

Major State Aids and Taxes: An Overview of the 2021 Update

March 2025

The following provides a brief overview of the longer publication [Major State Aids and Taxes: A Comparative Analysis, 2021 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 2021 population.

State Aids

Program	Year	Amount (millions)	Per Capita
Education aid <i>Aid paid to school districts for all K-12 educational expenses</i>	2020/2021	\$9,499.1 State \$5,317.1 Metro \$4,182.0 Nonmetro	\$1,654 State \$1,669 Metro \$1,636 Nonmetro
Human services aid <i>State's share of human services aid for various income and medical assistance programs</i>	2021	\$8,608.5 State \$4,931.8 Metro \$3,676.8 Nonmetro	\$1,499 State \$1,548 Metro \$1,439 Nonmetro
Highway aid <i>Distributed to counties, cities, and towns for highway purposes</i>	2021	\$964.3 State \$330.3 Metro \$633.9 Nonmetro	\$168 State \$104 Metro \$248 Nonmetro
Local government aid <i>Provides property tax relief by providing general purpose financial support to cities</i>	2021	\$564.4 State \$192.0 Metro \$372.4 Nonmetro	\$98 State \$60 Metro \$146 Nonmetro
Disparity reduction aid <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>	2021	\$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>	2021	\$264.0 State \$117.9 Metro \$146.0 Nonmetro	\$46 State \$37 Metro \$57 Nonmetro
Community corrections funding <i>Aid that provides a portion of counties' costs for community corrections services</i>	2021	\$111.4 State \$44.6 Metro \$66.8 Nonmetro	\$19 State \$14 Metro \$26 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>	2020 (filed in 2021)	\$750.3 State \$492.5 Metro \$257.8 Nonmetro	\$131 State \$155 Metro \$102 Nonmetro
Targeting <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>	2020 (filed in 2021)	\$2,695 State \$768 Metro \$1,926 Nonmetro	\$0 State \$0 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>	2020 (filed in 2021)	\$12,023.9 Total \$11,360.7 Residents \$7,757.5 Metro \$3,603.1 Nonmetro	\$1,979 Residents \$2,435 Metro \$1,410 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>	2021	\$7,424.7 (After refunds) \$5,915.3 Residents \$3,819.9 Metro \$2,095.4 Nonmetro	\$1,030 Residents \$1,199 Metro \$820 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>	2021	\$1,077.9 State \$562.5 Metro \$515.4 Nonmetro	\$188 State \$177 Metro \$202 Nonmetro
Motor vehicle registration tax <i>Imposed annually on vehicles licensed in the state</i>	2021	\$851.9 State \$465.4 Metro \$386.6 Nonmetro	\$148 State \$146 Metro \$151 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>	2021	\$882.8 State \$403.9 Metro \$478.8 Nonmetro	\$154 State \$127 Metro \$187 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>	2021	\$1,737.7 State \$1,171.5 Metro \$566.2 Nonmetro	\$303 State \$368 Metro \$222 Nonmetro
State general property tax <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2021	\$776.8 State \$509.2 Metro \$267.6 Nonmetro	\$135 State \$160 Metro \$100 Nonmetro

Property Tax Data, Payable 2021

	Market Value (millions)	Net Property Tax (millions)
Metro	\$430,904 (53.7%)	\$6,980 (62.1%)
Nonmetro	\$371,297 (46.3%)	\$4,251 (37.8%)
Statewide Total	\$802,201	\$11,232

For more information: See [Major State Aids and Taxes: Comparative Analysis, 2021 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.



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