



OFFICE OF GOVERNOR MARK DAYTON

www.mn.gov/governor | May 2013

A Fair Tax System for All Minnesotans

Asking the Wealthiest 2% to Pay Their Fair Share

Most low- and middle-income earners in Minnesota pay about 20% more of their income in state and local taxes than the wealthiest Minnesotans. In order to reduce that disparity, resolve our state's budget deficit without gimmicks or shifts, and make long overdue investments in property tax relief, education and job creation, the Governor and the legislature have asked the wealthiest 2% of Minnesotans to pay their fair share in income taxes.

The wealthiest 2% of Minnesotans are the only Minnesotans who will be asked to pay more in income taxes. This change brings fairness to our state's tax code, raises \$1.1 billion to invest in property tax relief, schools, college affordability and job creation in our state.

A Fairer Tax System for Middle Class Minnesotans

» **Asking the Rich to Pay Their Fair Share.** The budget passed by the Governor and the majorities in the legislature creates a new 4th tier income tax bracket at 9.85% that will be paid only by the wealthiest 2% of Minnesotans. This new tax bracket will apply only to taxable income over \$250,000 for married joint filers and taxable income over \$150,000 for single filers.

» **\$1.1 billion in New Revenue.** This new tax bracket will help solve our budget deficit and invest in property tax relief for all Minnesotans, a better education system, and crucial economic development measures to strengthen Minnesota's middle class.

» **98% of Minnesotans Will See No Income Tax Increase.** This budget ensures that the vast majority of Minnesotans will pay no income tax increase. Under the governor's plan, only 54,400 of Minnesota's 2.5 million income tax payers will pay more in income taxes.

Closing Corporate Loopholes

The new budget also modernizes and makes our corporate income tax system more fair by closing tax loopholes. These changes will ensure that more corporations pay income taxes and will raise over \$400 million to invest in Minnesota's future.