

April 21, 2026

RE: SF 5010– Property Tax Refunds

Chair Rest and Members of the Senate Committee on Taxes,

On behalf of the Association of Minnesota Counties, League of Minnesota Cities, and Minnesota Inter-County Association, we write to show our support for SF 5010 (Hauschild) which would increase the homestead credit. Our associations support providing additional, direct property tax relief through an expansion of the Homestead Credit Refund program.

Local Government Budget Pressures

In 2026 property taxes increased by 6.4% statewide across all jurisdictions, the largest increase since 2008. Cities and counties are facing budget pressures from federal shifts and increasing costs to provide services. Additionally, state aids have not kept pace with inflation, transferring more of local government budgets to the property tax levy.

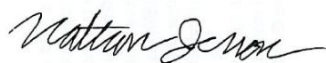
Impact on middle income taxpayers

Many homeowners rely on these refunds to pay for essential needs or bill payments. They make property taxes less regressive and are a critical tool to help lessen the tax burden. While residential property tax burdens after these refunds are still regressive, they are less regressive than sales taxes. According to the 2026 Tax Incidence Study, without these refunds residential property taxes would be even more regressive than sales taxes.

Direct Property Tax Relief

The homestead credit provides property tax relief without causing a shift or tax increases onto other properties. This program is proven direct relief for taxpayers and along with state aids are a critical component of the state-local partnership for funding and providing services.

Sincerely,



Nathan Jesson
Minnesota Inter-County
Association



Beth Johnston
League of Minnesota Cities



Matt Hilgart
Association of Minnesota
Counties