

Major State Aids and Taxes: An Overview of the 2018 Update

October 2022

The following provides a brief overview of the longer publication [Major State Aids and Taxes: A Comparative Analysis, 2018 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 2018 population.

State Aids

Program	Year	Amount (millions)	Per Capita
Education aid <i>Aid paid to school districts for all K-12 educational expenses</i>	2017/2018	\$8,834.5 State \$4,974.1 Metro \$3,860.4 Nonmetro	\$1,569 State \$1,598 Metro \$1,534 Nonmetro
Human services aid <i>State's share of human services aid for various income and medical assistance programs</i>	2018	\$7,215.9 State \$4,028.3 Metro \$3,187.6 Nonmetro	\$1,282 State \$1,294 Metro \$1,267 Nonmetro
Highway aid <i>Distributed to counties, cities, and towns for highway purposes</i>	2018	\$951.6 State \$335.7 Metro \$615.9 Nonmetro	\$169 State \$108 Metro \$245 Nonmetro
Local government aid <i>Provides property tax relief by providing general purpose financial support to cities</i>	2018	\$534.4 State \$184.3 Metro \$350.1 Nonmetro	\$95 State \$59 Metro \$139 Nonmetro
Disparity reduction aid <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>	2018	\$18.1 State \$1.4 Metro \$16.8 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>	2018	\$234.1 State \$105.0 Metro \$129.1 Nonmetro	\$42 State \$34 Metro \$51 Nonmetro
Community corrections funding <i>Aid that provides a portion of counties' costs for community corrections services</i>	2018	\$91.6 State \$44.2 Metro \$47.4 Nonmetro	\$16 State \$14 Metro \$19 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>	2017 (filed in 2018)	\$667.2 State \$450.4 Metro \$216.9 Nonmetro	\$119 State \$145 Metro \$86 Nonmetro
Targeting <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>	2017 (filed in 2018)	\$7.4 State \$5.4 Metro \$1.9 Nonmetro	\$1 State \$2 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>	2017 (filed in 2018)	\$10,742.8 Total \$10,108.8 Residents \$7,023.6 Metro \$3,085.2 Nonmetro	\$1,796 State \$2,256 Metro \$1,226 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>	2018	\$6,203.2 (After refunds) \$5,156.9 Residents \$3,383.6 Metro \$1,773.2 Nonmetro	\$916 State \$1,087 Metro \$705 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>	2018	\$903.5 State \$482.6 Metro \$420.9 Nonmetro	\$160 State \$155 Metro \$167 Nonmetro
Motor vehicle registration tax <i>Imposed annually on vehicles licensed in the state</i>	2018	\$791.0 State \$438.4 Metro \$352.7 Nonmetro	\$141 State \$141 Metro \$140 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>	2018	\$933.1 State \$443.1 Metro \$490.0 Nonmetro	\$166 State \$142 Metro \$195 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>	2018	\$1,019.9 State \$687.0 Metro \$332.9 Nonmetro	\$181 State \$221 Metro \$132 Nonmetro
State general property tax <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2018	\$818.1 State \$531.1 Metro \$286.9 Nonmetro	\$145 State \$171 Metro \$114 Nonmetro

Property Tax Data, Payable 2018

	Market Value (millions)	Net Property Tax (millions)
Metro	\$355,138 (51.4%)	\$6,218 (61.6%)
Nonmetro	\$336,084 (48.6%)	\$3,878 (38.4%)
Statewide Total	\$691,222	\$10,096

For more information: See [Major State Aids and Taxes: Comparative Analysis, 2018 Update](#) for further details about each aid program and tax and data by county and economic development region.



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