

Penalty for False Homestead Application

Overview

A property owner who obtains or attempts to obtain homestead classification for a property other than his or her primary place of residence or the primary place of residence of his or her relative is under state law subject to a fine of up to \$3,000 and/or up to a year of imprisonment (MS609.41)

In addition, the property owner will be required to pay all tax, which is due on the property based on its current property class plus a penalty equal to the difference between the tax base on the homestead classification and that based on the property's correct class.

Retroactive changes

The Minnesota Department of Revenue believes that it is inappropriate for a taxpayer to retroactively attempt to change their homestead status. A homestead application is a legal document. By completing one, and thereby securing the corresponding tax benefit, the taxpayer is certifying they are residents of Minnesota, the property they are claiming as their homestead is their primary place of residence, and they have a enough ownership interest to entitle them to the homestead classification.

A homestead application cannot be rescinded or undone by the applicant once application has been made.