

2010 Renters' Credit Cuts Felt Across Minnesota

The Renters' Credit, formally called the Property Tax Refund or PTR, is a state property tax refund for low- and moderate-income households whose property taxes are high in relation to their income. The Renters' Credit refunds a portion of the property taxes that renters pay through their rents. In 2010, more than 281,000 Minnesota households received the Renters' Credit; 30 percent of those households include seniors or people with disabilities.¹

During the recent recession and slow recovery, the State of Minnesota faced severe revenue shortfalls. In 2009, as part of actions to balance the budget, Governor Pawlenty sought to substantially cut the Renters' Credit through the unallotment process. The 2010 Legislature enacted his plan as part of its final budget.

The cuts applied to Renters' Credit applications filed in 2010 only. Recent data demonstrates the harmful impact of this action across the state. Total Renters' Credit payments in 2010 fell by \$42 million compared to 2009, a drop of 24 percent. The number of households receiving the Renters' Credit fell by 23,050, or eight percent. The average refund dropped by \$103, and the average refund received by households including seniors and/or people with disabilities fell by \$131.²

The table below illustrates the changes to the Renters' Credit to people in each county and for the state as a whole.

Table 1: Renters' Credits Received by County of Residence, 2009 to 2010

| County | Change in Renters' Credits | Change in Number of Participating Households | Change in Average Renters' Credit | |
|------------|----------------------------|--|-----------------------------------|--|
| | | | All Recipients | Seniors and/or Persons With Disabilities |
| Aitkin | -\$69,574 | -18 | -\$117 | -\$139 |
| Anoka | -\$2,231,048 | -1,227 | -\$107 | -\$161 |
| Becker | -\$183,056 | -126 | -\$95 | -\$128 |
| Beltrami | -\$220,404 | -102 | -\$90 | -\$105 |
| Benton | -\$416,576 | -332 | -\$92 | -\$133 |
| Big Stone | -\$16,028 | -6 | -\$68 | -\$73 |
| Blue Earth | -\$588,290 | -474 | -\$96 | -\$133 |
| Brown | -\$138,447 | -114 | -\$74 | -\$115 |
| Carlton | -\$208,111 | -115 | -\$111 | -\$118 |
| Carver | -\$471,503 | -248 | -\$107 | -\$128 |
| Cass | -\$81,466 | -3 | -\$100 | -\$104 |
| Chippewa | -\$80,672 | -60 | -\$98 | -\$102 |
| Chisago | -\$254,833 | -176 | -\$95 | -\$127 |
| Clay | -\$355,386 | -179 | -\$89 | -\$113 |
| Clearwater | -\$30,969 | -31 | -\$71 | -\$77 |
| Cook | -\$25,932 | -28 | -\$85 | -\$70 |
| Cottonwood | -\$6,928 | 34 | -\$47 | -\$22 |
| Crow Wing | -\$410,665 | -168 | -\$104 | -\$103 |
| Dakota | -\$3,030,242 | -1,603 | -\$107 | -\$152 |

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|-------------------|----------------------------|--|-----------------------------------|--|
| | | | All Recipients | Seniors and/or Persons With Disabilities |
| Dodge | -\$70,000 | -62 | -\$69 | -\$80 |
| Douglas | -\$223,222 | -163 | -\$77 | -\$84 |
| Faribault | -\$64,931 | -46 | -\$97 | -\$102 |
| Fillmore | -\$75,851 | -44 | -\$86 | -\$103 |
| Freeborn | -\$215,465 | -126 | -\$93 | -\$118 |
| Goodhue | -\$272,028 | -55 | -\$111 | -\$117 |
| Grant | -\$31,274 | -29 | -\$87 | -\$158 |
| Hennepin | -\$12,790,979 | -6,750 | -\$105 | -\$137 |
| Houston | -\$55,996 | -16 | -\$87 | -\$102 |
| Hubbard | -\$101,233 | -59 | -\$103 | -\$118 |
| Isanti | -\$222,959 | -92 | -\$124 | -\$126 |
| Itasca | -\$253,892 | -147 | -\$101 | -\$124 |
| Jackson | -\$26,550 | -41 | -\$39 | -\$33 |
| Kanabec | -\$71,524 | -17 | -\$104 | -\$156 |
| Kandiyohi | -\$304,022 | -119 | -\$102 | -\$99 |
| Kittson | -\$18,841 | -28 | -\$69 | -\$103 |
| Koochiching | -\$65,983 | -65 | -\$72 | -\$118 |
| Lac Qui Parle | -\$33,543 | -39 | -\$90 | -\$76 |
| Lake | -\$70,793 | -45 | -\$120 | -\$164 |
| Lake Of The Woods | -\$12,378 | 0 | -\$108 | -\$121 |
| Le Sueur | -\$136,248 | -93 | -\$101 | -\$128 |
| Lincoln | -\$10,695 | 4 | -\$92 | -\$70 |
| Lyon | -\$209,078 | -137 | -\$98 | -\$133 |
| McLeod | -\$236,243 | -125 | -\$97 | -\$121 |
| Mahnomen | -\$21,396 | -25 | -\$95 | -\$207 |
| Marshall | -\$33,059 | -37 | -\$86 | -\$141 |
| Martin | -\$103,599 | -38 | -\$85 | -\$124 |
| Meeker | -\$111,981 | -52 | -\$105 | -\$129 |
| Mille Lacs | -\$134,643 | -99 | -\$77 | -\$78 |
| Morrison | -\$172,420 | -59 | -\$95 | -\$102 |
| Mower | -\$250,788 | -66 | -\$107 | -\$138 |
| Murray | -\$23,281 | -38 | -\$45 | -\$71 |
| Nicollet | -\$248,970 | -150 | -\$105 | -\$131 |
| Nobles | -\$105,877 | -59 | -\$93 | -\$77 |
| Norman | -\$26,756 | -7 | -\$112 | -\$134 |
| Olmsted | -\$928,556 | -463 | -\$92 | -\$107 |
| Otter Tail | -\$326,607 | -205 | -\$99 | -\$125 |
| Pennington | -\$75,929 | -59 | -\$74 | -\$96 |
| Pine | -\$160,679 | -79 | -\$119 | -\$139 |
| Pipestone | -\$38,879 | -25 | -\$103 | -\$152 |
| Polk | -\$135,553 | -85 | -\$72 | -\$76 |
| Pope | -\$77,015 | -59 | -\$111 | -\$139 |
| Ramsey | -\$6,300,702 | -3,068 | -\$110 | -\$143 |

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| | | | All Recipients | Seniors and/or Persons With Disabilities |
| Red Lake | -\$18,427 | -13 | -\$99 | -\$107 |
| Redwood | -\$92,558 | -43 | -\$119 | -\$139 |
| Renville | -\$68,252 | -72 | -\$71 | -\$87 |
| Rice | -\$355,572 | -199 | -\$94 | -\$144 |
| Rock | -\$66,361 | -49 | -\$134 | -\$204 |
| Roseau | -\$53,881 | -46 | -\$81 | -\$134 |
| St. Louis | -\$1,633,899 | -864 | -\$102 | -\$121 |
| Scott | -\$551,322 | -185 | -\$106 | -\$135 |
| Sherburne | -\$405,344 | -243 | -\$94 | -\$118 |
| Sibley | -\$58,024 | -17 | -\$94 | -\$98 |
| Stearns | -\$1,212,561 | -730 | -\$99 | -\$144 |
| Steele | -\$250,443 | -156 | -\$95 | -\$127 |
| Stevens | -\$34,166 | -19 | -\$75 | -\$107 |
| Swift | -\$59,552 | -34 | -\$113 | -\$125 |
| Todd | -\$93,608 | -89 | -\$73 | -\$92 |
| Traverse | -\$16,005 | -12 | -\$102 | -\$133 |
| Wabasha | -\$66,614 | -48 | -\$62 | -\$74 |
| Wadena | -\$63,228 | -1 | -\$88 | -\$115 |
| Waseca | -\$154,028 | -96 | -\$121 | -\$153 |
| Washington | -\$1,401,091 | -622 | -\$123 | -\$161 |
| Watonwan | -\$56,853 | -70 | -\$78 | -\$101 |
| Wilkin | -\$15,638 | 12 | -\$100 | -\$87 |
| Winona | -\$348,319 | -221 | -\$105 | -\$143 |
| Wright | -\$610,019 | -405 | -\$95 | -\$129 |
| Yellow Medicine | -\$42,689 | -29 | -\$87 | -\$112 |
| Unknown/Other | -\$1,096,978 | -856 | -\$86 | -\$127 |
| State Total | -\$42,495,980 | -23,050 | -\$103 | -\$131 |

¹ Minnesota Budget Project analysis of Minnesota Department of Revenue, Property Tax Refund Division, 2009 Property Tax Refund claims filed in 2010 and 2008 Property Tax Refund claims filed in 2009.

² The starting point for calculating the Renters' Credit is a percentage of the rent paid, which is considered the renter's share of property taxes. In 2010, this percentage was reduced from 19 percent to 15 percent. The differences between 2009 and 2010 data reflect the policy change, as well as changes in the characteristics of those filing for the property tax refund.