

# TIF Division Newsletter



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Tax Increment Financing  
Division

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## Correction of TIF Errors

The TIF Act allows a county auditor to correct errors or mistakes that result in improper decertification of a district, failure to certify a district, incorrect certification of a district, or failure to correctly compute the amount of increment.

After notifying the authority and municipality in writing at least 30 days before taking any action, the county auditor may correct an error by taking one or more of the following actions:

1. Certify the original tax capacity of affected parcels at the appropriate value for a later taxes-payable year and extend the duration of the district, in whole or in part, to compensate;
2. Recertify the affected parcels and extend duration of the district, in whole or in part, to compensate;
3. Recertify or correct the original tax capacity rate for the district;
4. Adjust the tax rates of one or more of the taxing districts imposing taxes in the TIF districts for one or more years to recoup amounts advanced by the county or other entity to the authority to replace the reduced increments; or
5. Take other appropriate action so that the amount of increment compensates for or offsets the error or mistake and correctly reflects application of the law.

Please note that these corrective processes only apply to situations arising from errors or mistakes, not changes in circumstances or decisions. County Auditors must notify the Commissioner of Revenue and the State Auditor of any corrections made. Documentation may be sent to our office by mail, fax or email.

For more information regarding correction of TIF errors, please see our Statement of Position entitled [Correction of TIF Errors](#).

**TIF Videos**

TIF Videos are available on the State Auditor's website

**Education Series**

[Introduction to TIF](#)

[The History of TIF and Why It Matters](#)

[TIF District Types](#)

[TIF Pooling](#)

[Excess Increments vs. Excess Taxes](#)

**Instruction Series**

[Completing the Pooled Debt Form](#)

[Completing the TIF Annual Reporting Form](#)

[Completing the TIF Plan Collection Form for New Districts](#)

[Completing the TIF Plan Collection Form for Modified Districts](#)

**Excess Increment Deadline Reminder**

September 30th is the annual deadline for the proper expenditure or return of excess tax increment. Excess increments, in general terms, are tax increments that exceed the amount necessary to pay the costs authorized by the TIF plan.

An authority may only use the excess increment to:

- Prepay any outstanding bonds;
- Discharge the pledge of tax increment for any outstanding bonds;
- Pay into an escrow account dedicated to the payment of any outstanding bonds; or
- Return the excess amount to the county auditor.

The TIF Act requires development authorities to annually determine the amount of excess tax increment for districts. The Excess Increment Calculation (EIC) Tab of the TIF Annual Reporting Form is used to determine and report the existence of excess increment. The determination must be based on the TIF plan in effect for the district on December 31 of the previous year and on the increments and other revenues received by the district that year.

The county auditor must redistribute the excess amount to the city or town, county, and school district in which the TIF district is located in direct proportion to their respective local tax rates.

For more information, please refer to our Statement of Position [Redistribution of Tax Increment](#).

**TIF Division Staff**

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