

Homeowners Property Tax Refund

If your adjusted gross income is less than approximately \$110,650, you may qualify for the Homestead Credit Refund (also known as the “Circuit Breaker” refund). This program, which has existed since the 1970’s, is intended to reduce tax burdens for homeowners with relatively low incomes and relatively high property tax burdens. Some important facts about this program are summarized below.

- Available to all owners of residential homestead with incomes of less than \$110,650
- Refund is on a sliding scale, based on your income and your total property tax burden
- The maximum refund is \$2,710
- Average refund was \$853 for property tax year 2016
- To determine eligibility and refund amounts, complete Minnesota tax form M1PR (available online at www.revenue.state.mn.us).

If you qualify for this program, you may receive an additional refund of up to 80% of the amount of the property tax increase caused by the proposed referendum. For example, if the referendum increases your property taxes by \$100 per year, your refund may cover up to \$80 of this increase.

Homestead Market Value Exclusion

If your property is homesteaded, then your home is eligible to receive the Homestead Market Value Exclusion. The Homestead Market Value Exclusion causes the amount of the value that is taxable to be reduced by excluding a portion of a property’s estimated market value for certain portions of the school levies. Be certain to file your homestead status with your county. Visit the Minnesota Department of Revenue's website for more information.