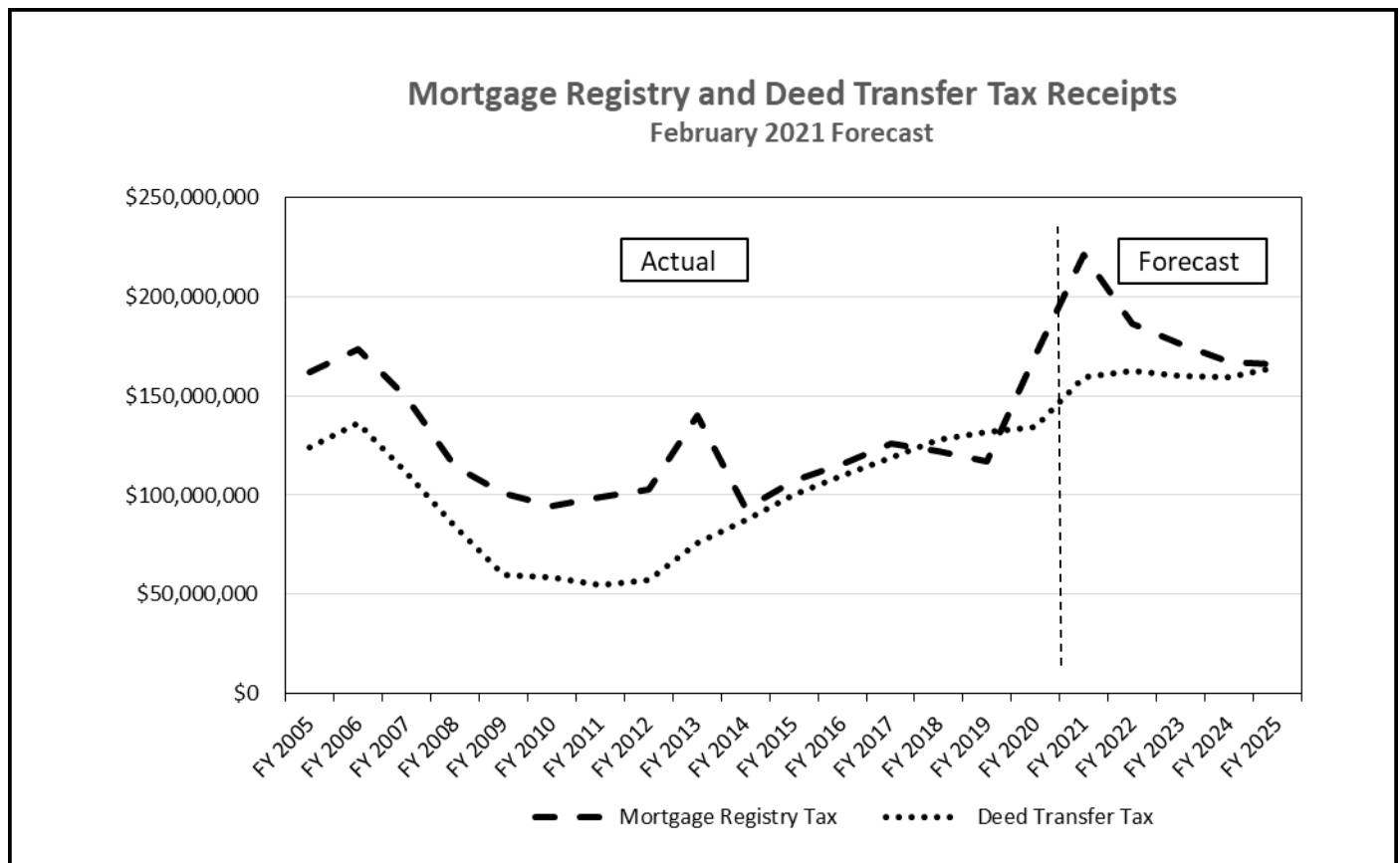




ISSUE BRIEF

Spike in Mortgage Registry Revenues Expected to be Short-lived

March 2021



Record revenues of \$221 million FY 2021 will be collected through Minnesota's mortgage registry tax. Historically low interest rates during the coronavirus pandemic accelerated demand for mortgages and mortgage refinancings, and thus their related tax receipts. For FYs 2022-2025, these revenues are expected to recede but remain strong, significantly above pre-pandemic levels. Deed transfer tax revenues also jump in FY 2021, but then plateau during the remaining forecast period.

Ninety-seven percent of revenues generated by the mortgage registry tax (equal to 0.23 percent of the principal debt secured by a mortgage on real property in Minnesota) and by the deed

transfer tax (usually equal to .033 percent of net consideration) are deposited into the State General Fund. The remaining three percent of revenues are retained by counties for local administration.

State Mortgage Registry and Deed Transfer Tax Collections

FYs 2005 - 2025

As of February 2021 Forecast

		Mortgage		Deed	
	FY	Registry Tax	% Chg	Transfer Tax	% Chg
Actual	FY 2005	162,224,139		124,195,511	
	FY 2006	173,598,130	7.0%	136,380,743	9.8%
	FY 2007	149,148,223	-14.1%	111,516,940	-18.2%
	FY 2008	114,388,000	-23.3%	84,314,298	-24.4%
	FY 2009	101,154,000	-11.6%	59,701,000	-29.2%
	FY 2010	94,616,000	-6.5%	58,477,000	-2.1%
	FY 2011	98,877,000	4.5%	54,539,000	-6.7%
	FY 2012	103,037,000	4.2%	57,400,000	5.2%
	FY 2013	139,928,000	35.8%	75,587,000	31.7%
	FY 2014	93,404,000	-33.2%	87,161,000	15.3%
	FY 2015	107,373,000	15.0%	99,981,000	14.7%
	FY 2016	\$115,750,000	7.8%	\$110,252,000	10.3%
	FY 2017	\$126,258,000	9.1%	\$118,757,000	7.7%
	FY 2018	\$122,050,000	-3.3%	\$128,108,000	7.9%
	FY 2019	\$117,078,000	-4.1%	\$131,808,000	2.9%
Feb 2021 Forecast	FY 2020	\$170,364,000	45.5%	\$134,582,000	2.1%
	FY 2021	\$220,960,000	29.7%	\$159,363,000	18.4%
	FY 2022	\$186,122,000	-15.8%	\$162,543,000	2.0%
	FY 2023	\$176,407,000	-5.2%	\$160,024,000	-1.5%
	FY 2024	\$167,060,000	-5.3%	\$159,570,000	-0.3%
	FY 2025	\$165,652,000	-0.8%	\$164,416,000	3.0%