

# THE REPUBLICAN TAX BILL PUTS CORPORATE PROFITS AHEAD OF KIDS

**PRIORITIZES CORPORATE TAX CUTS OVER THE NEEDS OF OUR CHILDREN** – The GOP Tax Bill **spends \$136 million in just the first year**, including huge corporate tax breaks. That is the same amount needed to fund [Emergency School Aid](#) for every Minnesota school district, which would help prevent school program cuts and teacher layoffs. The cost of the rate cut grows significantly later on, ballooning to **\$567 million** per biennium. The Republican Tax Bill:

- **PROTECTS MULTINATIONAL CORPORATIONS** from paying nearly **\$200 million** in state taxes on money they have sheltered overseas.
- **HANDS OUT MORE TAX BREAKS TO CORPORATIONS**, after they just got a **40% federal tax rate cut**.
- **PROVIDES CORPORATE TAX RATE CUTS THAT ARE SEVEN TIMES BIGGER** (0.7%) than the individual income tax rate cuts for lower-income Minnesotans in the first tier (0.1%).
- **SPENDS \$246 MILLION ON CORPORATE TAX CUTS AND CORPORATE TAX PROTECTIONS**, rather than investing in our children’s educations. These tax benefits grow to **\$482 million** in FY 2020-21.

**FAVORS RICH MINNESOTANS – WEALTHIER MINNESOTANS WILL SEE MUCH LARGER TAX CUTS** under this bill. In fact, here is how much families of four would see as a result of tax rate cuts under the Republican Tax Bill, compared to how much they would save from the Governor’s Personal and Dependent Credit and Working Family Credit:

Income for a married couple with two children	Savings Under GOP Tax Rate Cut (Annual Total)	Savings Under GOP Tax Rate Cut (Weekly Total)	Savings Under Governor’s Personal & Dependent Credit and Working Family Credit (Annual Total)
\$20,000	\$20.00	38 cents/week	\$280.00
\$40,000	\$42.15	81 cents/week	\$464.00
\$65,000	\$92.15	\$1.77/week	\$240.00
\$150,000	\$262.15	\$5.04/week	\$240.00
\$250,000	\$262.91	\$5.06/week	\$72.00

- **MEDIAN INCOME FAMILIES GET MORE TAX RELIEF UNDER GOV. DAYTON’S PLAN.** Under the Republican Tax Bill, a family of four earning \$65,000 would save only **\$92** in tax rate cuts. The same family would save **\$240** under the Governor’s plan (over twice as much).
- **GOVERNOR DAYTON’S PLAN PRIORITIZES FAMILIES** and is almost revenue neutral in this biennium. Under the Governor’s plan, over **2 million Minnesotans** will see **\$319 million** in tax cuts.

**TAX RATE CUTS TWICE AS LARGE FOR WEALTHIER MINNESOTANS** – The GOP Tax Bill provides tax rate cuts that are **twice as big** for wealthier Minnesota families, than for hard-working lower- and middle-income families. In fact:

Tier	Income Range (Married)	Current Rate	Rate When Fully Phased-In
1	\$0 to \$37,000	5.35%	5.25% (0.1% cut)
2	\$37,000 to \$150,000	7.05%	6.85% (0.2% cut)
3	\$150,000 to \$266,000	7.85%	No rate change for income over \$150,000. These tax filers benefit from a 0.1% income tax rate cut on the first \$37,000 of their income, and 0.2% on the next \$113,000 of their income.
4	Over \$266,000	9.85%	

**DECEPTIVELY PHASES-IN HUGE TAX CUTS OVER TIME** – The Republican Tax Bill masks its true costs into the future.

Provision	FY 2018-2019	FY2020-2021	FY2022-2023
Personal Income Tax Rate Cut	(\$137 million)	(\$341 million)	(\$397 million)
Corporate Tax Rate Cut	(\$23 million)	(\$123 million)	(\$170 million)
<b>TOTAL</b>	<b>(160 million)</b>	<b>(\$464 million)</b>	<b>(\$567 million)</b>

**Comparison of Governor's Tax Bill and Legislative Tax Bill**

	Governor's Tax Bill		Legislative Tax Bill*	
	FY 18-19	FY 20-21	FY 18-19	FY 20-21
<b>Total</b>	<b>\$12,222</b>	<b>\$409,667</b>	<b>(\$136,455)</b>	<b>(\$46,849)</b>

<b>Individual Items of Contrast</b>	<b>FY 18-19</b>	<b>FY 20-21</b>	<b>FY 18-19</b>	<b>FY 20-21</b>	
Working Family Credit Expansion	(\$52,100)	(\$101,600)	\$0	\$0	
Personal and Dependent Credit at \$60 Per Person	(\$233,200)	(\$475,600)	\$0	\$0	<b>FY22/23 Full Cost</b>
First Tier Rate Reduced by .1%; 2nd Tier Rate by .2%	\$0	\$0	(\$137,100)	(\$341,100)	<b>(\$397,400)</b>
Extend Angel Investment Tax Credit	(\$10,000)	\$0	(\$5,000)	\$0	
Senior Property Tax Deferral	\$0	(\$420)	\$0	(\$70)	
Estate Tax Freeze at \$2.4 M	\$0	\$38,600	(\$400)	\$0	
Repeal Cigarette and Tobacco Tax Cuts from 2017	\$3,230	\$25,470	\$0	\$0	

<b>Business Items of Contrast</b>	<b>FY 18-19</b>	<b>FY 20-21</b>	<b>FY 18-19</b>	<b>FY 20-21</b>	
Corporate Tax Reform	\$5,500	\$22,500	\$0	\$0	<b>FY22/23 Full Cost</b>
Corporate Tax Rate Reduction Phase In	\$0	\$0	(\$22,900)	(\$122,700)	<b>(\$170,200)</b>
Repeal Corporate Alternative Minimum Tax	\$0	\$0	(\$23,000)	(\$29,600)	
Narrow Qualified Data Center Exemption	\$6,600	\$68,000			
Restore State General Levy Inflator	\$12,140	\$91,560	\$0	\$0	
Occupation Tax Refund	\$0	\$0	\$0	(\$3,700)	
Timber Credit	(\$8,000)	\$0	\$0	\$0	
Deemed Repatriation of Foreign Income	\$172,800	\$210,600	\$56,000	\$68,200	
Inclusion of Global Intangible Low Tax Income with Deduction	\$68,600	\$132,700	\$0	\$0	
Inclusion of Foreign Derived Intangible Income with Deduction	\$14,300	\$54,700	\$0	\$0	