

FACT SHEET | A Fair Tax Plan

Budget for a Better Minnesota

Minnesota's improving economy, and the fair and balanced budget signed into law by Governor Dayton in 2013 have helped turn a \$6 billion deficit into a \$1.2 billion surplus. This new surplus allowed lawmakers to extend additional tax relief to Minnesotans this year. This session, the Governor signed into law \$508 million in tax relief for middle class families and Minnesota businesses. These new tax cuts benefit middle class Minnesotans, including seniors, farmers, teachers, working families, and small businesses.

Reducing Taxes for Middle Class Minnesotans

- **Tax Relief for Married Couples.** More than 650,000 married couples will save an average \$115 per year with elimination of the "marriage penalty."
- **Tax Relief for Working Families.** Over 300,000 Minnesota families will save more money thanks to the expansion of the Working Family Tax Credit. Another 16,000 more families will qualify for the credit than before.
- **Tax Relief for Parents.** More than 25,000 families who qualify for child care tax credits will see an average increase in their tax credit of \$74 per year.
- **Tax Relief for Students.** More than 285,000 recent college graduates will save up to \$190 per year by deducting their student loan interest. Another 40,000 current college students and parents will receive a tuition deduction of \$140 per year, on average.
- **Tax Relief for Small Employers.** Small businesses will be able to offer their employees tax-free tuition and adoption assistance. By eliminating requirements to maintain separate records for state and federal tax returns, taxes will be simpler for Minnesota businesses.
- **Additional Tax Relief.** These middle class tax cuts will also help seniors, teachers, and homeowners. More information at <http://mn.gov/governor>.

Reducing Business Taxes

- **Electronic, Farm and Commercial Equipment Repair Tax.** The sales tax on repair and maintenance of electronic and commercial equipment has been repealed. This includes repair and maintenance of farm equipment.
- **Warehousing and Storage Services Tax.** The warehousing sales tax that was set to take effect on April 1, 2014, has been repealed.
- **Telecommunications Equipment Tax.** The sales tax on telecommunications equipment has been repealed.
- **Angel Investor Tax Credit.** Another \$3 million in tax credits will be available for startup businesses and entrepreneurs this year. This measure also provides \$15 million for the program in 2015, and \$15 million in 2016. A recent report showed this tax credit has already created 500 new jobs and spurred over \$100 million of new private investment in Minnesota's economy.

Simplifying the Estate Tax & Eliminating the Gift Tax

- **Eliminating the Gift Tax.** The gift tax has been eliminated.
- **Simplifying the Estate Tax.** The estate tax has been simplified, raising the exemption from \$1 million to \$2 million – the first exemption increase enacted in over a decade.