

# PREPARE + PROSPER

WORKING TOWARD A BRIGHTER FINANCIAL FUTURE

May 2, 2022

Minnesota Property Tax Subcommittee  
attn: Senator Bill Weber, Chair  
2109 Minnesota Senate Building  
Saint Paul, MN 55155

Dear Senator Weber and Committee:

On behalf of Prepare + Prosper, I am writing to suggest and implore inclusion of a provision into the Senate omnibus tax bill that is a priority in House version of the bill, regarding the simplification and expansion of the Minnesota Property Tax Refund, otherwise known as the Renter's Credit.

Prepare + Prosper is Minnesota's largest volunteer income tax assistance program and has been in existence for over 50 years. We have had the honor of working with thousands of low-to-moderate income taxpayers and hundreds of volunteers each year. It is core to our mission to assist Minnesota taxpayers with filing an accurate return and claiming all the tax benefits and credits they are eligible for. We write to you, the Senate Property Tax Subcommittee, today to express our great support for the simplification of and expansion to renter's credit in the House bill, and we encourage you to adopt this into Senate File 3692.

The proposed changes streamline claiming the renter's credit and would be beneficial to the taxpayers Prepare + Prosper supports, primarily low- and moderate-income Minnesotans, including many seniors. We are extremely supportive of the change in definition of household income to more closely align with a tax filer's Adjusted Gross Income (AGI). The consistency of using AGI will decrease confusion about how the credit is calculated, increase accuracy of return preparation, and minimize return follow-up required by the Department of Revenue. Adding the credit to the income tax return will deliver the refund to renters earlier in the year with a more predictable timeline than the summer distribution of the current refund.

Shifting the renter's credit to the income tax return also removes administrative barriers that filers face when preparing their own return with the renter's credit. Many tax software vendors require renters to print and mail Form M1PR. This extra step can cause taxpayers to miss out on the credit because they did not know the form needed to be mailed or cause taxpayers without easy access to printing to opt out of claiming the credit.

I think we can all agree on a shared goal of making a tax system that works better for all Minnesotans. With the continued rising cost of housing, and with renters living throughout every district in the state, I hope this request for tax simplification can be viewed as a nonpartisan issue to help streamline the process on the distribution of property tax liability, especially for our Minnesota seniors.

Thank you for your time and consideration on this matter.

Sincerely,



Suyapa Miranda  
Executive Director