

State General Levy Tax

Property Tax Fact Sheet 8

What is the State General Levy Tax?

The state general levy tax is a property tax applied only to certain properties. Revenue from the tax is deposited in the state general fund. The state property tax levy was enacted in 2001.

What is the tax used for?

The money raised from the state general tax does not go directly to local governments (counties, cities, school districts, etc.). Instead, money raised by the tax is deposited in the state general fund for the state's budget use.

Is my property affected by the state general tax?

There are three types of property that must pay the state general tax, at different rates, and based on different values:

1. **Commercial/industrial properties:** Class 3 commercial, industrial, and public utility property (exclusive of electric generating machinery) and class 5(1) unmined iron ore property.
2. **Seasonal residential recreational properties:** Class 4c(1) resorts and 1c "Ma and Pa" resorts, and class 4c(12) non-commercial seasonal properties pay some state general tax.
3. **Certain non-profit community service organizations:** Class 4c(3)(ii) property owned by a non-profit community service oriented organization.

How much is the tax?

The state general levy for commercial/industrial property is \$784,590,000 for taxes payable in 2018 and thereafter.

The state general levy for seasonal residential recreational property is \$44,190,000 for taxes payable in 2018 and thereafter.

The state property tax is included in your property tax statement and is paid to the county treasurer along with your local property taxes. Separate payments are not required. The county treasurer forwards the state tax to the Department of Revenue.

What is the tax rate?

The tax rate is calculated annually and announced by the commissioner of revenue by January 1 of each year. For more information on the tax rate for the current year, you can visit our website:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/sgt_rate.aspx

How is the rate determined?

A preliminary state general levy rate is certified by the Commissioner of Revenue by October 1 each year. County Auditors use the preliminary rate in preparing Truth in Taxation notices for taxes payable the following year.

The final state general levy rate is certified by the Commissioner of Revenue by January 1 each year. The final state general levy rate is used to calculate final tax amounts on property statements.

How has the rate changed over time?

For the first year in 2002, the state general levy amount was \$592 million. Under current law, the levy is \$828,780.00.

How much will I pay on my property?

If you have a cabin valued at \$100,000.00, only 40 percent of the first \$76,000 of market value would be subject to the new tax and the remaining \$24,000 would be taxed at its full value.

For commercial/industrial property, the first \$100,000 of market value is excluded when applying the tax rate.