

**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
A	Income Calculation							
1	Gross income	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000
2	Less deduction for senior/dependents	0	0	0	0	0	0	0
3	Household income	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000
4								
B	Tax portion of Rent							
5	Annual rent ¹ (monthly rent x 12)							
	1 bedroom	\$8,628	\$5,772	\$8,628	\$5,772	\$8,628	\$5,772	\$5,772
6	\$719 * 12 = \$8,628 Metro							
	\$481 * 12 = \$5,772 Grtr MN							
	2 bedroom							
	\$873 * 12 = \$10,476 Metro							
	\$601 * 12 = \$ 7,212 Grtr MN							
7	% rent constituting property tax	19%	19%	15%	15%	15%	15%	15%
8	% rent constituting property tax in dollars (annual rent * %)	\$1,639	\$1,097	\$1,294	\$866	\$1,294	\$866	\$866
9								
C	Statutory threshold percentage							
10	Threshold % times income	1.4%	1.4%	1.4%	1.4%	2.2%	2.2%	2.2%
11	(line 10 x line 3)	\$210	\$210	\$210	\$210	\$660	\$660	\$660
12	Amount tax over threshold (line 8 minus line 11)	\$1,429	\$887	\$1,084	\$656	\$979	\$437	\$206
13								
D	Copay percentage							
14	Taxpayer copay amount in dollars (line 14 * line 12)	15%	15%	15%	15%	30%	30%	30%
15		\$214	\$133	\$163	\$98	\$294	\$131	\$62
16								
E	Tax balance available for refund							
17	(line 12 minus line 15)	\$1,215	\$754	\$922	\$557	\$686	\$306	\$144
18	Maximum refund allowed ²	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540	\$1,540
19	Net property tax refund	\$1,215	\$754	\$922	\$557	\$686	\$306	\$144
20	% change from current law	-	-	-24.1%	-26.0%	-	-	-52.9%

Notes
¹ Fair Market Rent for Minnesota, 2009 Home Program Rents, U.S. Department of Housing and Urban Development.
² Department of Revenue, Preliminary Renter Schedule for 2009 (Filing in 2010/Fiscal Year 2011).

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	Example 3: Taxpayer Income = \$38,000/ yr		Example 4: Taxpayer Income = \$38,000/ yr	
	Current Law	Taxpayer #6 Senior Couple Metro area Greater MN	Current Law	Taxpayer #8 Couple 1 kid Greater MN
A				
1	Gross income	\$38,000	\$38,000	\$38,000
2	Less deduction for senior/dependents	3,650	5,110	5,110
3	Household income	\$34,350	\$32,890	\$32,890
4				
B				
5	Tax portion of Rent			
	Annual rent ¹ (monthly rent x 12)			
	1 bedroom	\$8,628	\$8,628	\$10,476
6	\$719 * 12 = \$8,628 Metro			
	\$481 * 12 = \$5,772 Grtr MN			
	2 bedroom			
	\$873 * 12 = \$10,476 Metro			
	\$601 * 12 = \$ 7,212 Grtr MN			
7	% rent constituting property tax	19%	19%	15%
8	% rent constituting property tax in dollars (annual rent * %)	\$1,639	\$1,097	\$1,571
C				
9	Statutory threshold percentage	2.7%	2.7%	2.6%
10	Threshold % times income (line 10 x line 3)	\$927	\$927	\$855
11	Amount tax over threshold (line 8 minus line 11)	\$712	\$169	\$515
12				
13	Copay percentage	35%	35%	35%
14	Taxpayer copay amount in dollars (line 14 * line 12)	\$249	\$59	\$251
15				
16	Tax balance available for refund (line 12 minus line 15)	\$463	\$110	\$466
17	Maximum refund allowed ²	\$1,540	\$1,540	\$1,540
18				
19	Net property tax refund	\$463	\$110	\$466
20	% change from current law	-	-	-56.0%