

What is the renter's credit?

The renter's credit is a refundable income tax credit that provides tax relief to renters whose rent and "implicit property taxes" are high relative to their incomes. Prior to 2025, the credit was administered separate from the income tax system, together with the homestead credit property tax refund. Beginning with refunds paid in 2025 (tax year 2024), taxpayers will file and claim the credit as part of their income tax returns.

How are renter's property taxes calculated?

"Rent constituting property taxes" is assumed to equal 17 percent of rent paid. If rent constituting property taxes exceeds a threshold percentage of income, the credit equals a percentage of the tax over the threshold, up to a maximum amount. As income increases:

- the threshold percentage increases,
- the share of tax over the threshold that the taxpayer must pay increases, and
- the maximum refund decreases.

Beginning with credits paid in 2025, the program will use adjusted gross income to determine eligibility, with deductions allowed for dependents and for claimants who are over age 65 or disabled.

Property owners or managing agents are required to provide renters with a Certificate of Rent Paid (CRP) by February 1 of each year. The CRP provides a record of the rent paid in the previous year.

What are the maximums?

For tax year 2024 credit claims paid in 2025 (based on rent paid in 2024), the maximum refund is \$2,640. Renters whose income exceeds \$75,389 are not eligible for refunds.

How are claims filed?

Beginning with refunds payable in 2025 for tax year 2024, taxpayers will file and claim the credit as part of their income tax returns. The Minnesota Department of Revenue (DOR) will pay taxpayers refunds at the same time as any income tax refunds owed to a taxpayer.

How many renters receive refunds, and what is the total amount paid?

295,520 renters received refunds in 2022 (based on rent paid in 2021 and 2021 incomes). The average refund was \$731, and the total dollar amount of refunds paid statewide was \$216.1 million.

When was the program last changed?

The 2023 tax policy and finance bill ([Laws 2023, chapter 64](#)) significantly restructured the program's administration. That law converted the credit from a stand-alone refund program to a refundable income tax credit and also changed the income measure used to calculate the credit. Under prior law, the income measure used to calculate the credit was "household income," which included most nontaxable income.

How do refunds vary depending on income and property taxes?

The following table shows the credit amount for four example families (married couples without dependents). Although the threshold percentage, copayment rates, and maximum credit amounts are the same statewide, the estimated median rent (based on 2022 Census Bureau ACS 1-year estimates for 1 bedroom) is higher in the metro area than in Greater Minnesota. Taxpayers who are over age 65, disabled, or have dependents are allowed a subtraction from income in determining the refund.

Married couple, both under age 65, no dependents Example credit for claims filed in 2025, based on rent paid in 2024 and 2024 household income

		Metro Area		Greater Minnesota	
		Taxpayer #1	Taxpayer #2	Taxpayer #3	Taxpayer #4
1	Monthly rent, one bedroom apartment	\$1,050	\$1,050	\$625	\$625
2	Annual rent (1 x 12 = 2)	\$12,600	\$12,600	\$7,500	\$7,500
3	Rent constituting property tax (2 x 17% = 3)	\$2,142	\$2,142	\$1,275	\$1,275
4	Gross income	\$20,000	\$40,000	\$20,000	\$40,000
5	Deduction for dependents	0	0	0	0
6	Household income (4 - 5 = 6)	\$20,000	\$40,000	\$20,000	\$40,000
7	Statutory threshold percentage	1.4%	2.0%	1.4%	2.0%
8	Threshold % x income (7 x 6 = 8)	\$280	\$800	\$280	\$800
9	Property tax over threshold (3 - 8 = 9)	\$1,862	\$1,342	\$995	\$475
10	Copay percentage	15%	30%	15%	30%
11	Taxpayer copay amount (9 x 10 = 11)	\$279	\$403	\$149	\$143
12	Remaining tax over threshold (9 - 11 = 12)	\$1,583	\$939	\$846	\$333
13	Maximum refund allowed	\$2,370	\$2,180	\$2,370	\$2,180
14	Net property tax refund	\$1,583	\$939	\$846	\$333

Claimants can check the status of their refund [online \(https://www.revenue.state.mn.us/wheres-my-refund\)](https://www.revenue.state.mn.us/wheres-my-refund) or by calling DOR at 651-296-4444.



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