

Major State Aids and Taxes: An Overview of the 2007 Update

This provides a brief overview of the report *Major State Aids and Taxes: A Comparative Analysis, 2007 Update*, which highlights major aids provided to the local governments and people in Minnesota and lists the major taxes collected. The per capita amounts were calculated using 2007 population. Some aids are presented on a different basis in other settings (e.g., per pupil for education aid); however, in the report they are presented on a per capita basis to allow comparison of different aids.

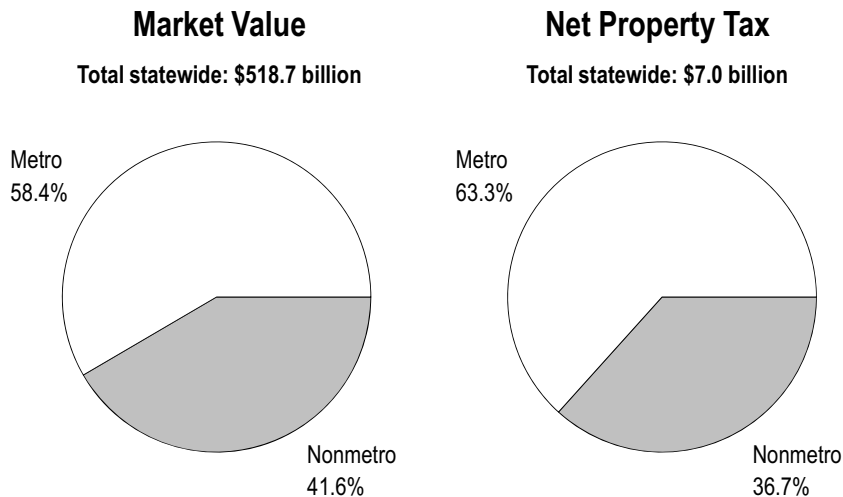
STATE AIDS

Program	Year	Amount (millions)	Per Capita
Education aid <i>Aid paid to school districts for all K-12 educational expenses</i>	2006/2007 (school year)	\$6,433.2 State \$3,525.7 Metro \$2,907.5 Nonmetro	\$1,222 State \$1,238 Metro \$1,204 Nonmetro
Human services aid <i>State's share of human services aid for various income and medical assistance programs</i>	2007	\$3,885.2 State \$2,092.9 Metro \$1,792.3 Nonmetro	\$738 State \$735 Metro \$742 Nonmetro
Highway aid <i>Distributed to counties, cities, and towns for highway purposes</i>	2007	\$519.7 State \$147.1 Metro \$372.6 Nonmetro	\$99 State \$52 Metro \$154 Nonmetro
Local government aid <i>Provides property tax relief by providing general purpose financial support to cities</i>	2007	\$484.6 State \$167.1 Metro \$317.5 Nonmetro	\$92 State \$59 Metro \$131 Nonmetro
Disparity reduction aid <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>	2007	\$18.3 State \$1.4 Metro \$16.9 Nonmetro	\$3 State – Metro \$7 Nonmetro
County program aid <i>County general purpose aids: includes former homestead and agricultural credit, county criminal justice aid, family preservation aid, and attached machinery aid</i>	2007	\$205.4 State \$87.0 Metro \$118.4 Nonmetro	\$39 State \$31 Metro \$49 Nonmetro
Community corrections funding <i>Aid that provides a portion of counties' costs for community correctional services</i>	2007	\$83.6 State \$42.1 Metro \$41.5 Nonmetro	\$16 State \$15 Metro \$17 Nonmetro
Property tax refund (excludes targeting) <i>Reimburses homeowners and renters for a portion of property taxes if those taxes exceed a household income threshold</i>	2006 (filed in 2007)	\$363.5 State \$250.2 Metro \$113.3 Nonmetro	\$69 State \$88 Metro \$47 Nonmetro
Targeting <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>	2007	\$7.6 State \$5.0 Metro \$2.6 Nonmetro	\$1 State \$2 Metro \$1 Nonmetro

MAJOR TAXES

	Year	Amount (millions)	Per capita
Individual income tax <i>Imposed on income of state residents and income derived from state sources of nonresidents</i>	2006 (filed in 2007)	\$6,638.6 Total \$6,372.4 Residents \$4,296.7 Metro \$2,075.7 Nonmetro	\$1,211 State \$1,508 Metro \$860 Nonmetro
Sales and use tax <i>Imposed on gross receipts of people who sell, lease, or rent tangible personal property at retail at a rate of 6.5 percent (does not include local sales taxes)</i>	2007	\$4,490.5 (After refunds) \$3,753.2 Residents \$2,425.3 Metro \$1,328.0 Nonmetro	\$713 State \$851 Metro \$550 Nonmetro
Motor vehicle sales tax <i>Imposed on new and used motor vehicles at the time of sale at the same rate of state sales tax</i>	2007	\$525.2 State \$272.4 Metro \$252.7 Nonmetro	\$100 State \$96 Metro \$105 Nonmetro
Motor vehicle registration tax <i>Imposed annually on vehicles licensed in the state</i>	2007	\$489.5 State \$262.5 Metro \$227.1 Nonmetro	\$93 State \$92 Metro \$94 Nonmetro
Motor vehicle fuels tax (gas tax) <i>Imposed on gasoline, diesel fuel, and other motor fuels used by vehicles and on aviation fuels</i>	2007	\$644.4 State \$304.1 Metro \$340.3 Nonmetro	\$122 State \$107 Metro \$141 Nonmetro
Corporate franchise (income) tax <i>Imposed at a rate of 9.8 percent on the net income of corporations (or alternative minimum tax)</i>	2006	\$872.4 State \$632.8 Metro \$239.6 Nonmetro	\$166 State \$222 Metro \$99 Nonmetro
State general property tax <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2007	\$691.0 State \$468.3 Metro \$222.7 Nonmetro	\$131 State \$164 Metro \$92 Nonmetro

PROPERTY TAX DATA



For more information: Contact legislative analysts Karen Baker at 651-296-8959 or Nina Manzi at 651-296-5204. See [Major State Aids and Taxes: Comparative Analysis, 2007 Update](#) (December 2009) for further details about each aid program and tax and data by county and economic development region. The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.