

Renter's Property Tax Refund
Current Law vs. Gov's 2009 Budget Proposal @ 15%
Sample Calculation for Selected Taxpayers

		Example 1: Taxpayer Income = \$15,000/ yr				Example 2: Taxpayer Income = \$30,000/ yr			
		Current Law		Gov's 2009 Proposal		Current Law		Gov's 2009 Proposal	
Steps in the Calculation of Renter Property Tax Refund		Taxpayer #1 Single Metro area	Taxpayer #2 Single Greater MN	Taxpayer #1 Single Metro area	Taxpayer #2 Single Greater MN	Taxpayer #3 Couple no kids Metro area	Taxpayer #4 Couple no kids Greater MN	Taxpayer #3 Couple no kids Metro area	Taxpayer #4 Couple no kids Greater MN
A	Income Calculation								
1	Gross income	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000	\$30,000
2	Less deduction for senior/dependents	0	0	0	0	0	0	0	0
3	Household income	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000	\$30,000
4									
B	Tax portion of Rent								
5	Annual rent ¹ (monthly rent x 12)								
	1 bedroom								
	\$719 * 12 = \$8,628 Metro	\$8,628	\$5,772	\$8,628	\$5,772	\$8,628	\$5,772	\$8,628	\$5,772
6	\$481 * 12 = \$5,772 Grtr MN								
	2 bedroom								
	\$873 * 12 = \$10,476 Metro								
	\$601 * 12 = \$ 7,212 Grtr MN								
7	% rent constituting property tax	19%	19%	15%	15%	19%	19%	15%	15%
	% rent constituting property tax in dollars (annual rent * %)								
8		\$1,639	\$1,097	\$1,294	\$866	\$1,639	\$1,097	\$1,294	\$866
9									
C	Statutory threshold percentage	1.4%	1.4%	1.4%	1.4%	2.2%	2.2%	2.2%	2.2%
10	Threshold % times income								
11	(line 10 x line 3)	\$210	\$210	\$210	\$210	\$660	\$660	\$660	\$660
12	Amount tax over threshold (line 8 minus line 11)	\$1,429	\$887	\$1,084	\$656	\$979	\$437	\$634	\$206
13									
D	Copay percentage	15%	15%	15%	15%	30%	30%	30%	30%
14	Taxpayer copay amount in dollars (line 14 * line 12)	\$214	\$133	\$163	\$98	\$294	\$131	\$190	\$62
15									
16									
E	Tax balance available for refund								
17	(line 12 minus line 15)	\$1,215	\$754	\$922	\$557	\$686	\$306	\$444	\$144
18	Maximum refund allowed ²	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540
19	Net property tax refund	\$1,215	\$754	\$922	\$557	\$686	\$306	\$444	\$144
20	% change from current law	-	-	-24.1%	-26.0%	-	-	-35.2%	-52.9%

Notes 1 Fair Market Rent for Minnesota, 2009 Home Program Rents, U.S. Department of Housing and Urban Development.
2 Department of Revenue, Preliminary Renter Schedule for 2009 (Filing in 2010/Fiscal Year 2011).

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		Example 3: Taxpayer Income = \$38,000/ yr				Example 4: Taxpayer Income = \$38,000/ yr			
		Current Law		Gov's 2009 Proposal		Current Law		Gov's 2009 Proposal	
		Taxpayer #5 Senior Couple Metro area	Taxpayer #6 Senior Couple Greater MN	Taxpayer #5 Senior Couple Metro area	Taxpayer #6 Senior Couple Greater MN	Taxpayer #7 Couple 1 kid Metro area	Taxpayer #8 Couple 1 kid Greater MN	Taxpayer #7 Couple 1 kid Metro area	Taxpayer #8 Couple 1 kid Greater MN
Steps in the Calculation of Renter Property Tax Refund									
A	Income Calculation								
1	Gross income	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
	Less deduction for								
2	senior/dependents	3,650	3,650	3,650	3,650	5,110	5,110	5,110	5,110
3	Household income	\$34,350	\$34,350	\$34,350	\$34,350	\$32,890	\$32,890	\$32,890	\$32,890
4									
B	Tax portion of Rent								
5	Annual rent ¹ (monthly rent x 12)								
	1 bedroom								
	\$719 * 12 = \$8,628 Metro	\$8,628	\$5,772	\$8,628	\$5,772				
6	\$481 * 12 = \$5,772 Grtr MN								
	2 bedroom								
	\$873 * 12 = \$10,476 Metro					\$10,476	\$7,212	\$10,476	\$7,212
	\$601 * 12 = \$ 7,212 Grtr MN								
7	% rent constituting property tax	19%	19%	15%	15%	19%	19%	15%	15%
	% rent constituting property tax								
	in dollars (annual rent * %)								
8		\$1,639	\$1,097	\$1,294	\$866	\$1,990	\$1,370	\$1,571	\$1,082
9									
C	Statutory threshold percentage								
10	Threshold % times income	2.7%	2.7%	2.7%	2.7%	2.6%	2.6%	2.6%	2.6%
11	(line 10 x line 3)	\$927	\$927	\$927	\$927	\$855	\$855	\$855	\$855
12	Amount tax over threshold								
	(line 8 minus line 11)	\$712	\$169	\$367	\$0	\$1,135	\$515	\$716	\$227
13									
D	Copay percentage								
14	Taxpayer copay amount in dollars	35%	35%	35%	35%	35%	35%	35%	35%
15	(line 14 * line 12)	\$249	\$59	\$128	\$0	\$397	\$180	\$251	\$79
16									
E	Tax balance available for refund								
17	(line 12 minus line 15)	\$463	\$110	\$238	\$0	\$738	\$335	\$466	\$147
18	Maximum refund allowed ²	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540
19	Net property tax refund	\$463	\$110	\$238	\$0	\$738	\$335	\$466	\$147
20	% change from current law	-	-	-48.5%	-100.0%	-	-	-36.9%	-56.0%