



Major State Aids and Taxes: An Overview of the 2017 Update

December 2021

The following provides a brief overview of the longer publication *Major State Aids and Taxes: A Comparative Analysis, 2017 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 2017 population.

State Aids

Program	Year	Amount (millions)	Per Capita
Education aid <i>Aid paid to school districts for all K-12 educational expenses</i>	2016/2017	\$8,516.4 State \$4,786.8 Metro \$3,729.7 Nonmetro	\$1,527 State \$1,556 Metro \$1,491 Nonmetro
Human services aid <i>State's share of human services aid for various income and medical assistance programs</i>	2017	\$6,613.1 State \$3,682.4 Metro \$2,930.6 Nonmetro	\$1,186 State \$1,197 Metro \$1,171 Nonmetro
Highway aid <i>Distributed to counties, cities, and towns for highway purposes</i>	2017	\$825.3 State \$287.1 Metro \$538.2 Nonmetro	\$148 State \$93 Metro \$215 Nonmetro
Local government aid <i>Provides property tax relief by providing general purpose financial support to cities</i>	2017	\$519.4 State \$178.6 Metro \$340.8 Nonmetro	\$93 State \$58 Metro \$136 Nonmetro
Disparity reduction aid <i>Provides aid to jurisdictions (counties, towns, and school districts) that had inordinately high tax rates in 1988</i>	2017	\$18.0 State \$1.4 Metro \$16.7 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>	2016/2017	\$208.5 State \$98.1 Metro \$110.3 Nonmetro	\$37 State \$32 Metro \$44 Nonmetro
Community corrections funding <i>Aid that provides a portion of counties' costs for community corrections services</i>	2017	\$90.1 State \$44.6 Metro \$45.4 Nonmetro	\$16 State \$15 Metro \$18 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>	2016 (filed in 2017)	\$633.9 State \$429.7 Metro \$204.2 Nonmetro	\$114 State \$140 Metro \$81 Nonmetro
Targeting <i>Additional homeowner property tax refund if property taxes increased a certain percentage threshold over previous year (no income limits)</i>	2016 (filed in 2017)	\$3.1 State \$1.4 Metro \$1.7 Nonmetro	\$1 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>	2016 (filed in 2017)	\$9,966.2 Total \$9,393.2 Residents \$6,460.9 Metro \$2,932.3 Nonmetro	\$1,684 State \$2,101 Metro \$1,172 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>	2017	\$5,872.1 (After refunds) \$4,879.4 Residents \$3,179.3 Metro \$1,700.1 Nonmetro	\$875 State \$1,034 Metro \$680 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>	2017	\$853.5 State \$456.2 Metro \$397.4 Nonmetro	\$153 State \$148 Metro \$159 Nonmetro
Motor vehicle registration tax <i>Imposed annually on vehicles licensed in the state</i>	2017	\$756.8 State \$418.7 Metro \$338.1 Nonmetro	\$136 State \$136 Metro \$135 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>	2017	\$919.6 State \$438.9 Metro \$480.7 Nonmetro	\$165 State \$143 Metro \$192 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>	2017	\$1,160.3 State \$772.6 Metro \$387.7 Nonmetro	\$208 State \$251 Metro \$155 Nonmetro
State general property tax <i>Imposed on commercial/industrial/public utility property and seasonal recreational property</i>	2017	\$860.5 State \$540.7 Metro \$319.9 Nonmetro	\$154 State \$176 Metro \$128 Nonmetro

Property Tax Data, Payable 2017

	Market Value (millions)	Net Property Tax (millions)
Metro	\$317,963 (50.4%)	\$5,903 (61.5%)
Nonmetro	\$313,228 (49.6%)	\$3,691 (38.5%)
Statewide Total	\$631,191	\$9,594

For more information: See [Major State Aids and Taxes: Comparative Analysis, 2017 Update](#) for further details about each aid program and tax and data by county and economic development region.



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