



## **S.F. No. 339 – Establishing a Property Tax Credit for Licensed In-Home Child Care Providers**

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**SF 339** establishes a new property tax credit for licensed in-home child care providers.

### **Section 1. Licensed In-Home Child Care Provider Credit.**

**Subdivision 1. Eligibility.** Provides that property classified as class 1a (residential homestead) or class 2a (agricultural homestead consisting of the house, garage, and surrounding one acre of land), and used to operate licensed in-home child care, is eligible for the credit established under this section.

**Subdivision 2. Notice.** Requires that by July 1, 2025, and each June 1<sup>st</sup> thereafter, the commissioner of human services must provide each county with a list of all licensed family day care providers located within the county.

**Subdivision 3. Credit amount.** Provides that the credit amount for qualifying properties is equal to 50% of the amount of net tax owed on the property for the current taxes payable year after subtracting all other applicable property tax credits.

**Subdivision 4. Credit reimbursement.** Requires each county auditor to determine the tax reductions resulting from the credit and certify that amount to the commissioner of revenue.

**Subdivision 5. Payment.** Requires the commissioner of revenue to reimburse each local taxing jurisdiction, other than school districts, for the tax reductions resulting from the credit. The commissioner of revenue must also certify the total amount of tax reductions to each school district to the commissioner of education who must then reimburse each school district.

**Subdivision 6. Appropriation.** Appropriates an amount sufficient to make the payments required under subdivision 5 from the general fund to the commissioners of revenue and education.

**Effective** beginning with property taxes payable in 2026.

**Section 2. Payment; School Districts.** Adds the licensed in-home child care provider property tax credit to the list of credits reimbursed by the commissioner of education. Effective beginning with fiscal year 2027.

**Section 3. Computation of Net Property Taxes.** Adds the licensed in-home child care provider property tax credit to the list of property tax credits used to determine a property's net tax. Effective beginning with property taxes payable in 2026.

**Section 4. Notice of Proposed Property Taxes.** Requires the licensed in-home child care provider property tax credit be separately stated on the truth-in-taxation (TNT) notice. Effective beginning with property taxes payable in 2026.

**Section 5. Contents of tax statements.** Requires the licensed in-home child care provider property tax credit be separately stated on the property tax statement. Effective beginning with property taxes payable in 2026.



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