

RESOLUTION

Council of Graduate Students – University of Minnesota

Date: March 21, 2006

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Topic: Opposing the Inclusion of Tuition Waivers as Income in Determining Minnesota State Property Tax Refunds

Whereas residents in the state of Minnesota can be eligible for a partial refund of their paid property tax based upon income eligibility;

Whereas many University of Minnesota graduate students have come to count on this property tax refund to augment their other funding sources;

Whereas the Minnesota Department of Revenue has recently clarified and published its definition of “income” for the purposes of determining eligibility for and the amount of property tax refund allowed to Minnesota residents;

Whereas the State’s newly published income guidelines include “nontaxable scholarships, fellowships, grants for education and qualified tuition reduction, including those from foreign sources”;

Whereas other types of qualified nontaxable income include workers’ compensation benefits, nontaxable mutual fund dividends, veterans’ benefits and employee contributions to 401(k) plans;

Whereas tuition waivers (“qualified tuition reduction”) dramatically differ from other types of qualified nontaxable income (cited in the previous clause) in that tuition waivers cannot be translated into cash for graduate students that could be applied to living expenses;

Whereas the Minnesota Department of Revenue is mandating declaration of all tuition waivers for determining eligibility for future property tax refunds as well as auditing past returns and requiring repayment to the state of refunds issued without consideration of tuition waivers as income;

Whereas many graduate students have been contacted by the Minnesota Department of Revenue and required to compensate the State for refunds determined to be in excess that often amount to several hundred dollars;

Whereas a number of international (non-citizen) students have reported to COGS that they have been contacted by the State regarding their property tax refunds;

Whereas State Senator Scott Dibble and House Representative Margaret Kelliher have introduced bills in the Senate (SF 2896) and House (HF 3227) that will “exclud[e] nontaxable

scholarships, fellowship grants and tuition discounts provided by postsecondary educational institutions from the definition of income for property tax refund purposes”;

BE IT RESOLVED that the representatives of COGS strongly oppose the consideration of tuition waivers as income for the purposes of determining eligibility for and the amount of property tax refunds allowed to Minnesota residents, and;

BE IT FURTHER RESOLVED that COGS is opposed to targeting any individual based on race, gender, or residency status in the State’s process of auditing previous years’ property tax refund applications, and;

BE IT FURTHER RESOLVED that COGS calls upon the University of Minnesota Board of Regents and administration – particularly the Office of University Relations – to work aggressively in support of our position on this issue, and;

BE IT FURTHER RESOLVED that COGS endorses SF 2896 and HF 3227 and thanks Senator Dibble and Representative Kelliher for their support of graduate students on this issue.