

Applying for the residential homestead classification

11

Property tax fact sheet 11

Fact Sheet

The residential homestead classification provides a property tax credit for property that is owned and occupied by the owner. The amount of the credit is shown on your property tax statement and is deducted from your property tax bill.

How much is the homestead credit?

The amount of the homestead credit varies depending on the market value of the property. The maximum amount of the credit is \$304 for properties with a market value of \$76,000. As the property's market value increases above \$76,000, the amount of the credit decreases.

How do I qualify for homestead?

To qualify for the homestead classification, you must: (All three must apply.)

1. be one of the owners of the property;
2. occupy the property as your primary residence; and
3. be a Minnesota resident.

Your county assessor will determine if you are a Minnesota resident for homestead purposes. Some of the conditions that may be used to determine your residency status include:

- Are you registered to vote in Minnesota?
- Do you have a valid Minnesota driver's license?
- Do you file a Minnesota income tax return?
- Do you list property in Minnesota as your permanent mailing address?
- Do your children, if any, attend school in Minnesota?
- Are you a resident of any other state or country?

Certain relatives of the owner also may qualify for the residential relative homestead classification.

How do I apply for homestead?

To apply for the homestead classification for your residence, you must complete and sign a homestead application. Contact your county assessor for an application.

When should I apply for homestead?

After purchasing and moving into your home, you should apply for the homestead classification as soon as possible.

You must purchase and occupy your home by December 1, and the homestead application must be turned into the county assessor's office by December 15 to be eligible for the homestead classification for taxes payable in the following year.

What information must I provide to receive homestead?

Minnesota Statutes, section 273.124, subdivision 13 requires Social Security numbers and signatures of **all owners occupying the property** to be listed on the homestead application.

Additionally, the Social Security numbers and signatures of **all spouses not listed as owners** on the deed of record must also be listed, regardless of whether or not they occupy the property.

The Social Security numbers or affidavits or other proofs of property owners and spouses are private data. The county assessor may share the information contained on the homestead application with the county auditor, county treasurer, county attorney, Commissioner of Revenue, or other federal, state or local taxing authorities to verify your compliance with this and other tax programs.

You can refuse to provide the information on the homestead form. However, failure to provide this information may result in a fractional homestead or denial of the homestead classification.

How often must I apply for homestead?

If your property is granted the homestead classification, it is not necessary for you to reapply for the classification.

However, at any time, the county assessor may require you to provide an additional application or other proof deemed necessary to verify that you continue to qualify for the homestead classification.

Can I have more than one homestead?

No, you may only claim one homestead. However, if you change residences during the year, you can apply for homestead at the new residence. You must notify your county assessor that you have changed your primary residence, and you must complete and sign a homestead application. You must own and occupy the property by December 1, and the homestead application must be turned into the county assessor's office by December 15 to be eligible for the homestead classification for taxes payable in the following year.

What should I do if I sell the property, move or change my marital status?

If property receiving the homestead classification is sold, you or your spouse change your primary residence, or you change your marital status, state law requires you to notify the county assessor within 30 days.

If you fail to notify the county assessor within 30 days of the change, the property may be assessed the tax that is due on the property based on its correct property class plus a penalty equal to the same amount.

Can I receive a property tax refund?

You may qualify for a property tax refund. A property tax refund is based on your household income and the property taxes paid on your principal place of residence.

For more information on the property tax refund program, go to the Department of Revenue website at: <http://www.taxes.state.mn.us>.

Can a relative of the owner qualify for the residential homestead classification?

Yes, certain relatives can qualify for the residential relative homestead classification. The relative may be the owner's parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew or niece. This relationship may be either by blood or by marriage.

To apply for the residential relative homestead classification, the relative must complete and sign the residential relative homestead application. The owner of the property also must sign the residential relative homestead application. Contact your county assessor for an application.

To qualify for the residential relative homestead classification, the relative must: (All three must apply.)

1. Be a qualifying relative to one of the owners of the property.
2. Occupy the property as your primary residence.
3. Be a Minnesota resident.

Please note: Neither the owner of the property nor the related occupant may claim a property tax refund or the special property tax refund on a property receiving the relative homestead classification.

Can property held under a trust qualify for homestead?

Property held under a trust may qualify for homestead. Please contact your county assessor for more information.

Who do I contact if I have more questions about the homestead classification?

Please contact your county assessor's office.