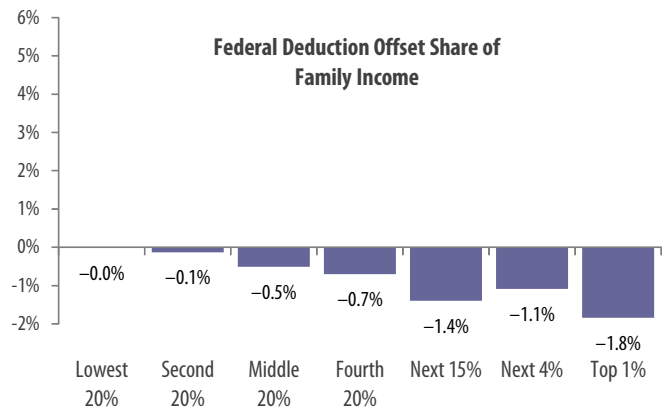
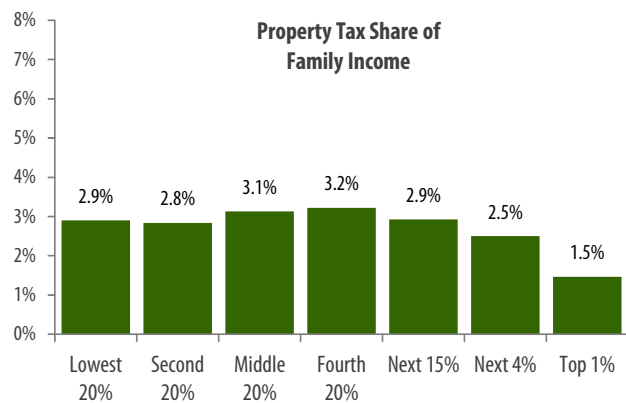
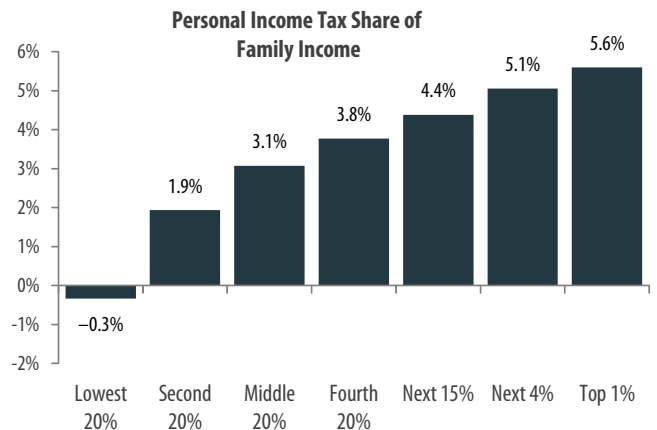
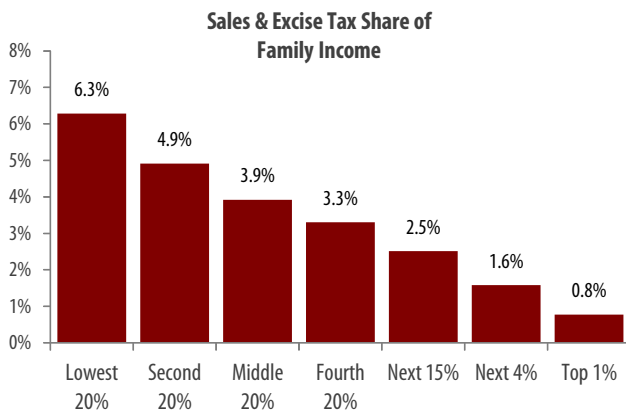
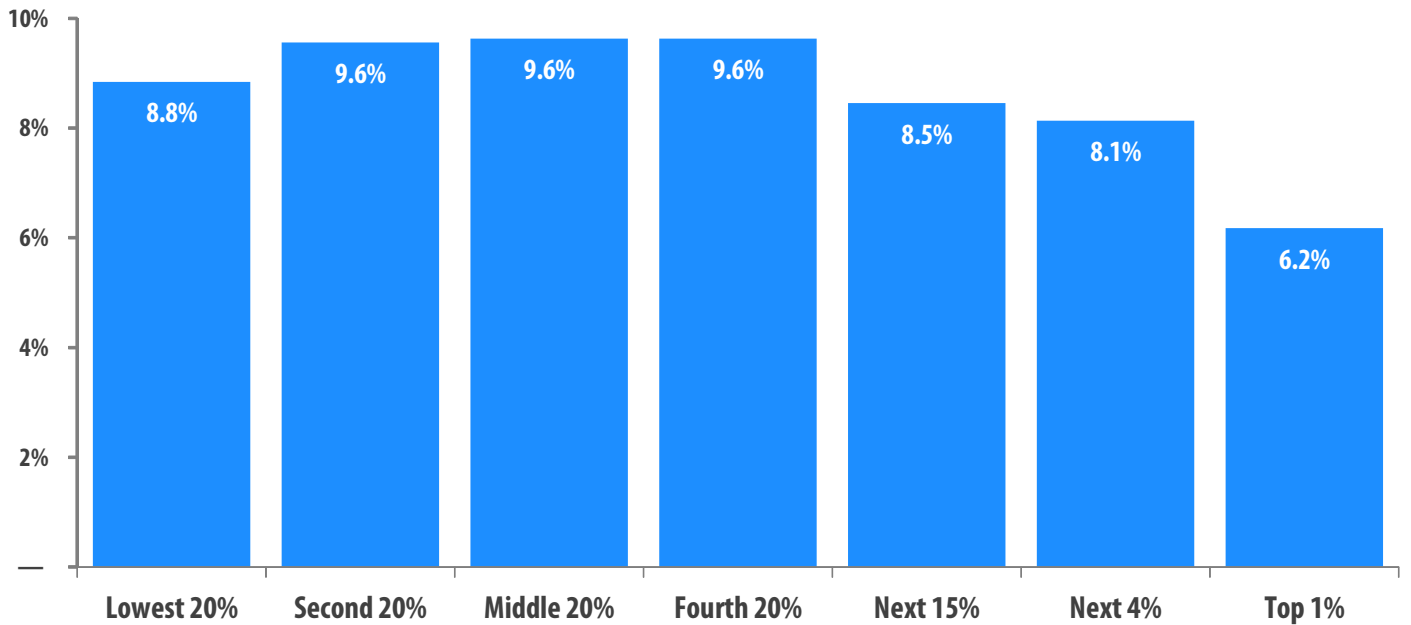


Minnesota State & Local Taxes

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Minnesota enacted through January 2, 2013 at 2010 income levels. Top figure represents total state and local taxes as a share of personal income, post-federal offset.

Minnesota State & Local Taxes

Details, Tax Code Features, & Recent Developments

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$23,000	\$23,000 – \$41,000	\$41,000 – \$62,000	\$62,000 – \$96,000	\$96,000 – \$182,000	\$182,000 – \$433,000	\$433,000 or more
Average Income in Group	\$12,500	\$31,900	\$52,200	\$77,700	\$123,900	\$268,800	\$1,308,300
Sales & Excise Taxes	6.3%	4.9%	3.9%	3.3%	2.5%	1.6%	0.8%
General Sales—Individuals	2.6%	2.3%	1.9%	1.7%	1.3%	0.9%	0.4%
Other Sales & Excise—Ind.	1.5%	1.0%	0.7%	0.5%	0.4%	0.2%	0.1%
Sales & Excise on Business	2.1%	1.7%	1.3%	1.1%	0.8%	0.5%	0.3%
Property Taxes	2.9%	2.8%	3.1%	3.2%	2.9%	2.5%	1.5%
Property Taxes on Families	2.6%	2.5%	2.8%	2.9%	2.5%	2.0%	0.5%
Other Property Taxes	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%	1.0%
Income Taxes	-0.3%	1.9%	3.1%	3.8%	4.4%	5.1%	5.8%
Personal Income Tax	-0.3%	1.9%	3.1%	3.8%	4.4%	5.1%	5.6%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Total Taxes	8.9%	9.7%	10.1%	10.3%	9.9%	9.2%	8.0%
Federal Deduction Offset	0.0%	-0.1%	-0.5%	-0.7%	-1.4%	-1.1%	-1.8%
OVERALL TOTAL	8.8%	9.6%	9.6%	9.6%	8.5%	8.1%	6.2%

Note: Table shows detailed breakout of data on previous page.

Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Income tax brackets, standard deduction, and exemptions are indexed to inflation
- ✓ Provides a refundable property tax credit and a refundable working families tax credit
- ✓ Provides a property tax “circuit breaker” credit for low-income taxpayers
- ✓ Requires the use of combined reporting

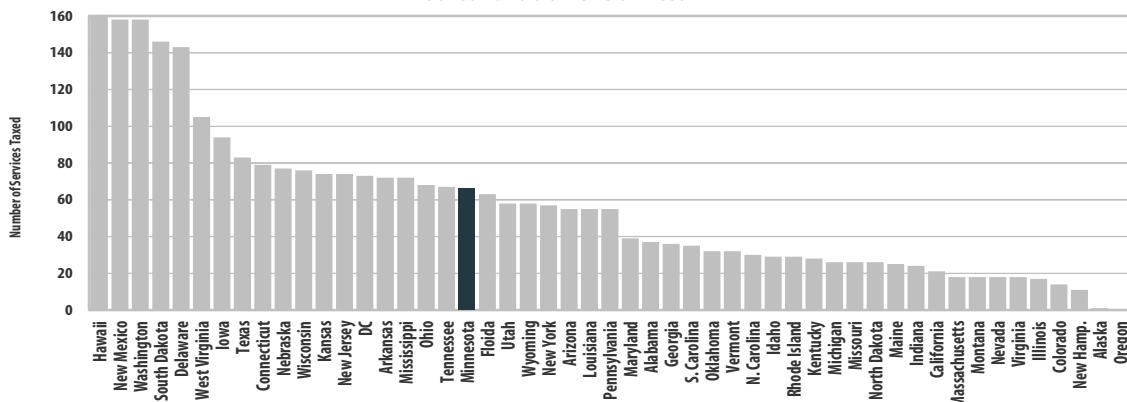
Regressive Features

- ✗ Comparatively high state sales tax rate
- ✗ Comparatively narrow sales tax base

Recent Developments

- ▲ Reduced the state property tax refund for renters

Sales Taxation of Services



Source: Federation of Tax Administrators Taxation of Services Survey, 2007.