

# FACT SHEET | Second Round of Tax Cuts

*Budget for a Better Minnesota*

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Governor Dayton signed into law a second round of tax relief this session for middle class Minnesotans, totaling \$103 million. Altogether, the Governor and Legislature enacted \$550 million in tax relief this session that will benefit 2 million middle class citizens across the state. From direct property tax relief, to deductions for college tuition, to the elimination of the marriage penalty for 650,000 couples, tax savings enacted this year will put more money in people's pockets and improve the lives of Minnesotans.

## Property Tax Relief

- **Homeowners** – More than 500,000 homeowners will see an average 3 percent increase in their homestead property tax refunds.
- **Renters** – About 350,000 renters will see an average 6 percent increase in their renter property tax credit.
- **Farmers** – About 80,000 farmers will see an increase in their agricultural market value credit, saving up to \$205 on their property taxes in 2014 and up to \$490 in 2015.
- **Spouses of Veterans** – About 400 surviving spouses of disabled veterans and service members who were killed in action will continue to receive veterans' property tax benefits for a period of eight years (a 3-year extension).

## Tax Cuts for Students

- **Student Reading Credit** – Parents of students with reading disorders could receive up to \$2,000 in tax credits to help pay for tutoring.

## Tax Cuts for Military Service Members and Volunteer First Responders

- **Military Service Members** – About 1,000 military service members in the Active Guard Reserve Program (AGR) will benefit from an increased income exemption on their taxes.
- **Volunteer First Responders** – Up to 5,000 volunteer firefighters, volunteer ambulance attendants, and volunteer emergency medical responders in 14 Greater Minnesota counties will receive a \$500 stipend for their service starting in 2016. This is a three-year pilot program.

## Simpler Taxes for Businesses and Local Governments

- **Businesses** – Eliminates or reduces a complex, year-end sales tax payment for 5,000 businesses.
- **Local Governments** – More local governments will benefit from an important sales tax exemption.

## Tax Cuts for Nonprofits

- **Senior and Youth Groups** – 150 nonprofit senior and youth groups will now be exempt from paying sales taxes on fundraising up to \$20,000.
- **Nonprofit Snowmobile Clubs** – 180 nonprofit snowmobile groups will now be exempt from paying sales taxes on the purchase of equipment used to groom state snowmobile trails.