

# Major State Aids and Taxes: An Overview of the 2019 Update

October 2023

The following provides a brief overview of the longer publication *Major State Aids and Taxes: A Comparative Analysis, 2019 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 2019 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>	2018/2019	<b>\$9,132.4 State</b> \$5,122.3 Metro \$4,010.1 Nonmetro	<b>\$1,608 State</b> \$1,625 Metro \$1,586 Nonmetro
<b>Human services aid</b> <i>State's share of human services aid for various income and medical assistance programs</i>	2019	<b>\$7,075.0 State</b> \$3,972.9 Metro \$3,102.1 Nonmetro	<b>\$1,246 State</b> \$1,260 Metro \$1,227 Nonmetro
<b>Highway aid</b> <i>Distributed to counties, cities, and towns for highway purposes</i>	2019	<b>\$970.7 State</b> \$329.6 Metro \$641.1 Nonmetro	<b>\$121 State</b> \$105 Metro \$254 Nonmetro
<b>Local government aid</b> <i>Provides property tax relief by providing general purpose financial support to cities</i>	2019	<b>\$534.4 State</b> \$184.2 Metro \$350.2 Nonmetro	<b>\$94 State</b> \$58 Metro \$139 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>	2019	<b>\$18.1 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>	2019	<b>\$234.1 State</b> \$105.0 Metro \$129.1 Nonmetro	<b>\$41 State</b> \$33 Metro \$51 Nonmetro
<b>Community corrections funding</b> <i>Aid that provides a portion of counties' costs for community corrections services</i>	2019	<b>\$107.4 State</b> \$44.6 Metro \$62.8 Nonmetro	<b>\$19 State</b> \$14 Metro \$25 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>	2018 (filed in 2019)	<b>\$718.9 State</b> \$483.2 Metro \$235.7 Nonmetro	<b>\$126 State</b> \$153 Metro \$126 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>	2018 (filed in 2019)	<b>\$9.6 State</b> \$5.4 Metro \$4.1 Nonmetro	<b>\$2 State</b> \$2 Metro \$2 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>	2018 (filed in 2019)	<b>\$11,414.2 Total</b> <b>\$10,735.0 Residents</b> \$7,361.8 Metro \$3,373.2 Nonmetro	<b>\$2,009 State</b> \$2,335 Metro \$1,334 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>	2019	<b>\$6,558.7</b> (After refunds) <b>\$5,279.0 Residents</b> \$3,462.0 Metro \$1,816.9 Nonmetro	<b>\$929 State</b> \$1,098 Metro \$719 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>	2019	<b>\$950.2 State</b> \$497.8 Metro \$452.5 Nonmetro	<b>\$167 State</b> \$158 Metro \$179 Nonmetro
<b>Motor vehicle registration tax</b> <i>Imposed annually on vehicles licensed in the state</i>	2019	<b>\$824.8 State</b> \$454,414 Metro \$370.4 Nonmetro	<b>\$145 State</b> \$158 Metro \$147 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>	2019	<b>\$884.9 State</b> \$419.6 Metro \$465.3 Nonmetro	<b>\$156 State</b> \$133 Metro \$184 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>	2019	<b>\$1,510.0 State</b> \$1,018.3 Metro \$491.7 Nonmetro	<b>\$266 State</b> \$323 Metro \$195 Nonmetro
<b>State general property tax</b> <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2019	<b>\$826.7 State</b> \$538.2 Metro \$288.5 Nonmetro	<b>\$146 State</b> \$171 Metro \$114 Nonmetro

## Property Tax Data, Payable 2019

	Market Value (millions)	Net Property Tax (millions)
Metro	\$369,289 (52.8%)	\$6,579 (62.3%)
Nonmetro	\$329,500 (47.1%)	\$3,970 (37.6%)
<b>Statewide Total</b>	<b>\$698,789</b>	<b>\$10,550</b>

**For more information:** See [Major State Aids and Taxes: Comparative Analysis, 2019 Update](#) for further details about each aid program and tax and data by county and economic development region. See also a complementary online tool that includes summary and interactive tools for regional and county-level data. Access the online tool at [www.house.mn.gov/hrd/msa.aspx](http://www.house.mn.gov/hrd/msa.aspx).



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.