

March 15, 2022

To Governor Tim Walz and Members of the Minnesota Legislature:

The undersigned organizations urge you to make low- and modest-income Minnesotans a priority in this year's tax decisions by **expanding their property tax refunds through the Renters' Credit and Homestead Credit Refund** for homeowners (also called the "Circuit Breaker").

Minnesotans want safe, affordable homes for themselves and their families. But some Minnesotans earning lower wages or on fixed incomes struggle to afford both the cost of housing and other basic necessities.

Property tax refunds for renters and homeowners help bring down one of the costs of housing for workers, families, seniors, and people living with disabilities. The Renters' Credit and Circuit Breaker are targeted based on income and prioritize those for whom property taxes make up a larger share of their budget – both homeowners who pay property taxes directly on their homes and renters who pay property taxes through their rents.

In your decisions regarding property tax refunds, we ask you to prioritize low- and modest-income Minnesotans through policy changes including 1) **increasing the amount of property tax refund** that Minnesotans can receive by lowering the copayment component and other adjustments in the formula for calculating the refund; 2) **increasing the maximum amount of property tax refund** that Minnesotans can receive; and 3) **increasing the income level at which renters can qualify** for a refund, narrowing the disparity between homeowners and renters.

Increasing property tax refunds with a focus on low- and modest-income Minnesotans is one way to respond to Minnesota's long-standing shortage of affordable housing, and provide a needed economic boost to the many Minnesotans who have faced hardship during the pandemic and in the unequal recovery that has followed.

Expanding property tax refunds would also benefit our economy when Minnesotans spend their tax refunds in their local communities for some of the most basic expenses, whether that be toothpaste, dental care or other health care expenses not covered by insurance, or because the tax refund arrives in late summer, essential purchases for children going back to school.

Thank you for your consideration of the role that expanded property tax refunds can play in building broader economic security and a fair tax system.

Sincerely,

Association for Financial Counseling and Planning Education
Center for Economic Inclusion
Frank Theatre
Gifts for Seniors
Growth & Justice
HOME Line

c/o Minnesota Budget Project
2314 University Ave W Ste 20, St. Paul MN 55114
651.642.1904

ISAIAH

Legal Services Advocacy Project

Minnesota AFL-CIO

Minnesota Asset Building Coalition

Minnesota Budget Project

Minnesota Coalition for the Homeless

Prepare + Prosper

PRISM

SEIU Healthcare Minnesota

The Arc Minnesota

Will Work for Recovery