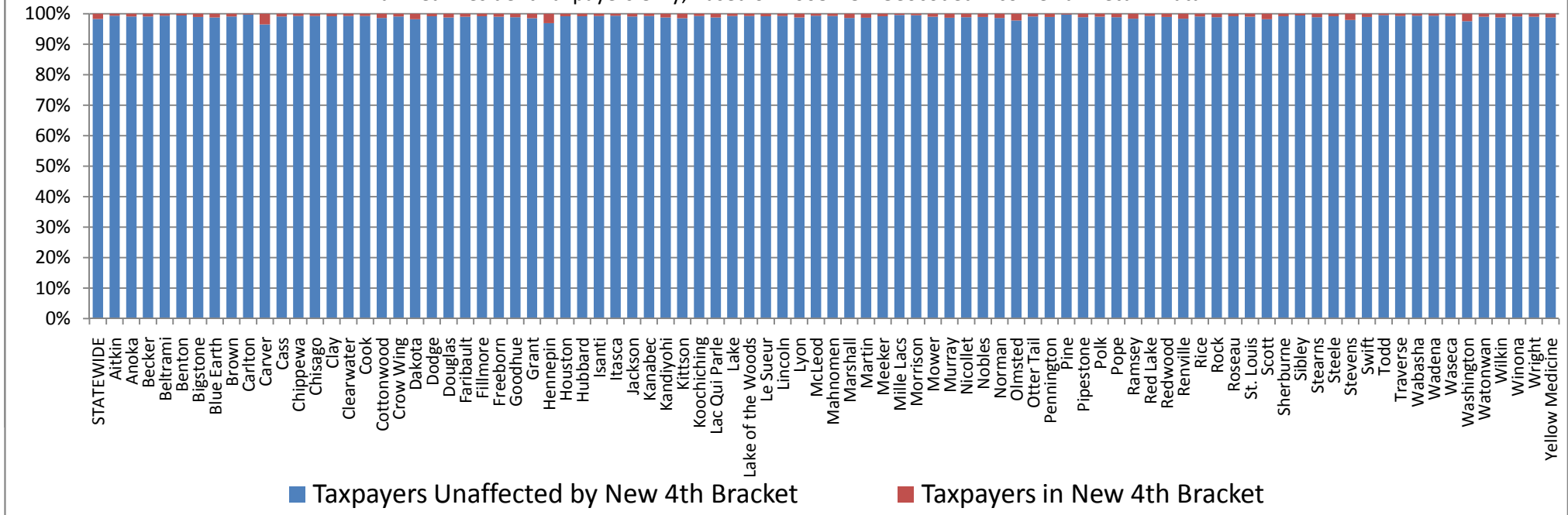


Only Two Percent of Minnesota Taxpayers Will be Affected by Governor Dayton's Proposed Fourth Tier Income Tax Bracket

Percent of Income Tax Returns Affected & Unaffected by Governor's 4th Tier (May 16 proposal)

Full-Year Resident Taxpayers Only; Based on 2008 DOR Geocoded Income Tax Return Data



- In 52 of Minnesota's 87 counties, less than one percent of taxpayers will be affected by the proposed 4th tier income tax bracket.
- The taxpayers affected by the new fourth tier consist only of the most well-off Minnesota households. For each dollar of income, the wealthiest two percent of Minnesota households currently pay 18% less in Minnesota state and local taxes than do other households.
- Under Gov. Dayton's proposal, the wealthiest two percent of households will still pay significantly less of each dollar of income in Minnesota state and local taxes than other households. High income households are not being gouged under the Dayton tax plan.
- By shifting a larger share of taxes to lower income households, the Republican tax plan (HF 42 conference committee report) increases the tax disparity between high and low income Minnesotans. Only the Dayton plan reduces this tax disparity.

Number of Income Tax Returns and 4th Bracket Tax Returns based on Governor's May 16 Proposal

Full-Year Resident Taxpayers Only

Based on 2008 Geocoded Income Tax Return Data

County	Number of taxpayers	Number in 4th bracket	Percent in 4th bracket	County	Number of taxpayers	Number in 4th bracket	Percent in 4th bracket
Aitkin	6,821	43	0.6%	Marshall	4,620	65	1.4%
Anoka	153,843	1,423	0.9%	Martin	10,215	131	1.3%
Becker	14,662	136	0.9%	Meeker	10,571	84	0.8%
Beltrami	17,576	117	0.7%	Mille Lacs	11,613	50	0.4%
Benton	17,557	104	0.6%	Morrison	15,148	77	0.5%
Bigstone	2,495	26	1.0%	Mower	18,174	174	1.0%
Blue Earth	26,884	323	1.2%	Murray	4,206	56	1.3%
Brown	12,932	118	0.9%	Nicollet	14,639	164	1.1%
Carlton	14,905	40	0.3%	Nobles	9,640	103	1.1%
Carver	39,881	1,392	3.5%	Norman	3,374	47	1.4%
Cass	13,128	118	0.9%	Olmsted	68,093	1,504	2.2%
Chippewa	6,200	47	0.8%	Otter Tail	26,940	238	0.9%
Chisago	23,689	169	0.7%	Pennington	6,343	66	1.0%
Clay	23,650	191	0.8%	Pine	11,953	31	0.3%
Clearwater	3,499	*	n/a	Pipestone	4,512	51	1.1%
Cook	2,679	*	n/a	Polk	13,622	138	1.0%
Cottonwood	5,410	75	1.4%	Pope	5,151	60	1.2%
Crow Wing	28,185	246	0.9%	Ramsey	232,392	3,758	1.6%
Dakota	189,059	3,419	1.8%	Red Lake	1,851	*	n/a
Dodge	8,879	70	0.8%	Redwood	7,728	83	1.1%
Douglas	17,228	214	1.2%	Renville	7,804	127	1.6%
Faribault	7,133	69	1.0%	Rice	26,121	229	0.9%
Fillmore	9,196	77	0.8%	Rock	4,078	47	1.2%
Freeborn	14,566	144	1.0%	Roseau	7,469	60	0.8%
Goodhue	21,993	244	1.1%	St. Louis	88,825	879	1.0%
Grant	2,730	41	1.5%	Scott	57,022	1,031	1.8%
Hennepin	548,508	17,133	3.1%	Sherburne	37,829	314	0.8%
Houston	8,974	73	0.8%	Sibley	7,154	42	0.6%
Hubbard	8,960	73	0.8%	Stearns	65,819	774	1.2%
Isanti	17,019	123	0.7%	Steele	17,697	152	0.9%
Itasca	19,626	130	0.7%	Stevens	4,035	82	2.0%
Jackson	5,010	45	0.9%	Swift	4,704	51	1.1%
Kanabec	7,112	*	n/a	Todd	10,283	49	0.5%
Kandiyohi	19,692	248	1.3%	Traverse	1,581	*	n/a
Kittson	2,126	32	1.5%	Wabasha	10,492	65	0.6%
Koochiching	5,950	*	n/a	Wadena	5,887	40	0.7%
Lac Qui Parle	3,287	39	1.2%	Waseca	8,831	67	0.8%
Lake	5,110	*	n/a	Washington	109,024	2,629	2.4%
Lake of the Woods	1,909	*	n/a	Watonwan	5,043	48	1.0%
Le Sueur	12,893	109	0.8%	Wilkin	2,565	31	1.2%
Lincoln	2,345	*	n/a	Winona	21,155	188	0.9%
Lyon	11,919	147	1.2%	Wright	54,048	512	0.9%
McLeod	17,635	113	0.6%	Yellow Medicine	5,050	60	1.2%
Mahnomen	1,753	*	n/a	Undesignated	26,110	350	1.3%
				ALL COUNTIES	2,454,019	41,986	1.7%

* 25 or fewer for 4th bracket

Note: 4th bracket starts at taxable incomes of \$250,000 married joint, \$150,000 single, and \$200,000 head-of-household. This equates to gross incomes of about \$305,000 married joint, \$179,000 single, and \$268,000 head-of-household. Includes returns with no Minnesota taxable income.

Based on data from MN
Department of Revenue
Tax Research Division
May 18, 2011