

Homestead Classification for Property Held Under a Trust

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Property Tax Fact Sheet 6

Fact Sheet

Definitions

What is a **trust**?

A trust is a legal term to describe an ownership arrangement for a piece of property or assets.

Who is the **grantor**?

The grantor is the person(s) who created or established the trust. Also referred to as the trustor.

Who is the **trustee**?

The trustee is the person or entity who has the custodial duties, who oversees the trust. Often a trustee is a disinterested third party like a bank or a law firm, but a trustee can be anyone, even a beneficiary.

Who is the **beneficiary**?

Anyone who receives any kind of benefit from a trust is a beneficiary. For example, if you had the right to live on property held under a trust, you would be a beneficiary.

Who is a “**qualifying relative**” of the grantor?

According to state law, there are different definitions of qualifying relative depending upon what kind of property is held under the trust. For *residential* property, a qualified relative of the grantor can be a:

- Parent
- Step Parent
- Child
- Step Child
- Sibling
- Aunt/Uncle
- Niece/Nephew
- Grandparent
- Grandchild

For *agricultural* land, a qualified relative can be a:

- Parent of the grantor
- Child of the grantor or grantor’s spouse
- Grandparent of the grantor
- Grandchild of the grantor or grantor’s spouse

The relation can be by blood or marriage.

How can I apply?

In order to qualify for the homestead classification for property held under a trust, you must meet all three of the following criteria:

1. Occupy the property that is held under the trust on or before December 1.
2. Be either:
 - a) the grantor of the trust or their surviving spouse; or
 - b) a qualifying relative or surviving relative of the grantor of the trust.
3. Be a Minnesota resident.

To apply for the homestead classification for your residence, you must complete the application and turn it in to your county assessor’s office by December 15. You do not need to apply each year for this homestead.

What do I need to apply?

You will need to know your Social Security number, as well as your spouse’s. Even if your spouse does not live with you, you must also supply his/her Social Security number on the application as this information is needed to verify homestead eligibility.

You will also have to supply a copy of the page of the trust that identifies the grantor(s) of the trust, contains the signature(s) of the grantor(s) and has the date of the signature(s). This is usually found on one of the last pages of the trust document.

Where can I get more information?

The Department of Revenue provides further details about tax laws and programs on its website www.taxes.state.mn.us. You can also look at Minnesota Statutes, section 273.124, subdivision 21 for more information or contact your county assessor’s office.