

League of Women Voters of Minnesota Records

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copies to: Jenkins, Stone, FSG committee

LWVMN 4/12/76

Financing State Government Gommittee - Karen Anderson Preliminary Outline for Grant Proposal(s)

I. Statement of Problem -- need for projects

It is apparent through recent issues being raised by public and private sectors that there is great concern over the level of taxation in MN and the level of services provided by state and local governments. Each group toward which a specific tax is directed is voicing concern over what they see as an unfair burden; a multitude of special interest groups are demanding increased governmental services and spending in their particular area of interest. Beauth the conflict there appears to be a lack of information on the multi-tax syste structure used in MN to generate revenue, on the processes involved in destributing the revenue to the various levels of the government in order for them to provide services and on the amounts needed to provide services is at each governmental level.

After conducting a poll on citizens knowledge of and attitude toward financing government, we have found that there is confusion about the total picture of government finance in MN. (Hore poll information available soon) Pressures on government decision-makers tend to be based on immediate needs and narrow issues, and resultant decisions often disregard long-range, broad-based implications.

The LWV has held public meetings in various parts of the state in the past year attempting to inform peiple about the tax structure in MN, but we feel that much more needs to be done in informing the public on the total picture of financing government in MN

II. LWV Bublic Education Project on Financing Government in MN

A. Four Publications

1. Fall '76 Taxation Primer (Tite Oct. 1)

pages (8 sides, similar to MN Voter format)

Trends in taxation; Evaluating taxes; Glossary on Gvoernmental finances

@ pages (12 sides)

Specific taxes in state: rationale for, description of, evaluation of. Brief comparison with other states.

Concentration on the effects on peiple in the state

- 3. Spring '77 Revenue Distribution Primer (4 page)
 Trends in MN, methods of distribution among governmental levels,
 effects of inflation of gov't costs, effects on people in the state.
- 4. Spring '77 Services provided by state and local (in general) gov't in MN. Rationale for, description of, expenditures for specific services; brief comparison with other states; effects on, attitudes of people in the state.

B. Fall '76 - Travelling Resource Team

five, one-day presentations throughout state by team of 5 experts in field of governmental finance. Each paid for travelling and time. Cosponsored with county, city, educational gov't..

Issues to be covered:

- philosophic tax issues, multi-tax system, evaluation methods, trends.
- Mn's tax structure
- philosophic view of services, trends, etc.
- specifics in MN services
- increasing taxation and increasing demand for services
- including evaluation techniques (either written or workshop format feedback)
- C. Spring '77 Media Presentation

Live plus animated plus illustrated video-tape on effects of taxation and spending in the state and the effects on peo; le and programs. Trends and implications.

1 hour public TV in those areas having it; local programming on network TV in other areas.

Would need to hire intern or other expert to direct this, coordinated by LWV committee. Evaluation --- call-in responses?

Newspaper fill-in response?

III. Why the LWV?

- A. no axe to grind; have direct experience with borad issues in both taxation and spending; backgound of cooperation with all levels of government (to draw audience and support for presentations).
- B. Less expensive, much work on profect provided by volunteer committee, workers.
- C. Quality we have a reputation to uphold and a record of quality projects.
- IV. Budget no wild guesses at this point

aucherne - public interest groups schools C of C's etc.

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Oct. 4 11 a.m. office 2 p.m. Fuller LEAGUE OF WOMEN VOTERS OF MINNESOTA 555 WABASHA, ST. PAUL, MINNESOTA 55102 September 24, 1976 Ms. Edith SanSouci Community Affairs Council H. B. Fuller Company 2400 Kasota St. Paul, MN 55108 Dear Ms. SanSouci: Attached is a proposal seeking \$5,100 from the H. B. Fuller Community Affairs Council for support of a program designed to help educate citizens about financing government in Minnesota. The League of Women Voters has a basic philosophy that informed citizens are essential to a viable democratic system. Working from that premise, the League conducted a state-wide survey, described in the proposal, which gave evidence of a lack of understanding of taxes and expenditures for services in Minnesota. The program we are proposing is directed toward providing citizens with information so that they will understand, with greater insight and broader perspective, the need for taxes and services. It is our hope that the Community Affairs Council would permit the League to recognize its support through appropriate acknowledgement in the series of publications. in fature perbs. Sincerely, Jerry Jenkins President League of Women Voters of Minnesota THUSBIRDINE 2015/45

- what were studied - ? of money - need to inform ourselves to set priorities - adetorial - poll - 3 A PROGRAM OF PUBLIC EDUCATION FINANCING STATE GOVERNMENT

on p. 4, you'll see our sudget, which welled the costs of the publications, + for achewing a widespread distribution of them. costs reflect printing of distribution research & ariting done by voluntiers we hope yould be willing to help astooth this important project; I will be welling to mover any questions you might have.

Then expect to lower taps or weresel state services, we see a need for basic information. In The League of Women Voters of Minnesota of our publications in ander to achove this. St. Paul

October, 1976

concern + enthusiasm at the state level. Leves: we've studied -- Acorrections, judicial system, education, national resources. In every case, when aveve found things that we've some need changing, we've to come up against the guestion of money, where the money to what are our priorities? We saw the need for informing ourselves about governmental the fenousing in order to better set our own prouting in totalin't spending. yesterdays, Trib. - tax structure has charged, but citizens not aware of it a We discovered the same thing is a statewil servey, P. 5 of the proposal.

In this period of inflation, the citizen concern about taxes is justified. In April the Minneapolis Tribune studied a Minnesota family to illustrate how much it pays in taxes, where the taxes go and what the tax dollars buy. The family of four with an income of \$16,249 paid \$4,442 in taxes, which represented slightly more than 27% of its income and more than one-fourth of its working time (see appendix). These figures do not include indirect taxes -- those paid by others but built into the cost of goods and services the family buys. This family is not alone in expressing its feelings about its unfair tax burden.

Groups of taxpayers (i.e. businesses) toward which a specific tax is directed are voicing concern over what they see as an equally unfair burden.

On the other hand, a multitude of special interest groups are demanding increased governmental services and spending in these particular areas of interest and concern.

Competition and conflict between and within taxpaying groups and tax-spending groups are evident in the workings of governmental units and the deliberation of the legislative bodies involved. Since "tax-payers" and "tax spenders" are all the same people (citizens), great understanding of the financial workings of state and local governments should broaden citizen interest in participating in decision-making about taxes and spending and thereby broaden acceptance of those decisions.

The League of Women Voters of Minnesota conducted a survey in March 1976 of 244 randomly chosen persons throughout the state to determine citizen knowledge of and attitude toward financing government. The League found confusion and misinformation about taxes, expenditures and governmental finance in general (see appendix). For instance:

- 184 persons (of 244) did not know what portion of their property tax goes to finance local schools (statewide average 54%)
- 205 did not know that local property taxes support only 8% of public assistance programs (welfare)
- . 150 did not know that the local property tax raises the most tax dollars in Minnesota (in 1975 Property Tax 31.8%, Individual Income Tax 25.6%, Sales and

Use Taxes 13.8%, and Corporation Income Tax 6.2%)

In addition to these factual questions, the League also asked those surveyed questions dealing with broader issues such as "tax fairness," adequacy of services and assessment procedures (see appendix).

In the pursuit of other League concerns such as financing educational programs, monitoring campaign financing laws, the corrections systems and environmental regulations (to name a few -- see appendix), the League has become aware of this lack of citizen information about: budgeting procedures, priority setting, the effect of inflation, the effectiveness of services, tax exemptions, etc.

The League has held public meetings in various communities of the state in the past year, attempting to inform citizens about the tax structure (see appendix), but it feels that much more needs to be done if citizens are to fully understand their role in creating and sustaining a tax system which responds to their needs and "pocketbooks."

To that end, the League concludes that there is a need for a simple, cogent and authoritative publication(s) which would inform citizens about financing government in Minnesota. The research and writing has been completed on the first two parts of a series of publications. The first, "A Primer of Minnesota Taxes," includes: a history of taxes, criteria for judging taxes, a glossary of tax terms, the results of the League poll, and a bibliography. The second publication is "Minnesota's Multi-Tax System," and it includes: the Property Tax, the State Income Tax, Sales and Use Taxes, Other Taxes, Local Taxes, Comparison (with other states), and a Bibliography (see appendix). The 3rd and 4th publications, which will be ready for printing in February, 1977, include: a) an introduction to expenditures (discussion of the concerns of the people, changing values, and changes in political theory); b) a history of expenditures; c) state fiscal procedures (budget-making, adoption, collection and disbursement procedures and audits); d) state and local governmental expenditures; and e) trends in the future.

In summary, the first two publications focus on taxes, and the sec-

Because this is such a difficult subject, the League believes that distribution of these publications about a accompanied, whenever possible, with a "live" presentation of the issues and approximately provided for questions and discussion. The research commattee would provide

training for local League personnel who would in turn plan and carry out the "live" presentation. Visual aids (graphics) would be developed to support the presentations. Local Leagues (69 throughout Minnesota) would develop audiences and participants from: service clubs, junior and senior high schools, community colleges, municipal, county and school officials, Chambers of Commerce, church groups, womens clubs, etc. Local Leagues would use local resources in the media and elsewhere to promote its meetings to provide opportunities for anyone in the community to participate.

The League of Women Voters of Minnesota feels qualified to undertake this project for the following reasons among others:

- . The League is a non-partisan grass roots organization with no "axe to grind"
- . The League has addressed itself to local, state and national issues since 1919
- . The League has studied financing state and local governments since 1965
- . The League has a fundamental dedication to informed citizen participation in government.

Government is a dynamic process involving passionate and pragmatic people playing for enormous stakes. Public policy is not imposed by fiat but is arrived at through the political interplay and reconciliation of competing interests. As government grows in size and complexity, it is harder for citizens to feel they can influence the decision-making process. The League believes that knowledge must precede any action and that knowledge arms the citizen for action and provides the courage to do so.

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BUDGET

For printing and distribution of 4 publications on Financing State Government

Design and Printing of 10,000 copies of each publication \$3,200

Administration of program

Survey development

Travel cost of research committees

Manuscript typing 500

Distribution of Publication

Mailing costs 1,000

Promotion of Meetings and Material

Graphics

Speakers Training

Publicity 400

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\$5,100

All research conducted by volunteer committee

APPENDIX

1. The Minnesota Family - April 4, 1976, Minneapolis Tribune
Total Income - \$16,249

Taxes	Paid
TAXES	Paid

Federal Income Tax	\$1,529.00
Social Security	926.00
Excise, Miscellaneous	734.00
State Income Tax	708.00
Property Tax	421.00
State Sales Tax	124.00
Total	\$4,442.00

Where Money Went

Federal Government	\$2,632.00
State Government	1,389.00
Local Schools	210.00
County Government	120.00
City Government	70.00
Miscellaneous Levies	21.00
Total	\$4,442.00

2. Statewide Survey Results

In March, 1976, members of 52 Leagues of Women Voters conducted a statewide telephone survey on people's attitudes and knowledge of governmental financing in Minnesota. 244 people, chosen by random sample, were surveyed. The questions and responses are shown here. Although 244 people were surveyed, totals may be different, since not all people answered all questions.

1. Of the three major taxes in Minnesota, the individual income tax, the property tax, and the sales tax, which do you feel is the most fair?

individual income - 74, property - 31, sales - 125
Which do you feel is the least fair?

individual income - 84, property - 101, sales - 40

Of all the taxes collected by state and local governments, do you
happen to know which raises the most menut;

of aindividual income - 87, property - 68, school - 28, not sure - 25

3. Do you feel the services you woulde from state and local govern-

- ments are adequate in relation to the taxes you pay; that is, do you think you're getting your money's worth? yes 108, no 92, uncertain 42
- 4. Do you happen to know on which of the following items you pay a sales tax? food - 17, automobiles - 205, drugs and medicines - 41, household appliances - 203, fur coats - 150
- 5. Many people feel the income tax forms are too complicated, too hard to understand and fill out; do you pay someone to help you fill out your income tax forms? yes 150, no 67, not sure 5
- 6. Do you know whether any of your state income tax moneys are used to help run your local city or county government? yes - 146, no - 30, not sure - 65
- 7. Do businesses in Minnesota pay more of the total income tax than individuals? yes 62, no 106, not sure 73
- 8. Does state government levy general property taxes? yes 68, no 101, not sure 73
- 9. By state law, assessors are required to assess property at its full market value. How do you feel most property in your community is assessed in relation to its actual market value? higher - 51, lower - 88, about the same - 60, no opinion - 41.
- 10. If the assessment of a piece of property is raised, will the tax on that property automatically be raised? yes - 146, no - 20, not necessarily - 45, not sure - 30.
- 11. Do you happen to know, on the average, what portion of the local property tax goes to finance local schools? 1/4 42, 1/2 58, 3/4 25, not sure 117.
- 12. Of all the money that will be spent on public assistance (welfare) programs in Minnesota, do you happen to know how much comes from local tax sources? 8% 34, 29% 50, 57% 22, not sure 133.
- 13. Do the taxes you pay have an influence on who you vote for? yes 80, no 148, not sure 14
- 14. Are there any government services you'd like to see improved even if it would mean increasing taxes? "nothing" or "none" was mentioned most (66 times); others mentioned often were: local law enforcement, health and hospitals, education, highway building and maintenance; other answers mentioned at least once covered the entire scope of governmental services.

"none" mentioned 64 times; welfare and highways were also mentioned (although many welfare responses were categorized as welfare "reform"); many of the responses referred to administrative costs or bureaucratic excesses in many different areas of governmental services.

Correct answers:

- 2. Property taxes 31.8%

 Individual income tax 25.6% All 1975 estimated figures

 Sales and use taxes 13.8% from Minnesota Department of

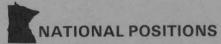
 Corporate income tax 6.2% Revenue
- 4. Yes household appliances, fur coats (usually) although automobiles are exempt from the Minnesota Sales Tax, they are subject to a 4% motor vehicle excise tax
- 6. Yes state supplements local government revenues from the property tax via local government aids (aids to counties, municipalities, townships, special districts, and aids to school districts).
- 7. No of total income taxes collected in 1973, 16.5% came from corporation tax.
- No local governments levy property taxes; counties collect and administer them.
- 10. Not necessarily -- the amount of tax is determined by the mill rates of the government units in the county. If all assessments were raised equally, the mill rate could be lowered and taxes remain the same.

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cover mental services.

- 11. 1/2 -- statewide average is 54%
- 12. 8% -- the major portion comes from federal sources.



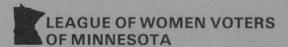
Certain positions on governmental issues held by the LWVUS include implications for state legislation. These include support of:

- an open, representative and responsive governmental system
- apportionment based substantially on population for all elected bodies
- election of the president and vice president of the United States by direct popular vote (requiring constitutional amendment)
- trade and development efforts and other policies to promote international cooperation and world peace
- equal rights for all, regardless of race or sex; ratification of ERA
- public programs for income maintenance and supportive social services
- energy conservation as part of any national or state energy policy



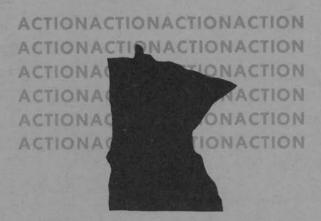
LWV IS NON-PARTISAN

and does not support candidates or political parties. However, LWV members, as individuals, are encouraged to participate actively in the political party of their choice.



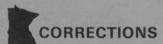
555 Wabasha St. Paul, MN 55102 (612) 224-5445

FEBRUARY 1976



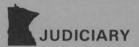
LEAGUE ACTS

The League of Women Voters of Minnesota (LWVMN) works through the legislative process to promote its Program and the Program of the League of Women Voters of the United States. These Program Positions have been arrived at after careful study by local LWV members, followed by discussion and ratification at state LWV conventions. A complete statement of each of the Positions supported by LWVMN is available in PROGRAM FOR ACTION 1975-1977, a publication of the League of Women Voters of Minnesota, 555 Wabasha, St. Paul, MN 55102.



Support of a correctional system responsive to the needs of the offender and of society, including:

- correctional options
- · treatment and rehabilitation
- · recognition of basic human rights
- · evaluation and research
- up-to-date personnel procedures
- citizen education
- · a broad choice of youth services
- constitutional protection and confidentiality for juveniles
- records access for juveniles and their parents and guardians



Support of a judicial system with the capacity to assure a speedy trial and equal justice for all, through:

- administrative reforms
- · improved judicial quality
- · procedural reforms
- community alternatives as an adjunct to the judicial system



ENVIRONMENTAL QUALITY

Support of policies favoring a physical environment beneficial to health, including:

- wise use of water resources
- improved water and air quality
- · reduction of solid waste
- resource recovery
- · wise use of land as a limited resource
- overall state land use planning



EQUALITY OF OPPORTUNITY

Support of equal opportunity in employment, real property, public accommodations, education and other public services for all persons, including:

- · adequate funds to enforce antidiscrimination laws
- services for Indian citizens equal to those provided for other citizens, recognizing their need to make the decisions affecting their lives



EDUCATION

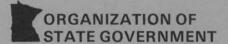
Support of greater state responsibility for equal educational opportunities through:

- · correcting racial imbalance in schools
- a more realistic equalization aid formula
- transportation aid
- special aids for children with special needs
- additional education aids

ELECTION LAWS

Support of improved election laws, including:

- campaign financing reform, with some public funding
- uniform election procedures and training for election officials
- extension of mandatory voter registration
- extension of election laws to include school district elections
- · rotation of candidates' names on ballots



Support of an improved amending process

Support of legislative reform through:

- · more public access to information
- adequate research assistance
- no increase in size
- · realistic compensation for legislators
- · improved committee organization
- · flexible sessions of adequate length
- · allowing legislature to call its own special sessions
- · a post-auditor responsible to the legislature
- · regular and equitable reapportionment

Support of changes in executive structure, to include:

- · clear lines of authority and responsibility
- eliminating duplication and overlapping agencies
- · focus on current and emerging problems
- standardized names for state boards, commissions, committees, councils



FINANCING GOVERNMENT

Support of property tax reform through:

- more equitable assessments
- · fewer classifications
- new limits on tax exemptions
- less dependence on property tax as a source of revenue

4. Public Meetings

Subject: Financing State Government

In the fall and winter of 1975 and 1976:

Alexandria

Winona

Duluth

Anoka-Coon Rapids

St. Paul

Albert Lea

Brooklyn Center

Hopkins

Mankato

Crystal-New Hope

Rochester

In the fall of 1976:

Fridley

White Bear Lake

Brooklyn Park

Roseville

The League used the services of Professor Arley Waldo of the Department of Agricultural and Applied Economics of the University of Minnesota at these meetings.

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FACTS AND ISSUES #1 October 1976 Financing State Government Primer of Minnesota Taxes

This <u>Primer</u> is the first of four "Facts and Issues" prepared by the League of Women Voters of Minnesota to explain how government is financed in Minnesota. It contains a history of legislative trends in taxation, an explanation of criteria used in evaluating taxes, and a glossary of terms used in explaining both taxation and government expenditures in Minnesota.

The League of Women Voters of Minnesota (LWVMN) has been observing government tax policy and expenditures since 1965. In March 1976, LWV members throughout the state conducted a survey to find out what Minnesotans knew about government financing in Minnesota and how they felt about it. Results of the survey are included with the glossary and are used throughout these four "Facts and Issues" in discussing specific taxes and public expenditures.

The other three "Facts and Issues" will explain Minnesota's basic tax structure, legislative trends in spending, and how the state spends most of its money.

HISTORY

Taxation in Minnesota formally began with statehood in 1858. The new State Constitution provided for a property tax, on real and personal property, which would finance almost all the needs of state and local governments. Since then, tax legislation has occurred in piecemeal fashion, with little regard for overall structure, long-range planning, or clear-cut goals. Two trends are clear, though. One, of course, is the great increase in taxes as the government has needed more and more revenue to serve a growing population, to keep pace with urbanization, industrialization, and technology, and to fund the growing government support of education and health and welfare services. Another trend is the legislature's desire to broaden the tax base, relying on many different segments of society to provide revenue, and to depend less on regressive taxes, like the property tax, and more on progressive taxes like the income tax.

While local governments still rely heavily on property taxes for their revenue needs, state government began an early move toward move diversified sources of revenue by assessing a gross earnings tax, instead of a property tax, against railroads, insurance company premiums, telephone, telegraph, railroad car and express companies. The tax was based on varying rates until 1887, when a uniform gross earnings tax was enacted for railroads, and by 1903 these gross earnings taxes were producing more revenue for the state government than property taxes. Meanwhile, though, the legislature was still concentrating much of its efforts on improving the administration of the property tax.

Then, in 1906, a constitutional amendment, called the "wide-open" amendment, was ratified, greatly enlarging the legislature's taxing powers. An inheritance tax and mortgage registry tax soon followed, and in 1913 the legislature worked out a "classified" property tax, allowing for four classes of property taxed at different rates. In 1920, special taxes and royalties on iron ore mining were introduced.

From 1920 to 1957, major changes in Minnesota tax policy reflected national economic and social conditions -- the advent of the automobile, the Depression and World War II. The automobile brought a constitutional amendment in 1920 authorizing the financing of highways by motor vehicle and gasoline taxes. These were the state's first direct "use" taxes and were so lucrative that by 1932 they would be providing more than half the \$44,000,000 in tax revenue collected by the state.

The "Great Depression" of the 1930's brought the state income tax, passed in 1933. As the depression worsened, people's incomes dropped and state and local tax revenues decreased, too, as property taxes, which were levied by the state and local government units, became increasingly difficult to collect. Assessed values declined as prices fell. Meanwhile, costs of such government responsibilities as education stayed nearly constant, and general relief expenditures mounted rapidly as unemployment increased. The repeal of Prohibition made possible new taxes on alcoholic beverages and their manufacture, but this was not enough. Faced with the conflicting demands for both property tax relief and additional revenues, the legislature responded with the Income Tax Act of 1933. There had been attempts to enact an income tax before, but the way was finally made clear when the Attorney General ruled that the income tax could be in reduced without a constitutional americant. Some favored the new graduates for tax as a desirable alternative to the property tax, others saw it as a meanway establishing a progressive, here equitable tax system. These opposes to tax were concerned mostly with

way. It also recommended would be a limited on a commencer oils of the

how its revenue would be distributed. Today, the income tax is the backbone of the state's tax structure, with the property tax the primary source of local government tax revenue.

World War II eased or eliminated much of the financial stress of the 1930's.

Tax revenues rose sharply and relief expenditures went down as employment and farm incomes increased and industries went into wartime production. Moreover, many government spending projects had to be curtailed because workers and materials were unavailable. A big backlog of maintenance, replacement, and expansion of public facilities built up. In the postwar period, spending for such projects soon outran the income from existing taxes and tax rates and used up the surpluses built up during the war. Moreover, high postwar birthrates meant new schools had to be built, and postwar inflation widened the gap between government costs and the revenue potential of the existing tax structure.

The 1947 legislature responded by looking for ways to increase state revenues and to help local governments collect property taxes more effectively. A new tax was imposed on cigarettes, and taxes on liquor, iron ore, and mining royalties were increased. County boards of commissioners were required to appoint either county assessors or assessment supervisors, thus attempting to professionalize assessment personnel and to make their procedures more businesslike and more uniform.

By 1955, however, Minnesota was in financial trouble again. Legislative appropriations voted during the regular session greatly exceeded potential revenue, and the state's revenue balance was too small to cover the deficit for fiscal 1956-58. The legislature met for a one-day extra session and passed an "omnibus" tax bill which added a 5% surtax on individual income taxes, a 1% surtax on corporate income taxes, and a 15% surtax on iron ore occupation and royalty taxes.

It was obvious that new ways of financing state government had to be found, and in 1956 Governor Orville Freeman appointed a Tax Study Committee to review the state's entire tax structure. This "blue-ribbon" committee included twenty members representing business, finance, industry, labor, farm and university interests. The committee recommended simplification and consistency in the property tax -- there were 2700 different appropriate officers at that time -- by business county assessment system rather translated one and by valuing all property as 100% of its market value -- values were typically assessed for below made and the system rather translated one and by valuing all property assessed for below made and the system rather translated one and by valuing all property assessed for below made as a limitation of personal property assessed.

ments. It urged an additional 1% surtax on corporate income taxes and a gross earnings tax, which would be set aside for property tax relief. Other committee recommendations were aimed mostly at making taxes easier to understand and to levy.

The only one of these recommendations enacted into law by the next legislature was the removal of the state tax on household goods, with county boards directed to phase out this tax by 1968. Few of the committee's other recommendations have ever been implemented. There was, in fact, very little tax activity in the legislatures of 1959, 1961 and 1963. Existing tax rates were increased, but the basic structure stayed almost the same. Meanwhile, though, the need for new revenues continued to increase. The state government's share of local expenditures grew steadily as proportions of the very young and the very old in the population increased, requiring an increase in education and social welfare spending. With local government units allowed to tax only property, the burden on property owners became so great that the 1963 legislature responded by funding a commission to study the property tax. The study's findings resulted in the Tax Reform and Relief Act of 1967. It eliminated the state's portion of property tax revenue and the personal property tax on farm machinery and livestock, and permitted manufacturers to be taxed on the value of their inventories or their tools and machinery. It gave some property tax relief to older persons and renters and created the property tax relief fund and a county assessor system. To cover the loss in property tax revenues to local government units, a state sales tax was enacted. Part of the revenue from this highly controversial tax was designated for property tax relief through the homestead credit, and to increased state aid to schools and localities. In the next two years, however, local governments greatly increased their spending, and property taxes rose about 40% in Minnesota; there was increased public pressure, particularly from senior citizens, for lower property taxes.

The 1971 legislature tried to do what the 1967 legislature had tried but failed to do. This time, though, the legislature was determined that property tax relief would be permanent. It imposed tax levy limitations on all units of local government, then went to work to find the money to make up the local governments' revenue losses. Rates were increased for individual, corporate, and bank income taxes, certain excipt taxes, and the sales tax. Corporations and banks were no longer allowed to counct federal taxes from their state taxes which, in effect, doubled their state income taxes. Nost of the increase in revenue was channeled into property tax relief through increased state aid to local governments and school districts.

The 1973 legislature went still further by increasing the homestead credit and enacting a property tax "freeze" for citizens over 65 which would refund the difference between the current property tax and that paid in the year the property-owner reached age 65. The 1975 legislature added an income-adjusted property tax credit for every taxpaying property owner, and offset the lost tax revenue for counties and municipalities by enacting new state aids for welfare and general municipal expenditures. It also enacted an income tax forgiveness and relief program for low income workers. Overall, it continued the trend away from the property tax and toward the income tax and the sales tax as major sources of revenue.

The Tax Revenue Sources table illustrates trends in state government financing over the past 55 years. Note that the property tax in 1922 was only slightly less important as a percentage of total tax revenues than the income tax is today. Note also the decline in importance of the gross earnings and motor vehicle taxes, although these sources of revenue have greatly increased in dollars since 1922. Their decline in importance indicates the tremendous increase in total state tax revenues, from \$29,400,000 in 1922 to over \$2,000,000,000 in 1975. (This table does not include the revenues of local government units. Thus there is no property tax revenue shown in the last two columns, because the state property tax was eliminated in 1967.)

The General Revenue Sources table shows the importance of revenue other than taxes for financing state and local governments. Federal aid has become an increasing source of revenue, rising at a faster rate in the past 15 years than revenue from state and local sources.

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TAX REVENUE SOURCES OF STATE GOVERNMENT IN MINNESOTA BY PERCENT OF TOTAL STATE REVENUE SELECTED FISCAL YEARS, 1922-1975

Source of Tax Revenue	1922	1932	1949	1954	1962	1969	1975
Property Tax	34.9%	22.7%	5.2%	5.3%	6.0%		
Individual Income			20.3	21.3	31.1	33.3%	40.4%
Sales and Use			•		-	19.0	19.0
Corporate Income	-	-	10.4	5.3	7.6	8.1	8.9
Bank Excise	-		0.7	0.8	1.3	0.9	0.8
Gross Earnings	28.1	13.6	9.9	8.0	5.5	3.3	2.7
Insurance Premiums	3.6	4.3	2.8	2.7	2.7	2.0	1.7
Inheritance and Gift	3.0	4.2	1.4	1.7	2.3	2.3	2.1
Iron Ore Occupation		3.2	7.5	12.6	3.7	1.6	1.6
Iron Ore Royalty	-	1.4	1.3	1.5	0.6	0.2	0.2
Alcoholic Beverages	-		8.6	5.8	5.0	3.1	2.4
Tobacco Products	_	-	5.6	4.7	6.4	3.7	3.9
Gasoline	_	26.8	16.5	17.9	15.1	12.7	7.1
Motor Vehicle	29.7	23.6	9.5	12.0	11.0	6.9	6.7
Other	0.7	0.2	0.3	0.4	1.7	2.9	2.9

100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% Total Tax Revenue

SOURCE: 1922-1962: Report of the Governor's Minnesota Tax Study Committee, 1962

1969: Minnesota State Tax Collections: Prepared by Minnesota

Dept. of Taxation, Research & Planning Div.

1975: Minnesota State Tax Collections: Prepared by Minnesota Dept. of Revenue, Research & Planning Div.

GENERAL REVENUE SOURCES OF STATE and LOCAL GOVERNMENTS IN MINNESOTA FISCAL 1960, 1967 and 1974

		1960		1967	1974
SOURCE		million dolla	ars	million dollars	million dollars
All sources:					
From Federal Government		143.4	*EU	314.3	820.9
From Own	Y'S				
Sources		926.6	- Lipry	1,626.9	3,528.1
To aske!			find g	1,941.2	4,349.0

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3,528.1

CRITERIA

What makes a tax good or bad, fair or unfair? How can we judge the effects of a widely diversified tax system, such as we have in Minnesota, on individuals -- on people? Are taxes a burden on the majority of people? On a minority? Are the people getting their "money's worth"?

Over the years, various criteria, or standards of testing, have been applied to individual taxes as well as to the total tax system. Beginning with Adam Smith's statement that a tax should be "simple, certain and convenient," and his expansion of these objectives in his 1776 "canons of taxation" from The Wealth of Nations, criteria for evaluating taxes have been expanded and refined. Some are useful for individual taxpayers in evaluating taxes, others are important to government.

Whether a tax is <u>equitable</u>, or fair, is probably the most important criterion. It is most important to the people, and it is also important to government, inasmuch as elected officials try to please their constituencies. The concept of equity assumes that a tax should affect people in similar economic situations the same, and includes such guidelines as ability to pay, benefits received, and widespread participation in paying the tax. Equity is probably the most difficult quality to measure.

In using <u>ability to pay</u> as a criterion for evaluating taxes, we need to know three definitions: 1) A tax is <u>progressive</u> when it takes a bigger percentage of a large income than a small one (state and federal income taxes are generally <u>progressive</u> taxes). 2) A tax is <u>proportional</u> if it takes the same percentage from everybody. 3) A tax is <u>regressive</u> if it takes a bigger percentage of a small income than a large one (a general sales tax with no exemptions is regressive).

If we use benefits received as a criterion, we are asking whether people who benefit from a government program should pay for it. This was a fairly workable idea in the days when government was primarily concerned with serving the property owners who paid most of the taxes. Today, however, a great deal of government money is spent on welfare and education, and those who benefit can hardly be taxed to pay the costs of these programs. Current examples of application of the benefits received principle find government using excise taxes on motor fuels to pay for highways, selling game and finh licenses to help finance the state's Department of Natural Resources, and charging tuition at state uniquesi-

Philosophically, the criterion of widespread participation, which requires a broad segment of the population to pay a tax, assumes that people's interest in and awareness of government increases with the level of taxes they pay, and considers this a good thing. However, the Minnesota 4% retail sales tax, while allowing for widespread participation and therefore by definition being equitable, is really regressive, because it takes a larger proportion of income from the poor, who spend all their income and do not have any surplus, such as wealthier people do, for savings, investment, charity, and so on. Minnesota has tried to make its sales tax less regressive by exempting food and clothing and prescription drugs.

So far, we've been talking about people-oriented criteria. The government also has criteria for evaluting taxes. An important one is the concept of revenue yield, which includes such factors as adequacy, productivity, reliability, stability, flexibility and elasticity. The Minnesota income tax, for example, takes all these factors into consideration. It is adequate and productive, because it provides enough revenue to pay for the needs for which it was adopted. It is reliable and stable, because it gives government a predictable source of revenue and gives people some certainty of the amounts they are expected to pay. Yet it is also flexible and elastic, because it is a progressive tax, and thus mirrors changing economic conditions. As incomes rise, the total tax yield increases more than total taxable income, because more people move into higher income brackets, which are taxed at higher rates. This flexibility makes the government happy, and it's also good for the taxpayer, because it imposes a lower tax rate when incomes drop. In times of inflation, however, the taxpayers whose income rises only to keep pace with inflation will find themselves in a higher income bracket, and their real income will be reduced.

It is also important that people who pay taxes and people who collect them are able to understand and easily obey the tax laws. If a tax is administered equitably, efficiently and economically by the government, and if it is easy, convenient, and predictable for the taxpayer, everybody will benefit. Economical, efficient tax-collecting leaves more funds to provide public services for people; a tax which is simple (easily understood by people) and convenient (easily paid) enables government to enforce compliance with the tax law and reduce tax evasion. Withholding taxes on wages and salaries, and collecting retail sales tax at time of purchase, are examples of making taxes convenient for people to pay, although the items exempted from the sales tax to make it less regressive have confused some and make it harder for ref. This to computation may these sales taxes. A salaries complication may arise from the 1975 Taxome-Adjusted Momestead Credit, which was first applied in

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1976. It was designed to make the property tax less regressive by considering each property owner's income, but property owners and even tax experts have found it extremely complicated to compute, and administrative and compliance costs may be unjustifiably high in relation to the benefits of adding this "ability to pay" factor to the property tax.

Attention to the whole picture also should include an understanding of a comparatively new development -- government manipulation of general economic conditions through taxing, spending and borrowing. The old assumption was that a tax should be "neutral," should not work to the hardship or advantage of any specific group in the community. Today, some taxes are levied precisely because they are not neutral, because they influence individual or business behavior. Revenue policy is used primarily at the federal level to affect economic growth, distribution of income, and use of resources. In Minnesota, the state gives income tax credits for pollution control devices.

A final important factor in determining the economic impact of a tax is its incidence — that is, who eventually pays it. The impact of a tax falls on the first person or business paying it. But if that person or business can shift the tax to someone else, it becomes an indirect tax whose incidence, or final resting place, is always on people, even though the original tax may have been on business or property. An example is the corporate income tax, which in the final analysis is paid by consumers in higher prices, workers in lower wages, or stockholders in smaller dividends. Another example is the shifting of property taxes to renters; this can be compensated for by giving tenants' rent credits, either as an income tax credit or refund, or as a cash payment.

When applying criteria to taxes, it is important to remember that some criteria are compatible, some are direct opposites. No tax can meet all criteria.

Who does the evaluating is also important, for personal values and self-interest can influence the relative importance of criteria to different people. Taxes also must be evaluated in the context of the total tax and expenditure structure, which includes federal, state, and local taxes, both direct and indirect. And still another factor making application of criteria difficult is that a multitax system like Minnesota's dilutes the analytics of any one tax, since the inequities of each tax may fall on a different coup. It also may make for lower tax rates as some areas, since them are tay many different sources of tax revenue.

In the pamphlet describing specific taxes in Minnesota, appropriate criteria will be applied to each tax in an effort to help the reader evaluate them.

GLOSSARY

The following terms refer to both taxation and expenditures in public financing and will be used in all four "Facts and Issues." They will not be fully defined each time they are used in the texts. Most of the terms are used univerally in the field of public finance; those referring only to Minnesota are so indicated.

ability to pay: the principle that a tax should be levied on individual taxpayers in accordance with their ability to pay, rather than in proportion to benefits they receive or how much it costs the state for services rendered.

apportioned tax: a tax collected by one political unit but distributed among several.

assessment: (1) a value placed on property for the purpose of taxing it; (2) amount exacted as a tax.

assessed value: in Minnesota, the actual market value of property is reduced by a specified percentage set by the government; the resulting "assessed value" is the valuation used in computing taxes on the property.

benefits-received principle of taxation: the principle that taxpayers should pay taxes in proportion to the benefits they receive.

capital outlay expenditure: direct expense of construction and/or purchase of equipment, land, and buildings used to produce income.

circuit-breaker: in Minnesota, refers to the income-adjusted homestead credit -- a property tax credit based on income and amount of property taxes paid.

classified property tax: a tax system in which property is classified according to its nature and purpose, so that different tax rates can be applied against each class; some classes may be exempted from taxation.

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compensatory principle of taxation: see benefits-received, above.

consumption tax: a tax levied on some phase of the production or distribution of goods and services, and sometimes applied to customs duties; see excise tax, below.

current operation expenditure: money spent for wages and salaries, and for supplies, materials and contractual services, excepting capital outlay.

delinquent tax: a tax that remains unpaid after the date due.

discriminatory taxation: (1) taxation designed to favor certain industries; (2) any tax exemption or allowance which seems to favor one taxpayer at the expense of another; (3) regressive taxes which put a heavier burden on low-income persons than on high-income persons.

EARC ratio: in Minnesota, the percentage relationship between the assessor's market value and the state-determined market value of a property.

EARC values: in Minnesota, actual market value of a tax district's property as determined by the Equalization Aid Review Committee (EARC); made by comparing selling price of properties with the market values at which the properties were assessed.

equalization: adjustment of locally-determined market values in each assessment district, such as a county, so that the valuations in each district represent the same percentage of actual market value.

estate tax: tax levied on estate of a deceased person before the estate is divided among the heirs.

excise tax: a selective sales tax; see consumption tax, above.

expenditure: money paid out by government, excepting debt payments, investments, loans, and transactions between government areacies.

foundation aids: in Minnesota, state aldsopresided to school districts on the basis of pupil units; supplements local property taxes.

franchise tax: tax levied on some special privilege extended by government to a private enterprise.

general expenditure: all government expenditures except those necessary to operate public utilities, liquor stores, and insurance trust funds.

general revenue: all revenue of a government except revenue from operation of public utilities, liquor stores, and insurance trust funds.

general revenue sharing: money received by state and local governments from the federal government under the State and Local Fiscal Assistance Act of 1972.

gift tax: a tax imposed on property transferred from one person to another as a gift.

hidden tax: an indirect tax which is part of the price of goods and services; the taxpayer doesn't know he or she is paying it.

homestead: in Minnesota, a residence occupied by its owner; a property owner may have only one homestead.

incidence of taxation: who really pays a tax irrespective of how or against whom it is levied (for example, a sales tax is almost always paid by the consumer although the seller is the one formally taxed; thus the incidence falls on the consumer).

income tax: federal, state or local tax on corporate or individual income, which includes wages, rents, interest, dividends, royalties, profits, commissions, etc.

indirect tax: a tax which can be easily passed on to someone else by the person required to pay the tax; see incidence of taxation, above.

inheritance tax: tax paid by an individual who receives property from the estate of a deceased person.

intergovernmental expenditure: payments from one unit of government to another as grants-in-aid, shared revenue, payments in the of taxes, or reimbursements for services.

joint return: for tax purposes, combined report of income of husband and wife.

levy limits: amount local governments are permitted to levy against their property tax base for certain services.

license tax: see occupation tax.

limited market value: in Minnesota, properties reassessed at more than 10% above former value, or 4th of the increase in valuation, must be increased in increments; the old value plus the incremental increase constitute the limited market value, which is then used for computing the tax on the property.

local government aids: in Minnesota, state aids to counties, cities, towns and special taxing districts, based on population, mill rate and sales ratio.

luxury tax: a tax imposed on articles not considered essential to a normal standard of living.

market value: what the assessor says a property is worth, and supposedly what the property would be worth if it were sold; however, market value varies in Minnesota, sometimes 20-30% from actual value.

mill: a unit of value used to determine taxes on Minnesota property and payrolls; if one mill is levied by local government, the taxpayer pays \$1 on every \$1,000 of assessed value, a two mill levy would mean \$2 on every \$1,000, etc.

miscellaneous general revenue: money government receives from charges for public services, special assessments against property owners, interest earnings (excluding interest earned on insurance trust funds), and any other money taken in except taxes and intergovernmental revenue.

occupation tax: (1) fee charged for license issued by the government for certain occupations and professions; (2) generally, a tax levied on a particular occupation or profession, also known as a privilege tax or a license fee.

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payroll tax: tax levied against an employer, based on wages and salaries he pays

personal property tax: see property tax.

privilege tax: see occupation tax.

proceeds: money a tax yields after collection costs are deducted.

progressive taxation: a tax which takes a larger percentage of income as income increases.

property tax: a tax levied on any kind of property, including land and buildings (real property) and stocks and bonds or home furnishings (personal property).

proportional taxation: a tax which takes the same percentage of income from all income levels.

public revenue: government income from taxes and all other sources.

real estate tax: see property tax.

regressive taxation: a tax system which takes a larger percentage of low income than of higher income.

revenue: all money received by a government, except that received from borrowing, liquidation of investments, and agency and private trust transactions.

sales ratio: in Minnesota, the comparison between the assessor's estimated market value and the actual selling price of property as determined by the EARC.

sales tax: tax levied on sale of goods and services.

severance tax: tax levied on value of natural resources taken from land or water.

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shifting of taxation; see incidence.

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special aids: in Minnesota, school aids for specific purposes such as transportation, education of the handicapped, etc.; see foundation aids.

special levies: in Minnesota, levies which are not covered by the levy limitation law, principally welfare and bonded debt levies.

surtax: (1) an extra tax on an amount which has already been taxed; (2) additional tax calculated as a percentage of a tax already levied.

tax base: a unit of value, privilege or object used as a base for calculating a tax to be levied; it may be property, income, an estate, a corporate franchise, an occupation, or the volume, number, quality, or other characteristic of certain articles. To this the rates are applied: base times rate equals tax.

tax exempt: persons, property, or goods not subject to taxation.

tax limit: constitutional or legislative limitation on kind of tax and maximum rate.

tax revenue: all revenue a government gets from taxes it imposes, including interest and penalties.

tax sharing: a tax levied and collected by one jurisdiction and shared with others; see general revenue sharing.

use tax: tax designed to reach taxable persons who have not paid the sales

value added tax: a tax on all levels of manufacturing, processing and distribution based on the amount each operation adds to the price.

Statewide Survey Results

In March, 1976, members of 52 Leagues of Women Voters conducted a statewide telephone survey on people's attitudes and knowledge of governmental financing in Minnesota. 244 people, chosen by random sample, were surveyed. The questions and responses are shown here. Although 244 people were surveyed, total may be different since not all people answered all questions.

1. Of the three major taxes in Minnesota, the individual income tax, the property tax, and the sales tax, which do you feel is the most fair?

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individual income-74, property-31, sales-125
Which do you feel is the least fair?
individual income-84, property-101, sales-40

- 2. Of all the taxes collected by state and local governments, do you happen to know which raises the most money:
 - individual income-87, property-36, sales-28, not sure-86
- 3. Do you feel the services you receive from state and local governments are adequate in relation to the taxes you pay; that is, do you think you're getting your money's worth? yes-108, no-92, uncertain-42
- 4. Do you happen to know on which of the following items you pay a sales tax? food-17, automobiles-205, drugs and medicines-41, household appliances-203, fur coats-150
- 5. Many people feel the income tax forms are too complicated, too hard to understand and fill out; do you pay someone to help you fill out your income tax forms? yes-150, no-67, not sure-5
- 6. Do you know whether any of your state income tax moneys are used to help run your local city or county government? yes-146, no-30, not sure-65
- 7. Do businesses in MN pay more of the total income tax than individuals? yes-62, no-106, not sure-73
- 8. Does state government levy general property taxes? yes-68, no-101, not sure-73
- 9. By state law, assessors are required to assess property at its full market value. How do you feel most property in your community is assessed in relation to its actual market value? higher-51, lower-88, about the same-60, no opinion-41.
- 10. If the assessment of a piece of property is raised, will the tax on that property automatically be raised: yes-146, no-20, not necessarily-45, not sure-30
- 11. Do you happen to know, on the average, what portion of the local property tax goes to finance local schools? 1/4-42, 1/2-58, 3/4-25, not sure-117
- 12. Of all the money that will be spent on public assistance (welfare) programs in MN, do you happen to know how much comes from local tax sources? 8%-34, 29%-50, 57%-22, not sure-133
- 13. Do the taxes you pay have an influence on who you vote for? yes-80, no-148, not sure-14
- 14. Are there any government services you'd like to see improved even if it would mean increasing taxes? "nothing" or "none" was mentioned most (66 times); others mentioned often were: local law enforcement, health and

hospitals, education, highway building and maintenance; other answers mentioned at least once covered the entire scope of governmental services.

Are there any services you'd like to see cut back? "nothing" or "none" mentioned 64 times; welfare and highways were also mentioned (although many welfare responses were categorized as welfare "reform"); many of the responses referred to administrative costs or bureaucratic excesses in many different areas of governmental services.

Correct answers:

- 2. Property taxes 33.8%
 Individual income tax 25.6%
 Sales and use taxes 13.8%
 Corporate income tax 6.2%

 All 1975 estimated figures from MN Dept. of Revenue
- 4. yes -- household appliances, fur coats (usually)
 although automobiles are exempt from the MN Sales Tax, they are
 subject to a 4% motor vehicle excise tax
- 6. yes -- state supplements local government revenues from the property tax via local government aids (aids to counties, municipalities, townships, special districts, and aids to school districts).
- 7. no -- of total income taxes collected in 1973, 16.5% came from corporation tax.
- no -- local governments levy property taxes; counties collect and administer them.
- 10. not necessarily -- the maount of tax is determined by the mill rates of the government units in the county. If all assessments were raised equally, the mill rate could be lowered and taxes remain the same.

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times); others mentioned often werete look haw enforcement, health and

- 11. 1/2 -- statewide average is 54%
- 12. 8% -- the major portion comes from federal sources.

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Research for this publication done by Karen Anderson, Margaret Bloyer and Judy McGuire. Edited by Rhoda Lewin.

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FACTS AND ISSUES #2 October 1976 Financing State Government

Minnesota's Multi-Tax System

This "Facts and Issues" contains a description of every tax used for raising revenue in Minnesota. The major taxes, personal income, property, and sales taxes, are presented first. The other taxes are grouped by type. Each tax is explained in terms of who is taxed, how much is collected, which government unit collects and distributes the tax, and which criteria can be used to evaluate the tax. Collection figures for each tax are for the fiscal year 1975, running from July 1, 1974, to June 30, 1975. The total collected by the Minnesota Department of Revenue and other state agencies in fiscal 1975 was \$2,019,936,000; this does not include property tax revenue, collected by local governments, estimated at \$1,001,208,000 in fiscal 1975.

PROPERTY TAX

One of the first taxes levied by civilized man was the tax on property. As early as the fourth century B.C., the Greeks and Romans were working out definitions for terms like "property," "equitable assessment," and "administration." The property tax survived through the years despite considerable criticism, perhaps because (1) it raises revenue needed by local government units, (2) it has a certain "relevance," because it pays for services to those who are taxed (e.g. street maintenance and fire and police protection), and (3) it is easy to locate for assessing because real property is mostly fixed or immobile. Today, property taxes account for about one out of every six tax dollars collected in the United States.

In computing property taxes in Minnesota, each local taxing district -- cities, counties, townships, and special taxing units like school districts -- decides how much money it needs from the property tax for the coming year. This amount, called a levy, is applied against the assessed values to arrive at the mill rates required to raise necessary amounts. Then all the mill rates for a given area are applied to the assessed value of each piece of property within the area to compute the tax on that property. The property owner pays the taxes to the county treasurer, who returns the money to each local government or taxing unit in proportion to the unit's mill rate.

Not to be confused with property tax are special assessments levied on property for improvements like storm severs, curbs, water mains, and sidewalks.

Such improvements may benefit the property receiving them and may increase the market value of the property, but special assessments are levied for specific projects and appear on property tax statements as a separate item.

Although the state no longer imposes or collects the property tax, it still regulates many of its aspects. Sometimes, such regulation becomes extremely complicated. For example, state law requires that all property in Minnesota must be valued at market value for tax purposes. This means that the assessor's estimated market value for each real estate parcel should be the same as the probable selling price of the property, thus "equalizing" taxes for individual property owners and taxing districts. Actual practice, however, varies considerably, despite the law. Studies have shown that estimated market values in the state range from 50% to 140% of actual market value; this ratio of estimated market value to probable selling price at the time of assessment is called the sales ratio. Recognizing this variation, and recognizing its special importance to local governments and school districts, whose municipal aids and state school aids are based on the equalization principle, the state has established the Equalization Aid Review Committee (EARC). The state commissioners of education, revenue, and administration meet as the EARC to review such studies and adjust assessed values where necessary. Assessment/sales ratio studies also provide valuable information for taxpayers, assessors, the legislature, and tax administrators.

The state legislature also limits the amount of revenue each taxing unit can raise by property tax levies. The first such legislation was passed in 1971. Today, there are two basic levy limitation laws; one pertains to local governments and one to school districts. Local governments with a population over 2500 are limited to a percentage increase per year, while school districts are limited to increases based on the maximum mill rate.

There are also numerous tax advantages in the form of classifications, credits, and exemptions by which the legislature has tried to make the property tax less burdensome and more equitable. The first of these devices was classification, adopted in 1913. The legislature divided real and personal property into four classes, with the tax rate applied to varying proportions of assessed value. The homestead classification was adopted in 1933 to help property owners in danger of forcelesure and eviction. It was also supposed to encourage homeownershap, between treduced the tax levied on real property occupied by its

owner. The homestead classification now includes mobile homes, and defines a farm homestead as up to 120 acres of land contiguous to the dwelling. The number of classifications has increased steadily over the years; currently there are more than 30. This makes Minnesota's tax system complex and cumbersome to administer, and makes property difficult to assess. Some classification of property may be desirable, but many experts deplore the results of the system: favored treatment of one group or class of property is nearly always achieved at the expense of other groups.

The Tax Reform and Relief Act of 1967 introduced the first tax credit for property owners through the homestead credit. Low-income senior citizens and renters were also given special property tax relief by the 1967 legislature. Each legislative session since 1967 has made changes in the credit. In 1973, for example, totally disabled and legally blind persons became eligible for the credit, and a special property tax "freeze" was enacted, freezing the net homestead property tax at the amount it was when the homeowner reached age 65. This freeze now depends on income.

In 1975 the legislature created the income-adjusted homestead credit. It introduced the concept of personal income as a factor in the property tax system. This was Minnesota's first "circuit breaker" type legislation, so-called because it prevents an overload on taxpayers, just as an electrical circuit breaker prevents an overload on an electric power source. It authorized the state to "pay" the taxpayer, in the form of a credit against his income taxes, if property taxes exceeded a certain percentage of household income. Renters also benefit from this circuit breaker. They may assume that 20% of their rent goes for property tax, and apply for a refund or state income tax credit. The income-adjusted homestead credit, and the other special freezes and credits, are administered through the income tax, and are further explained in that section.

Another legislative device concerns certain kinds if property which are exempt from taxation -- property owned by religious, educational, charitable, and governmental entities, certain personal property, Indian lands, real and personal property used to control air, water or land pollution, and industrial commercial tools, machinery and equipment. Certain types of public utilities property are also exempt, but are subject to the gross earnings tax instead. Federally owned land is also exempt from taxation except for specific authorized by Congress. Some experts view exempt property as beautiful.

cause tax-exempt private institutions, for example, render services to the community that would otherwise have to be provided at public expense. However, in a community with a high proportion of exempt property, non-exempt taxpayers carry a heavier portion of taxation.

Minnesota's pioneering Fiscal Disparities Act, passed in 1971, acknowledges the wide differences in taxing capabilities of the more than 300 units of government in the seven-county Minneapolis-St. Paul metropolitan area. It recognizes that benefits of local services flow across the boundaries of the taxing governments, among suburbs, between suburbs and central cities, and among school districts. It calls for pooling 40% of the growth of the commercial and industrial tax base in the metropolitan area. The pooled tax base is then redistributed to local taxing units, both governments and school districts, by a formula based on population and need.

The state legislature has also used its tax regulatory powers to try to achieve more equitable property taxation in other areas. The 1967 Agricultural Property Tax Law, known as the "green acres" law, defers tax increases and special assessments on property in urban fringe areas which is used for agricultural purposes. Although the land may increase in value because of its potential for residential or commercial use, the tax continues to be based on the value for agricultural use until it's sold or is no longer used for agriculture. It is then subject to additional taxes equal to the difference between its agricultural value and its market value for the three years of deferment immediately preceding the sale. Thus increases in land values do not discourage property-owners on the urban fringe who want to continue farming. Here too, however, tax relief granted to one group must be borne by other groups.

Two other taxing methods offered by the state and designed to encourage use of land for conservation practices are the Tree Growth Tax and the Auxiliary Forest Tax. Owners of five or more acres of forest land may apply to have their land taxed under the "tree growth" tax law instead of paying any other type of property tax on it. Charges for the land differ according to its current productivity. Land suitable for growing commercial timber, in lots of no less than five nor more than 40 acres, may be taxed as "auxiliary forests" if the county auditor approves. This levy supersedes any property tax. Salable timber or mineral interests in the land are taxed separately.

The 1975 state legislature passed a number of laws which affect property taxes. In addition to the income-adjusted homestead credit, the legislature (1) directed the state to assume 90% of non-federally funded medical welfare costs which counties had been funding primarily through the property tax. (2) increased state aid to local governments and revised the formula for dustributing such aids; (3) modified tax levy limitations to reduce restrictions on local spending; (4) repealed the 5% assessment limitation on increases in property valuation so that all property assessments may be brought up to market value within four years; (5) changed homestead assessment procedures to make them more responsive to inflation; (6) increased the taconite production tax and changed its distribution formula; (7) increased the school maintenance mill reduction for agricultural property and seasonal recreational property.

THE PLANT WAR

Revenue from property taxes in Minnesota was estimated at \$1,001,208,000 in fiscal 1975. While this figure has been rising, it has grown smaller as a percentage of total revenues in the state, reflecting the legislation drawn to afford relief to property owners. In fiscal 1974, for the first time, the property tax lost its distinction as top revenue raiser in Minnesota, being surpassed by the combined total of personal and corporate income tax revenues.

STATE INCOME TAX

If economists and politicians were polled on which kind of tax they preferred, most would probably choose the income tax. Economists like it because it can be structured in accordance with the taxpayer's ability to pay; politicians like it because it is a relatively easy way to raise substantial sums of money. Minnesota first levied a state income tax in 1933; today it is the state's major source of tax revenue. In fiscal 1975 it produced \$807,100,000, or about 40% of state tax revenues. Collected by the Minnesota Department of Revenue, it goes to the state treasury, where it is credited to the general revenue fund.

The Minnesota income tax is levied on most income, including wages, salaries, tips, dividends, interest, pensions, and annuity payments. Wages and salaries are taxed by withholding a specified portion; other forms of income are taxed in quarterly prepayments based on a declaration of estimated tax. By law, Minnesotas must file an income tax return if their Minnesota income exceeds a certain specified amount, the amount varying with such factors as age and marital status.

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The taxpayer does not pay income tax on gross income. Instead, he pays taxes on what is called taxable income. To arrive at taxable income, the taxpayer must first compute his Minnesota adjusted gross income. This is all the money received during the year which is subject to Minnesota taxation, including any federal income tax refund, minus federal taxes paid for the year. Then the standard or itemized deductions allowable are subtracted from this adjusted gross income; what's left is taxable income.

Besides being able to reduce the net income on which taxes must be paid, the taxpayer may be able to reduce the tax itself by using tax credits. Minnesota law provides two types of credits, refundable and non-refundable. Refundable credits may be paid to the taxpayer in cash, non-refundable ones are subtracted from his tax liability. There are five non-refundable credits. (1) Personal and dependent credits, allowed since 1972, include \$21 each for the taxpayer, his or her spouse, each dependent, and the estate of a family member who has died during the year, plus an additional \$21 for the spouse if they are 65 or older. (2) Income tax paid to other states can be credited if the income was derived from personal or professional services, if the other state doesn't allow a credit for Minnesota residents, and if he must pay income tax to the other state on the earnings. (3) Pollution control equipment credit can be taken for items purchased to reduce air, land, or water pollution. (4) Political contributions to a party and candidate can be used as a tax credit up to 50% of the contribution up to \$12.50, or to \$25 for a married couple filing jointly. When the contribution is only to a party, the credit is \$5 for an individual and \$10 for a joint return. (5) Low income credit "forgives" all or part of income tax owed by the so-called "working poor." The amount of qualifying income varies according to family size, from \$4,400 for a single wage-earner to \$7,800 for a family of six or more.

There are three refundable credits which may be paid in cash to the taxpayer if they exceed his total state income tax liability. (1) the income-adjusted homestead credit (circuit breaker) -- enacted by the 1975 legislature -- attempts to tie property tax liability to a renter's or homeowner's income. It is based on whether the homeowner's property tax, or the portion of property tax included in rent, exceeds a certain percentage of the taxpayer's gross income. The percentage rises with income and is determined by a sliding scale. Homeowners over 65, disabled persons, and renters may claim this credit against their income taxes or receive a cash payment if the amount due exceeds their tax liability; other homeowners can claim it only as a credit against their income tax. It does not replace the existing homestead credit allowed against a homeowner's property tax, but the income-adjusted credit is reduced by the enough allowed for the

homestead credit. (2) The property tax freeze credit freezes a homeowner's property tax when he reaches 65. The state then pays the county any difference between the amount at which the tax was frozen and the amount due in subsequent years. The 1975 circuit breaker legislation partially removed the freeze for senior citizens with incomes over \$10,000; those with annual incomes of \$19,500 or more must pay current property taxes in full. (3) There is also an exempt agricultural electricity credit, which refunds sales tax paid on electricity used for farming.

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Although taxpayers lament about having to pay income taxes, this form of taxation does meet a number of the common criteria for judging a tax. One of the chief advantages is that it matches the taxpayer's ability to pay, because the rate structure is progressive up to \$20,000 of taxable income, and it can be personalized through deductions and credits so that, for exemple, a single taxpayer with an income of \$8,000 pays more than a married taxpayer trying to support a spouse and two children on the same \$8,000.

Another feature of the income tax which is attractive to government is that it is elastic. It is the only major tax which grows faster than overall economic activity. A 10% rise in personal income can yield a 15% increase in tax collections, because as a taxpayer's income rises, he or she moves into higher tax brackets.

Much of the \$200,000,000 surplus in the state treasury at the end of the 1975-76 biennium was a result of the elastic nature of the income tax. Income tax receipts in fiscal 1975 increased 15% over 1974, although the rate structure stayed the same.

Other qualities of the income tax desirable to government are its high yield and the relative ease with which it is administered.

The Minnesota income tax does have its limitations, however. Some contend that the current flat rate of taxation on incomes over \$20,000 should be changed to make the rates progressive at higher levels of income. One way to accomplish this would be elimination of the federal deductibility provision, which would raise taxes substantially for persons with higher incomes by no longer allowing Minnesota taxpayers to deduct federal taxes paid from their state taxable income. The federal rate structure is more progressive than Minnesota's, so if Minnesota eliminated federal deductibility, people in higher income brackets would see their taxable income increase by a larger percentage

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In considering the merits of this suggestion, it might be instructive to examine the impact of federal deductibility on state revenues. The federal income tax is the single most important deduction Minnesotans make in computing their taxable income; it comprised 48% of all deductions in 1968. As a result of this deduction, 14% of gross income earned in Minnesta is not subject to Minnesota income tax. In fiscal 1967, removal of federal deductibility would have increased state tax revenues by \$87,000,000, or 34%, and by fiscal 1973, the increase would have been \$360,400,000. Given the accelerating demands on state government, it's easy to understand why the proposal to eliminate federal deductibility has strong support.

Proponents of this measure also put forward several other arguments in its favor. They claim that permitting federal deductibility makes Minnesota dependent on the federal tax system and its periodic rate changes. They also point out that if federal deductibility were eliminated, the legislature could lower the rate structure and still raise as much as, or more than, the state collects now.

Another argument put forward against removal of federal deductibility is that it is unfair to tax income used to pay taxes, but supporters of the idea counter by pointing out that many other taxes are not deductible, and that taxes are simply part of the cost of living, just as goods and services are. The argument for maintaining federal deductibility is strengthened by the fact that Minnesota consistently ranks in the top ten states in income tax rates. Without lower rates, a rise in individual tax liabilities could become a political liability for many a state legislator.

Another criticism frequently leveled at the Minnesota income tax structure is that the family with one wage-earner is penalized, since it pays taxes at a significantly higher rate than the family with two wage-earners. This happens because Minnesota tax laws make a different distinction between married and single taxpayers than federal laws do. A family with one wage-earner who earns \$20,000, for example, pays approximately \$1,315 in state income tax, but a family with two wage-earners who together earn the same \$20,000 might pay only \$947, depending, of course, on other deductions. Those who favor the present plan contend that families with two wage-earners incur additional expenses, such as child care and transportation, which should be reflected in their tax liability They also like the balanced contrast Minnesota taxes offer to federal taxes, which fall more heavily on the single taxpayer.

Other proposals for the income tax are concerned with simplification of forms and rates, or changes which would allow more people to use standard rather than itemized deductions. Since taxable income is based primarily on figures from federal income tax determinations, changes proposed in Minnesota are sometimes limited in impact by what happens to the income tax at the federal level.

SALES AND USE TAX

As the demand for state government services expanded in the 1960's, Minnesota had to find additional sources of revenue, and in 1967 the legislature introduced a 3% sales tax. The sales tax was part of a major tax reform and relief act, and was designed to cover revenue losses projected by elimination of personal property taxes and state property levies. In 1971, the legislature raised this tax to 4%.

Most retail sales are subject to this tax. The important exceptions are food, clothing, and prescription medicines and drugs. Sales taxes are also collected on admissions, amusement devices, furnishing of meals, drinks, and/or take-out food, hotel and motel rooms, electricity, gas, water, and certain telephone services. Coin-operated vending machines which make taxable sales are subject to a tax of 3% of their gross receipts. There is also a use tax, a sales tax primarily intended to cover purchases from out-of-state retailers. It is imposed on the storage, use, or consumption of taxable items, and serves the useful purpose of preventing Minnesotans from evading the sales tax on "big-ticket" items like large appliances, carpeting, or boats by purchasing them in a nearby state. Motor vehicles are exempt from the sales and use tax, but they are subject to a 4% excise tax collected by the Department of Public Safety.

Together, the sales and use taxes netted \$350,000,000 in fiscal 1974 and \$383,000,000 in fiscal 1975. They are expected to generate 17% of all state and local taxes during the 1975-77 biennium. Every person who leases, rents or sells taxable items at retail in Minnesota must have a Minnesota Sales and Use Permit; he must impose the tax on the buyer and report it and pay it to the state. The money goes to the state treasury, where it is credited to the general fund.

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The sales and use tax, like any tax, has both advantages and disadvantages. One of its major advantages is that it is reliable, and its yield grows automatically as the economy grows. Another advantage is that it is economically neutral -- that is, it does not materially affect business decisions of either industry or labor. A third advantage is that, because it falls on the ultimate consumer, it is easy to increase or decrease the tax "take" from a given category of users. (A tax increase at any other point in production or sales would involve such things as inventory counting, and setting up new reporting and collecting procedures.) Another advantage of the sales tax in a tourist state like Minnesota is that it is also paid by visitors from out-of-state, who come to enjoy the state's recreational and vacation facilities. By paying sales tax, they help pay for many government services which benefit them, too.

The sales tax is apparently popular with taxpayers -- 54% of respondents in the LWVMN telephone tax survey chose it as the "most fair" tax, and it is also popular with the tax collector. Among the reasons are these: (1) it's relatively painless, because it's collected in small and often unnoticed amounts; (2) the taxpayer is always current, never in arrears; (3) there are no lump sum payments to make or deadlines to meet; (4) the government can collect large amounts of money despite the low rate. For example, increasing the sales tax from 3% to 4% in fiscal 1971 brought in an additional \$96,000,000 in tax revenue. Politicians like the sales tax because it seems to incur less voter resistance than other taxes; businessmen like it because it doesn't interfere with how they run their business, and it doesn't take away the incentive to work.

One of the disadvantages of the sales tax is the confusion both buyers and sellers sometimes face when the specific use of an item determines whether it's taxable. If a person is buying upholstery fabric (which is taxable) to make a skirt or vest (which are wearable items of clothing and thus tax-exempt), no sales tax should be charged. The true cost to retailers of these and other collection details is hard to compute, but can be substantial. Another disadvantage of the sales tax is that it is regressive, because it taxes the poor, who must spend a large proportion of their income for necessities, at the same 4% rate as higher-income people. Minnesota tax law combats this regressive feature by exempting food and clothing from the sales tax, although it does not exempt certain high-priced, so-called "luxury" items. Fur coats, for example, are an item of clothing, but the buyer must pay sales tax, if the value of the fur is more than three times the value of the next most costly material

in the coat. In this way, relatively affluent people who buy expensive items like boats, furs, and recreational goods and services make large sales and use tax payments each year, while low income people whose earnings go primarily for such necessities of life as food and clothing make relatively small sales tax payments. Thus, though the sales tax is still regressive, it is less so in Minnesota than in many other states, except, perhaps, for the very poor and the very rich.

OTHER TAXES

Corporate Excise Tax

Every state that taxes personal incomes also taxes corporate incomes. By law, a corporation has no tax-paying ability separate and apart from that of its stockholders, so Minnesota calls its tax a corporate excise tax, and defines it as a tax on the value of the privilege of operating in the state. In contrast to the personal income tax, which is progressive, the corporation tax is proportional, in that it taxes all income at the same rate.

In fiscal 1975, Minnesota collected \$180,482,000 in corporate excise taxes. Although this was 18.2% of all income tax collected, it was only 9% of total state tax revenues, compared to 40.1% in 1941 and 16.5% in 1973. This decrease in percentage of total tax collections occurred despite an actual increase in collections. The corporate excise tax rate was increased from 7% to 12% during that period, but the addition of new taxes (like the sales tax) and increases in other tax rates made the percentage difference.

A Minnesota corporation is required to file an annual tax return if its gross income is over \$5,000 or its taxable net income over \$500. Since 1973, every such corporation must pay at least the minimum tax of \$100. Net taxable income is determined by total gross income, less business expenses paid during the year and a number of exemptions and credits. For example, there is a formula for exempting out-of-state sales from state income taxes. This formula, in effect, encourages Minnesota-based manufacturers to expand manufacturing, research and office facilities in the state, and serves as an incentive for those firms to sell finished products or services nationwide. There is also a \$500 credit for every corporation filing a return, and there are credits for dividends received from another corporation, contributions to the state and its political subdivisions (but not individuals), and contributions to non-profit organizations operating in Minnesota. A 5% credit for the cost of buy-

ing, installing, and using pollution control equipment is allowed up to a maximum of \$50,000, with feedlot operators allowed 10% and no maximum. Taxes paid to the federal government or to foreign countries are not deductible.

Revenue from the corporate excise tax is deposited in the state treasury and credited to the general fund. Quarterly pre-payments are required if the annual tax is expected to be over \$1,000.

Minnesota's 12% rate for corporate taxes is the highest in the country, and has been a source of conflict between Minnesota business firms and state officials in recent years. A series of articles in the Minneapolis Star in December, 1975, examined the issue and concluded that each side had been "overstating" its case. The series made the point that the level of public services the state provides is high enough to bring companies into the state in spite of the high tax rate. Moreover, a recent U.S. Bureau of Economic Analysis report predicts a faster growth of employment in Minnesota through 1990 than in neighboring states which have lower corporate taxes. This could seem to discredit corporation claims that high taxes are costing the state money and jobs.

An important point to remember is that the burden of corporate taxes does not fall on an impersonal business; it falls on people. The corporation's taxes are absorbed by stockholders, who receive reduced dividends, by consumers, who pay higher prices, and by workers, who receive lower wages. The specific incidence of the tax, however - who eventually pays what part of it - is controversial and difficult to measure, although economists continue to investigate this tax-shifting process in an effort to measure the tax burden on different groups in the population more accurately.

Government views the corporate income tax as providing stable, reliable growth in yield. It is easy to administer and there are few attempts to evade the tax.

Bank Excise Tax

The bank excise tax is a 12% tax on the net income of every national and state bank in Minnesota. Each bank is considered a separate corporation, even if it is part of a large bank system or group. Net income is determined just as it is determined for other corporations, with additional adjustments for certain invastments and daw soulds. The equipments and tax minimums

are also identical to those for corporations. This tax contributed \$15,412,000 to state revenues in fiscal 1975.

The bank excise tax is in lieu of all taxes on capital, surplus, property assets and shares. However, banks do pay the local property tax. Until 1973, part of the revenue from the bank excise tax also went to local taxing districts. Now all revenues are deposited in the state treasury and credited to the general fund.

Like the corporate excise tax, the bank excise tax is stable, grows steadily in yield, and is easy to administer and enforce. Unlike corporate excise taxes, it is not a subject of widespread criticism, perhaps because the tax rate was reduced in 1973 from 13.34% to the present 12%.

Employer's Excise Tax

Minnesota is the only state with an employer's excise tax. Enacted in 1973, this tax is imposed on payrolls over \$100,000 per calendar year. Specifically exempted are freight, express, sleeping car and taconite company railroads, incorporated public institutions, government-owned corporations, and public charitable institutions. The tax rate is two mills per dollar (.2%) on payroll excess over \$100,000, or 1% if an employer has no net taxable income. It is reported and paid quarterly, and all revenue is credited to the state general fund. Revenues from this source totaled \$15,180,000 in fiscal 1975.

The employer's excise tax is stable, efficient, economical and easily administered, but employers call it unfair. They claim it is not based on ability to pay because it does not take corporate income into consideration, and they cite it as an example of the so-called anti-business climate the state legislature has created in the state. The question of who really pays what part of this tax is unanswerable. Obviously, the costs are passed on to stockholders, employees, and customers, just as they are with corporate and bank excise taxes. Legislation to repeal this tax passed the state senate during the last session, but not the house.

Inheritance and Estate Taxes

The inheritance tax is levied when real or personal property is transferred to a new owner after the death of the original owner. The 1976 legislature made several changes in the inheritance tax law. It doubled the amount of property exempted from the inheritance tax from \$30,000 to \$80,000 extended

the period of time in which the tax can be paid from one year to five when more than \$5,000 in tax is involved, removed sex designations so that the law refers to the "surviving spouse" rather than the "widow," added an "undue hard-ship" deferral provision, and increased the deduction which is an amount allowed for survivors' living expenses for one year.

In addition to the inheritance tax, estate taxes may also be levied on estates exceeding \$60,000, but seldom are. This is because such estates are taxed by the federal government; the state estate tax, if one is assessed, is the difference between the maximum federal credit allowed for state death taxes and those actually paid, and the difference is usually minus. Both the inheritance and the estate tax, if any, are collected by the state and credited to the general fund, but 10% is returned to the county it came from. Inheritance and estate taxes brought in \$39,209,000 in fiscal 1975.

Gift Tax

Taxes are imposed on property transferred from one person to another as a gift. Gifts up to \$3,000 in any calendar year are exempt, as are gifts to the country, state, locality, non-profit organizations and employees. Exemptions are also allowed on gifts to relatives, with the exemption increasing with the closeness of the relationship between the giver and the recipient. State income from this tax in fiscal 1975 was \$2,482,000.

Alcoholic Beverage Taxes

Minnesota charges taxes on liquor, wine, and malt beverages (beer and ale) at the wholesale distribution level, in addition to the regular 4% sales tax at retail. The tax rate for wine and malt beverages depends on the amount of alcohol they contain. All distilled spirits (liquor), however, are taxed at \$4.39 per gallon, no matter what the alcoholic content. These taxes brought in a total of \$48,878,000 in fiscal 1975.

Cigarette and Tobacco Taxes

Cigarettes are not subject to the regular Minnesota sales tax. Instead, they have their own excise tax based on weight. This tax on a pack of cigarettes is now 18 cents, with other tobacco products taxed at 20% of the wholesale price. A small discount is allowed for large volume pruchases. State income from these taxes was \$78,785,000 in fiscal 1975.

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Mortgage Registry Tax

When a mortgage on real property is filed -- that is, recorded by the county recorder in the county in which the transaction takes place -- the mortgagee pays a tax of 15 cents on each \$100 of debt secured by the property. This tax netted \$4,672,000 for the state in fiscal 1975, with 95% of the proceeds retained by the state and 5% by the county.

Deed Transfer Tax

This tax is imposed on the transfer of all land and buildings. The tax is based on a certificate of value which must be presented before the transfer is recorded by the county auditor. Documentary stamps purchased from the auditor are used to pay the tax. Proceeds from this tax go to the state's general fund and in fiscal 1975 were \$4,197,000.

Motor Vehicle Recycling Tax

Purchasers of new or used vehicles weighing more than 1,000 pounds pay a fee of \$1 which the state uses to recycle or dispose of abandoned vehicles and scrap metal. All these dollar bills added up to \$816,000 in fiscal 1975.

Gross Earnings Taxes

Certain kinds of companies are exempted from property taxes and instead pay a percentage of their gross earnings. This includes railroads, taconite railroads and express companies, which pay 5%; freight lines, which pay 7%; and sleeping car and telegraph companies, which pay 6%. Telephone companies with annual gross earnings of \$1,000 or less pay 30 cents for each phone they have connected, while the rest pay a percentage of gross earnings based on the population of the area served (4% for rural or small town service, 7% for larger areas). The state retained all of the \$53,800,000 collected in gross earnings taxes in fiscal 1975 except for taconite railroad taxes, of which 6% is retained by the state and the remaining 94% is distributed to local government units in the districts where the taconite railroads are located.

Insurance Premiums Taxes

Taxes paid on insurance sold in the state depend on the type of insurance sold and the type of company. The tax is allowed as a credit against the corporation excise tax, and for many companies this credit reduces the amount of income tax they pay to the minimum of \$100. Domestic and foreign insurance sales economies are assessed a 2% tax on gross insurance premiums, both general and life, less returned premiums for all business received in Minnesota.

In addition, all companies except mutual and township fire insurance companies must pay ½ of 1% on fire insurance premiums, minus returns, to maintain the office of the fire marshal. Town and farmer's mutual, mutual insurance companies like Blue Cross, and fraternal organizations like Lutheran Brotherhood are taxed only on fire, lightning and sprinkler premiums. Proceeds from these taxes in fiscal 1975 came to \$34,443,000.

Rural Electric Cooperatives Tax

Electric utilities cooperatives operating in rural areas pay a tax of \$10 per 100 members in lieu of property taxes on their lines. This tax brought in \$32,000 in fiscal 1975.

Boxing Exhibition Tax

Gross receipts from professional boxing or sparring exhibitions and receipts from lease or sale of radio, movie, and television rights to such exhibitions are taxed at 5%. The tax must be paid within 24 hours after the event, and brought the state \$18,000 in fiscal 1975.

Airflight Property Tax

This tax is levied on the flight property -- that is, the equipment -- of all air carriers operating in Minnesota under Civil Aeronautics Board certificates. Carriers without a CAB certificate pay a 1% aircraft registration tax or may choose to pay this tax if computations result in a lower amount. To compute the tax, the airline's total flight property value is determined. Then an amount is apportioned to Minnesota based on the airline's tonnage, time in flight, and number of revenue ton miles of passengers, mail, express, and freight flown in the state. This Minnesota portion is then multiplied by the state's average rate of property taxes to determine the tax owed. The airlines paid \$2,334,000 in taxes to Minnesota in fiscal 1975.

Severance Taxes

A severance tax is a specialized business tax imposed in Minnesota on all minerals taken out of the ground. There are three kinds of Severance Taxes -- Occupation, Royalty, and Production -- and there is also a Severed Mineral Interests Tax. Most of these taxes are paid in lieu of state income taxes; the exception is taxes paid on copper-nickel ores, which may be credited against state income taxes.

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The Occupation Tax is an excise tax on the occupation of mining, and is computed at various percentages for different minerals, averaging about 15% of the value of the mineral being mined. Net proceeds from this tax in fiscal 1975 were \$9,820,000 on iron ore and \$10,235,000 on taconite. This revenue is divided between Iron Range school districts, the University of Minnesota, the Iron Range Resources and Rehabilitation Commission, and the general fund.

The Royalty Tax on mining is the state's share of the profits paid to the owner of the property on which the mine is located. The mining company pays at a statutory rate of about 15%, depending on the type of mineral. In fiscal 1975, net proceeds from this tax were \$1,532,000 on iron ore, \$2,356,000 on taconite, and \$2,000 on coper-nickel. This revenue all goes into the general fund.

The <u>Production Tax</u> applies only to taconite and is based on the amount produced. In 1975, the state legislature increased this tax; the current production tax of 22.5¢ per ton will almost triple by 1979, increasing to 61.5¢ a ton. In fiscal 1975, net proceeds from the taconite production tax were \$11,952,000. This revenue is divided among the cities, towns, school districts, and counties in which the taconite is mined.

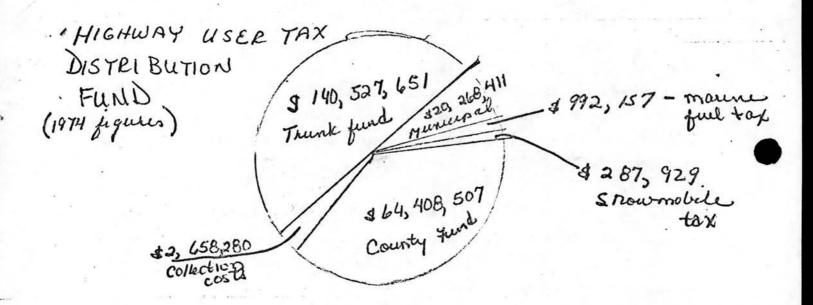
The <u>Severed Mineral Interests Tax</u> applies to the entrepreneur who owns mineral rights without owning surface rights on land which is taxed some other way, or is tax-exempt. The mineral rights are taxed at 25 cents an acre, with a minimum of \$2. Twenty per cent of the proceeds from this tax is earmarked for loans to Indians who want to start or expand a business, and 80% is distributed to local government units in the same way as general property tax revenues.

Motor Vehicle Excise Tax

Automobiles are not subject to the 4% Minnesota sales tax; they are, however, subject to a 4% tax called a motor vehicle excise tax, which is collected on sales of both new and used automobiles and trucks. Exemptions include government purchases, gifts between family members, and voluntary or involuntary transfer between husband and wife in a divorce proceeding. The motor vehicle excise tax is paid to a deputy registrar, and must be paid before license plates or a certificate of ownership can be issued. The net amount collected in fiscal 1975 was \$51,346,000. Revenues are deposited in the state treasury and credited to the general fund.

Motor Fuel Taxes

Minnesota's highway users help pay for their roads through dedicated funds, which are specific tax revenues set aside for a specific purpose. The principal sources of highway funds collected by the state are the motor fuels (gasoline) tax and the motor vehicle registration tax (license plate fee). An excise tax of nine cents per gallon on gasoline for motor vehicles operated on public highways goes to the Highway User Tax Distribution Fund, which is part of the Trunk Highway Fund. Under the so-called "62-29-9" amendment to the state constitution, ratified in the fall of 1956, 62% of the Trunk Highway Fund is allocated to trunk highways, 29% to counties and municipalities under 5,000 population, and 9% to municipalities over 5,000 population.



The highway garoline tax netted \$142,446,000 in 1975, the motor vehicle (and aircraft) registration fee \$84,201,000. Because Minnesota is on a 90-10 sharing arrangement with the federal government on interstate highway projects and a 70-30 sharing plan on most state highway projects, the state received \$86,638.828 in federal matching funds in 1974.

The same fuels excise tax of nine cents per gallon is also imposed on marine and avaiation fuels and on combustible gases and liquid petroleum products, except for petroleum substitutes manufactured from waste materials. The revenue from this part of the motor fuels excise tax goes to various state agencies depending on type of fuel. Taxes paid for the motor fuels (marine, snow-

mobile and aviation) may be refunded to the individual who paid the tax if he files a claim with the Department of Revenue. Unrefunded revenue collected on fuel for snowmobiles goes to the Commissioner of Natural Resources for snowmobile trail and area maintenance and construction; unrefunded marine gasoline tax monies are divided equally among the state park development account, the game and fish fund, and the general fund for boat and water safety. Unrefunded revenues from aviation and special fuels are credited to the aviation fuel tax fund.

Motor Vehicle Licenses (Registration Tax for License Plates)

Minnesotans pay a variety of license and registration fees, some to support activities connected with the license (motor vehicle and game and fish), and some to simply add to state general revenues. All of them add an aspect of widespread participation to the general tax system and provide a dependable source of revenue to the state.

Motor vehicles using the public streets and highways are taxed to help pay for them. Rates vary according to the vehicle's age and use. New passenger cars are taxed at a rate of \$10 per vehicle plus 1.25% of the base value, which is the manufacturer's suggested retail price, plus destination charges, but excluding cost of accessory items or optional equipment. The base value is decreased by a certain percentage each year, reflecting the decreasing value of the car as it gets older. Other vehicles, like farm trucks, buses and recreational vehicles, are taxed according to weight, with depreciation usually starting after the third year. Licenses must be renewed every year.

Motor vehicles licensing fees brought in \$83,574,000 in fiscal 1975. They are collected by the registrar of motor vehicles, paid into the state treasury, and credited to the Highway User Tax Distribution Fund.

Motor Vehicle Operators Licenses (Driver's Licenses)

Everyone operating a motor vehicle in Minnesota must have either an instruction permit or a drivers license. As of January 1975, there were 2,455,000 licensed drivers in Minnesota. Of the three classes of license, the most familiar is class "C," the license issued to passenger car drivers. The others are for single unit vehicles (like buses) and for all other vehicles (trucks, etc.). Licenses must be renewed every four years. Minnesota residents paid \$3,859,000 for drivers licenses and permits in fiscal 1975, of which 90% was credited to the Trunk Highway Fund and 10% to the general fund.

Watercraft Licenses

There are four categories of watercraft license fees -- canoes and sailboats used by non-profit organizations for teaching water safety, watercraft for rent, privately-owned watercraft, and dealers. Fees ranges from \$2 to \$15 for a three-year license, and are collected by the Department of Natural Resources and dedicated to administration and enforcement of water and watercraft safety laws, inspection of watercraft, and acquisition and development of sites for public access to Minnesota waters. Up to 75% of the monies may be paid to counties to defray expenses for these activities. Total yield from this source in fiscal 1975 was \$646,000.

Snowmobile Registration Fees

This fee is divided into three categories. Manufacturers and dealers pay the higher fees, snowmobile users -- that is, private citizens -- the lowest fee. The former must re-register annually, but private citizens register only every three years. In fiscal 1975, \$1,282,000 was collected in snowmobile fees and deposited in the state treasury for the general fund.

Boxing Exhibition License

This license is in essence an amusement tax, and is in addition to the 5% tax on boxing exhibitions. It is issued by the Boxing Commission to persons conducting a boxing or sparring exhibition. The fee varies according to population and whether the exhibition is amateur or professional. A minor source of tax revenue, this fee raised \$7,000 in fiscal 1975.

Game and Fish Licenses

These licenses are required for both residents and non-residents who plan to hunt or fish in Minnesota. Costs vary according to resident or non-resident status, method of taking the animal, and type of animal, with various exemptions. Persons under 16 years of age and over 64 do not have to buy a fishing license; others with qualifying physical and mental disabilities are also exempt. The county auditor issues the licenses, retaining 10% of the fee, and sending the remainder to the Department of Natural Resources; the yield in fiscal 1975 was \$9,611,000.

Wild Rice License

This license fee varies according to who is doing the harvesting, with special consideration given to Indians on certain reservations. Only Indians or

other reservation residents may harvest rice on the White Earth, Leech Lake, Nett Lake, Vermillion, Grand Portage, Fond du Lac and Mille Lacs reservations. The state regulates types of boats used and methods and hours of harvesting, and also specifies how much rice can be harvested each year. 6,122 licenses were sold in fiscal 1975, raising \$22,476 for the state.

Business Licenses and Permits and Corporations Fees

There are 78 kinds of occupations or businesses which require state permits or licenses. The fees and restrictions are determined by state statutes and many are renewable annually. Revenue from this sources was \$16,100,000 in fiscal 1975. All corporations operating in the state are required to file with the Secretary of State; this fee is paid only once and yielded \$774,000 in fiscal 1975.

LOCAL TAXES

Local Cigarette Licenses

Any city or town can license and regulate retailers who sell cigarettes and cigarette paper. A county can also do so if it has no organized municipalities. The maximum annual licensing fee, set by the state, is \$12, with proceeds going to the levying body.

Sand and Gravel Occupation Tax

Clay, Wilkin and Norman counties tax persons whose business is removing gravel from pits. Proceeds go to the three counties' road and bridge funds, and are also used to restore abandoned pits.

Trust Companies Gross Earnings Tax

Trust companies must pay 6% of their gross earnings to the counties in which their principal place of business is located. The revenue derived is distributed to local government units within the county.

Utility Companies Gross Earnings Tax

St. Paul and Minneapolis levy their own gross earnings taxes on utilities operating within their borders. St. Paul gets 8% of gross earnings on gas, steam, and electricity sold within the city; Minneapolis gets 3% of gross revenue on gas and electricity sold within the city.

Local Sales Tax

Duluth, Bloomington, Minneapolis, Rochester and St. Paul all impose some kind of local sales tax. Most involve payments for lodging, some for admissions and amusements, and one, Duluth, has a 1% "piggyback" sales and use tax which is charged in addition to the state sales and use tax.

COMPARISONS

Many sets of statistics are available for comparing tax revenues in Minnesota with those in other states. However, these statistics, like others, must be used with caution when making generalizations; one can almost always find supporting statistics for both sides of an argument!

Information on revenue and expenditures is compiled regularly by the Government Division of the U.S. Bureau of the Census. The Bureau uses uniform data classifications for all states and localities, but one should be cautious in using them to make comparisons among states, for the following reasons.

(1) State figures are actual totals, but local government information is estimated from a random sample from each state; this makes aggregate state-local figures more reliable than local figures alone. (2) Comparing specific individual taxes or using either state or local revenue alone can be misleading, because states vary widely in their dependence on a particular tax as a percentage of total revenue. (3) Incomes of individuals in a state may vary considerably from one year to the next, changing certain tax revenues as a percentage of the state's total revenue. (3) Some states rely on revenue primarily from tax sources, but others rely more on charges for public services and other non-tax revenue.

Some of the more meaningful comparisons can be made by using both total state and local collections per \$1,000 income and total collections per capita. (See charts A and B.) Another interesting question concerns what services the state provides in relation to its level of revenue. Chart C shows per capita general expenditures for two years.

People's attitudes toward taxes and services color their comparisons of one state's taxes with another's, and are important political considerations as well. But people seldom base their attitudes on statistical knowledge. The LNVMN telephone survey showed that people do not know how the Minnesota tax

system works, but they have definite ideas, nevertheless, about what is "fair" or "unfair" about the system. More than half the respondents said the sales tax, which is actually a regressive tax, is the "most fair" tax, even though many did not know which items are taxed and which are not. And of those who said the property tax was the "most unfair," many did not know how property values are assessed, or how property taxes are computed.

The charts show that Minnesotans are taxed more than residents in most states, but that Minnesota also spends a great deal per capita on services to its citizens. One reason for those high levels of taxation and public expenditure is the high proportion of Minnesotans under 18 and over 65, two population groups who cost more to care for. In 1974, for example, 40.2% of state and local expenditures -- four out of every ten tax dollars collected -- went for education. Another reason is Minnesota's size in relation to where Minnesotans live and what our weather is like; Minnesota spends much more than most states do on highway building and maintenance, and on snow removal. Minnesotans traditionally have demanded a high level of services, and get them, yet only half the people in the LWVMN survey thought they were getting their money's worth, and many couldn't decide on an answer to this question.

In the final analysis, comparisons rely on each person's values and priorities of what is fair about government taxation and spending. The purpose of this "Facts and Issues" and others in the Financing State Government series it to present information, so that attitudes and values of those involved in decision-making processes may be based on fact.

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Chart A General Revenue of state and local governments from own sources per \$1000 of personal income, fiscal 1973 & 1974

State	Amount (dollars) 1973 1974		As a % of U.S. average 1973 1974		average	Rank (among 50 states and D.C.) 1973 1974	
U.S. average	161.36	156.83		100.0	100.0		
Wisconsin	193.04	180.73		119.6	115.2	5	7
Minnesota	193.63	176.24		120.0	112.4	4	9
South Dakota	175.09	144.85		108.5	92.4	13	31
North Dakota	184.35	140.44		114.2	89.5	7	38
Iowa	156.34	139.93		96.9	89.2	26	40

Chart B PerCapita General revenue of state and local governments from own sources fiscal 1973 & 1974

State	Amount (dollars)		As a % of U.S. average		Rank (among 50 states and D.C.)		
	1973	1974	1973	1974	1973	1974	
U.S. average	719.18	784.80	100.0	100.0			
Minnesota	832.05	900.71	115.7	114.8	7	6	
Wisconsin	812.57	859.03	113.0	109.5	10	12	1
North Dakota	680.64	803.61	94.6	102.4	23	19	
Iowa	667.36	750.59	92.8	95.6	25	23	
South Dakota	643.02	685.82	89.4	87.4	29	34	

Chart C Per Capita General Expenditures of state and local

	govern	ments, fisca	1 1973 & 1974		Rank	*
State	Amount (dollars)			average	(among 50 states and D.C.)	
	1973	1974	1973	1974	1973	1974
U.S. Average	862.93	939.58	100.0	100.0		
Minnesota	965.62	1,041.69	111.9	110.9	11	13
Wisconsin	88.88	978.56	103.0	104.1	17	16
North Dakota	804.84	889.18	93.3	94.6	25	24
South Dakota	818.44	867.42	94.8	92.3	23	26
Iowa	735.36	850.63	85.2	90.5	35	27

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Research for this publication done by Karen Anderson, Margaret Bloyer, Erica Buffington, Ervie Hasbargen, Judy McGuire, Sid Moss, and Joan Strouse. Edited by Rhoda Lewin.

Draft Outline for Facts and Issues 3 and 4

- I. Introduction set focus for whole subject; refer to concerns of people, expenditures reflecting changing values of people, changes in political theory
- II. History trends in expenditures in Minnesota. Following focus on people's concerns
- III. State Fiscal Procedures
 - A. Budget Making
 - B. Budget Adoption
 - C. Collection and Disbrusement procedures
 - D. Audit functions
 - E. "How a Budget Becomes a Spending Program" (Citizen Information Piece)
 - IV. Governmental Expenditures in the State of Minnesota
 - A. Lead-in-combined effect of federal, state local funds being spent on state and local levels
 - B. State expenditures
 - 1. Education
 - 2. Transportation
 - 3. Public Welfare
 - 4. Health Care
 - 5. Justice and Corrections
 - 6. Natural Resources
 - 7. Housing
 - 8. Others
 - a. Unique background
 - b. Amount fiscal year ending June '76
 - c. Amount spent here and amount passed to other level
 - C. Local Expenditures
 - 1. Counties
 - a. Definition, how many, population ranges, responsibilities
 - 2. Cities
 - 3. Townships
 - 4. School Districts
 - 5. Special Districts
 - D. Summary combined effects explained and shown by chart(s)
 - V. Trends

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LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

August 11, 1976

Felice H. Sorett LWV - Education Fund 1730 M Street N W Washington, D C 20036

Dear Felice,

I called you yesterday, August 10, to ask if you had received an inquiry from the LWV-MN for using the Ed Fund for publications on Financing State Government. You said you didn't recall ever seeing such a request. We've since learned that a request was not sent - so we're now about eight weeks behind not only in getting approval but also the money.

The publications are now out to our off-Board, expert readers. Our hope is to go to press by early September. We do have a couple of funding sources we can still contact but we need an okay.

We're probably further along than you'd like us to be with no proposal form previously submitted and no funding in hand. However, we're submitting a copy of the proposed publications and we would like a response as soon as possible.

The LWV-MN has several other proposals in mind. Now that we know the status of these and have a clearer picture of what's been happening, we'll try to "shape up".

Thanks, Felice, for your prompt attention to this.

Sincerely,

Harriett Herb, Executive Director

Harriett Heri

Enclosed are the most recent publications of the League of Women Voters of Minnesota (LWVMN) which are designed to provide the public with clear and impartial information about Minnesota tax revenues and governmental expenditures.

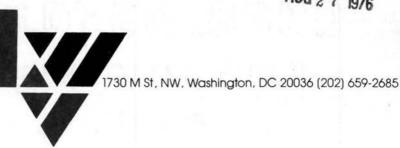
Representative William Kelly, Chairman of the Minnesota House Taxes

Committee, has recommended the reports as "extremely useful...and

an excellent overview." LWVMN hopes you will find them helpful.

The publications were funded through grants from the H.B. Fuller Community Affairs Council, Control Data Corporation and the 1st Bank System Minnesota Affiliates and are available to the public free-of-charge.

League of Women Voters Education Fund



August 24, 1976

Harriet Herb, Executive Director League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Harriet:

It is with pleasure that I can inform you that the Education Fund Trustees have approved your project request to print and distribute publications on Financing State Government.

The Trustees would like to remind you to acknowledge the role of the Education Fund in the FACTS AND ISSUES. This may be done by stating somewhere on the publications: "Prepared by the League of Women Voters of Minnesota; published by the League of Women Voters Education Fund." You may if you wish, acknowledge the local contributions received for this project.

Would you please send an estimated budget for these publications when you have the figures available? Meanwhile we wish you success in obtaining funding.

Sincerely,

Felice H. Sorett

State and Local Projects

EF: FS:hb

cc: Jerry Jenkins, State President

Vice Presidents Ruth J. Hinerfeld Larchmont, New York Nan F. Waterman Muscatine, lowa

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LEAGUE OF WOMEN VOTERS OF MINNESCTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

September 30, 1976

Felice H. Sorett
State and Local Projects
League of Women Voters Education Fund
1730 M Street N.W.
Washington, DC 20036

Dear Felice,

Enclosed is a tentative budget for the League of Women Voters of Minnesota's FACTS AND ISSUES on Financing State Government.

The first two publications in the series will be delivered on October 4. We have imprinted on them an acknowledgement that they are published by the League of Women Voters Education Fund. We are also copywriting the series.

Sincerely,

Harriett Herb

Executive Director

Shriett Here

Enclosure

Hall, Reeves, Anderson, file

BUDGET

For printing and distribution of 2 FACTS AND ISSUES on Financing State Government

Design, Printing and stapling of 10,000 copies of each publication \$1916

Administration of program

Survey development

Travel cost of research committees

Manuscript typing 500

Distribution of Publication

Mailing costs 1,000

Promotion of Meetings and Material

Graphics

Speakers Training

Publicity 400

\$3816

All research conducted by volunteer committee



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

October 28, 1976

League of Women Voters Education Fund 1730 M Street N.W. Washington, D.C. 20036

Ladies:

Enclosed is a copy of the bill and of the check in payment of the printing bill for the League of Women Voters of Minnesota's Financing State Government publications, Facts and Issues #1, Primer of Minnesota Taxes, and Facts and Issues #2, Minnesota's Multi-Tax System.

Also enclosed are copies of each of the publications. Please note that on the back page of each is the required "Prepared by the League of Women Voters of Minnesota; Published by the League of Women Voters Education Fund." I wished we'd known we were going to get the money from Fuller before these were printed. But we are diligently stamping each of the 20,000 copies!

Please send a check in the amount of \$2,036.11 to the LWV-MN from our Education Fund account to reimburse us for the printing.

Thank you.

Sincerely,

Harriett Herb Executive Director

H:M Enclosures



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

November 1, 1976

Ms. Edith W. Sans Souci Community Affairs Assistant H. B. Fuller Company 2400 Kastoa Avenue St. Paul, MN 55108

Dear Edie:

The League of Women Voters of Minnesota (LWV-MN) thanks the Community Affairs Council of the H. B. Fuller Company for its approval for partially funding the Financing State Government project. The \$2,550 has been deposited in the League of Women Voters' Education Fund. The H. B. Fuller contribution will pay for the first two publications on Taxes and for the presentation to be used with the distribution of these publications.

We appreciate the effort you made to get the LWV-MN on the Council's agenda. Enclosed are my comments on the format of the meeting.

Copies of the first two publications, "Primer of Minnesota Taxes" and "Minnesota's Multi-Tax System," are also enclosed. The final two reports, to be issued next spring, will deal with legislative trends in spending and how the state apportions its money.

Thank you for the opportunity to come before the Community Affairs Council and make our presentation.

Sincerely,

Storgramm!
Georgeann R. Hall, Treasurér

League of Women Voters of Minnesota

P.S. We are enclosing copies of this letter and ask you to distribute them to the other members of the committee. Thanks.)

H:M Enclosures Dear Mr. Luis,

Krekosekerekekekekekekekekekek

Enclosed are the additional copies you requested of the initial reports $\frac{10}{20}$ the Financing State Government series. As I mentioned on the phone, the sponsorship of the remaining two reports in the series would present 3M with an excellent vehicle for $\dot{x}xx$ institutional advertising.

Complimentary copies will be distributed to a market area including legislative members, city and county commissioners, citizens groups, such as the Citizen's League, and editors of all Minnesota daily and weekly papers, yielding maximum impact for a mimimum cost. In addition, the \$4000 is not a true cost item, as the amount is tax-deductible under the League of Women Voters Education Fund's 501 (c3) status with the IRS.

The League has a reputation as a highly responsible, non-partisan organization, and its publications are consistent with this reputation. 3M's sponsorship of the final two Financing State Government reports would be a visible way for the company to express its concern with corporate citizenship.

The project director, Karen Anderson, will be going out of town on February 18, but we will both be available to meet with you any time before then. I will call your office later this week to schedule an appointment.

Sincerely,

Judy Medelman Assistant to the President

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Sue Fossen (John) 1215 Minnesota Ave. Detroit Lakes 56501 (218) 847-5207 Trib - Business Desk (finance)

Star - Business Desk (finance)

Trib - Political Reporters (gov.) Steve Brandt

Steve Dornfeld

Star - State gov: Betty Wilson

PP&D - State gov: Garry Dawson Bob O'Keefe

PP&D - Finance: Joe Delmont

Skyway News: "High Finance" Ralph Mason

Downtowner: Ron Baciagalupo

KSJN: Mary Schaeffer (wants tape w/Karen)

Naftalin Show: (Chanel 2, Wed. at 7pm)

Lloyd L. Brandt Vice President First Bank System, Inc. 1400 First Nat'l Bank Bldg. Minneapolis 55480

Peter Brown Manager, Public Affairs Control Data Corporation 8100 34th Ave. So. Minneapolis 55440

Dear

The League of Women Voters of Minnesota is pleased to send you our Facts and Issues series on Financing State Government. We are grateful to ______ for helping make these publications possible.

LWVMN is currently in the process of selecting a marketing resource person to coordinate Local League efforts in the distribution of all League materials. We feel this will enable us to more effectively carry out our goal of informing citizens about government.

Distribution plans for the Fiancing State Government publications include programs with both live and slide presentations. This format will be utilized when presenting the materials to groups such as Chambers of Commerce and citizen organizations.

If you wish additional copies of the Facts and Issues series, or would be interested in viewing the slide presentation, we would be pleased to hear from you.

Sincerely,

Judy Medelman Ass't to the President send her 1, 2 & 3

Judy M-FYI

Exec. htr.

Dear Ms Ryland,

the F & I: Ed series on Collective Bargaining & Tenurs.

The cost of the series is \$1.50, Separately, Minnesota's Law's is 25¢; the "Educational Establishment's" Perceptions, 50¢; Advantages, Disadvantages, Modifications, Alternatives, 25¢. Postage & handling are in addition to the cost of the publication.

the series for the rest of your school board members or only selected publications, we would be pleased to send them to your district.

the heaque members who volunteered innumerable hours to do the researching, interviewing & writing.

FINANCING STATE GOVERNMENT

BUDGET CHANGE: TOTAL \$3600

2600. FOR PRINTING 10,000 COPIES

500. FOR EXPENSES (RESEARCH, TRAVEL AND TYPING) ? promotion?

KEEP FULLER GRANT PROPOSAL; REMOVE STUDY DRAFT; INCLUDE FIRST TWO SERIES; LIST OF TYPES OF PLACES WE HAVE DISTRIBUTED THEM AND WHAT DEMAND AND RECEPTION ARE

ASK GRANTS ADMINISTRATORS ABOUT MEETING WITH 1 OR 2 BOARD PEOPLE

CHECK BOARDS OF FOUNDATIONS FOR FRIENDS OF OUR BOARDS

Include: see sample grant - also mention readability

Education



LWVMN POSITION: Support for ... adequate financing of public schools... aid for special education... state responsibility for upgrading educational standards.

On Apr. 1 the House passed the conference committee bill on school aids and related matters (H.F. 1997). The bill occupies 65 pages in the House Journal. The Senate passed the bill the following day. Of particular interest to LWVMN members who have just completed consensus on the Foundation Aid formula is the promise of both Sen. Jerald Anderson (D-North Branch) and Rep. Joseph Graba (D-Wadena), chairmen of the committees on school finance, that some form of aid for high salary costs would be offered in the next session.

The bill declares that a process for curriculum evaluation and planning is needed "for continued improvement of the educational program for all public school children in the state and to allow for better evaluation of educational programs by local communities." It directs school boards to develop goals and an instructional plan for implementing them, based, where possible, on measurable instructional objectives. It also encourages appointment of curriculum advisory committees to provide for active community participation in developing policies and plans, and appropriates \$200,000 to implement this "accountability" section, \$60,000 of which is designated for grants to local districts to develop demonstration projects.

Also included is a requirement that school districts adopt a uniform financial accounting and reporting system (UFARS) to regulate recording of revenues and expenditures and govern practices concerning cash flow, borrowing and budgeting. By 1980 all school districts shall have computerized accounting and reporting operations. Recent consensus reports from local Leagues urged just such regulation of school financial matters, and also supported planning and priority-setting in curriculum.

The total appropriation for Special Education for 1976 is \$38,600,000; for 1977, \$49,675,600. Funds are to be allocated on

a current funding basis (see Jan.-Feb. Minnesota VOTER) at not less than 55% nor more than 75% (not to exceed \$11,000), of salaries of essential personnel, with allocations depending on application from local school districts. Another 10% may go for additional support costs. For each handicapped child who receives special instruction and services for more than 50% of school time, 25% of the foundation aid formula allowance is deducted. This would appear to be aimed at encouraging mainstreaming of handicapped children.

Categorical aid is provided for districts with educational programs for Southeast Asian refugees.

An interesting sidelight on school aid legislation took place late in the session. Members of the Senate and House subcommittees on school finance discovered that the law has allowed the Minneapolis school district to make a special levy for PERA (Public Employee Retirement Fund). Lobbyists for other districts began to press for equity, and consternation reigned.

To take away this levy (several million dollars) from Minneapolis in one fell swoop would seriously cripple that district, already facing a large budget reduction. To not allow other districts the same levy seemed unfair. But the DFL leadership on the two education committees is committed to the proposition that local property levies should not be used to fund schools. As Rep. Graba pointed out, in a wealthy district the PERA amount can be raised by levying only a fraction of a mill, while in his own school district it takes more than two mills to realize the same number of "When you use property tax to solve problems, you increase tax inequities," he said.

Several motions were made by Rep. Salisbury Adams (IR-Wayzata) one afternoon, in an attempt to take the levy away from Minneapolis, but they were defeated. The final bill includes the provision that Minneapolis must reduce its levy for PERA by a specified amount each year until the school district assumes all the cost from its operating budget. It was one of those events that makes Legislature-watching fascinating!

Nancy Atchison

For more information contact:

Judy Medelman 224-5445

Many Minnesotans are confused and misinformed about taxes, government expenditures and government finance in general, according to a new report prepared by the League of Women Voters of Minnesota.

A random survey of 244 people showed that 184 of those questioned did not know what portion of their property tax goes to finance schools, 205 did not realize that property taxes support less than 10 per cent of welfare payments and 150 were unaware that the property tax produces more tax dollars in Minnesota than any other tax.

The new League report, "Financing State Government - Facts and Issues," is a simple, straight-forward effort to give Minnesotans a clearer picture of tax revenues and expenditures. "I hope distribution and study of this report will bring greater understanding of the financial workings of state and local governments and will broaden citizen participation in decision—making about taxes and government spending," said League President Jerry Jenkins of St. Paul.

The first two publications in the four-part "Facts and Issues" series are now being distributed by local Leagues throughout the state. "A Primer of Minnesota Taxes" is an eight-page report containing a history of the legislative trends in taxation, a glossary of tax terms and results of the survey taken by the League last March. A ten-page booklet on "Minnesota's Multi-Tax System" gives a detailed description of every tax used for raising revenue in Minnesota.

Publication of the first two reports was made possible through a grant from the H.B. Fuller Community Affairs Council of St. Paul.

The final two reports, to be issued next spring, will deal with legislative trends in spending and how the state spends its tax dollars.

The "Financing State Government - Facts and Issues" series is available without cost to new League of Women Voters members. Others will be charged \$1.00 to cover mailing and handling. People interested in joining the League, or who would like copies of the taxation reports, are asked to contact the office of the Minnesota League of Women Voters at 224-5445, or write 555 Wabasha St., St. Paul, Minn. 55102.



555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

December 1, 1976

Dear Editor;

We are pleased to enclose for your information and use the first two of a four-part series on "Financing State Government" prepared by the League of Women Voters of Minnesota with the aid of a financial grant by the H.B. Fuller Community Affairs Council of St. Paul.

The final two reports will be available next spring and will deal with legislative trends in spending and how the state allocates its tax dollars. We will send you these reports as soon as they are available.

We are also enclosing a release describing the series, which we feel will be of interest to your readers. We hope that you will be able to include it in your publication and that the tax reports will be of use to you.

Sincerely,

Jenney Jenkins

Jerry Jenkins

President



555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

January 4, 1977

Mr. James P. Shannon, Executive Director The Minneapolis Foundation 400 Foshay Tower 821 Marquette Avenue Minneapolis, MN 55402

Dear Mr. Shannon:

In March, 1976, the League of Women Voters of Minnesota conducted a state-wide survey to determine citizen knowledge of and attitude toward financing state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

The League concluded there was a real need for a series of simple, cogent, authoritative publications which would serve to educate all Minnesotans on this difficult and often confusing subject. By making the pamphlets "readable," the League hopes to appeal to as broad a citizen group as possible, particularly to those members of the public who would not normally have access to such information.

Through its tax-deductible arm, the League of Women Voters Education Fund (LWVEF), two publications have been prepared dealing with the area of taxation. These were made possible by a grant from the Community Affairs Council of the H. B. Fuller Company. LWVEF is currently seeking funding for the remaining two publications in the series, which will focus on expenditures. It anticipates the costs for printing, administration, distribution and promotion will be \$4,000.

Dissemination of the tax education materials will often be accompanied by visual aids in a "live" presentation format. Target groups would be service clubs, junior and senior high schools, community colleges, municipal, county and school officials, Chambers of Commerce, community centers, church groups, senior citizens organizations, and other citizen groups. Publications would also be offered to the general public through Public Service Announcements on local radio stations.

The League of Women Voters of Minnesota feels well qualified to undertake this project, having studied state and local government financing since 1965. It is prepared to handle the research, writing and operational details, providing it can obtain the necessary funds for the project's execution.

The League believes that basic education in taxation and expenditures is badly needed in Minnesota, particularly in the highly populated 7-county metropolitan area. The project has the endorsement of Representative William Kelly, Chairman of the Minnesota Tax Commission, who feels the initial two publications are "excellent."

We appreciate your consideration of this preliminary letter and hope that you will feel it worthwhile for us to submit a more detailed proposal. If you have any questions, please contact Judy Medelman, Assistant to the President for Public Relations and Development.

Sincerely,

Jerry Jenkins

League of Women Voters of Minnesota



555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

January 5, 1977

Mr. Bower Hawthorne Minneapolis Star and Tribune Fund 425 Portland Avenue Minneapolis, Minn. 55415

Dear Mr. Hawthorne:

In March, 1976, the League of Women Voters of Minnesota conducted a statewide survey to determine citizen knowledge of and attitude toward financing state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

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555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

Mr. Bower Hawthorne

-2-

January 5, 1977

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We appreciate your consideration of this preliminary letter and hope that you will feel it worthwhile for us to submit a more detailed proposal. If you have any questions, please contact Judy Medelman, Assistant to the President for Public Relations and Development.

Jury Jenkins

Jerry Jenkins, President

League of Women Voters of Minnesota

THE MINNEAPOLIS FOUNDATION

400 Foshay Tower 821 Marquette Avenue Minneapolis, Minnesota 55402 612/339-7343

January 13, 1977

Ms Jerry Jenkins
President
League of Women Voters
of Minnesota
555 Wabasha
St. Paul, Minnesota 55102

Dear Ms Jenkins:

Mr. Shannon has asked me to respond to your letter dated January 4, 1977.

The publications for which you have requested funding appear to be useful and important. However, due to mounting requests and limited available funds, it is unlikely that this request would be considered as a priority for funding by the Foundation's Distribution Committee.

I am sorry we cannot be of assistance to you.

X. De

Sincerely.

Thomas F. Beech Associate Director

tfb:lm



Judy 733-3461 · will consider multiple funding

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

call Thurs, Hay 5 (Committee will have met)

January 17, 1977

Mr. Carlos Luis Vice President of Public Affairs and Personnel Relations Minnesota Mining and Manufacturing Company 3M Center St. Paul, MN 55101

Dear Mr. Luis:

In March, 1976, the League of Women Voters of Minnesota conducted a statewide survey to determine citizen knowledge of the financing state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

The League concluded there was a real need for a series of simple, cogent and authoritative publications which would serve to educate all Minnesotans on this difficult and often confusing subject. Two publications, focusing on taxation, were made possible through a grant from the Community Affairs Council of the H. B. Fuller Company. We are now seeking funding for the final two publications, which will be concerned with expenditures.

Budget for this portion of the Financing State Government project is \$4000. The amount would be tax-deductible to the sponsoring institution, due to the IRS 501 (C3) status of the League of Women Voters Education Fund. Acknowledgement to the institution would, with its permission, be included in the publications.

Each publication will have a printing of 10,000 and will be disseminated to a broad cross-section of Minnesota citizens. Target groups include service clubs, junior and senior high schools, community colleges, municipal, county and school officials, community centers, senior citizen organizations, church groups, Chambers of Commerce and other citizen associations. Others 120942

groups, suchos are The Financing State Government series is also being offered to the public through news releases to all Minnesota daily and weekly papers and through Public Service Announcements on statewide radio. In addition, copies of the

publications are being sent to each member of the Minnesota Legislature. edisors, city & country commissioners in stimo Editors of all obligance legipape sin the will receive the





Reception of the first two issues has been excellent, and there have been a number of requests for additional copies. Representative William Kelly, Chairman of the Minnesota Taxation Commission, has recommended them as "extremely useful. . . and an excellent overview."

I would like to speak to you about the possibility of Minnesota Mining and Manufacturing Company's sponsoring the two expenditure publications of the Financing State Government series. I will call you later this week in hopes of setting up an appointment.

Sincerely,

Judith B. Medelman Assistant to the President

M:M Enclosures 2



will consider mulliple funding

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

call Hon? he's contacting his committee (re: pre-meeting to Hay? he's contacting his committee (re: pre-meeting to May 2 o.k. as he knows we need it soon)

February 9, 1977

Mr. Jack Mark, Manager of Consumer Communications Minnesota Gas Company 733 Marquette Minneapolis, MN 55402

Dear Mr. Mark:

370.4141 Sr. Nico President. Urban Development Mr. James Hettund 18 National Bank gulpts Mr. Lloyd Brandt 15 Bank System UP of 120 S. 6th St Public Affais 370-5176

In March, 1976, the League of Women Voters of Minnesota conducted a statewide survey to determine citizen knowledge of the financing state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

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Editors of all daily and weekly newspapers in Minnesota will receive the Financing State Government series, which will also be offered to the public through news releases in the papers and through Public Service Announcements on statewide radio.



In addition, copies of the publications are being sent to each member of the Minnesota Legislature. Reception of the first two issues has been excellent, and there have been a number of requests for additional copies. Representative William Kelly, Chairman of the Minnesota Taxation Commission, has recommended them as "extremely useful. . . and an excellent overview."

I would like to speak to you about the possibility of Minnegasco sponsoring the two expenditure publications of the Financing State Government series. Not only would the reports be effective vehicles for institutional advertising, but they would also be a very visible expression of Minnegasco's corporate citizenship. I will call you next week in hopes of setting up an appointment. To discuss our proposal.

Judy Bloke Hedelman

Sincerely,

Judith B. Medelman

Assistant to the President

Sudith Beefedeleran

M:M

MINNEAPOLIS STAR AND TRIBUNE FUND 425 PORTLAND AVENUE Minneapolis, Minnesota 55415

April 13, 1977

Jerry Jenkins
President
League of Women Voters of Minnesota
555 Wabasha
St. Paul, Minnesota 55102

Dear Ms. Jenkins:

Minneapolis Star and Tribune Fund has considered your request for a contribution to League of Women Voters of Minnesota in support of the preparation of two publications on state and local government financing in Minnesota and has decided not to make such a grant.

Sincerely,

Bower Hawthorne

Executive Vice President

No- Committee

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

April 19, 1977

Mr. Jack Mark, Manager of Consumer Communications Minnesota Gas Company 733 Marquette Minneapolis, MN 55402

Dear Mr. Mark:

Several months ago I contacted you about sponsoring the Financing State Government publications of the League of Women Voters of Minnesota. At that time you indicated that, while Minnegasco did not wish to underwrite the entire project, it might consider multiple-funding. Since then, several other companies have also expressed interest in this type of proposal.

Grants of \$750 from each company would cover printing costs of the final two publications of the series. Copies of the first two issues, funded by the H.B. Fuller Company, have already been distributed to the Minnesota Legislature, a number of high schools and colleges, and chambers of commerce.

As soon as funding is obtained for the completed series, it will be distributed to a wide variety of Minnesotans, including senior citizens, students, businessmen, editors and women's groups.

The League's commitment to the project is evidenced by the thousands of volunteer hours devoted to the publications' research and writing. In dollar terms, and at minimum wage, it would convert to well over \$10,000.

Citizen information is one of the prime missions of the League of Women Voters of Minnesota. We believe that a more informed public leads to a better community. We feel that the series on Financing State Government is a step toward that goal.

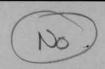
The League requests that Minnegasco consider a grant proposal for \$750 to help complete this project. If you would like more information, our president or Financing committee chairperson would be happy to talk with you. I will call you next week in hopes of setting up an appointment.

Sincerely,

Suchish B. Weddeleau

Judith B. Medelman Assistant to the President





555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

April 21, 1977

Mr. Donald McCarthy, Chief Executive Officer Northern States Power 414 Nicollet Mall Minneapolis, MN 55401

Dear Mr. McCarthy:

Phyllis Dorsey
330-6027
(next messeig Illay 11)

Merril Blasky 330-6395 Chromations comm.

In March, 1976, the League of Women Voters of Minnesota conducted a state-wide survey to determine citizen knowledge of the financing of state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

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We are now seeking funding for the final two publications, which will be concerned with expenditures. Several companies have expressed interest in multiple sponsorship of the project. Grants of \$750 from each company would cover printing costs for the final two issues. The amount would be tax-deductible to the sponsoring institutions, due to the IRS 501 (C3) status of the League of Women Voters Education Fund. Acknowledgement to the institutions would, with their permission, be included in the publications.

Each publication will have a printing of 10,000 and will be disseminated to a broad cross-section of Minnesota citizens. Target groups include service clubs, Chambers of Commerce, junior and senior high schools, senior citizen organizations, county and city commissioners, community colleges, church groups, community centers, and citizen groups such as the Citizens League.

Editors of all daily and weekly newspapers in Minnesota will receive the Financing State Government series, which will also be offered to the public through news releases in the papers and through Public Service Announcements on statewide radio.

April 21, 1977

In addition, copies of the publications are being sent to each member of the Minnesota Legislature. Reception of the first two issues has been excellent, and there have been a number of requests for additional copies. Representative William Kelly, Chairman of the Minnesota Taxation Commission, has recommended them as "extremely useful....and an excellent overview.:

I would like to speak to you about the possibility of a \$750 grant from Northern States Power to help sponsor the two expenditure publications of the Financing State Government series. Not only would the reports be effective vehicles for institutional advertising, but they would also be a very visible expression of NSP's corporate citizenship. I will call you next week in hopes of setting up an appointment to discuss our proposal.

Sincerely,

dualy Blake Uzdalman

Judy Blake Medelman Assistant to the President

M:M Enclosures 2



555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

call Thurs. May 5 (Committee will have met)

April 18, 1977

Mr. Carlos Luis, Vice President of Public Affairs and Personnel Relations Minnesota Mining and Manufacturing Company 3M Center St. Paul, MN 55101

Dear Mr. Luis:

Several months ago I contacted you about sponsoring the Financing State Government publications of the League of Women Voters of Minnesota. At that time you indicated that, while Minnesota Mining and Manufacturing Company did not wish to underwrite the entire project, it might consider multiple-funding. Since then, several other companies have also expressed interest in this type of proposal.

Grants of \$750 from each company would cover printing costs of the final two publications of the series. Copies of the first two issues, funded by the H.B. Fuller Company, have already been distributed to the Minnesota Legislature, a number of high schools and colleges, and chambers of commerce.

As soon as funding is obtained for the completed series, it will be distributed to a wide variety of Minnesotans, including senior citizens, students, businessmen, editors and women's groups.

The League's commitment to the project is evidenced by the thousands of volunteer hours devoted to the publications' research and writing. In dollar terms, and at minimum wage, it would convert to well over \$10,000.

Citizen information is one of the prime missions of the League of Women Voters of Minnesota. We believe that a more informed public leads to a better community. We feel that the series on Financing State Government is a step toward that goal.

The League requests that Minnesota Mining and Manufacturing Company consider a grant proposal for \$750 to help complete this project. If you would like more information, our president or Financing committee chairperson would be happy to talk with you. I will call you next week in hopes of setting up an appointment.

Sincerely,

heality B. Wedelman

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I would like to speak to you about the possibility of a \$750 grant from First National Bank of Minneapolis and First Bank System to sponsor the two expenditure publications of the Financing State Government series. Not only would the reports be effective vehicles for institutional advertising, but they would also be a very visible expression of the First Banks' corporate citizenship. I will call you next week in hopes of setting up an appointment to discuss our proposal.

Sincerely,

Lucly Blake Medelman

Judy Blake Medelman Assistant to the President

M:M

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

call Hr. Brandt Mon, May 2 (He's contacting committee for pre-meeting agreement as he knows we're in a houry.)

4 H Deeler Non

Minned Dolls, All

April 18, 1977

Mr. James Hetlund, Senior Vice President,
Urban Development
First National Bank of Minneapolis
Mr. Lloyd Brandt, Vice President of
Public Affairs
First Bank System
120 South Sixth Street
Minneapolis, MN 55402

Dear Messrs. Hetlund and Brandt:

In March, 1976, the League of Women Voters of Minnesota conducted a state-wide survey to determine citizen knowledge of the financing of state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

The League concluded there was a real need for a series of simple, cogent and authoritative publications which would serve to educate all Minnesotans on this difficult and often confusing subject. Two publications, focusing on taxation, have been made possible through a grant from the Community Affairs Council of the H.B. Fuller Company.

We are now seeking funding for the final two publications, which will be concerned with expenditures. Several companies have expressed interest in multiple sponsorship of the project. Grants of \$750 from each company would cover printing costs for the final two issues. The amount would be tax-deductible to the sponsoring institutions, due to the IRS 501 (C3) status of the League of Women Voters Education Fund. Acknowledgement to the institutions would, with their permission, be included in the publications.

Each publication will have a printing of 10,000 and will be disseminated to a broad cross-section of Minnesota citizens. Target groups include service clubs, Chambers of Commerce, junior and senior high schools, senior citizen organizations, county and city commissioners, community colleges, church groups, community centers, and citizen groups such as the Citizens League.

Editors of all daily and weekly newspapers in Minnesota will receive the Financing State Government series, which will also be offered to the public through news releases in the papers and through Public Service Announcements on statewide radio.

First Conk System's Inc has already quer proposal,



May 16, 1977

Ms. Judith Medelman League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Ms. Medelman;

Thank you for your assistance in placing advertising for Minnegasco during the past years. We have appreciated the chance you have given us to reach the excellent audience your publication represents.

Unfortunately, at least during 1977, we will be unable to continue advertising in your publication.

Please understand that this decision is by no means a reflection on your publication, or in the manner with which you have handled our advertising -- but rather the result of certain budgetary decisions which have been made for 1977, plus a thorough assessment of our communication needs during the coming months and the money available to accomplish them.

And, finally, this decision is not necessarily final as it may apply to the years to come beyond 1977.

So, again, thank you for your cooperation and understanding. I sincerely hope that you can appreciate our position, and that at some future date, we may again be advertising with you.

Sincerely,

JACK C. MARK

Manager, Consumer Communications



NORTHERN

MINNEAPOLIS, MINNESOTA 55401

May 13, 1977

Ms. Judy Blake Medelman Assistant to the President League of Women Voters of Minnesota 555 Wabasha Saint Paul, Minnesota 55102

Dear Ms. Medelman:

Your request for funding of April 21, 1977, was referred to NSP's Contributions Committee. At our May 11, 1977, meeting, your request was carefully reviewed. I regret to inform you the request for funding was not approved.

We wish you success in this effort and regret we cannot participate.

Sincerely,

Merrill L. Blaskey, Chairman

Metro Contributions Committee

MLB:bd



555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

Mr. Chuck Neerlan Assistant Vice-President Northwestern Bancorporation Northwestern Nat'l Bank Bldg. Minneapolis, MN 55480

Dear Mr. Neerlan,

In March, 1976, the League of Women Voters of Minnesota conducted a state-wide survey to determine citizen knowledge of the financing of state government. Results showed much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

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We are now seeking funding for the final two publications, which will be concerned with expenditures. Several companies have expressed interest in multiple sponsorship of the project, and one corporation has given favorable consideration to the proposal. Grants of \$750 from each company would cover costs of printing for the final two issues. The amount would be tax-deductible to the sponsoring institutions, due to the IRS 501 (C3) status of the League of Women Voters Education Fund. Acknowledgement to the institutions would, with their permission, be included in the publications.

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555 WABASHA * ST. PAUL, MINNESOTA 55102 * TELEPHONE (612) 224-5445

Mr. Chuck Neerlan

-2-

May 31, 1977

We would like to speak to you or your committee about the possibility of a \$750 grant from Northwestern Bancorporation to help sponsor the two expenditure publications of the Financing State Government series. Because the publications will be distributed throughout many Minnesota communities where NW Banco is represented, they would be both a visible and logical expression of the Northwestern's corporate citizenship. I will call you next week in hopes of setting up an appointment to discuss our proposal.

Sincerely,

Ludy Blake Hedelman

Judy Blake Medelman Assistant to the President

M:m

PROJECT REQUEST FORM

TO: LEAGUE OF WOMEN VOTERS EDUCATION FUND

1730 M STREET, N.W.

WASHINGTON, D.C. 20036

Date May 15, 1977

FROM: Name Harriett Herb, Executive Director

League of Women Voters of Minnesota

Address 555 Wabasha

St. Paul, MN 55102

Proposed Project: Completion of Financing State Government project to complement that Ed Fund project begun in 1976 via: Publication of FACTS and ISSUES #3 and 4 re Funding a Quality Life and Governmental Expenditures in Minnesota, and the development of a slide/tape show on Financing State Government to be used in schools, by civic groups, etc.

Details of the project to be considered, including plans for execution: FACTS AND ISSUES

1 & 2 were a Primer of Minnesota Taxes and Minnesota's Multi-Tax System. FACTS & ISSUES

3, Funding a Quality Life, will focus on explanations for the increase in state spending,
a history of spending trends, a review of state fiscal procedures, and some legislative
concerns about expenditures in Minnesota. FACTS & ISSUES 4 will cover state government
appropriations, and, since the state passes on revenues to local governments in the form
of state aids, grants and shared taxes, expenditures made at the local governmental
level, where two-thirds of governmental expenditures in the state are made. The proposed slide/tape show will provide an overview of the entire study. It will be based not
only on materials from the study but also on research provided by a Minnesota M-A-L who
is an economist and advisor to the committee. The slide/tape program will be loaned to
League and non-League organizations for use in schools, presentations to civic groups,
Chambers of Commerce, etc.

Donor(s): H.B. Fuller Community Affairs Council; 1st Bank Systems, Inc., Affiliates; Control Data Corp.

Proposed budget for the use of the grant (including 5% overhead due Education Fund):

Income
1976 \$2550 (received) + 1977
\$1500 from donors plus portion
of current balance in Ed Fund (686.08
as of 4-20).

Expenditures
Printing of publications (1 & 2 - 2036.11 already reimbursed) - 3 & 4 - 2038.92
(including sales tax of \$78.31 for 1 & 2; \$78.42 for 3 & 4 = \$156.73 total)
Slide/tape presentation \$500
5% due Ed Fund \$202.50 for 1976 & 1977

Any deficit will be absorbed by LWVMN payment of sales taxes & balance of pubs. printing.

Distribution plans for printing material (if such material is part of the project):

In addition to League members, members of the Minnesota Legislature, Minnesota Tax Study Commission, PTSA, State Universities and Community Colleges, Social Studies Teachers/ curriculum directors of public schools, Jaycees and Mrs. Jaycees, Women's Meeting, contributors to local Leagues, city and county government officials via local Leagues.

Request must be submitted before project is started. Allow three weeks for approval.



555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

May 24, 1977

Mr. Peter C. Brown, Manager of Public Affairs Control Data Corporation Box O Minneapolis, MN 55440

Dear Mr. Brown:

In March, 1976, the League of Women Voters of Minnesota conducted a state-wide survey to determine citizen knowledge of the financing of state government. Results show much confusion and misinformation about taxes, expenditures and governmental finance in general. Because the public is uniquely involved in this process - contributing their dollars through taxation and benefiting from services through expenditures - the League feels it is not only desirable but imperative that the public become better informed about the financing process.

The League concluded there was a real need for a series of simple, cogent and authoritative publications which would serve to educate all Minnesotans on this difficult and often confusing subject. Two publications, focusing on taxation, have been made possible through a grant from the Community Affairs Council of the H.B. Fuller Company.

We are now seeking funding for the final two publications, which are concerned with expenditures. Several companies have expressed interest in multiple sponsorship of the project. First Bank Systems, Inc., has already given favorable consideration to our proposal. Grants of \$750 from each company would cover printing costs for the final two issues. The amount would be tax-deductible to the sponsoring institutions, due to the IRS 501 (C3) status of the League of Women Voters Education Fund. Acknowledgement to the institutions would, with their permission, be included in the publications.

Each publication will have a printing of 10,000 and will be disseminated to a broad cross-section of Minnesota citizens. Target groups include service clubs, Chambers of Commerce, junior and senior high schools, senior citizen organizations, county and city commissioners, community colleges, church groups, community centers, and citizen groups such as the Citizens League.

Editors of all daily and weekly newspapers in Minnesota will receive the Financing State Government series, which will also be offered to the public through news releases in the papers and through Public Service Announcements on statewide radio.

Mr. Peter C. Brown May 24, 1977 In addition, copies of the publications have been sent to each member of the Minnesota Legislature. Reception of the first two issues has been excellent, and there have been a number of requests for additional copies. Representative William Kelly, Chairman of the Minnesota Taxation Commission, has recommended them as "extremely useful....and an excellent overview." I am enclosing all four issues of the Financing State Government Series. As I mentioned on the phone, those dealing with expenditures have not yet been actively marketed. We would prefer to make them available to the public without charge and therefore are waiting until final funding is obtained. It is our hope that Control Data will give favorable consideration to a grant proposal from the League of Women Voters of Minnesota for \$750. This would enable us to begin a more wide-spread distribution of the publications and would be a visible expression of Control Data's corporate citizenship. If you would like more information, I'd be happy to talk with you. Sincerely, Judy Blakz Medelenan Judy Blake Medelman Assistant to the President M:M Enclosures



NORTHWEST BANCORPORATION

1200 Northwestern Bank Building Minneapolis, Minnesota 55480 612/372 8123

JUN 7 1977

June 6, 1977

Ms. Judy Blake Medelman League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Ms. Medelman:

In regard to your request for \$750, I must refer you at this time to individual Banco affiliate banks. I would suggest starting with the Northwestern National Bank of Minneapolis.

For your information, Banco itself has committed its contribution funds for this year. We do coordinate certain contributions of our Twin Cities-area affiliates but the 1977 grant recipients in this process have been selected.

I will be very happy to have your request considered by the Twin Cities banks in 1978. We usually meet sometime in the first quarter of the year.

Sincerely,

Charles S. Neerland

Assistant Vice President

Marles S. Mellonel



555 WABASHA . ST. PAUL, MINNESOTA 55102 . TELEPHONE (612) 224-5445

June 21, 1977

Felice Sorett
Education Fund
League of Women Voters of the United States
1730 M Street Northwest
Washington, D.C. 20036

Dear Felice:

The League of Women Voters of Minnesota requests \$494.85 from its account with the Education Fund to pay for a slide/tape presentation on Financing State Government.

Enclosed are the two invoices, which we have already paid.

Thank you so much.

Sincerely,

Harriett Herb Executive Director

H:M Enclosures

MARK LEE PRODUCTIONS, INC.

500 TIMES BUILDING . MINNEAPOLIS, MINN. 55401

7

333-2241

AC 612

TOTAL \$

IN VOICE NO. 61184

LEAGUE OF WOMEN VOTERS 555 Wabasha St. Paul, MN 55102

Date June 2, 1977

Your Order No. Verbal State and Local Finance in Minnesota BOOTH_ STUDIO_ 1 hour @ 36 36.00 hr LOCATION SYNC FILM NARRATION. EDITING x 1 hour @ 36 36.00 hr INTERLOCK **TRANSFER** SIGNAL INSERTION _____ Sync _____ hr Wild_ MIXING 1/4"____1/2"____ hr 16MM_____35MM____ TAPE STOCK 1/4"__x_1/2"___ 7 1200' 1200 7.00 16MM_____35MM ____ ft @ ______¢/ft Nagra/Pilot Safety Tape __ Minutes @ ¢/Minute DUPLICATION 5.00 Set-up Charge X Tape _____ Cartridge ___ 2 @ 2.85 each 5.70 Cassette ___x Discs_ Pressings_ MUSIC MISCELLANEOUS Copies of script - 15 @ 10¢ each 1.50 Delivery_ Postage _____ Reels ___ Labels_ Jet Paks_ Boxes_____ 3.65 Minnesota Sales Tax 6/15 94.85

ADVERTISING . INDUSTRIAL . AUDIO-VISUAL CARTRIDGE LOADING . SLIDE/SLIDEFILM SIGNALS . DISCS . TAPE DUPLICATING . PRESSINGS



SLIDE SHOOTERS Inc.

210 Times Annex Minneapolis, Minnesota 55401 (612) 338-1818

Leauge of Women Voters 555 Wabasha Sold To:

St. Paul, Mn

Attention: Gergeann Hall

5-27-77 Date:

715-9903 Job No. P.O. No.

Invoice No. 2570

CAMERA SERVICES

21	Titles @\$4.00	\$84.00
1	Set Second	12.00
	Typesetitng	150.00
	Cartoon Art	154.00

6-15 \$ 5005

Total:

\$400.00

Minnesota Sales Tax:

EXEMPT

AMOUNT DUE:

\$400.00

MEMBER OF THE MPLS CHAMBER OF COMMERCE CLIENT COPY



June 28, 1977

Judy Blake Medelman Assistant to the President League of Women Voters of Minnesota 555 Wabasha Street St. Paul, Minnesota 55102

Dear Judy:

Thank you for sending us the Financing State Government Series booklets. I expect they will be especially useful to us in better understanding this complicated issue.

Per your request of May 24, we have approved a one-time Control Data contribution of \$750.00 to the League of Women Voters Education Fund. You will be receiving the check under separate cover within the next 30 days.

I hasten to add that the limited nature of Control Data's cash contributions budget precludes our entertaining on-going financial support to the League. Our primary strategy for community affairs is one of direct involvement, mostly through initiatives aimed at increasing employment and economic opportunity and of improving the delivery of human services. Because of the financial resources required to support these initiatives, we are unable to sustain a substantial program of cash philanthropy.

Notwithstanding these constraints, we do what we can to support the work of organizations such as yours which are addressing critical problems of our communities. We are pleased to make this grant available, and expect to be drawing further on your knowledge in the future.

Sincerely,

Peter C. Brown

Manager, Public Affairs

PCB/dm



FIRST BANK SYSTEM, INC.

1400 FIRST NATIONAL BANK BLDG., MINNEAPOLIS, MINNESOTA 55480, (612) 370-5176

LLOYD L. BRANDT Vice President

June 15, 1977

Mrs. Judy Blake Medelman Assistant to the President League of Women Voters 555 Wabasha St. Paul, MN 55102

Dear Mrs. Medelman:

As we reported to you earlier, the Charitable Contributions Committee approved a \$750 grant from the Minnesota Regional Fund to the League of Women Voters for publication of the Financing State Government series.

I have enclosed a list of the First Bank System Minnesota Affiliates that make this grant possible, along with our check for \$750.

We are pleased to help support the ongoing work and dedication of the League.

Sincerely, Mondel

Enclosure



555 Wabasha Street, St. Paul, Minn. 55102 - 612/224-5445

June 28, 1977

Mr. Lloyd L. Brandt Vice President First Bank System, Inc. 1400 First National Bank Bldg. Minneapolis, MN 55480

Dear Mr. Brandt:

The League of Women Voters of Minnesota is pleased to acknowledge the \$750 grant from the First Bank System Minnesota Affiliates.

The Financing State Government series, which the grant has helped fund, will ultimately be distributed to 10,000 Minnesotans. We are most appreciative of your support in this effort and have included printed acknowledgment of your gift with the publications.

I will send you several sets of the series upon their completion. Should you wish additional copies, please feel free to call the office.

We are well aware of the First Bank Systems involvement in the community and applaud your efforts to improve the quality of life in our area.

Sincerely,

Helene Borg President



555 Wabasha Street, St. Paul, Minn. 55102 - 612/224-5445

June 30, 1977

Mr. Peter Brown Manager, Public Affairs Control Data Corporation 8100 34th Ave. So. Minneapolis, MN 55440

Dear Peter:

The League of Women Voters is particularly pleased to acknowledge Control Data's grant of \$750 to help fund the Financing State Government publications.

We are well aware of the extent of your company's involvement in the community and applaud your efforts to improve the quality of life in our area.

I will be sending you several additional sets of the reports when they are completed. Printed acknowledgment of Control Data's contribution to the series will be included with all the publications.

We are most appreciative of your support.

Sincerely,

Judy Madalman

Ass't to the President

LEAGUE OF WOMEN VOTERS OF MINNESOTA TO: Judy M.

555 WABASHA · ST. PAUL, MINNESOTA 55102 PHONE: (612) 224-5445

Copies: Schmidt, Reeves, Hall, Borg

FROM: Herb

SUBJECT: FSG Financing

DATE: July 7, 1977

MEMO

Quit looking for more FSG money.

Received so far -- \$4050 (\$686.08 in account as of 4/20 + 1500 from 1st Bank and Control Data)

Reimbursed 2036.11 printing 1 and 2 Not yet reimbursed 2038.92 printing 3 and 4 500.00 slide show 202.50 5% for Ed Fund 4777.53

We'll "eat" whatever is left and committee expenses

LEAGUE OF WOMEN VOTERS OF MINNESOTA TO: Judy M.

555 WABASHA · ST. PAUL, MINNESOTA 55102 PHONE: (612) 224-5445

Copies: Schmitz, Reeves, Hall, Borg

FROM: Herb

SUBJECT: FSG Financing

DATE: July 5, 1977

MEMO

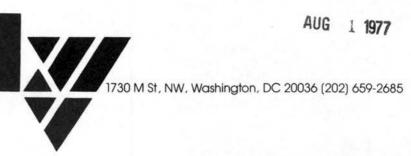
Quit looking for more FSG money.

Received so far -- \$4050 + (\$686.08 in account as of 4/20 + 1500 from 1st Bank and Control Data)

Reimbursed 2036.11 printing 1 and 2 Not yet reimbursed 2038.92 printing 3 and 4 500.00 slide show 202.50 5% for Ed Fund 4777.53

We'll "eat" whatever is left and committee expenses

League of Women Voters Education Fund



July 25, 1977

Harriett Herb, Executive Director League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Harriett:

It is with pleasure that I can inform you that the Education Fund Trustees have approved your project request to complete a Financing State Government project begun in 1976 to include printing and distribution of two Facts and Issues and making a slide/tape presentation.

We shall shortly send you a check for \$494.85 for expenses connected with the slide/tape presentation.

Sincerely,

Felice H. Sorett

State and Local Projects

EF: FS/hob

Helene L. Borg, State President

CHAIRMAN RUTH C. CLUSEN **OFFICERS** Vice Presidents Ruth J. Hinerfeld Larchmont, New York Nan F Waterman

Muscatine, Iowa

Secretary Kay Fields

Mansfield, Ohio

Treasurer Yvonne G. Spies Bridgeton, Missouri TRUSTEES Jean R. Anderson Billings, Montana

Connie Fortune Washington, D.C.

M. Joanne Hayes Poughkeepsie, New York

Judith M. Head Columbus, Indiana

Judith B. Heimann Bethesda, Maryland

Betty N. MacDonald Madison, Wisconsin

A. Holly O'Konski Lafayette, California

Dot Ridings Louisville, Kentucky

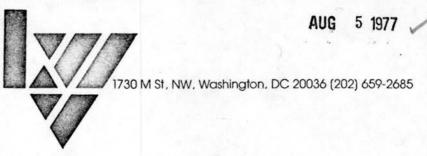
Mamaroneck, New York

Ruth Robbins

Ann W Viner New Canaan, Connecticut Veta Winick Dickinson, Texas

EXECUTIVE DIRECTOR Peggy Lampl

League of Women Voters Education Fund



August 2, 1977

Harriet Herb, Executive Director League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Harriet:

Thank you for your note concerning the Facts and Issues on Financing State Government. Since you had sent the information about expenses for the slide/tape presentation I asked for a check from our accounting department and was waiting for this before sending the approval, which has been granted, to complete the project. Incidently we did not receive the request until July 8.

Enclosed is the check for \$494.85 and we hall be pleased to send you additional funds for the project when you let us know they are needed. The balance now remaining in your account is \$1,666.49.

Sincerely,

Felice H. Sorett

State and Local Projects

EF: FS/lms

cc: Helene L. Borg, State President

enclosure

Qs. I just received your memo telling that you had received the July 25th letter so all

3996.61

CHAIRMAN
RUTH C. CLUSEN
OFFICERS
Vice Presidents
Ruth J. Hinerfeld
Larchmont, New York
Nan F. Waterman
Muscatine, lowa

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Dot Ridings Louisville, Kentucky

Ruth Robbins Mamaroneck, New York Ann W. Viner New Canaan, Connecticut Veta Winick Dickinson, Texas

EXECUTIVE DIRECTOR
Peggy Lampl



League of Women Voters Education Fund

1730 M St, NW, Washington, DC 20036 (202) 659-2685

September 14, 1977

Harriett Herb, Executive Director League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Harriett:

Since your League's balance in the Education Fund is \$1,666.49, we are able to send you the enclosed check for \$1,583.17. This can be used toward your expenses connected with the FACTS AND ISSUES 3 and 4 for the Financing State Government project.

Our records show the following grants for this project:

Project	Date Mailed	Grant	Admin. Fee	Total
Facts & Issues 1,2	11-9-76	\$2,036.11	\$101.81	\$2,137.92
Slide/Tape presentation	8-2-77	494.85	24.74	519.59
Facts & Issues 3,4 (partial payment)	9-14-77	1,583.17	83.32	1,666.49
Totals		\$4,114.13	\$209.87	\$4,324.00

Would you please use this information as part of your final financial report. You may either use the enclosed form or one that you design to fit the circumstances.

Sincerely,

Felice H. Sorett

State and Local Projects

EF: FS/hob **Enclosures**

cc: Helene L. Borg, State President

CHAIRMAN RUTH C. CLUSEN **OFFICERS** Vice Presidents Ruth I Hinerfeld Larchmont, New York Nan F. Waterman Muscatine, Iowa

Secretary Kay Fields Mansfield, Ohio

Treasurer Yvonne G. Spies Bridgeton, Missouri TRUSTEES Jean R. Anderson

Billings, Montana Connie Fortune

Washington, D. C. M. Joanne Haves Poughkeepsie, New York

Judith M. Head Columbus, Indiana

ludith B. Heimann Bethesda, Maryland

Betty N. MacDonald

Madison, Wisconsin

Dot Ridings

Ruth Robbins

Louisville, Kentucky

A. Holly O'Konski

Lafayette, California

Mamaroneck, New York

EXECUTIVE DIRECTOR Peggy Lampi

Ann W. Viner

Veta Winick

Dickinson, Texas

New Canaan, Connecticut

Contributions to the Fund are deductible for income tax purposes



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

August 30, 1977

Felice Sorett, State and Local Projects League of Women Voters Education Fund 1730 M Street Northwest Washington, D.C. 20036

Dear Felice,

I've been delaying the time when we needed to reconcile the Financing State Government project with the Ed Fund because I don't have available the "revenue sharing" amounts that we received in addition to the funds which we raised.

Income raised by LWVMN totalled \$4000, \$2500 from Fuller, \$750 from First National Banks, and \$750 from Control Data.

Our expenses for printing totalled \$3996.61 - \$2036.11 for FACTS AND ISSUES 1 & 2 for which we have already been reimbursed; \$1960.50 for FACTS AND ISSUES 3 & 4 for which the invoices are enclosed. We have also received \$494.85 for the slide/tape presentation.

We would appreciate being reimbursed for the printing of 3 & 4 in whatever amount we are entitled to after the "revenue sharing" funds are added and the 5% Ed Fund fee is deducted.

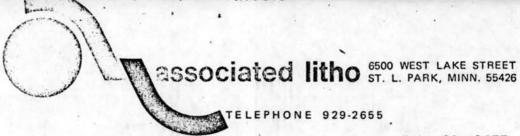
I regret putting this added chore on your already crowded agenda, but I don't know what else to do.

My thanks for taking care of this for us - and for having sent to us whatever is our "just dessert."

Sincerely,

Harriett Herb Executive Director

H:M Enclosure



DATE Feb. 28, 1977

LEAGUE OF WOMEN VOTERS OF MINN. 555 WABASHA ST. PAUL, MN 55102

Nº 32139

SALESMAN

BOB

ALL ACCOUNTS DUE TENTH OF MONTH FOLLOWING DELIVERY

OUR NUMBER	DESCRIPTION	YOUR P.O. NO.	AMOUNT
5105	10M Facts & Issues #3	K.Anderson	\$444.50

INVOICE

SSOciated litho 6500 WEST LAKE STREET ST. L. PARK, MINN. 55426

TELEPHONE 929-2655

Feb. 28, 1977 DATE

Nº 32207

LEAGUE OF WOMEN VOTERS 555 WABASHA AVE. ST. PAUL, MN 55102

SALESMAN

BOB

OUR NUMBER	DESCRIPTION	YOUR P.O. NO.	AMOUNT
4			
5132	10M Facts & Issues #4 - 12 pages plus additional chart work for 20 chart	S	\$1389.00 127.00 \$1516.00
	Paid 3/18 4844	no tax	
			*



UNIVERSITY OF MINNESOTA

SERVAGRICULTURAL EXPENSION SUR!

Department of Agricultural and Applied Economics St. Paul, Minnesota 55108

October 7, 1977 File 530-78

TO: County Extension Agents

Area CRD Agents

RE: Public Finance Publications

Enclosed is a set of four leaflets on financing state and local governments in Minnesota. These publications were prepared by the League of Women Voters of Minnesota. I believe you will find them very useful.

The League kindly provided copies to us for distribution. If you are interested in obtaining additional copies, please consult your local LWV unit or write to the League of Women Voters of Minnesota, 555 Wabasha Street, St. Paul, MN 55102.

Sinderely,

Arley D. Valdo

Extension Economics
Public Policy

Enclosure

cc: Harriet Herb

Gordon Rose Carole Yoho

October	11,	1977	
(Date)			75.77

LEAGUE OF WOMEN VOTERS EDUCATION FUND 1730 M STREET, N.W. WASHINGTON, D.C. 20036

FINANCIAL REPORT FOR EDUCATION FUND GRANT

TO: League of Women Voters Education Fund			
FROM: League of Women Voters ofMinnesota			
The following is a final financial report of	the grant made	for expens	es
incurred in connection with Financing Sta	te Government pr	roject	
Education Fund Grant \$4114.1	3		
5% Education Fund Administration Fee \$ 209.8	7		
INCOME	EXPENSES		
Total Income from Education Fund \$4114.13	Printing	\$3619.28	_
Other Income (if any)	Distribution	-0-	_ non=grant
TOTAL	Promotion	-0-	_ non-grant
	Other	494.85	
	Volunteer's		
	Expenses	-0-	non-grant
	Office Typing & Ov including r		_ non-grant
	utilities, and supplie	phone	
	TOTAL	\$4114.13	

Please send this report and three copies of any material published in connection with this project to the Education Fund not later than two months after completion of the project for which the grant was awarded.



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

October 21, 1977

The Honorable Rudy Perpich Governor of the State of Minnesota 130 State Capitol St. Paul, Minnesota 55155

Dear Governor Perpich:

Enclosed are the most recent publications of the League of Women Voters of Minnesota (LWVMN) which are designed to provide the public with clear and impartial information about Minnesota tax revenues and governmental expenditures.

Representative William Kelly, Chairman of the Minnesota House Taxes Committee, has recommended the reports as "extremely useful...and an excellent overview." LWVMN hopes you will find them informative.

The publications were funded through grants from the H.B. Fuller Community Affairs Council, Control Data Corporation and the 1st Bank System Minnesota Affiliates, and are available to the public free-of-charge.

If you find the reports interesting and would like additional copies for your staff, please contact the LWVMN office at 224-5445.

Sincerely,

Helene Borg, President League of Women Voters of Minnesota

Same letter to Senators Humphrey and Anderson, 8 Representatives Enclosures

Routing Slip

As soon as you have read the attached material, please initial, date and forward it to the others checked on the form. After all have read, please return to the office for appropriate disposition. Thank you.

Route to:	Initial	Date
Borg	HB.	10/31
Reeves		
Waldo		
Dunn		
Hall .		
Anderson	Ka.	11/1
Berkwitz	mile	11/3
Brown		
Buffington		
Cushing		
DeSantis		
Foley	ANTE DE LA CONTRACTION DE LA C	
Jones		
Llona		
Phelan		
Poppleton		
Rosenblatt .	gir Line	THE REAL PROPERTY.
Schmitz		
Shaw		
Lucas		
Medelman	DM_	11/3
Thompson	THE REAL PROPERTY.	-
	A CHARLES	
	The sale of the sale of	

BRUCE F. VENTO 4TH DISTRICT, MINNESOTA

1330 LONGWORTH HOUSE OFFICE BUILDING

(202) 225-6631

ROBERT E. HESS ADMINISTRATIVE ASSISTANT

DISTRICT OFFICE: **ROOM 544** FEDERAL BUILDING AND U.S. COURT HOUSE 316 N. ROBERT STREET SAINT PAUL, MINNESOTA 55101

(612) 725-7869

Congress of the United States House committee on Interior and insular Affairs

URBAN AFFAIRS

HOUSE COMMITTEE ON

BANKING, FINANCE AND

House of Representatives Washington, D.C. 20515

OCT 3 1 1977

28 October 1977

Ms. Helene Borg League of Women Voters of Minnesota 555 Wabasha Saint Paul, Minnesota 55102

Dear Ms. Borg:

Thank you very much for sending me the League's publications pertaining to Minnesota's tax revenues and governmental expenditures.

I found these to be most interesting and appreciate your thoughtfulness in sending them to me.

Warm regards,

Sincerely,

Bruce F. Vento Member of Congress

BFV/cw

TOM HAGEDORN

COMMITTEES: AGRICULTURE

PUBLIC WORKS AND TRANSPORTATION

WASHINGTON OFFICE:

325 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2472

Congress of the United States House of Representatives

Washington, D.C. 20515

October 28, 1977

202 Post Office Building Mankato, Minnesota 56001 (507) 387-8226

211 SOUTH NEWTON STREET
ALBERT LEA, MINNESOTA 56007
(507) 377-1676

421 EAST FIRST AVENUE SHAKOPEE, MINNESOTA 55379 (612) 445-7667

GEORGE L. BERG, JR.
ADMINISTRATIVE ASSISTANT

Ms. Helene Borg President League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Ms. Borg:

Thank you very much for your letter of October 21 enclosing information regarding Minnesota tax revenues and governmental expenditures.

I appreciate your thoughtfulness in sending this material to me, and I will be sure to keep it on file for future reference.

With every good wish, I am

Sincerely yours,

Tom Hagedown

Member of Congress

TH:jf

COUNTIES: DAKOTA

RICE STEELE WABASHA WASHINGTON WINONA

DODGE FILLMORE GOODHUE HOUSTON

COMMITTEES: EDUCATION AND LABOR STANDARDS OF OFFICIAL CONDUCT

WASHINGTON OFFICE: 2185 RAYBURN HOUSE OFFICE BUILDING 202-225-2271

Congress of the United States House of Representatives

Washington, D.C. 20515

October 26, 1977

DISTRICT OFFICES: 436 FIRST NATIONAL BANK BUILDING ROCHESTER, MINNESOTA 55901 507-288-2384

520 FEDERAL BUILDING FORT SNELLING ST. PAUL, MINNESOTA 55111 612-725-3680

Helene Borg, President League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Ms. Borg:

Thanks very much for your letter enclosing recent League of Women Voters of Minnesota publications pertaining to Minnesota tax revenues and expenditures.

Needless to say, this information will be invaluable to me. I commend the League for developing this information and publicizing it.

With every good wish, I am

Sincerely yours,

LBERT H. QUIE Member of Congerss

AHQ/ksa

1518 LONGWORTH HOUSE OFFICE BUILDING WASHINGTON, D.C, 20515 (202) 225-2165

COMMITTEES:
GOVERNMENT OPERATIONS
PUBLIC WORKS AND

TRANSPORTATION

Congress of the United States House of Representatives

M-F Building 403 Center Avenue Moorhead, Minnesota 56560 (218) 233-8631

rugeland

Washington, D.C. 20515

November 11, 1977

Ms. Helen Borg, President League of Women Voters 555 Wabasha St. Paul, Minnesota 55102

Dear Ms. Borg:

Thank you for sending me your publications "Facts and Issues Financing State Government." I'm sure your study will be useful for citizens and government officials trying to understand taxing and spending by the State of Minnesota.

I would like to extend my thanks for this service to the citizens of Minnesota.

If I can ever be of assistance to you or the League of Women Voters, please feel free to call on me.

With warm regards, I am

Sincerely,

Arlan Stangeland Member of Congress

United States Senate

WASHINGTON, D.C. 20510

November 11, 1977

Ms. Helene Borg President League of Women Voters of Minnesota 555 Wabasha St. Paul, Minnesota 55102

Dear Ms. Borg:

I appreciate your thoughtfulness in sending me copies of the League of Women Voters of Minnesota's excellent reports on Minnesota tax revenues and governmental expenditures.

I intend to keep this material handy for future reference and would like to receive copies of reports on other issues as you develop them.

With warmest regards.

Sincerely,

Wendy Guderson
Wendell R. Anderson

U.S. Senator

WRA: jbr

RICHARD NOLAN 6TH DISTRICT, MINNESOTA

COMMITTEES: AGRICULTURE SMALL BUSINESS

JAMES A. DECHAINE
ADMINISTRATIVE ASSISTANT
214 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2331

Congress of the United States House of Representatives

Washington, D.C. 20515

DISTRICT OFFICES:
NORMAN LARSON
921 4TH AVENUE
WORTHINGTON, MINNESOTA 56187
(507) 376-4118

JAMES GRAEVE 908 ST. GERMAIN ST. CLOUD, MINNESOTA 56301 (612) 252-7580

ARCHIE BAUMANN
FEDERAL BUILDING
REDWOOD FALLS, MINNESOTA 56283
(507) 637-3565

SHIRLEY BONINE Rt. 1, Box 88 Maple Plain, Minnesota 55359 (612) 479-2331

November 7, 1977

Ms. Helene Borg, President League of Women Voters of Minnesota 555 Wabasha St. Paul, MN 55102

Dear Helene:

Thank you for forwarding me copies of the publications containing Minnesota tax revenues and governmental expenditures. I have reviewed them and found them most informative and useful.

I sincerely appreciate your thoughtfulness in sending me these reports. If I can assist you in any way in the future, please feel free to let me know.

Sincerely

Best wishes.

RICHARD NOLAN

Member of Congress

RN; dm



FIRST BANK SYSTEM, INC.

1400 FIRST NATIONAL BANK BLDG., MINNEAPOLIS, MINNESOTA 55480, (612) 370-5176

LLOYD L. BRANDT Vice President

December 14, 1977

Mrs. Judy Blake Medelman Assistant to the President League of Women Voters 555 Wabasha St. Paul, MN 55102

Dear Judy:

The enclosed sheet lists the First Bank System affiliates that requested additional copies of the League's publications on Minnesota tax revenues and governmental expenditures.

If I do not receive any more requests from the banks, I will keep the 34 sets left until after the first of the year and then send the rest back to you.

I mentioned your project about the Voters Guide book to Mr. Brandt, and he would be interested in purchasing about 1,000 copies after it is printed.

Keep us posted on your progress ---

Sincerely,

(Mrs.) Ann Wilson

Secretary to Lloyd L. Brandt

Cun Silron

Enclosure

BANKS THAT RECEIVED LEAGUE OF WOMEN VOTERS PUBLICATIONS ON MINNESOTA TAX REVENUES

First National Bank - Hibbing (12)
Northern City National Bank - Duluth (25)
First Produce State Bank - Minneapolis (5)
First State Bank - Paynesville (6)
First National Bank - Mankato (15)
First Merchants State Bank - St. Paul (20)
First State Bank of St. Paul (20)
Duluth National Bank - Duluth (7)
First National Bank - Cloquet (7)
First Minnehaha National Bank - Minneapolis (15)
First National Bank - Hopkins (11)
First National Bank - Willmar (10)
First National Bank - Alexandria (6)

First National Bank - Blue Earth (6)

First State Bank - Waseca (8)