

# Homestead Classification

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Property Tax Fact Sheet 10

Fact Sheet

The homestead classification applies to properties occupied as primary residences by their owners. Classification as a homestead may qualify the property for a reduced classification rate, reduced taxable market value, property tax refund, and/or special program eligibility.

## What are the benefits of homestead classification?

A homestead classification qualifies your property for:

- a classification rate of 1.00% on up to \$500,000 in taxable market value (this rate is 1.25% for non-homestead residences)
- a market value exclusion, which may reduce the property's taxable market value
- other programs such as the disabled veterans' market value exclusion, senior citizens' property tax deferral, and property tax refunds

The homestead market value exclusion applies to all homesteads (on farms, it applies to the house, garage, and one acre of land immediately surrounding the house). All homesteads valued at less than \$413,800 can have their taxable value reduced by the exclusion. For information related to calculating the exclusion, please contact your County Assessor's office.

## How do I qualify?

To qualify for a homestead, you must:

1. be an owner of the property
2. occupy the property as your primary residence
3. be a Minnesota resident

In order to determine that you meet all of the above criteria, your County Assessor may ask you

to verify the address on your Minnesota driver's license, the address where you are registered to vote, your primary mailing address, or other factual information.

## How can I apply?

Applications for homestead are made to, and approved by, the County Assessor in the county where your property is located.

## When should I apply?

After purchasing and moving into a new home, you should apply for homestead as soon as possible. You may apply for homestead at any time during the year. If you move into the home by December 1 of the year and apply by December 15, you may qualify for taxes payable the next year.

## What information might I need to provide?

You are required to provide the Social Security number for:

- all owners who occupy the property
- the spouse of each owner who occupies a property— whether they own the property or not.

Social Security numbers and other proofs are private data, and will only be shared with tax administrators on a business-need-to-know basis.

You may refuse to provide this information, but refusal will disqualify you from receiving homestead classification.

### **How often must I apply?**

If your property has been granted homestead classification, you do not need to reapply. However, the County Assessor may at any time ask you to provide an additional application or other documentation to verify that you continue to meet the requirements for homestead treatment.

### **Can I have more than one homestead?**

No; you may only have one homestead in the state of Minnesota. If you change your primary residence during the year, you may apply for homestead at the new residence.

You must notify the County Assessor that your primary residence has changed, and you will need to complete and sign a new homestead application.

As stated previously, you must own and occupy a property by December 1 and apply by December 15 to qualify for taxes payable in the following year.

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

You must notify the assessor within 30 days if you move, sell your property, or your marital status and/or occupancy of your spouse changes.

If you fail to notify the assessor within 30 days, the property may be assessed a penalty.

### **Can I apply for 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. It is administered by the Department of Revenue's Income Tax division.

For more information on the property tax refund, please visit the Department of Revenue's website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

### **Can my relative apply for homestead?**

Certain relatives can qualify for homestead treatment.

- For residential properties, qualifying relatives include:
  - Parents, grandparents, siblings, children, grandchildren, aunts, uncles, nieces, and nephews of the owner or of the spouse of the owner.
- For agricultural properties, qualifying relatives include:
  - Parents, siblings, children, and grandchildren of the owner or of the spouse of the owner.

Relative homestead applications are made to, and approved by, the County Assessor in the county where the property is located.

Relative homesteads do not qualify for a property tax refund.

### **What if my property is held under a trust?**

Property held under a trust may also qualify for homestead if occupied by a grantor or qualifying relative of the grantor of the trust. For more information contact your County Assessor.

### **What if I have other questions?**

If you have questions or need more information related to homestead qualification, contact your County Assessor's office.