Minnesota
State and local tax shares of family income

Total Taxes
Share of family income

Sales & Excise Taxes
Share of family income

Personal Income Taxes
Share of family income

Property Taxes
Share of family income

Note: All figures and charts show 2024 tax law in Minnesota, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.9 percent) state and local tax revenue collected in Minnesota. As seen in Appendix D, recent tax policy changes have added to the progressivity of Minnesota’s tax system. Overall tax rates on the top 1 percent rose by 0.4 percentage points because of these changes while tax rates for the bottom fifth fell by 2.6 percentage points. These changes caused the state to move 3 spots in the ITEP Inequality Index rankings, from 47th to 50th most regressive.
### Income Group

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Lowest 20%</th>
<th>Second 20%</th>
<th>Middle 20%</th>
<th>Fourth 20%</th>
<th>Next 15%</th>
<th>Next 4%</th>
<th>Top 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $34,400</td>
<td>$19,000</td>
<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
<td>$205,700</td>
<td>$445,000</td>
<td>$1,501,300</td>
</tr>
<tr>
<td>$34,400 to $60,800</td>
<td>$19,000</td>
<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
<td>$205,700</td>
<td>$445,000</td>
<td>$1,501,300</td>
</tr>
<tr>
<td>$60,800 to $100,900</td>
<td>$19,000</td>
<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
<td>$205,700</td>
<td>$445,000</td>
<td>$1,501,300</td>
</tr>
<tr>
<td>$100,900 to $149,400</td>
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<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
<td>$205,700</td>
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<td>$1,501,300</td>
</tr>
<tr>
<td>$149,400 to $325,700</td>
<td>$19,000</td>
<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
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<td>$445,000</td>
<td>$1,501,300</td>
</tr>
<tr>
<td>$325,700 to $730,600</td>
<td>$19,000</td>
<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
<td>$205,700</td>
<td>$445,000</td>
<td>$1,501,300</td>
</tr>
<tr>
<td>Over $730,600</td>
<td>$19,000</td>
<td>$46,900</td>
<td>$79,900</td>
<td>$126,700</td>
<td>$205,700</td>
<td>$445,000</td>
<td>$1,501,300</td>
</tr>
</tbody>
</table>

### ITEP Tax Inequality Index

Minnesota has a hybrid system that is progressive through some parts of the income distribution and regressive through other parts. On balance, the overall system tilts slightly progressive according to ITEP’s Tax Inequality Index because lower and moderate income families pay the lowest tax rates. High-earners, however, often pay lower rates than middle-income families. **Minnesota ranks 50th on the Index** and only the District of Columbia has a more progressive system. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

### Tax features driving the data in Minnesota

- **Refundable property tax “circuit breaker” credit (all ages, includes renters)**
- **Leaves a tax on high-earner investment income**
- **Refundable dependent care tax credit**
- **Leaves a state estate tax**
- **Sales tax base excludes groceries**
- **Refundable Child Tax Credit (CTC)**
- **Requires combined reporting for the corporate income tax; some foreign tax haven income is partially taxed through GILTI inclusion**
- **Limits itemized deductions for upper-income taxpayers**
- **Refundable working families tax credit**
- **Leaves higher property tax rates on higher-value properties**
- **Graduated personal income tax structure**
- **Real estate transfer tax does not include higher rate on high-value sales**
- **Offers itemized deductions**