

Changes to Minnesota Deed Tax

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Minnesota imposes a tax on each instrument that conveys an interest in Minnesota real estate. Currently, if the consideration for the conveyance, minus the amount of liens that continue after the conveyance, exceeds \$500, the tax is \$.0033 (\$.0034 for Hennepin and Ramsey counties) of that net consideration. If the net consideration is \$500 or less, a minimum tax of \$1.65 (\$1.70 in Hennepin and Ramsey counties) is imposed.

This year the Legislature increased the threshold for minimum state deed tax to net consideration of \$3,000 or less, effective for deeds presented for recording after December 31, 2019. This also means that an electronic Certificate of Real Estate Value (eCRV) will be required for deeds recorded after December 31, 2019, only if the net consideration exceeds \$3,000.

This change should facilitate some very small real estate transactions. However, it is still prudent to consult with legal counsel before recording a deed or other real estate conveyance instrument.

Practice Areas

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