

Existing Authority

Local government authority

County authority to abate property tax

Under Minn. Stat. § 375.192, the county board has the existing authority to reduce or abate property tax, including interest and penalty, if the board deems it “just and equitable” for taxes payable in the current year. The statute does not provide further direction as to what constitutes “just and equitable,” however, there are no restrictions on the reasons for granting an abatement or reduction.

This authority extends to local taxes as well as the state general tax. Property owners must apply for the abatement. The county must notify the school board and municipality of any abatement that exceeds \$10,000. Abatements and reductions of taxes payable in the current year can be granted for nearly any reason.

The county board may also grant an abatement or reduction of taxes payable in the prior two years, of special assessments, and for economic development abatements, however the discretion of the county is limited by other restrictions.

County authority to abate late payment penalties

Under Minn. Stat. § 279.01, subd. 2, the county has the existing authority to abate penalties imposed on late payment of property taxes. This authority is discretionary, as the county board may abate penalties if imposing the penalty would be “unjust and unreasonable.” Again, statute does not provide further direction as to what constitutes an “unjust and unreasonable” reason. That determination is up to the county board and likely will vary from county to county across the state. The only instance in which the county must abate a penalty is if the payment is mailed and is postmarked within one day of the due date, and if the taxpayer has not already received an abatement for that reason.

In 2020, for most property, first-half property tax payments are due on May 15 and second-half payments are due on October 15. Penalties and interest begin to accrue on May 16 and October 16.

County authority to delay tax payments

There is no statutory authority for the counties to delay the payment deadlines.

State authority

State-level authority to abate property tax and late payment penalties

Under Minn. Stat. § 270C.86, the commissioner of revenue has the authority to grant reductions and abatements of net tax capacities, property taxes, or special assessments, as well as any costs, penalties, or interest in situations where an abatement or reduction is “just and equitable.” This authority is rarely used since abatements can be handled at the local level by counties. Because of this, the Department of Revenue generally considers this to be the authority to grant abatements outside of the three year window in which counties can provide abatements. Additionally, the county board must approve the abatement or reduction before the commissioner grants the abatement or reduction.

State-level authority to delay tax payments

There is no statutory authority for the commissioner of revenue to delay the payment deadlines.