

TAX RELIEF IN THE 2017 SESSION COSTS MATTER

Business Property Taxes



The United for Jobs Coalition supports lowering the fixed cost of doing business in Minnesota and improving Minnesota's business competitiveness by removing the automatic tax inflator and by ultimately phasing out the statewide property tax levy.

Minnesota Commercial Property Taxes are among highest in nation



Source: 50 State Property Tax Study, MN Center for Fiscal Excellence. June 2016

THE STATEWIDE PROPERTY TAX

Only businesses and cabins are required to pay a state property tax in addition to their local property taxes. The state tax totals about 30% of a business total property tax bill. Businesses pay 95% of the \$863 million tax (2016) that was first imposed in 2002 at \$592 million (cabins pay the other 5%). This tax is automatically increased every year.

Minnesota businesses pay a much heavier tax burden than other properties:

- Businesses have 12.0% of the total property market value but pay 30% of the total property tax.
- Businesses have an effective tax rate of 2.62%, which is the highest among property types. For example, homes are 1.08% and farms are 1.0% for \$200,000 property.
- Businesses have the highest class rate of 2.0%.

Source: Minnesota House Research, Property Tax 101 Short Subjects 2016

A large blue arrow graphic pointing upwards. Inside the arrow, the text "IT'S A FACT!" is written in large, bold, yellow capital letters. Below this, a paragraph of white text reads: "This is a regressive tax paid by all Minnesota families. Business property taxes are ultimately paid by consumers in higher prices of goods, by employees through lower wages and by investors."

Urge Legislators and the Governor to pass tax relief in 2017 session that will support job creators and reduce an uncompetitive regressive tax by enacting meaningful reduction in the state business property tax and by removing the automatic inflator.

United for Jobs Coalition

Albert Lea-Freeborn County Chamber of Commerce
Apple Valley Chamber of Commerce
Associated Builders & Contractors
Austin Area Chamber of Commerce
Belle Plaine Chamber of Commerce
Bemidji Area Chamber of Commerce
Brainerd Lakes Chamber
Building Owners & Managers Association
(BOMA) Duluth
Building Owners & Managers Association
(BOMA) Greater Minneapolis
Building Owners & Managers Association
(BOMA) Greater St. Paul
Burnsville Chamber of Commerce
Central Minnesota Manufacturers Association
Cloquet Area Chamber of Commerce
Dakota County Regional Chamber of Commerce
Duluth Area Chamber of Commerce
Eden Prairie Chamber of Commerce
Elk River Area Chamber of Commerce
Faribault Area Chamber of Commerce & Tourism
Fergus Falls Area Chamber of Commerce
Grand Rapids Area Chamber of Commerce
Hastings Area Chamber of Commerce
& Tourism Bureau
Hibbing Area Chamber of Commerce
I-94 West Chamber of Commerce
Independent Community Bankers of Minnesota
Insurance Federation of Minnesota
International Falls Area Chamber of Commerce
Iron Mining Association of Minnesota
Lake City Chamber of Commerce
Laurentian Chamber of Commerce
LifeScience Alley
Litchfield Chamber of Commerce
Lonsdale Chamber of Commerce
Marshall Chamber of Commerce
Metalcasters of Minnesota
MetroNorth Chamber of Commerce
Midwest Food Processors Association
Minnesota Agri-Growth Council, Inc.
Minnesota Association of REALTORS
Minnesota Bankers Association

Minnesota Beverage Association
Minnesota Business Partnership
Minnesota Cable Communication Association
Minnesota Chamber of Commerce
Minnesota Dental Association
Minnesota Forest Industries
Minnesota Grocers Association
Minnesota Lodging Association
Minnesota Mechanical Contractors Association
Minnesota Milk Producers Association
Minnesota Nursery & Landscape Association
Minnesota Pork Producers Association
Minnesota Precision Manufacturers Association
Minnesota Resort and Campground Association
Minnesota Restaurant Association
Minnesota Retailers Association
Minnesota Shopping Center Association
Minnesota Society of CPAs
Minnesota Trucking Association
NAIOP, the Commercial Real Estate
Development Association
National Federation of Independent Business
New Ulm Area Chamber of Commerce
North Hennepin Area Chamber of Commerce
Owatonna Area Chamber of Commerce & Tourism
Printing Industry Midwest
Redwood Area Chamber & Tourism
Richfield Chamber of Commerce
River Heights Chamber of Commerce
Rochester Chamber of Commerce
St. Cloud Area Chamber of Commerce
Shakopee Chamber & Visitors Bureau
SouthWest Metro Chamber of Commerce
Tri-State Manufacturing Association
Twin Cities North Chamber of Commerce
TwinWest Chamber of Commerce
Waconia Chamber of Commerce
Waseca Area Chamber of Commerce
White Bear Area Chamber of Commerce
Willmar Lakes Area Chamber of Commerce
Winona Area Chamber of Commerce
Worthington Area Chamber of Commerce

Help us build grassroots support. Share how high property taxes impact your company. Contact Jennifer Byers to schedule a legislator plant tour and/or testimonial at 651.292.4673 or jbayers@mnchamber.com.