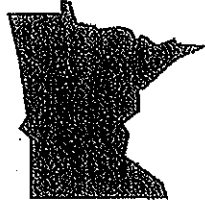




# OFFICE OF GOVERNOR MARK DAYTON

---

Governor Dayton's Remarks  
*Minnesota Chamber of Commerce Minnesota Business Day at the Capitol*



# How Does Minnesota Compare?

Starting in 1969, MTA released comparisons of state and local taxes and spending under the name "How Does Minnesota Compare?" These releases were historically in the fall of the year, two years after the year of comparison. The data for FY2010 is based on surveys, whereas the more complete Census of Governments occurs every five years (those years ending in a 2 or a 7).

Our historical data has gaps for FY2001 and FY2003. The Census Bureau did not publish state and local tax data by state for these years.

## Revenues

MINNESOTA STATE & LOCAL TAX COLLECTIONS						
per \$1,000 of Personal Income						
Tax Category	2009		2010		Rank	
	Amount	% of US	Amount	% of US	2009	2010
Property Tax (S & L)	\$31.74	91.8%	\$33.87	92.4%	27	26
Ind. Income Tax (State)	31.13	127.3%	29.25	123.0%	4	6
Ind. Income Tax (S & L)	31.13	116.2%	29.25	112.0%	6	9
Corp. Income Tax (State)	3.49	96.4%	3.27	95.1%	17	16
Sales Tax (State)	19.60	102.2%	20.05	105.6%	23	20
Sales Tax (S & L)	20.11	82.9%	20.54	85.0%	36	33
Excise Tax (State)	13.39	141.2%	15.66	157.3%	7	5
Total Taxes (S & L)	107.65	103.8%	110.36	104.8%	14	15

Percent of U.S. calculated using only states that levy the tax in question.

MINNESOTA STATE & LOCAL TAX COLLECTIONS, FY2010						
Tax Category	Per Capita			Per \$1,000 of Income		
	Amount	Rank	% of US	Amount	Rank	% of US
Property Tax (S & L)	\$1,407.83	21	98.6%	\$33.87	26	92.4%
Ind. Income Tax (State)	1,216.07	6	130.4%	29.25	6	123.0%
Ind. Income Tax (S & L)	1,216.07	8	118.5%	29.25	9	112.0%
Corp. Income Tax (State)	135.90	13	101.2%	3.27	16	95.1%
Sales Tax (State)	833.53	16	112.7%	20.05	20	105.6%
Sales Tax (S & L)	853.90	28	90.6%	20.54	33	85.0%
Excise Tax (State)	650.82	2	168.1%	15.66	5	157.3%
Total Taxes (S & L)	\$4,587.44	13	111.8%	110.36	15	104.8%

Percent of U.S. calculated using only states that levy the tax in question.

## Expenditures

MINNESOTA STATE AND LOCAL EXPENDITURES						
per \$1,000 of Personal Income						
Spending Category	2009		2010		Rank	
	Amount	% of US	Amount	% of US	2009	2010
K-12 Education	\$47.14	100.1%	\$44.93	94.3%	26	33
Higher Education	19.99	104.6%	19.82	98.4%	28	32
Total Education	71.53	103.1%	69.44	97.3%	29	33
Public Welfare	49.14	139.8%	53.28	140.6%	7	7
Health and Hospitals	13.52	75.9%	13.42	72.1%	34	37
Highways	15.47	124.7%	16.73	129.4%	22	20
Interest on Gen. Debt	7.86	93.1%	8.50	96.9%	30	24
Police	7.38	97.3%	7.65	96.5%	17	19
Fire	1.73	52.7%	1.69	47.8%	47	48
Corrections	4.06	66.9%	3.90	64.4%	46	44
<b>Total</b>	<b>207.92</b>	<b>103.0%</b>	<b>212.85</b>	<b>101.1%</b>	<b>24</b>	<b>25</b>

MINNESOTA STATE AND LOCAL EXPENDITURES, FY2010						
Spending Category	Per Capita			Per \$1,000 of Income		
	Amount	Rank	% of US	Amount	Rank	% of US
K-12 Education	\$1,867.86	20	100.7%	\$44.93	33	94.3%
Higher Education	823.77	27	105.0%	19.82	32	98.4%
Total Education	2,886.59	19	103.8%	69.44	33	97.3%
Public Welfare	2,214.78	5	150.0%	53.28	7	140.6%
Health and Hospitals	557.93	31	76.9%	13.42	37	72.1%
Highways	695.64	10	138.1%	16.73	20	129.4%
Interest on Gen. Debt	353.20	17	103.3%	8.50	24	96.9%
Police	317.93	13	103.0%	7.65	19	96.5%
Fire	70.28	45	51.0%	1.69	48	47.8%
Corrections	162.07	39	68.7%	3.90	44	64.4%
<b>Total</b>	<b>\$8,848.04</b>	<b>15</b>	<b>107.8%</b>	<b>212.85</b>	<b>25</b>	<b>101.1%</b>

Source: Bureau of the Census, State and Local Finances 2009-10. Calculations by MTA.

## Special States

Several states have unusually high tax and/or spending numbers that affect their rankings, but do not accurately reflect the tax load on their residents. Alaska is the most prominent one, which because of its oil reserves fund, annually makes payments to its residents of about \$1,000 per person. Wyoming and Montana tax their coal industries very heavily, thus shielding the average taxpayer from the cost of higher than average spending. Consider all Alaska data and primarily spending data for Wyoming and Montana with this in mind.

## MN Price of Government (History & Projected) State and Local Revenues as % of MN Personal Income

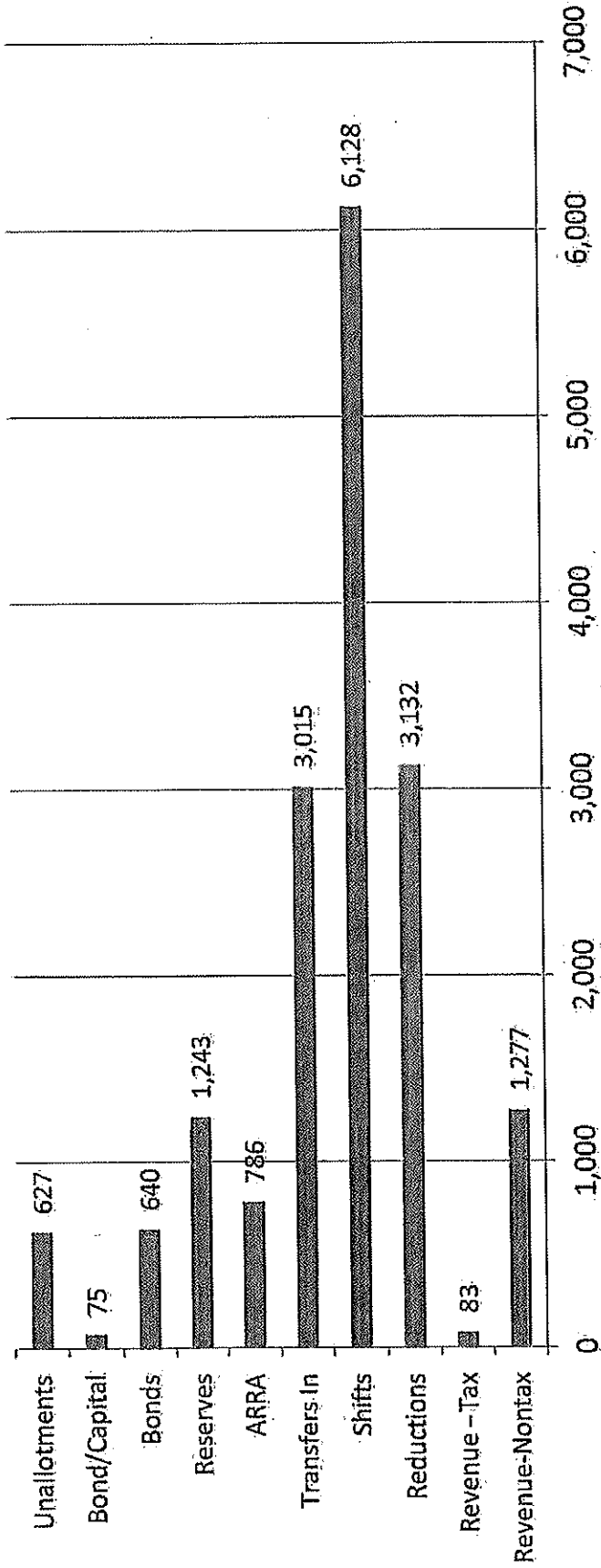


Source: *Minnesota Management and Budget, 2013*

# Budget Solutions 2001-2012

## General Fund Only

House Fiscal Staff  
2/20/2013





## OFFICE OF GOVERNOR MARK DAYTON

www.mn.gov/governor | March 2013

### STATE TAX-ECONOMIC COMPARISONS

State	Tax Rankings for FY2010	Per Capita Income Rankings for CY 2010
South Dakota	51 <sup>st</sup>	20 <sup>th</sup>
Tennessee	50 <sup>th</sup>	35 <sup>th</sup>
Alabama	49 <sup>th</sup>	42 <sup>nd</sup>
Missouri	48 <sup>th</sup>	30 <sup>th</sup>
Idaho	47 <sup>th</sup>	49 <sup>th</sup>
Minnesota	15 <sup>th</sup>	10 <sup>th</sup>

**Sources:**

Tax Rankings: Total State & Local Tax Collections FY 2010 (Source: Minnesota Taxpayers Association (MTA): How Does Minnesota Compare?, Sept. 2012

Per Capita Income Rankings: Per Capita Personal Income Rankings for CY 2010 (Source: US Dept. of Commerce, Bureau of Economic Analysis, Sept. 2012



## STATE TAX-ECONOMIC COMPARISONS

This comparison uses the recently released ranking of the states by % job increases in 2012 vs. the same FY 2010 tax rankings (most recent available) also used in the first table.

State	Total S&L Taxes/\$100 of PI FY10	% Job Growth CY 2012
South Dakota	51 <sup>st</sup>	44 <sup>th</sup>
Tennessee	50 <sup>th</sup>	23 <sup>rd</sup>
Alabama	49 <sup>th</sup>	38 <sup>th</sup>
Missouri	48 <sup>th</sup>	21 <sup>st</sup>
Idaho	47 <sup>th</sup>	7 <sup>th</sup>
New Hampshire	46 <sup>th</sup>	46 <sup>th</sup>
Minnesota	12 <sup>th</sup>	12 <sup>th</sup>
North Dakota	4 <sup>th</sup>	1 <sup>st</sup>

**Sources:**

Tax Rankings: Total State & Local Tax Collections FY 2010, Source: MTA How Does Minnesota Compare?, Sept. 2012

Job Rankings: Calendar 2012 Job Growth from US Bureau of Labor Statistics.