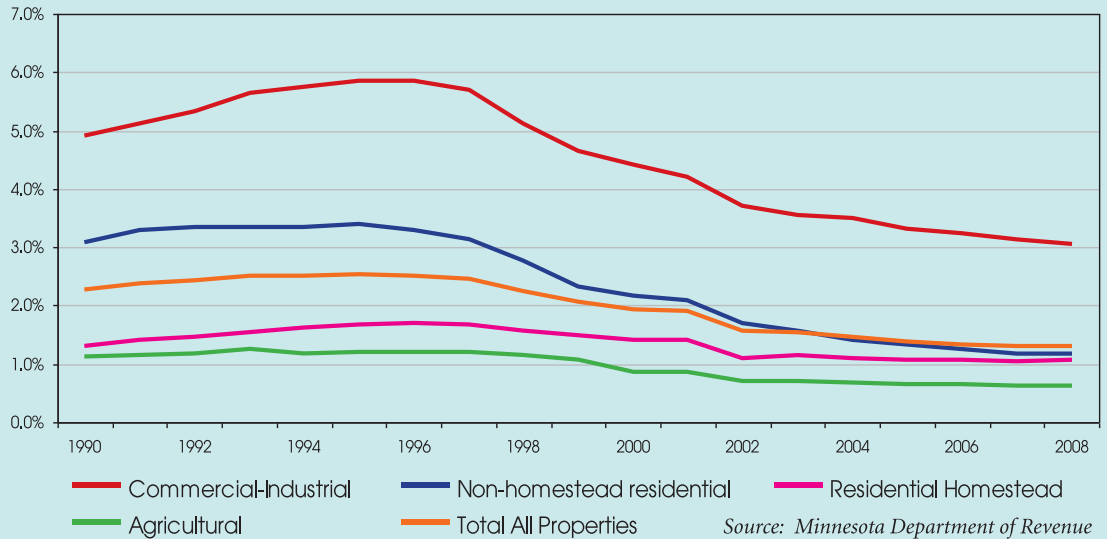


# BUSINESS OWNERS FACE SOARING LOCAL AND STATE PROPERTY TAX BILLS ...UP A COMBINED 8% STATEWIDE IN 2009

**Effective Tax Rates—taxes payable as a % of market value—have fallen for all Minnesota properties since the 2001 reforms...**

## ...YET

Minnesota business owners will still pay almost \$3 per \$100 of market value, while homeowners will pay just \$1 for the same market value.



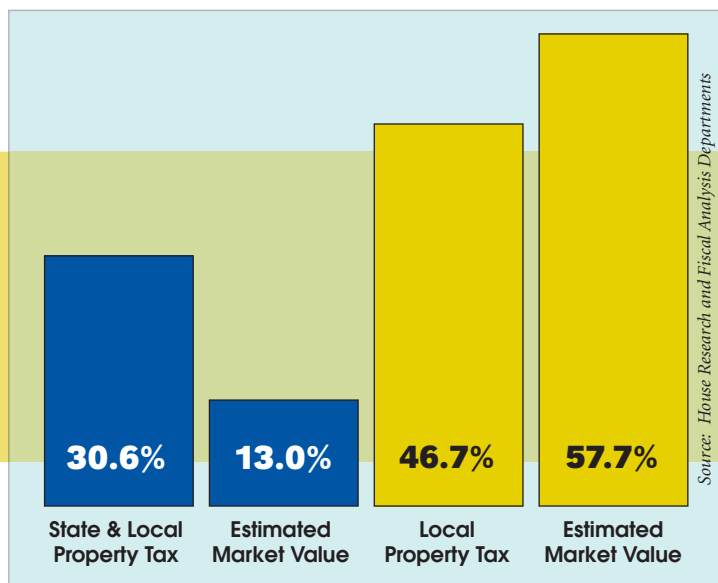
**As Property Taxes Climb Across the State, Business Owners Already Contribute *More Than Their Fair Share***  
Business owners and tenants pay 31% of total property taxes collected on just 13% of statewide market value.

“What governors and citizens alike need most is a growing economy that is creating jobs for the people and sending revenue to the capitol. Over the long run, the only way to have a healthy and growing economy is... to trust the people with their own money, and create an environment where initiative and enterprise are rewarded rather than penalized.”

~ William McGurn  
writing for the  
Wall Street Journal

### Commercial & Industrial

### Residential Homestead



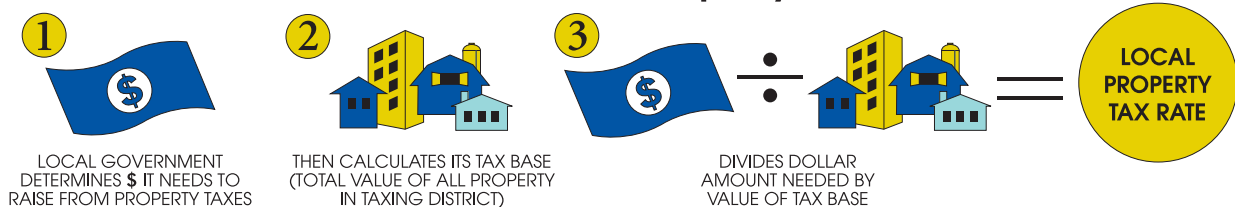
# IN 2009 MINNESOTA'S EMPLOYERS WILL AGAIN BE TAXED TWICE ON THE PROPERTY THEY OWN OR OCCUPY

**FIRST**, by their local city, county and school district

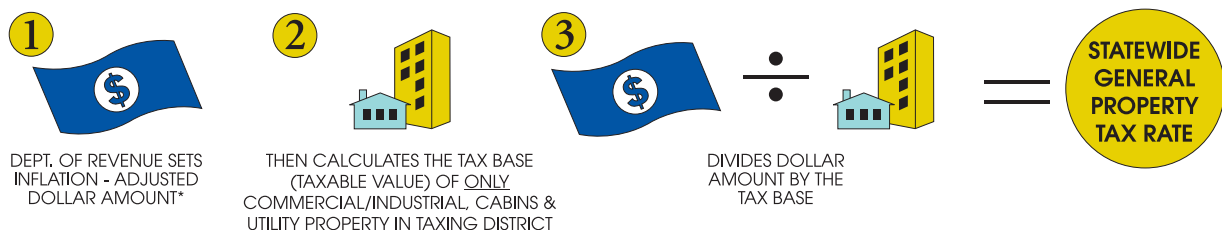
**AND A SECOND TIME**, by the State of Minnesota with a special tax paid only by owners and tenants of business properties, cabin owners and utilities—set to increase by 6.1%, for a combined increase of 8% statewide in 2009.

THE **STATEWIDE GENERAL PROPERTY TAX RATE** IS CALCULATED IN ALMOST THE SAME WAY AS OTHER UNITS OF GOVERNMENT CALCULATE THEIR PROPERTY TAX RATES.

## Local Units of Government Property Tax Calculation



## Statewide General Property Tax Calculation



\*Levy automatically increases each year by the percentage increase in the implicit price deflator (a measure of the level of price change in the U.S. economy). The levy was initially set at \$592 million for taxes payable in 2002 and is estimated at \$774 million for taxes payable in 2009.

The **STATEWIDE GENERAL PROPERTY TAX** will raise \$774 million in 2009—in addition to the property taxes those same business owners will pay to local jurisdictions.

The **STATEWIDE GENERAL PROPERTY TAX** is set to increase by 6.1% in 2009, for a total increase in cost to employers of \$182 million or more than 30%, just since its first payable year, 2002.

PAYABLE YEAR	MONEY RAISED BY THE STATEWIDE GENERAL PROPERTY TAX LEVY
2002	\$592.0 (millions)
2003	595.0
2004	615.0
2005	625.0
2006	655.0
2007	693.0
2008	729.0
2009 (Estimate only)	774.0

Source: House Research and House Fiscal Analysis Departments

**30%** Increase Since 2002

**2009 Rate Increase 6.1%**

