

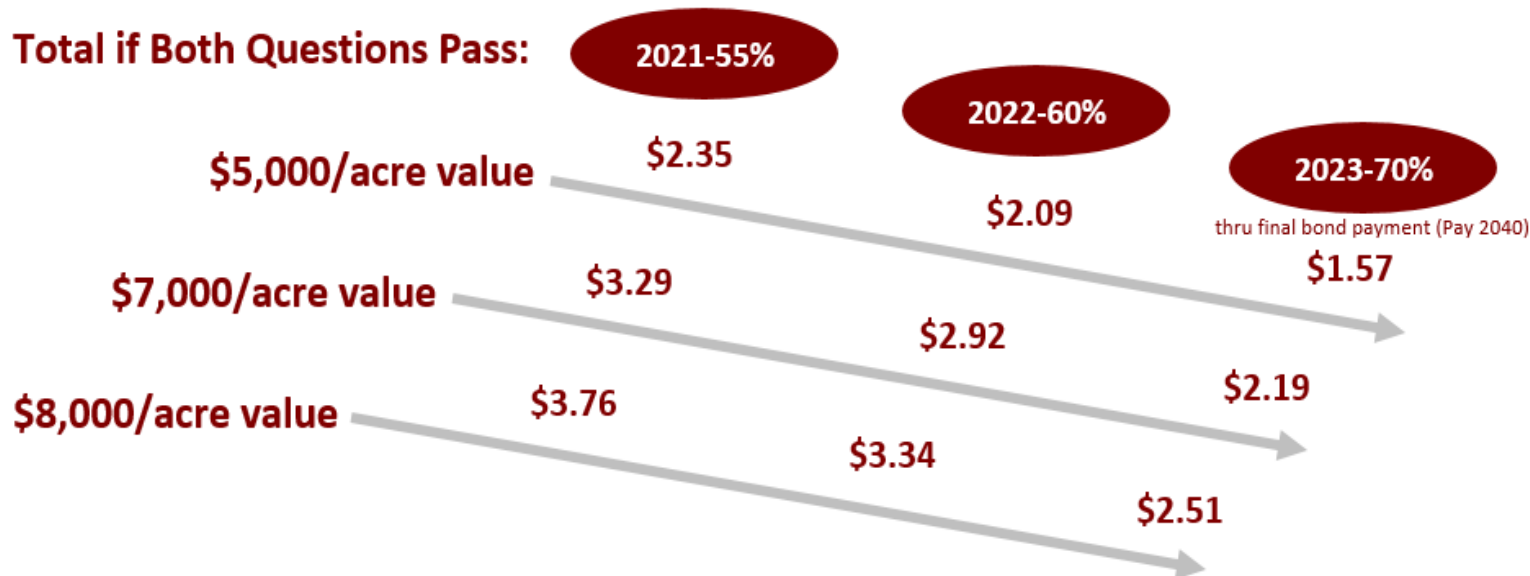
# 2019 Legislature Enhances Ag2School Tax Credit



- The Ag2School program reduces tax impact of school building bond levies for owners of farm land
- Ag2School is a 55% tax credit provided to all agricultural property except the house, garage, and one acre surrounding the agricultural homestead
- The tax credit is scheduled to increase to 60% for taxes payable in 2022, then 70% for taxes payable in 2023, according to state law
- This applies to current and future voter-approved school building bonds

## Annual Property Tax Impact for ISD 85 Farmland (New Building Bonds)

Homestead Agricultural 2a, 2b, 2c Land with value shown per acre



By 2023, the state will pay 51% of the district's bond payments through the Ag2School Tax Credit

# YOUR AG BOND CREDIT is PUBLIC and OBVIOUS

## Truth in Taxation Notice: Upper Right Hand Corner

- Calculated on each parcel statement
- Sum all parcels for total
- Because paid by state, it does not show up on Levy Certification Report

PROPOSED TAXES 2019			
THIS IS NOT A BILL. DO NOT PAY.			
Step  1	VALUES AND CLASSIFICATION		
	<u>Taxes Payable Year</u>	<u>2018</u>	<u>2019</u>
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
Step  2	PROPOSED TAX		
	Property Taxes before credits	\$1,467.52	
	School building bond credit	\$ 12.00	
	Agricultural market value credit		
	Other credits		
	Property Taxes after credits	<u>\$1,479.52</u>	
Step  3	PROPERTY TAX STATEMENT		
	Coming in 2019		
The time to provide feedback on PROPOSED LEVIES is NOW			
It is too late to appeal your value without going to Tax Court.			



# Ag2School Credit is Permanent Law

Fred Nolan, Executive Director

January 9, 2020

MREA

# Permanent Law, existing into Perpetuity

**MS 273.1387**

- The appropriations portion of [Subdivision 5 of the statute](#):
- “An amount sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of education.” [View the statute](#)



MREA

# Permanent Law, existing into Perpetuity

It would take an act of both bodies of the legislature and a signature by the Governor to amend or repeal the program.



MREA

# House Tax Chair Marquart on Ag2School (DFL Dilworth)

“Ag2School creates more equity for kids, farmers and school personnel as they work to educate the next generation of students.

Ag2School is part of the state's forecasted budget base.

It would take an act of the House, Senate and signature by the Governor to diminish or repeal this sound program.

Simply put, Ag2School is here to stay.”



MREA

## Senate Tax Chair Chamberlain on Ag2School (GOP Centennial)

- “Tax credits, such as the Ag2School, **never go away** once they are started.
- **It will not happen.**
- Minnesota needs a vibrant rural economy to thrive as a state.”



**MREA**

# **Want to learn more about Ag2School?**

Go to:

<http://www.mreavoice.org/new-maps-show-impact-of-ag2school-tax-credit/>



# Questions?

Thank you for your attention  
to the needs of Springfield's  
children.

# Stay Connected



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# THANK YOU

## 231

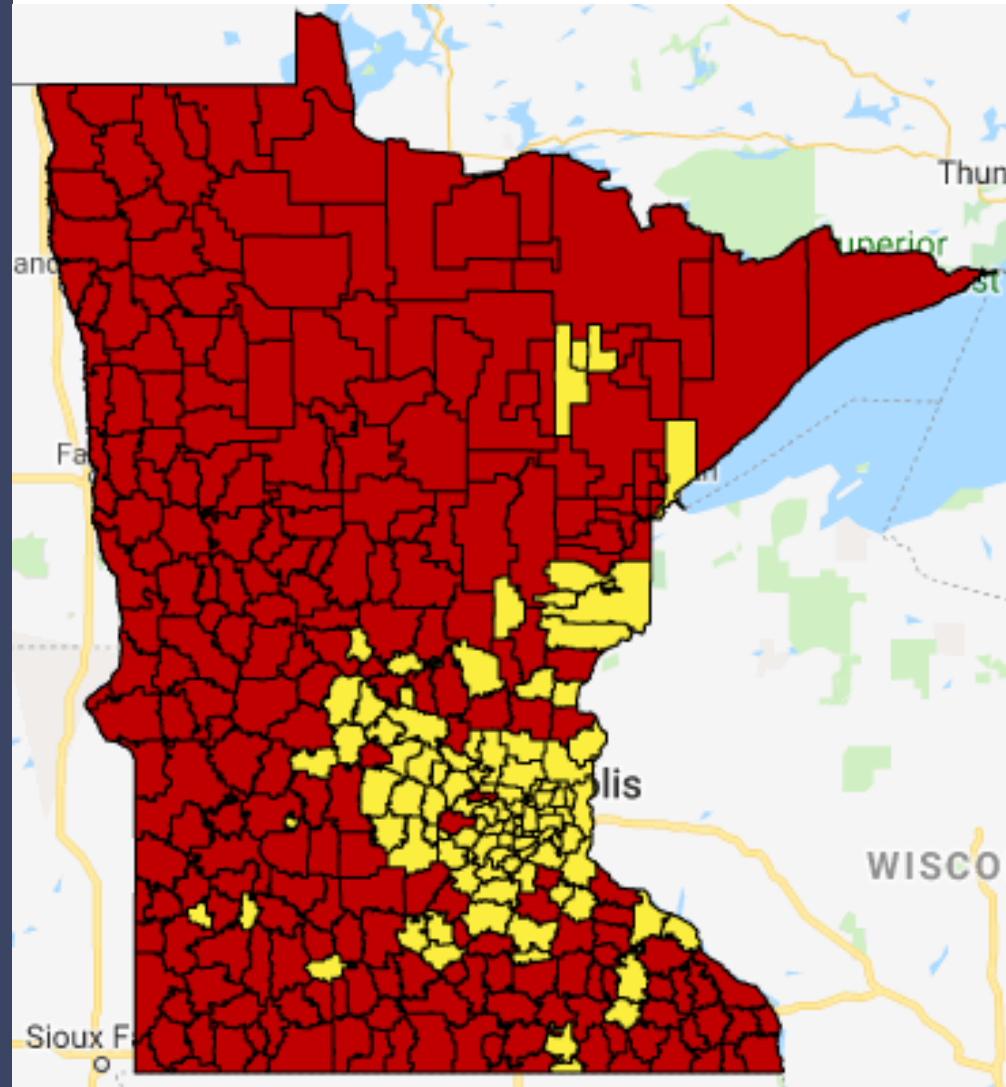
member districts

## 30

cooperatives

## 57

associate members



A large group of smiling children of various ethnicities and ages, with the acronym MREA overlaid in the center. The children are looking towards the camera and smiling broadly. The text "MREA" is in a bold, red, sans-serif font. The letter "M" contains a white silhouette of the state of Michigan.

**MREA**