

## Major State Aids and Taxes: An Overview of the 2012 Update

This provides a brief overview of the report [Major State Aids and Taxes: A Comparative Analysis, 2012 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 2011 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.

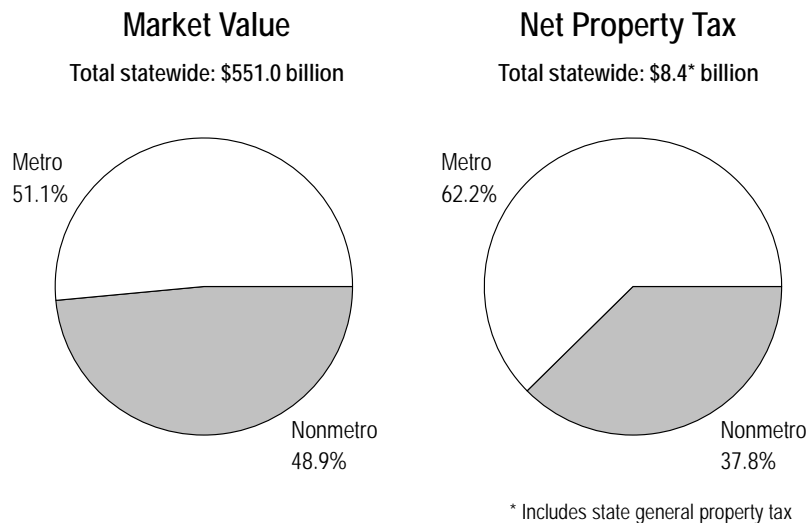
### STATE AIDS

| Program  | Year                       | Amount (millions)   | Per Capita  |
|--|----------------------------|---|---|
| <b>Education aid</b><br><i>Aid paid to school districts for all K-12 educational expenses</i>  | 2011/2012<br>(school year) | <b>\$6,878.0 State</b><br>\$3,855.8 Metro<br>\$3,022.2 Nonmetro | <b>\$1,281 State</b><br>\$1,325 Metro<br>\$1,229 Nonmetro |
| <b>Human services aid</b><br><i>State's share of human services aid for various income and medical assistance programs</i>   | 2012                       | <b>\$4,829.8 State</b><br>\$2,687.3 Metro<br>\$2,142.5 Nonmetro | <b>\$900 State</b><br>\$924 Metro<br>\$871 Nonmetro       |
| <b>Highway aid</b><br><i>Distributed to counties, cities, and towns for highway purposes</i>   | 2012                       | <b>\$690.2 State</b><br>\$217.2 Metro<br>\$472.9 Nonmetro       | <b>\$129 State</b><br>\$75 Metro<br>\$192 Nonmetro        |
| <b>Local government aid</b><br><i>Provides property tax relief by providing general purpose financial support to cities</i>  | 2012                       | <b>\$425.2 State</b><br>\$133.0 Metro<br>\$292.3 Nonmetro       | <b>\$79 State</b><br>\$46 Metro<br>\$119 Nonmetro         |
| <b>Disparity reduction aid</b><br><i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>  | 2012                       | <b>\$18.4 State</b><br>\$1.4 Metro<br>\$17.0 Nonmetro           | <b>\$3 State</b><br>– Metro<br>\$7 Nonmetro               |
| <b>County program aid</b><br><i>County general purpose aids: includes former homestead and agricultural credit, county criminal justice aid, family preservation aid, and attached machinery aid</i> | 2012                       | <b>\$161.1 State</b><br>\$67.0 Metro<br>\$94.1 Nonmetro         | <b>\$30 State</b><br>\$23 Metro<br>\$38 Nonmetro          |
| <b>Community corrections funding</b><br><i>Aid that provides a portion of counties' costs for community correctional services</i>  | 2012                       | <b>\$83.9 State</b><br>\$40.9 Metro<br>\$43.1 Nonmetro          | <b>\$16 State</b><br>\$14 Metro<br>\$18 Nonmetro          |
| <b>Property tax refund (excludes targeting)</b><br><i>Reimburses homeowners and renters for a portion of property taxes if those taxes exceed a household income threshold</i>                       | 2011 (filed in 2012)       | <b>\$470.8 State</b><br>\$323.2 Metro<br>\$147.6 Nonmetro       | <b>\$88 State</b><br>\$111 Metro<br>\$60 Nonmetro         |
| <b>Targeting</b><br><i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>                                 | 2011 (filed in 2012)       | <b>\$3.3 State</b><br>\$0.6 Metro<br>\$2.7 Nonmetro             | <b>\$1 State</b><br>– Metro<br>\$1 Nonmetro               |

## MAJOR TAXES

|  | Year                    | Amount (millions)   | Per capita  |
|--|-------------------------|---|---|
| <b>Individual income tax</b><br><i>Imposed on income of state residents and income derived from state sources of nonresidents</i>  | 2011<br>(filed in 2012) | <b>\$7,431.0 Total</b><br><b>\$7,018.5 Residents</b><br>\$4,659.8 Metro<br>\$2,358.6 Nonmetro           | <b>\$1,307 State</b><br>\$1,602 Metro<br>\$959 Nonmetro |
| <b>Sales and use tax</b><br><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> | 2012                    | <b>\$5,007.9 (After refunds)</b><br><b>\$4,192.3 Residents</b><br>\$2,685.3 Metro<br>\$1,507.0 Nonmetro | <b>\$781 State</b><br>\$923 Metro<br>\$613 Nonmetro     |
| <b>Motor vehicle sales tax</b><br><i>Imposed on new and used motor vehicles at the time of sale at the same rate of state sales tax</i>  | 2012                    | <b>\$578.4 State</b><br>\$302.7 Metro<br>\$275.7 Nonmetro   | <b>\$108 State</b><br>\$104 Metro<br>\$112 Nonmetro     |
| <b>Motor vehicle registration tax</b><br><i>Imposed annually on vehicles licensed in the state</i>   | 2012                    | <b>\$595.5 State</b><br>\$321.7 Metro<br>\$273.8 Nonmetro   | <b>\$111 State</b><br>\$111 Metro<br>\$111 Nonmetro     |
| <b>Motor vehicle fuels tax (gas tax)</b><br><i>Imposed on gasoline, diesel fuel, and other motor fuels used by vehicles and on aviation fuels</i>  | 2012                    | <b>\$852.3 State</b><br>\$402.8 Metro<br>\$449.5 Nonmetro   | <b>\$159 State</b><br>\$138 Metro<br>\$183 Nonmetro     |
| <b>Corporate franchise (income) tax</b><br><i>Imposed at a rate of 9.8 percent on the net income of corporations (or alternative minimum tax)</i>  | 2012                    | <b>\$943.3 State</b><br>\$644.6 Metro<br>\$298.7 Nonmetro   | <b>\$176 State</b><br>\$222 Metro<br>\$121 Nonmetro     |
| <b>State general property tax</b><br><i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>  | 2012                    | <b>\$817.4 State</b><br>\$525.2 Metro<br>\$292.2 Nonmetro   | <b>\$152 State</b><br>\$181 Metro<br>\$119 Nonmetro     |

## PROPERTY TAX DATA, PAYABLE 2012



**For more information:** Contact legislative analyst Nina Manzi at 651-296-5204. [See Major State Aids and Taxes: Comparative Analysis, 2012 Update](#) (April 2016) for further details about each aid program and tax and data by county and economic development region.

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