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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 1508

March 9, 2009

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; mortgage tax; exempting certain residential mortgages for
1.3 first-time homebuyers from the mortgage tax; amending Minnesota Statutes
1.4 2008, section 287.04.

1.5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

1.6 Section 1. Minnesota Statutes 2008, section 287.04, is amended to read:

1.7 **287.04 EXEMPTIONS.**

1.8 The tax imposed by section 287.035 does not apply to:

1.9 (a) A decree of marriage dissolution or an instrument made pursuant to it.

1.10 (b) A mortgage given to correct a misdescription of the mortgaged property.

1.11 (c) A mortgage or other instrument that adds additional security for the same debt
1.12 for which mortgage registry tax has been paid.

1.13 (d) A contract for the conveyance of any interest in real property, including a
1.14 contract for deed.

1.15 (e) A mortgage secured by real property subject to the minerals production tax of
1.16 sections 298.24 to 298.28.

1.17 (f) The principal amount of a mortgage loan made under a low and moderate
1.18 income or other affordable housing program, if the mortgagee is a federal, state, or local
1.19 government agency.

1.20 (g) Mortgages granted by fraternal benefit societies subject to section 64B.24.

1.21 (h) A mortgage amendment or extension, as defined in section 287.01.

1.22 (i) An agricultural mortgage if the proceeds of the loan secured by the mortgage are
1.23 used to acquire or improve real property classified under section 273.13, subdivision 23,
1.24 paragraph (a), or (b), clause (1), (2), or (3).

2.1 (j) A mortgage on an armory building as set forth in section 193.147.

2.2 (k) The first \$400,000 of a mortgage granted by an individual, or by the individual
2.3 and the individual's spouse, on real property constituting their principal residence,
2.4 provided that neither the individual nor the spouse had any ownership interest in real
2.5 property constituting the principal residence of either of them during the three-year period
2.6 ending on the date of purchase of the property.

2.7 **EFFECTIVE DATE.** This section is effective for purchases made on or after July
2.8 1, 2009.