

STATE OF MINNESOTA L'Étoile du Nord

Office of Governor Mark Dayton

Protecting Tax Deductions for 900,000 Minnesota Families

Budget for a Better Minnesota

Governor Mark Dayton's Tax Bill continues his long-held commitment to tax fairness for hard-working Minnesotans and their families. Governor Dayton's plan would cut taxes for over 2 million Minnesotans and their families, and protect important tax deductions that 900,000 Minnesotans benefit from each year. The Governor's plan would improve family budgets without risking the stability of our state's budget. Read below about how some Minnesotans would benefit from Governor Dayton's proposal.

Kat's Story – Unreimbursed Employee Expenses for Working Minnesotans

Last year, President Trump and Republicans in Congress eliminated the federal Unreimbursed Employee Expense Deduction that many Americans use to defray work expenses such as purchasing uniforms, paying for work-related travel, or unreimbursed on-the-job mileage. The Unreimbursed Employee Expense Deduction makes a big difference for Minnesotans across the state, including Kat Ertter, a heavy equipment operator, who lives in Kettle River located west of Moose Lake.



Kat travels 20,000 to 30,000 miles each year to work on earthmoving and construction projects across Minnesota and the Upper Midwest. When she is on the road around 200 days a year, Kat incurs all sorts of work expenses that are unreimbursed – such as mileage, meals and housing, safety equipment, and work clothes. Under Governor Dayton's proposed Tax Bill, Minnesota would continue offering the Unreimbursed Employee Expense Deduction at the state level. It is estimated that Kat would continue to save \$1,290 in state income taxes under the Governor's proposal.

Kat Ertter of Kettle River would continue to save an estimated \$1,290 under Governor Dayton's proposal



Audrey Kenyon of Brooklyn Park would save an estimated \$209 under Governor Dayton's proposal

Audrey's Story – Tax Cuts for Working Minnesotans and Their Families

Audrey Kenyon of Brooklyn Park works as a pre-press operator for a commercial printing company, where she prepares documents for mass production. But her biggest job is caring for her five-year-old son, Mason, who started Kindergarten last fall. As a single parent, Audrey says, "every little bit make a difference" when it comes to her tax return. Audrey relies on her tax returns to help pay her bills and take care of Mason.

To help Minnesotans like Audrey, Governor Dayton's proposed Tax Bill would create a new Personal and Dependent Credit at the state level. It is estimated that Audrey would save \$120 per year from this Tax Credit under the Governor's proposal. Governor Dayton's plan also would prevent an \$89 drop in her property tax refund.

Maddie's Story - Higher Education Deduction for Students and Families

Under Governor Dayton's leadership, median student debt for Minnesotans graduating with a bachelor's degree has dropped 5.4 percent, reversing years of increases. Despite this progress, median student loan debt is still nearly \$26,000, which places a heavy burden on recent graduates, while pricing other would-be students out of higher education all together. This year, Governor Dayton's tax proposal would allow Minnesota families, like the Harrahs, to continue deducting the cost of higher education from their state taxes.

Maddie Harrah of Apple Valley is a senior at the University of Minnesota. After graduation, she hopes to work in the nonprofit sector. Maddie is the second oldest of three in her family. Her younger sister is only a year younger. With two children in college at the same time, the cost of tuition was one of many important issues that Maddie and her family took into consideration when picking schools.

Thanks to Governor Dayton's past and proposed investments, the cost of college is getting

more manageable. Under the Governor's 2018 Tax Bill, it is estimated that the typical

Minnesota family with a college student who pays tuition could save up to \$282 a year,



The typical Minnesota family, such as Maddie Harrah's, could save up to an estimated \$282 under Governor Dayton's proposal



with an average savings of \$96 a year.

Alicia Cervantes of St. Paul would save an estimated \$120 under Governor Dayton's proposal

Alicia's Story – Personal and Dependent Tax Credits to Help Minnesota Families

Alicia Zepeda Cervantes is a life-long resident of St. Paul's East Side neighborhood. Alicia and her husband, Emiliano have one adult daughter, Carissa. Alicia used to work as a bookkeeper. Now she works as a full-time personal care attendant for her mother who had a major stroke in 2011. Since Alicia works as full-time caregiver and her parents are on fixed incomes, the Cervantes' family budget is tight and expenses like buying a used wheelchair accessible van to bring her parents to appointments are on hold.

To help Minnesota families like Cervantes across the state, Governor Dayton has proposed new state Personal and Dependent Tax Credits to help defray the lost of similar federal provisions that were eliminated last year. It is estimated that Alicia and her family would save \$120 under the Governor's proposal.

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To learn more about how Governor Dayton's Tax Bill would cut taxes for 2 million Minnesotans, <u>CLICK</u><u>HERE</u>.