

EXAMPLES--10.95% RATE + 3% SURTAX + STATEWIDE PROPERTY TAX ON HOME VALUE OVER \$1 MILLION

Shaded columns reflect estimated effective tax change after federal deductions for state income tax paid and property tax paid.

	<u>Current Law State Tax</u>	<u>Gov Rec State Tax</u>	<u>Total State Tax Change</u>	<u>Effective State Tax Change*</u>	<u>Change in Total Tax after Fed Deductions</u>	<u>Effective Tax Change after Federal Deductions</u>
Typical Minnesota Single--Parent w/1.5 kids						
<i>Adjusted Gross Income of \$24,555</i>						
<i>Home Value = Any home value under \$1,000,000</i>						
Income Tax	-\$143	-\$143	\$0		\$0	
Statewide Property Tax	\$0	\$0	\$0		\$0	
Total	-\$143	-\$143	\$0	0.0%	\$0	0.0%
Typical Minnesota Single--No Kids						
<i>Adjusted Gross Income of \$25,389</i>						
<i>Home Value = Any home value under \$1,000,000</i>						
Income Tax	\$829	\$829	\$0		\$0	
Statewide Property Tax	\$0	\$0	\$0		\$0	
Total	\$829	\$829	\$0	0.0%	\$0	0.0%
Single Example 1--No Kids						
<i>Adjusted Gross Income of \$50,000</i>						
<i>Home Value = Any home value under \$1,000,000</i>						
Income Tax	\$2,463	\$2,463	\$0		\$0	
Statewide Property Tax	\$0	\$0	\$0		\$0	
Total	\$2,463	\$2,463	\$0	0.0%	\$0	0.0%
Single Example 1--No Kids						
<i>Adjusted Gross Income of \$100,000</i>						
<i>Home Value = Any home value under \$1,000,000</i>						
Income Tax	\$6,081	\$6,242	\$161		\$121	
Statewide Property Tax	\$0	\$0	\$0		\$0	
Total	\$6,081	\$6,242	\$161	0.2%	\$121	0.1%

	<u>Current Law State Tax</u>	<u>Gov Rec State Tax</u>	<u>Total State Tax Change</u>	<u>Effective State Tax Change*</u>	<u>Change in Total Tax after Fed Deductions</u>	<u>Effective Tax Change after Federal Deductions</u>
Typical MN Household						
<i>Married Joint Filer, 2 children</i>						
<i>Adjusted Gross Income of \$81,500</i>						
<i>Average Home Value = \$180,000 (\$260,000 in Metro, \$163,000 Greater MN)</i>						
Income Tax	\$3,200	\$3,200	\$0		\$0	
Statewide Property Tax	\$0	\$0	\$0		\$0	
Total	\$3,200	\$3,200	\$0	0.0%	\$0	0.0%
Married Example 1						
<i>Married Joint Filer, 2 children</i>						
<i>Adjusted Gross Income of \$200,000</i>						
<i>Home Value = Any home value under \$1,000,000</i>						
Income Tax	\$11,698	\$11,837	\$139		\$100	
Statewide Property Tax	\$0	\$0	\$0		\$0	
Total	\$11,698	\$11,837	\$139	0.1%	\$100	0.1%
Married Example 2						
<i>Married Joint Filer, 2 children</i>						
<i>Adjusted Gross Income of \$500,000</i>						
<i>Home Value = \$1.5 million</i>						
Income Tax	\$35,083	\$44,457	\$9,374		\$6,093	
Statewide Property Tax	\$0	\$5,250	\$5,250		\$3,413	
Total	\$35,083	\$49,707	\$14,624	2.9%	\$9,506	1.9%
Married Example 3						
<i>Married Joint Filer, 2 children</i>						
<i>Adjusted Gross Income of \$1,000,000</i>						
<i>Home Value = \$2.0 million</i>						
Income Tax	\$72,331	\$109,821	\$37,490		\$24,369	
Statewide Property Tax	\$0	\$10,500	\$10,500		\$6,825	
Total	\$72,331	\$120,321	\$47,990	4.8%	\$31,194	3.1%

* Effective "state" tax change is before federal deductability; shaded columns reflect final effective tax rate after federal deductability.