

Major State Aids and Taxes: An Overview of the 2016 Update

June 2020

The following provides a brief overview of the longer publication [Major State Aids and Taxes: A Comparative Analysis, 2016 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 2016 population.

State Aids

| Program | Year | Amount (millions) | Per Capita |
|--|----------------------|---|---|
| Education aid <i>Aid paid to school districts for all K-12 educational expenses</i> | 2015/2016 | \$8,190.1 State \$4,617.5 Metro \$3,572.6 Nonmetro | \$1,481 State \$1,518 Metro \$1,436 Nonmetro |
| Human services aid <i>State's share of human services aid for various income and medical assistance programs</i> | 2016 | \$6,205.6 State \$3,430.9 Metro \$2,744.7 Nonmetro | \$1,122 State \$1,128 Metro \$1,104 Nonmetro |
| Highway aid <i>Distributed to counties, cities, and towns for highway purposes</i> | 2016 | \$867.6 State \$315.3 Metro \$552.3 Nonmetro | \$157 State \$104 Metro \$222 Nonmetro |
| Local government aid <i>Provides property tax relief by providing general purpose financial support to cities</i> | 2016 | \$519.4 State \$178.8 Metro \$340.6 Nonmetro | \$94 State \$59 Metro \$137 Nonmetro |
| Disparity reduction aid <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i> | 2016 | \$18.1 State \$1.4 Metro \$16.7 Nonmetro | \$3 State -- Metro \$7 Nonmetro |
| County program aid <i>Includes former homestead and agricultural credit, county criminal justice aid, family preservation aid, and attached machinery aid</i> | 2015/2016 | \$208.6 State \$99.0 Metro \$109.5 Nonmetro | \$38 State \$33 Metro \$44 Nonmetro |
| Community corrections funding <i>Aid that provides a portion of counties' costs for community corrections services</i> | 2016 | \$86.9 State \$43.0 Metro \$43.9 Nonmetro | \$16 State \$14 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> | 2015 (filed in 2016) | \$599.4 State \$412.6 Metro \$186.7 Nonmetro | \$108 State \$136 Metro \$75 Nonmetro |
| Targeting <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i> | 2015 (filed in 2016) | \$6.5 State \$3.8 Metro \$2.7 Nonmetro | \$1 State \$1 Metro \$1 Nonmetro |

Major Taxes

| Program | Year | Amount (millions) | Per Capita |
|--|----------------------|---|---|
| Individual income tax <i>Imposed on income of state residents and income derived from state sources of nonresidents</i> | 2015 (filed in 2016) | \$9,941.2 Total \$9,371.7 Residents \$6,452.6 Metro \$2,919.1 Nonmetro | \$1,695 State \$2,594 Metro \$960 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 tax)</i> | 2016 | \$5,643.0 (After refunds) \$4,679.4 Residents \$3,048.3 Metro \$1,631.1 Nonmetro | \$846 State \$1,226 Metro \$536 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> | 2016 | \$820.4 State \$434.9 Metro \$385.5 Nonmetro | \$148 State \$143 Metro \$155 Nonmetro |
| Motor vehicle registration tax <i>Imposed annually on vehicles licensed in the state</i> | 2016 | \$723.5 State \$385.4 Metro \$319.1 Nonmetro | \$131 State \$105 Metro \$155 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> | 2016 | \$907.4 State \$432.3 Metro \$475.1 Nonmetro | \$164 State \$142 Metro \$191 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> | 2016 | \$1,179.3 State \$848.1 Metro \$322.2 Nonmetro | \$212 State \$279 Metro \$130 Nonmetro |
| State general property tax <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i> | 2016 | \$862.5 State \$541.4 Metro \$321.1 Nonmetro | \$156 State \$178 Metro \$129 Nonmetro |

Property Tax Data, Payable 2016

| | Market Value (millions) | Net Property Tax (millions) |
|------------------------|-------------------------|-----------------------------|
| Metro | \$300,144 (49.1%) | \$5,720 (61.6%) |
| Nonmetro | \$310,891 (50.9%) | \$3,567 (38.4%) |
| Statewide Total | \$611,035 | \$9,287 |

For more information: See [Major State Aids and Taxes: Comparative Analysis, 2016 Update](#) for further details about each aid program and tax and data by county and economic development region.



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