credit refunds or renters' property tax refunds as a result of March 21, 2014 middle class tax cuts?

A: No. Taxpayers who filed their 2013 Form M1PR prior to April 3, 2014, should review their return to determine if they should file an amended property tax return on [Form M1PRX](#).

Taxpayers should wait to file Form M1PRX until they know the impact of the March 21, 2014 middle class tax cuts on their M1 return and the department has adjusted the original M1PR return for the refund percentage increase. This increased refund should be entered line 16 of Form M1PRX.

June 11, 2014 – Upcoming Conference Call for Media

Email Lists: Media

 **MINNESOTA • REVENUE** www.revenue.state.mn.us

Media Advisory

CONTACT	Ryan Brown
PHONE	651-556-6750
E-MAIL	ryan.brown@state.mn.us

The Minnesota Department of Revenue will host a conference call for media members to go over the property tax law changes that passed during the 2014 legislative session.

During the call we will:

- Update progress on tax law implementation
- Outline the implementation process for the supplemental agricultural credit for taxes payable in 2014.
- Discuss changes made to homeowners and renters refunds
- Go over tax law changes for businesses filing June accelerated payments

When: Thursday, June 12, 2014, 2 p.m., Central Daylight Time
Call-In Number: (888) 742-5095
Conference ID: 969 212 6591

June 25, 2014 -- Upcoming Conference Call for Taxpayers

Email Lists: Individual Income Tax Updates

MINNESOTA • REVENUE

The Minnesota Department of Revenue will host a conference call and web presentation for taxpayers. All taxpayers are invited to listen and participate.

On the call, department officials will:

- Give a final update on the processing of income tax returns affected by the middle class tax cuts and give advice on what do if you haven't heard from us
- Review information about property tax refunds for homeowners, renters, and farmers
- Provide an update on the tax relief available for those affected by the flooding and severe weather

When: Friday, June 27, 2014, from 10:30 - 11:30 a.m.

Register for the web presentation: <https://revenue.webex.com/revenue/onstage/g.php?d=749169653&t=a>

Phone Number: 855-419-8491

Conference ID: 66082821

To participate:

Step 1: Register using the link above.

Step 2: Access the presentation on the day of the call using the link provided in the confirmation email you received after registering.

Step 3: Call the phone number above and provide the conference ID number listed above to hear audio for the presentation.

June 25, 2014 – Upcoming Conference Call for Media

Email Lists: Media

MINNESOTA • REVENUE

www.revenue.state.mn.us

Media Advisory

CONTACT Ryan Brown
PHONE 651-556-6750
E-MAIL ryan.brown@state.mn.us

The Minnesota Department of Revenue will host a conference call for media members.

On the call, department officials will:

- Give a final update on the processing of income tax returns affected by the middle class tax cuts
- Review property tax refund information for homeowners, renters, and farmers
- Provide an update on the tax relief available for those affected by the flooding and severe weather

When: Friday, June 27, 2014 at 9 a.m.

Phone Number: 855-419-8491

Conference ID: 66082817

June 30, 2014 – Upcoming Conference Call for Taxpayers

Email Lists: Individual Income Tax Updates

MINNESOTA • REVENUE

The Minnesota Department of Revenue held a conference call and web presentation for taxpayers on June 27. You can find the materials and a video of the presentation using the links below. Topics covered include:

- Final update on the processing of income tax returns affected by the middle class tax cuts
- Reviewing information about property tax refunds for homeowners, renters, and farmers
- Provide an update on the tax relief available for those affected by the flooding and severe weather

Materials

[Read the script](#) from the June 27 conference call

[View the web presentation](#)

[Watch the video](#) of the call and presentation.

All materials can be found on the [tax law changes page](#) of our website.

July 15, 2014 – Have You Filed for a 2012 or 2013 Property Tax Refund?

Email Lists: Individual Income Tax Updates

MINNESOTA · REVENUE

Have you filed your 2012 and 2013 Minnesota Homeowners' Homestead Credit Refunds and/or Renters' Property Tax Refunds? You could be eligible for a refund, even if you weren't required to file a Minnesota income tax return, but you must act quickly!

How do I know if I qualify?

View the eligibility requirements for the 2012 and 2013 Minnesota Homeowners' Homestead Credit and Renters' Property Tax Refunds [here](#). You may be eligible to receive a refund for both years if you have not already filed.

How do I get my refund?

Complete **2012** or **2013** Form M1PR, *Homestead Credit Refund (for Homeowners) and Renters' Property Tax Refund*. Follow the instructions to complete Form M1PR for **2012** or **2013**, whichever you are filing.

What is the filing deadline?

August 15, 2014 is the last day to file your **2012** M1PR. Refunds will not be issued for 2012 Form M1PRs filed after August 15, 2014.

The **2013** Form M1PR can be filed through August 15, 2015.

When can I expect my 2013 Property Tax Refund?

Renter's Property Tax Refund Schedule

- You should receive your refund within 60 days of filing.

Homeowner's Homestead Credit Refund Schedule

- If you file by August 1, 2014, you should receive your refund by the end of September.
- If you file after August 1, 2014, you should receive your refund within 60 days of filing.

When can I expect my 2012 Property Tax Refund?

You should receive your refund within 60 days of filing.

What if I have questions about my refund?

Use our online "[Where's my refund?](#)" tool. You can also call us at 651-296-4444 or 1-800-657-3676 (toll free).

July 22, 2014 – Property Tax Refund Changes for Tax Practitioners

Email Lists: Income Tax and Withholding Outreach

MINNESOTA · REVENUE

Recent Property Tax Refund Increases: What You and Your Clients Should Know

A new tax law signed on May 20, 2014, increased refunds for qualifying homeowners and renters. For 2013 returns only, the law increases the Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund.

Many of your clients will receive letters stating that they are getting a larger refund than expected. Please review and share the information below with your clients.

How much are the increases?

- For Renter Property Tax Refund returns, there is a 6% increase.
- For Homestead Credit Refund returns, there is a 3% increase. (The increase only applies to the "regular" homeowner refund not the "special" refund.)

What do I need to do?

If you already filed for a 2013 refund, you do not need to do anything.

- If you filed before June 4, 2014, we will review the return and increase your refund. We'll send you a letter telling you how much your refund will be with the increase. (Renters will receive this letter by July 25, and homeowners by Sept. 9.) You should receive your refund within 30 days from the date of your letter.
- If you filed on or after June 4, 2014, you will not receive a letter. Our forms and software were updated to reflect the 3% and 6% refund increases.

If you haven't filed for a 2013 refund, you should:

- File Form M1PR. Go to www.revenue.state.mn.us and enter **2013 M1PR** in the Search box.
- File by August 15, 2015, to receive a refund.
- Homeowners can also file through our website for free. To get started, go to www.revenue.state.mn.us and click **Property Tax Refund** (under Individuals).

Where can I get more information?

Go to our website at www.revenue.state.mn.us and click the orange **Tax Law Changes** button near the bottom of the page.

August 13, 2014 – Reminder of Upcoming Property Tax Refund Deadline

Email Lists: Media and News Release (8,523 recipients)

MINNESOTA • REVENUE

News Release: Department of Revenue reminds homeowners and renters of upcoming property tax refund deadline

Minnesota Department of Revenue sent this bulletin at 08/13/2014 11:49 AM CDT

FOR IMMEDIATE RELEASE

August 13, 2014

Contact: Lisa Erickson

Phone: 651-556-6397

Lisa_erickson@state.mn.us

Department of Revenue reminds homeowners and renters of upcoming property tax refund deadline

ST. PAUL, Minn. – The Minnesota Department of Revenue is reminding homeowners and renters that the due date to file for a 2013 property tax refund is Aug. 15, 2014. State law provides for a one-year grace period to claim these refunds, however, the sooner the return is filed, the sooner the refund can be issued.

The grace period for the 2012 property tax refund ends on Aug. 15, 2014. The property tax refund expires after this date and homeowners and renters will not be able to claim it.

"We encourage every eligible taxpayer to file for their property tax refund. This refund, particularly with this year's increase, helps thousands of Minnesota homeowners and renters with relief from property taxes. Thousands of taxpayers miss out on their property tax refunds each year by failing to file their return," said Revenue Commissioner Myron Frans. "The August 15 deadline is fast approaching and we want to make sure eligible taxpayers do not miss out on their refunds because they fail to file."

A new law signed on May 20, 2014, increased property tax refunds for Minnesota homeowners and renters. For 2013 returns only, the law increases the Homestead Credit Refund (for Homeowners) by 3 percent and the Renter's Property Tax Refund by 6 percent. The average 2013 refund is \$837 for homeowners and \$643 for renters.

The department offers some tips for homeowners and renters:

- *Find out if you qualify for a property tax refund.* Renters and homeowners that meet certain household income requirements may be eligible. [To see if you qualify visit our website.](#)
- *Update your address.* Let us know if your address has changed. Filers who have moved since filing their return should contact the department immediately to update their address. This can be done 24 hours a day, 7 days a week using our automated phone system at 651-296-4444 or toll free at 800-657-3676.
- *Direct Deposit.* Direct Deposit is the fastest way to receive your refund. Filers should be sure their bank account will still be open in July, August, and September when the refunds go out.
- *Check the status of your refund online.* Filers can check the status of their refund on our homepage by clicking the ["Where's My Refund?"](#) link.

Follow the latest news and updates from the Minnesota Department of Revenue on [Twitter](#) and [Facebook](#).

###

Handouts and Other Materials

Did you claim your property tax refund? 1/3 page handout

- State Fair
- Income Tax and Withholding Outreach
- Available to counties

Front



Did you claim your property tax refund?

Don't miss out!
You may qualify now even if you haven't in previous years.

If you own your home
There are two property tax refund programs for homeowners. You may qualify for one or both if your property is classified as your homestead.

- **Regular property tax refund:**
You may qualify if your household income is less than \$107,150.*
- **Special property tax refund:**
To qualify, your property taxes this year must be 12 percent higher than last year and you must have owned and lived in your home on January 2 of each year. The increase must be at least \$100. There is no income limit.

If you rent your home

- **Regular property tax refund:**
You may qualify if your household income is less than \$58,060.*

** Income limits are for 2014 property tax refunds and are indexed annually for inflation. You may reduce your household income if you have dependents, contribute to a qualified retirement plan or are 65 or older or blind.*

Want to apply? See the back of this sheet!

Need more information?
Go to our website at
www.revenue.state.mn.us

MINNESOTA • REVENUE

Back

How to claim your refund

- Go to www.revenue.state.mn.us to file electronically or download Form M1PR.
- Visit your local library to get a copy of the form.
- Call our 24-hour automated help line at 651-296-4444 or 1-800-657-3676 to have the form sent to you.

When to expect your refund
Your 2014 return should be electronically filed, postmarked, or dropped off by August 15, 2015. The final deadline to claim the 2014 refund is August 15, 2016.

if you are a	and you file by	you should receive your refund by
renter or mobile home owner	May 15	mid-August
homeowner	July 1	the end of September

It may be possible to receive your refund earlier if you did all of the following:

- *electronically* filed your return
- chose to receive your refund by direct deposit
- filed for a refund last year
- attached a Certificate of Rent Paid (CRP) from your landlord (if a renter)
- had no errors on your return
- included accurate bank account information

Note: We begin working on Property Tax Refund returns in July of each year.
If you file after the dates listed above, you should receive your refund approximately 90 days after filing.

Ready to apply?
www.revenue.state.mn.us

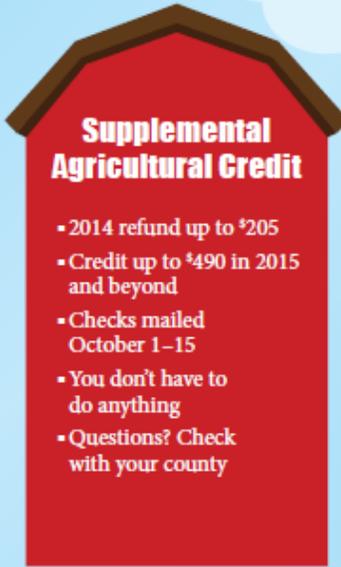
11/14

Property Tax Refund and Funding letter size handout

- Used by Revenue Commissioner at events
- Used at Minnesota State Fair

MINNESOTA • REVENUE
Working together to fund Minnesota's future

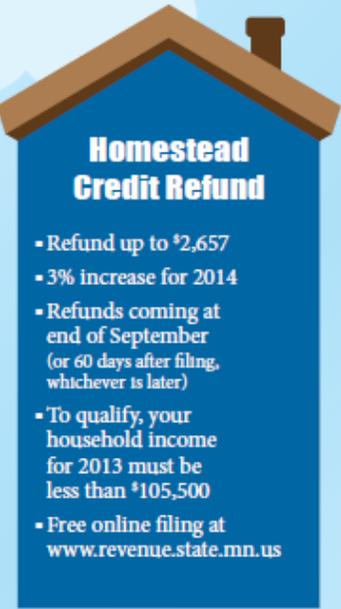
FARMERS



Supplemental Agricultural Credit

- 2014 refund up to \$205
- Credit up to \$490 in 2015 and beyond
- Checks mailed October 1–15
- You don't have to do anything
- Questions? Check with your county

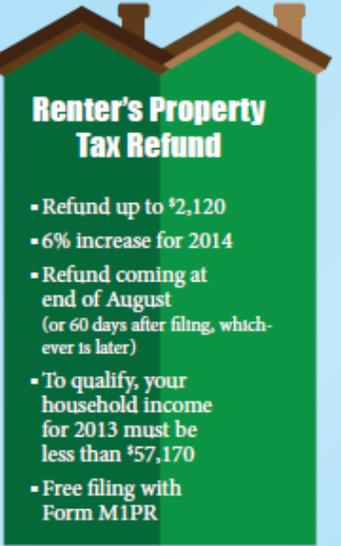
HOMEOWNERS



Homestead Credit Refund

- Refund up to \$2,657
- 3% increase for 2014
- Refunds coming at end of September (or 60 days after filing, whichever is later)
- To qualify, your household income for 2013 must be less than \$105,500
- Free online filing at www.revenue.state.mn.us

RENTERS



Renter's Property Tax Refund

- Refund up to \$2,120
- 6% increase for 2014
- Refund coming at end of August (or 60 days after filing, whichever is later)
- To qualify, your household income for 2013 must be less than \$57,170
- Free filing with Form M1PR

For more information, visit our website www.revenue.state.mn.us and use keywords **Property Tax Refunds**

Forbes Magazine ranked Minnesota 3rd best state in the nation to make a living

Healthiest State according to United Health Foundation

CNBC ranked Minnesota as the 4th best for quality of life

Minnesota ranked as the 5th best state to raise a family according to aecf.org

Funding our quality of life in Minnesota

<ul style="list-style-type: none"> ● 34.9% Early Childhood & K-12 Education ● 24.0% Health Care ● 10.7% Transportation ● 7.0% Property Tax Aids & Credits ● 6.2% Higher Education ● 4.3% Public Safety 	<ul style="list-style-type: none"> ● 4.0% Other Health & Human Services ● 3.1% Debt Service ● 2.3% State Government ● 2.2% Environment, Energy, Natural Resources, and Agriculture ● 1.2% Economic Development
---	---

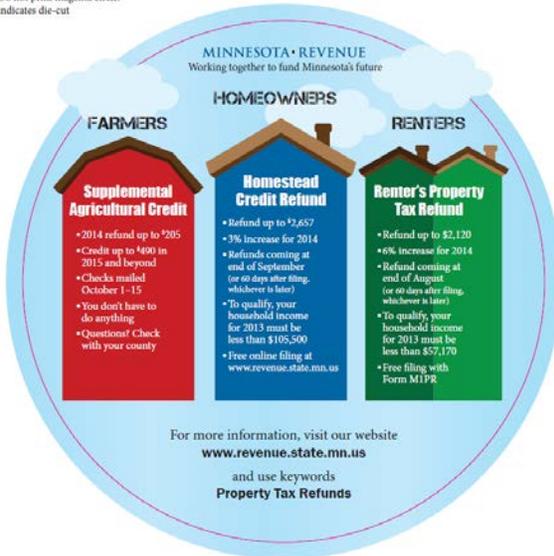
State Taxes (all funds) in fiscal year 2015.

2014 Minnesota State Fair

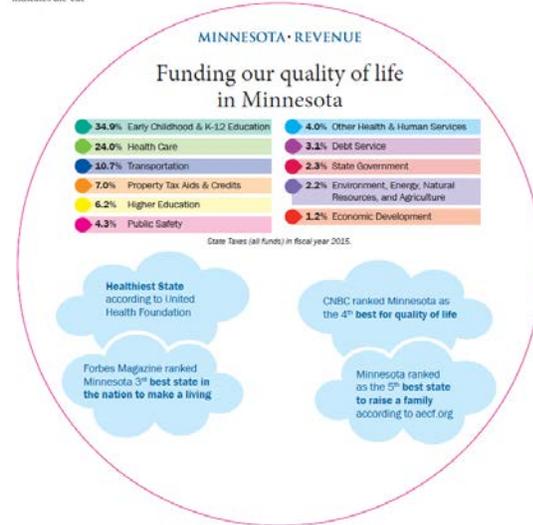
Property Tax Refund Fan

- Minnesota State Fair
- Income Tax and Withholding Outreach

Fan Front
Do not print magenta circle:
indicates die-cut

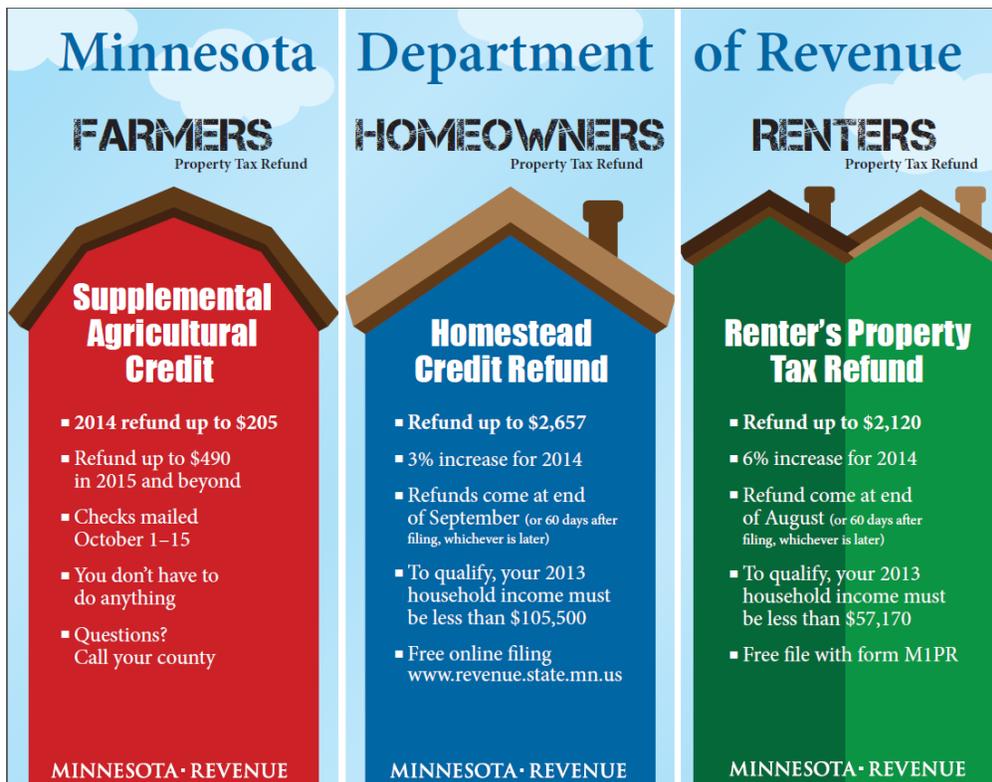


Fan Back
Do not print magenta circle:
indicates die-cut



Property Tax Refund Banner Stand Set (3)

- Minnesota State Fair booth design



Additional Banner Stand

MINNESOTA • REVENUE
 Working together to fund Minnesota's future.

www.revenue.state.mn.us

Serving you better!

NEW 2013 Homestead Credit Refund – File online for FREE!

NEW 2014

- 35% average increase for Homestead Credit Refund
- 8% average increase for Renter Property Tax Refund



easy electronic filing
 taxpayer assistance
 YouTube focus groups outreach
www.revenue.state.mn.us
 integrity
 Twitter **accessible**
 direct deposit secure excellence
 accountability respect customer service
 e-Services plain language
 Facebook funds public services email
understandable

Handout

I'm a homeowner

If you own your home
 There are two property tax refund programs for homeowners. You may qualify for one or both.

- **Homestead Credit Refund**
- **Special Property Tax Refund**

NEW 2013 File online for FREE!

NEW 2014 35% increase for Homestead Credit Refund

You can get your refund faster if you:

- File electronically by July 1
- Choose direct deposit
- Filed Form M1PR last year

You can expect to receive your refund at the end of September if you file by August 1, or within 60 days of filing, whichever is later.

Need more information?
 Go to our website:
www.revenue.state.mn.us
 Use keyword:
Homestead Credit Refund



MINNESOTA • REVENUE

Instruction Booklets

M1PR Front Cover

2013

Revised
8/26/14

Minnesota Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund

Forms and Instructions

Inside this booklet

- **Form M1PR**
Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund

To check on the status of your refund:

- go to www.revenue.state.mn.us, or
- call 651-296-4444 or 1-800-657-3676

Homeowners:
You may be eligible to file electronically for FREE!

with
e-Services

Start here:
www.revenue.state.mn.us

MINNESOTA • REVENUE

Direct Deposit. No Worries.

Safe. Easy. Convenient. Fast.

See page 10 for more information.



www.revenue.state.mn.us

M1PR Inside Cover

What's New

Homestead Credit Refund (for Homeowners)

The homeowner's refund is now called the "Homestead Credit Refund" (for Homeowners).

Refund Amount

We have updated the tables in this booklet to reflect a law change that increases the regular Homestead Credit Refund and Renter's Property Tax Refund for most applicants. The change was signed into law on May 20, 2014.

Household Income

All applicants may subtract some or all of their qualified retirement plan contributions from household income, see the instructions for line 33. Distributions from retirement plans that are not included on line 1, must be included in household income, see the instructions for line 5.

A bill signed into law March 21, 2014 conforms Minnesota law to federal law for the definition of federal adjusted gross income. Schedule MINC is now obsolete; however, many items that were previously reported on Schedule MINC must still be included on line 5, additional nontaxable income. Review the line 5 instructions on page 8.

All Homeowners

Wait until March 2014 when you receive your Statement of Property Taxes Payable in 2014 before completing and filing your 2013 Form M1PR. Do not use your 2013 tax statement or your Notice of Proposed Taxes to complete Form M1PR. If you file using the incorrect statements, the processing of your return will be delayed.

Do not include the Statement of Property Taxes Payable when you mail your paper return. Your property tax information will be provided by the county.

You must provide on Form M1PR the property ID number and the name of the county in which the property is located. See information above line 11.

Contents Page

General Information	2-5
Renters' Special Instructions	6
Homeowners' Special Instructions	7
Line Instructions	8-10
Schedule 1 Instructions	10
Schedule 2 Instructions	11
Worksheets	12
Refund Table for Renters	13-17
Refund Table for Homeowners	18-26
Use of Information	27
Senior Citizens Property Tax Deferral Program	27

2 File Form M1PR electronically at www.revenue.state.mn.us

Eligibility Requirements

You may be eligible for a refund based on your household income and the property taxes paid on your principal place of residence in Minnesota. Generally, household income is your federal adjusted gross income plus most nontaxable income, minus a subtraction if you have dependents, made a contribution to a qualified retirement plan, or if you or your spouse are age 65 or older or disabled.

To qualify:

- as a **renter**, your total household income for 2013 must be less than \$57,170. The maximum refund is \$2,120.
- as a **homeowner**, you may be eligible for one or both of the following refunds, if you owned and lived in your home on January 2, 2014. To qualify for the:
 - **Homestead Credit Refund (for Homeowners)**, your total household income for 2013 must be less than \$105,500. The maximum refund is \$2,657.
 - **special property tax refund**, you must have owned and lived in your home both on January 2, 2013, and on January 2, 2014; your net property tax on your homestead must have increased by more than 12 percent from 2013 to 2014; and the increase must be \$100 or more. There is no income limit for the special property tax refund, and the maximum refund is \$1,000. For more information, see page 11.

If you meet the above qualifications as a renter or homeowner, read the other requirements below to determine if you still qualify. If you do not qualify, there is no need for you to complete Form M1PR.

Other Requirements Include:

- **You must have been a full- or part-year resident of Minnesota during 2013.**
If you are a renter and a permanent resident of another state, but are considered to be a resident of Minnesota for income tax purposes because you lived in Minnesota more than 183 days, you may apply for this refund. Full-year residents of Michigan and North Dakota cannot apply for the refund.
- **You cannot be a dependent.**
A **dependent** is a person who meets at least one of the following three requirements:
 - 1 could be claimed as a dependent on someone else's 2013 federal income tax return.
 - 2 lived with a parent, grandparent, sibling, aunt or uncle for more than half the year; and
 - was under age 19 at the end of the year (24 if a full-time student); and
 - did not provide more than 50 percent of his or her own support.
 - 3 had gross income of less than \$3,900 in 2013, and had more than 50 percent of his or her support provided by:
 - a person he or she lived with for the entire year; or
 - a parent, grandparent, child, grandchild, aunt, uncle, sibling, niece or nephew.
- **If you are a homeowner or mobile home owner:**
 - Your property must be classified as your homestead, or you must have applied for homestead classification and had it approved (see page 4).
 - You must have a valid Social Security number to apply for homestead classification with the county. If you do not have a valid Social Security number or use an Individual Taxpayer Identification Number (ITIN) to file your tax return, you do not qualify for the homestead credit refund as a homeowner.
 - You must have paid or made arrangements to pay any delinquent property taxes on your home.
- **If you are a renter, you must have lived in a building on which the owner:**
 - was assessed property taxes; or
 - paid a portion of the rent receipts in place of property tax; or
 - made payments to a local government in lieu of property taxes.

If you are not sure whether property taxes were assessed on the building, check with your building owner.

Relative Homesteads Do Not Qualify

Minnesota law allows homestead status for a home occupied by a relative of the owner, if certain qualifications are met. However, neither the owner of the property nor the relative occupant may claim the homestead credit refund or the special refund.

M1 Back Cover

MINNESOTA • REVENUE

Mail Station 0010, St. Paul, Minnesota 55145-0010



Minnesota Homestead Credit Refund (for Homeowners)
and Renter's Property Tax Refund

Homeowners
There are two property tax refund programs for homeowners. You may qualify for one or both.

- **Homestead Credit Refund**
- **Special Property Tax Refund**
 - File online for FREE!
 - Overall funding increase of 35% for Homestead Credit Refund

You can get your refund earlier if you:

- File electronically by July 1
- Choose direct deposit
- Filed Form M1PR last year

You can expect to receive your refund at the end of September if you file by August 1, or within 60 days of filing, whichever is later.

Renters
You may qualify for the Renter Property Tax Refund.

- Overall funding increase of 8% for Renter Property Tax Refund

You can get your refund earlier if you:

- File electronically by May 15
- Choose direct deposit
- Filed Form M1PR last year
- Have a CRP(s) from your landlord

You can expect to receive your refund by mid-August if you file by June 15, or within 60 days of filing, whichever is later.

Need more information? Go to our website: www.revenue.state.mn.us