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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 449

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; extending the property tax refund program to residents of
1.3 certain nursing homes; amending Minnesota Statutes 2006, section 290A.03,
1.4 subdivision 8.

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

1.6 Section 1. Minnesota Statutes 2006, section 290A.03, subdivision 8, is amended to
1.7 read:

1.8 Subd. 8. Claimant. (a) "Claimant" means a person, other than a dependent, as
1.9 defined under sections 151 and 152 of the Internal Revenue Code disregarding section
1.10 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter
1.11 and who was a resident of this state as provided in chapter 290 during the calendar year
1.12 for which the claim for relief was filed.

1.13 (b) In the case of a claim relating to rent constituting property taxes, the claimant,
1.14 except for a claimant who is a resident of a nursing home licensed under chapter 144A,
1.15 shall have resided in a rented or leased unit on which ad valorem taxes or payments made
1.16 in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of
1.17 ad valorem taxes, are payable at some time during the calendar year covered by the claim.

1.18 (c) "Claimant" shall not include a resident of a nursing home, intermediate care
1.19 facility, long-term residential facility, or a facility that accepts group residential housing
1.20 payments whose rent constituting property taxes is paid pursuant to the supplemental
1.21 security income program under title XVI of the Social Security Act, the Minnesota
1.22 supplemental aid program under sections 256D.35 to 256D.54, the medical assistance
1.23 program pursuant to title XIX of the Social Security Act, the general assistance medical

2.1 care program pursuant to section 256D.03, subdivision 3, or the group residential housing
2.2 program under chapter 256I.

2.3 If only a portion of the rent constituting property taxes is paid by these programs, the
2.4 resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant
2.5 to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as
2.6 defined in subdivision 3, paragraphs (1) and (2), reduced by the total amount of income
2.7 from the above sources other than vendor payments under the medical assistance program
2.8 or the general assistance medical care program and the denominator of which is income as
2.9 defined in subdivision 3, paragraphs (1) and (2), plus vendor payments under the medical
2.10 assistance program or the general assistance medical care program, to determine the
2.11 allowable refund pursuant to this chapter.

2.12 (d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing
2.13 home, intermediate care facility, long-term residential facility, or facility for which the rent
2.14 was paid for the claimant by the group residential housing program for only a portion of the
2.15 calendar year covered by the claim, the claimant may compute rent constituting property
2.16 taxes by disregarding the rent constituting property taxes from the nursing home or facility
2.17 and use only that amount of rent constituting property taxes or property taxes payable
2.18 relating to that portion of the year when the claimant was not in the facility. The claimant's
2.19 household income is the income for the entire calendar year covered by the claim.

2.20 (e) In the case of a claim for rent constituting property taxes of a part-year Minnesota
2.21 resident, the income and rental reflected in this computation shall be for the period of
2.22 Minnesota residency only. Any rental expenses paid which may be reflected in arriving
2.23 at federal adjusted gross income cannot be utilized for this computation. When two
2.24 individuals of a household are able to meet the qualifications for a claimant, they may
2.25 determine among them as to who the claimant shall be. If they are unable to agree, the
2.26 matter shall be referred to the commissioner of revenue whose decision shall be final. If a
2.27 homestead property owner was a part-year Minnesota resident, the income reflected in
2.28 the computation made pursuant to section 290A.04 shall be for the entire calendar year,
2.29 including income not assignable to Minnesota.

2.30 (f) If a homestead is occupied by two or more renters, who are not husband and
2.31 wife, the rent shall be deemed to be paid equally by each, and separate claims shall be
2.32 filed by each. The income of each shall be each renter's household income for purposes of
2.33 computing the amount of credit to be allowed.

2.34 **EFFECTIVE DATE.** This section is effective for property tax refund claims filed in
2.35 2008 and thereafter, for rent paid in 2007 and thereafter.