

Major State Aids and Taxes: An Overview of the 2008 Update

This provides a brief overview of the report [Major State Aids and Taxes: A Comparative Analysis, 2008 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 2008 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.

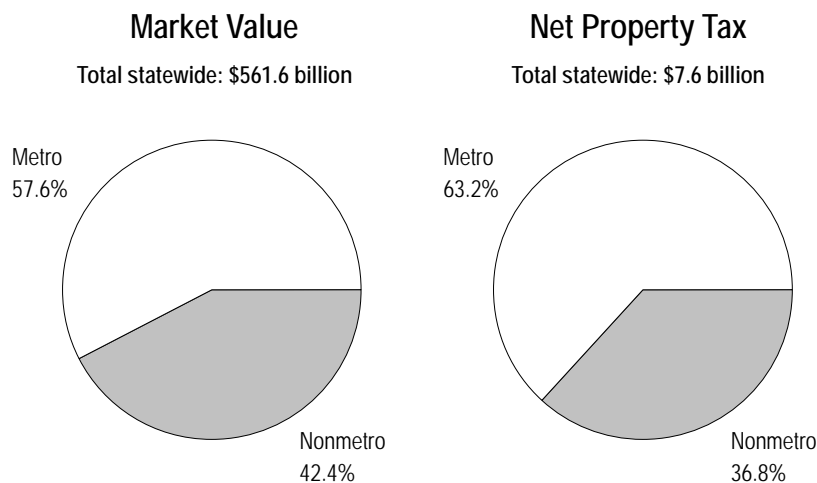
STATE AIDS

Program	Year	Amount (millions)	Per Capita
Education aid <i>Aid paid to school districts for all K-12 educational expenses</i>	2007/2008 (school year)	\$6,732.2 State \$3,706.6 Metro \$3,025.6 Nonmetro	\$1,273 State \$1,291 Metro \$1,251 Nonmetro
Human services aid <i>State's share of human services aid for various income and medical assistance programs</i>	2008	\$4,196.0 State \$2,280.9 Metro \$1,915.1 Nonmetro	\$793 State \$795 Metro \$792 Nonmetro
Highway aid <i>Distributed to counties, cities, and towns for highway purposes</i>	2008	\$531.6 State \$152.0 Metro \$379.6 Nonmetro	\$101 State \$53 Metro \$157 Nonmetro
Local government aid <i>Provides property tax relief by providing general purpose financial support to cities</i>	2008	\$430.6 State \$139.0 Metro \$291.7 Nonmetro	\$81 State \$48 Metro \$121 Nonmetro
Disparity reduction aid <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>	2008	\$18.0 State \$1.4 Metro \$16.7 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>	2008	\$161.0 State \$63.6 Metro \$97.4 Nonmetro	\$30 State \$22 Metro \$40 Nonmetro
Community corrections funding <i>Aid that provides a portion of counties' costs for community correctional services</i>	2008	\$85.9 State \$43.0 Metro \$42.9 Nonmetro	\$16 State \$15 Metro \$18 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>	2007 (filed in 2008)	\$398.6 State \$272.0 Metro \$126.6 Nonmetro	\$75 State \$95 Metro \$52 Nonmetro
Targeting <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>	2008	\$7.4 State \$4.0 Metro \$3.3 Nonmetro	\$1 State \$1 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>	2007 (filed in 2008)	\$7,191.0 Total \$6,918.6 Residents \$4,694.7 Metro \$2,223.9 Nonmetro	\$1,308 State \$1,636 Metro \$920 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>	2008	\$4,430.7 (After refunds) \$3,704.9 Residents \$2,401.5 Metro \$1,303.0 Nonmetro	\$701 State \$837 Metro \$539 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>	2008	\$480.7 State \$250.0 Metro \$230.7 Nonmetro	\$91 State \$87 Metro \$95 Nonmetro
Motor vehicle registration tax <i>Imposed annually on vehicles licensed in the state</i>	2008	\$485.5 State \$261.2 Metro \$224.3 Nonmetro	\$92 State \$91 Metro \$93 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>	2008	\$681.4 State \$322.7 Metro \$358.7 Nonmetro	\$129 State \$112 Metro \$148 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>	2007	\$985.2 State \$712.3 Metro \$272.9 Nonmetro	\$186 State \$248 Metro \$113 Nonmetro
State general property tax <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2008	\$731.6 State \$500.0 Metro \$231.5 Nonmetro	\$138 State \$174 Metro \$96 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, 2008 Update* (December 2010) for further details about each aid program and tax and data by county and economic development region.

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