

*PROPERTY TAX INTERACTIONS ONLY*

April 12, 2021

**EDUCATION**

**Omnibus Education Finance bill**

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue  
 Analysis of S.F. 0960 (Chamberlain)  
 as passed by Senate Education Finance and Policy committee (SCS0960A-1)

	<b>Fund Impact</b>			
	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
	(000's)			
Property Tax Refund Interaction	\$0	\$1,320	\$2,840	\$2,610
Income Tax Interaction	\$0	\$170	\$520	\$480
General Fund Total	\$0	\$1,490	\$3,360	\$3,090

Various effective dates.

**EXPLANATION OF THE BILL**

The proposal makes a number of changes related to education finance.

**REVENUE ANALYSIS DETAIL**

- The proposal would increase net tax capacity based levies related to the safe schools program, closure of the Perpich Center for Arts Education, community education revenue, and joint powers districts.
- The proposal would decrease referendum market value based levies related to referendum equalization and education savings accounts. The proposal would also decrease net tax capacity based levies related to education savings accounts.
- The net levy decrease would be \$13.56 million in FY2023, \$34.39 million in FY2024, and \$31.72 million in FY2025.
- Lower levies would reduce property taxes on all property. The lower property tax burden would reduce state-paid homeowner property tax refunds and income tax deductions beginning in FY 2023, resulting in a savings to the state general fund.

Source: Minnesota Department of Revenue  
 Property Tax Division - Research Unit  
<https://www.revenue.state.mn.us/revenue-analyses>

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