

# Major State Aids and Taxes: An Overview of the 2017 Update

December 2021

The following provides a brief overview of the longer publication *Major State Aids and Taxes: A Comparative Analysis, 2017 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 2017 population.

## State Aids

Program	Year	Amount (millions)	Per Capita
<b>Education aid</b> <i>Aid paid to school districts for all K-12 educational expenses</i>	2016/2017	<b>\$8,516.4 State</b> \$4,786.8 Metro \$3,729.7 Nonmetro	<b>\$1,527 State</b> \$1,556 Metro \$1,491 Nonmetro
<b>Human services aid</b> <i>State's share of human services aid for various income and medical assistance programs</i>	2017	<b>\$6,613.1 State</b> \$3,682.4 Metro \$2,930.6 Nonmetro	<b>\$1,186 State</b> \$1,197 Metro \$1,171 Nonmetro
<b>Highway aid</b> <i>Distributed to counties, cities, and towns for highway purposes</i>	2017	<b>\$825.3 State</b> \$287.1 Metro \$538.2 Nonmetro	<b>\$148 State</b> \$93 Metro \$215 Nonmetro
<b>Local government aid</b> <i>Provides property tax relief by providing general purpose financial support to cities</i>	2017	<b>\$519.4 State</b> \$178.6 Metro \$340.8 Nonmetro	<b>\$93 State</b> \$58 Metro \$136 Nonmetro
<b>Disparity reduction aid</b> <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>	2017	<b>\$18.0 State</b> \$1.4 Metro \$16.7 Nonmetro	<b>\$3 State</b> -- Metro \$7 Nonmetro
<b>County program aid</b> <i>Includes former homestead and agricultural credit, county criminal justice aid, family preservation aid, and attached machinery aid</i>	2016/2017	<b>\$208.5 State</b> \$98.1 Metro \$110.3 Nonmetro	<b>\$37 State</b> \$32 Metro \$44 Nonmetro
<b>Community corrections funding</b> <i>Aid that provides a portion of counties' costs for community corrections services</i>	2017	<b>\$90.1 State</b> \$44.6 Metro \$45.4 Nonmetro	<b>\$16 State</b> \$15 Metro \$18 Nonmetro
<b>Property tax refund</b> (excludes targeting) <i>Reimburses homeowners and renters for a portion of property taxes if those taxes exceed a household income threshold</i>	2016 (filed in 2017)	<b>\$633.9 State</b> \$429.7 Metro \$204.2 Nonmetro	<b>\$114 State</b> \$140 Metro \$81 Nonmetro
<b>Targeting</b> <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>	2016 (filed in 2017)	<b>\$3.1 State</b> \$1.4 Metro \$1.7 Nonmetro	<b>\$1 State</b> \$0 Metro \$1 Nonmetro

## Major Taxes

Program	Year	Amount (millions)	Per Capita
<b>Individual income tax</b> <i>Imposed on income of state residents and income derived from state sources of nonresidents</i>	2016 (filed in 2017)	<b>\$9,966.2 Total</b> <b>\$9,393.2 Residents</b> \$6,460.9 Metro \$2,932.3 Nonmetro	<b>\$1,684 State</b> \$2,101 Metro \$1,172 Nonmetro
<b>Sales and use tax</b> <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>	2017	<b>\$5,872.1</b> (After refunds) <b>\$4,879.4 Residents</b> \$3,179.3 Metro \$1,700.1 Nonmetro	<b>\$875 State</b> \$1,034 Metro \$680 Nonmetro
<b>Motor vehicle sales tax</b> <i>Imposed on new and used motor vehicles at the time of sale at the same rate of state sales tax</i>	2017	<b>\$853.5 State</b> \$456.2 Metro \$397.4 Nonmetro	<b>\$153 State</b> \$148 Metro \$159 Nonmetro
<b>Motor vehicle registration tax</b> <i>Imposed annually on vehicles licensed in the state</i>	2017	<b>\$756.8 State</b> \$418.7 Metro \$338.1 Nonmetro	<b>\$136 State</b> \$136 Metro \$135 Nonmetro
<b>Motor vehicle fuels tax (gas tax)</b> <i>Imposed on gasoline, diesel fuel, and other motor fuels used by vehicles and on aviation fuels</i>	2017	<b>\$919.6 State</b> \$438.9 Metro \$480.7 Nonmetro	<b>\$165 State</b> \$143 Metro \$192 Nonmetro
<b>Corporate franchise (income) tax</b> <i>Imposed at a rate of 9.8 percent on the net income of corporations (or alternative minimum tax)</i>	2017	<b>\$1,160.3 State</b> \$772.6 Metro \$387.7 Nonmetro	<b>\$208 State</b> \$251 Metro \$155 Nonmetro
<b>State general property tax</b> <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2017	<b>\$860.5 State</b> \$540.7 Metro \$319.9 Nonmetro	<b>\$154 State</b> \$176 Metro \$128 Nonmetro

## Property Tax Data, Payable 2017

	Market Value (millions)	Net Property Tax (millions)
Metro	\$317,963 (50.4%)	\$5,903 (61.5%)
Nonmetro	\$313,228 (49.6%)	\$3,691 (38.5%)
<b>Statewide Total</b>	<b>\$631,191</b>	<b>\$9,594</b>

**For more information:** See [Major State Aids and Taxes: Comparative Analysis, 2017 Update](#) for further details about each aid program and tax and data by county and economic development region.



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