

Homestead Credit Refund Program

September 2026

What is the homestead credit refund program?

The homestead credit refund is a state-paid refund that provides tax relief to homeowners whose property taxes are high relative to their incomes. The program was previously known as the homeowner's property tax refund program, or PTR, and sometimes popularly called the "circuit breaker." If the property tax exceeds a threshold percentage of income, the refund equals a percentage of the property tax over the threshold, up to a maximum amount. As income increases:

- the threshold percentage increases,
- the share of tax over the threshold that the taxpayer must pay (the "copay percentage") increases, and
- the maximum refund decreases.

The refund is based on taxes payable after subtracting any targeting refund claimed by the homeowner. (The targeting refund is an additional refund available to homeowners who have large property tax increases from one year to the next.)

What measure of income does the program use?

The program calculates refunds using "household income," a broad measure that includes most types of income, including income that is not subject to income tax. Among other items, it includes nontaxable Social Security benefits, government assistance payments, nontaxable scholarships, and nontaxable distributions from tax-preferenced accounts. Claimants must also add back elective contributions to Health Savings Accounts (HSAs), and elective contributions to retirement accounts above the federal IRA contribution limit (\$7,000 for individuals and \$14,000 for joint returns for refunds payable in 2026). Deductions are allowed for dependents and for claimants who are over age 65 or disabled.

What are the maximums?

For refund claims filed in 2024, based on property taxes payable in 2024 and 2023 household income, the maximum refund is \$3,310. Homeowners whose income exceeds \$135,410 are not eligible for a refund.

How are claims filed?

Refund claims are filed separately from the individual income tax, on the Form M1PR. Claims based on taxes payable in 2026 that are filed before August 15, 2026, will be paid beginning in late September 2026; claims filed electronically may be paid a month earlier. The deadline for filing claims based on taxes payable in 2026 is August 15, 2027.

How many homeowners receive refunds, and what is the total amount paid?

542,838 homeowners received refunds based on 2024 property taxes payable and 2023 incomes. The average refund was \$1,350, and the total dollar amount of refunds paid statewide was \$733.2 million. The average refund for senior and disabled claimants (\$1,406) was slightly higher than the average for those under age 65 and not disabled (\$1,298).

How do refunds vary depending upon the filer's income and property tax?

The following table shows the refund calculations for four example families with different incomes—two families in the seven-county metro area and two in greater Minnesota. Although the program parameters are the same statewide, the average residential homestead property tax in the metro area is higher than in greater Minnesota. The example metro area families have homes valued at \$435,000 and property taxes of \$5,540, the average amounts for the metro area in 2026. The example families in greater Minnesota have homes valued at \$304,000 and property taxes of \$2,890, the average amounts for greater Minnesota in 2026. Taxpayers who are over age 65, disabled, or have dependents are allowed a subtraction from income in determining the refund.

Married couple, both under age 65, two dependents
Example refunds for claims to be filed in 2026,
based on taxes payable in 2026 and 2025 income

		Metro Area		Greater Minnesota	
		Taxpayer #1	Taxpayer #2	Taxpayer #3	Taxpayer #4
1	Property tax	\$5,540	\$5,540	\$2,890	\$2,890
2	Gross income	\$50,000	\$90,000	\$50,000	\$90,000
3	Deduction for dependents	\$14,040	\$14,040	\$14,040	\$14,040
4	Household income (2 – 3 = 4)	\$35,960	\$75,960	\$35,960	\$75,960
5	Threshold income percentage	2.0%	2.0%	2.0%	2.0%
6	Threshold % x income (4 x 5 = 6)	\$719	\$1,519	\$719	\$1,519
7	Property tax over threshold (1 – 6 = 7)	\$4,821	\$4,021	\$2,171	\$1,371
8	Statutory copay percentage	27%	32%	27%	32%
9	Taxpayer copay amount (7 x 8 = 9)	\$1,302	\$1,287	\$586	\$439
10	Remaining tax over threshold (7 – 9 = 10)	\$3,519	\$2,734	\$1,585	\$932
11	Maximum refund allowed	\$3,480	\$2,820	\$3,480	\$2,820
12	Net property tax refund	\$3,480	\$2,734	\$1,585	\$932
13	Net property tax paid after refund (1 – 12)	\$2,060	\$2,806	\$1,305	\$1,958

Claimants can check the status of their refund by calling DOR at 651-296-4444 or online (<https://www.revenue.state.mn.us/wheres-my-refund>).



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