



Property Tax Relief for Minnesotans

Over the last ten years, property taxes have skyrocketed by 86%, placing a huge burden on the middle class. The Governor's budget will help lower property taxes by investing \$441 million in property tax relief.

Delivering Property Tax Relief for the Middle Class

» **\$130 Million Increase in Aid to Local Governments.** The governor's budget increases Local Government Aid (LGA) by \$80 million and County Program Aid (CPA) by \$40 million annually. The budget also reinstates township aid at a \$10 million level. Aid to local governments is one of the most effective tools in holding down property taxes. Since 2002, County Program Aid (CPA) has been cut by 37% and Local Government Aid (LGA) has been cut by 24%.

» **Tax Relief for Cities and Counties.** The Governor's budget provides a sales tax exemption for city and local governments, allowing them to collect less in property taxes from their residents. This change will provide property tax relief for Minnesota homeowners by reducing local government expenses by \$172 million.

» **Homestead Property Tax Refund.** The Governor's budget restores a program to provide Minnesota homeowners with millions in direct property tax relief. It includes an extra \$120 million in property tax refunds for Minnesota homeowners that will help combat years of rising property taxes in our state.

» **Property Tax Relief for Renters.** The Governor's budget provides more property tax relief to renters by increasing funding for the Renter's Property Tax Refund program by \$15.5 million. This budget will increase refunds for approximately 110,000 renters.

Background

The time for property tax relief is long overdue. Over the last decade, property taxes have gone up by nearly 86%, placing an undue burden on Minnesota homeowners and renters.

» **Property Taxpayers are Paying More.** In 1999, property taxes comprised 30% of all state and local taxes paid by Minnesota homeowners. By 2010, that share was 40% – the highest it has been since 1978.