

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

Steps in the Calculation of Renter Property Tax Refund		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	
		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
<b>A</b>	<b>Income Calculation</b>								
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	<b>Household income</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>
4									
<b>B</b>	<b>Tax portion of Rent</b>								
5	Annual rent <sup>1</sup> (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	<b>% rent constituting property tax</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>15%</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>15%</b>
	<b>% rent constituting property tax in dollars (annual rent * %)</b>								
8		<b>\$1,639</b>	<b>\$1,097</b>	<b>\$1,294</b>	<b>\$866</b>	<b>\$1,639</b>	<b>\$1,097</b>	<b>\$1,294</b>	<b>\$866</b>
9									
<b>C</b>	<b>Statutory threshold percentage</b>	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									
<b>D</b>	<b>Copay percentage</b>	15%	15%	15%	15%	30%	30%	30%	30%
14	Taxpayer copay amount in dollars								
15	(line 14 * line 12)	\$214	\$133	\$163	\$98	\$294	\$131	\$190	\$62
16									
<b>E</b>	<b>Tax balance available for refund</b>								
17	(line 12 minus line 15)	\$1,215	\$754	\$922	\$557	\$686	\$306	\$444	\$144
18	Maximum refund allowed <sup>2</sup>	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540
<b>F</b>	<b>Net property tax refund</b>	<b>\$1,215</b>	<b>\$754</b>	<b>\$922</b>	<b>\$557</b>	<b>\$686</b>	<b>\$306</b>	<b>\$444</b>	<b>\$144</b>
19									
20	<b>% change from current law</b>	<b>-</b>	<b>-</b>	<b>-24.1%</b>	<b>-26.0%</b>	<b>-</b>	<b>-</b>	<b>-35.2%</b>	<b>-52.9%</b>

Notes <sup>1</sup> Fair Market Rent for Minnesota, 2009 Home Program Rents, U.S. Department of Housing and Urban Development.

<sup>2</sup> Department of Revenue, Preliminary Renter Schedule for 2009 (Filing in 2010/Fiscal Year 2011).

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Sample Calculation for Selected Taxpayers**

Steps in the Calculation of Renter Property Tax Refund		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
<b>A</b>	<b>Income Calculation</b>								
1	Gross income	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
	Less deduction for senior/dependents	<u>3,650</u>	<u>3,650</u>	<u>3,650</u>	<u>3,650</u>	<u>5,110</u>	<u>5,110</u>	<u>5,110</u>	<u>5,110</u>
3	Household income	\$34,350	\$34,350	\$34,350	\$34,350	\$32,890	\$32,890	\$32,890	\$32,890
4									
<b>B</b>	<b>Tax portion of Rent</b>								
5	Annual rent <sup>1</sup> (monthly rent x 12)								
	1 bedroom	\$8,628	\$5,772	\$8,628	\$5,772				
	\$719 * 12 = \$8,628 Metro								
6	\$481 * 12 = \$5,772 Grtr MN								
	2 bedroom					\$10,476	\$7,212	\$10,476	\$7,212
	\$873 * 12 = \$10,476 Metro								
	\$601 * 12 = \$ 7,212 Grtr MN								
→ 7	<b>% rent constituting property tax</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>15%</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>15%</b>
	<b>% rent constituting property tax in dollars (annual rent * %)</b>								
8		\$1,639	\$1,097	\$1,294	\$866	\$1,990	\$1,370	\$1,571	\$1,082
9									
<b>C</b>	<b>Statutory threshold percentage</b>								
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									
<b>D</b>	<b>Copay percentage</b>								
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									
<b>E</b>	<b>Tax balance available for refund</b>								
17	(line 12 minus line 15)	\$463	\$110	\$238	\$0	\$738	\$335	\$466	\$147
18	Maximum refund allowed <sup>2</sup>	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540
<b>F</b>	<b>Net property tax refund</b>	<b>\$463</b>	<b>\$110</b>	<b>\$238</b>	<b>\$0</b>	<b>\$738</b>	<b>\$335</b>	<b>\$466</b>	<b>\$147</b>
20	<b>% change from current law</b>	<b>-</b>	<b>-</b>	<b>-48.5%</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-36.9%</b>	<b>-56.0%</b>