

March 6, 2023

Chair Ann H. Rest  
Minnesota Senate Building  
95 University Ave West  
Saint Paul, MN 55155

Dear Chair Rest and members of the Taxes Committee,

The Minnesota Council on Latino Affairs (MCLA) strongly supports S.F 174 that seek to expand Homestead Applications to individuals who file taxes with an Individual Taxpayer Identification Number (ITIN). This bill represents a crucial step in creating parity between individuals with a Social Security Number (SSN) and those with an ITIN and promoting inclusion and equity for immigrant communities. Currently, only property owners with a valid Social Security Number (SSN) are eligible to apply for Homestead classification under existing law.

As a state agency, our Council advises elected officials on matters affecting the Latino community. Based on our engagement with Latino communities in the state last year, we heard firsthand about the disparity in access to state tax refunds between ITIN and SSN filers. Without homestead status, ITIN filers are taxed at a higher rate and are ineligible for the Homestead Property Tax Refund, which is an income-targeted property tax refund designed for those whose property taxes are high for their income level. As a result, ITIN filers are forced to pay a disproportionate share of property taxes, which makes it challenging for them to build assets and wealth through homeownership.

The benefits of homeownership are significant and long-lasting, as it provides families with stability, security, and a sense of belonging in their community. However, property taxes can be a significant burden, especially for low and moderate-income families. Homestead exemptions ease this burden and enable families to stay in their homes while meeting their basic needs such as food, healthcare, and education.

Expanding homestead applications to include ITIN filers would represent a crucial step towards greater parity between taxpayers with an ITIN and those with a SSN, providing families with the necessary support to succeed. This is especially significant given the challenges faced by ITIN filers in accessing government services and support. The need for this expansion is even more urgent now, as Minnesota households have experienced a reduction in income and savings due to the pandemic's impact and rising inflation. An estimated 3,300 households that file with an ITIN would qualify for homestead status, and of these, 1,900 would be eligible for the Homeowner's Homestead Credit Refund.

For these reasons, MCLA supports the passage of S.F. 174 and encourages this committee to vote in favor of this critical legislation, which would take an important step towards a more equitable and inclusive Minnesota.

Thank you for your time and consideration.

Sincerely,



Nicauris Heredia Rosario, Legislative and Policy Director