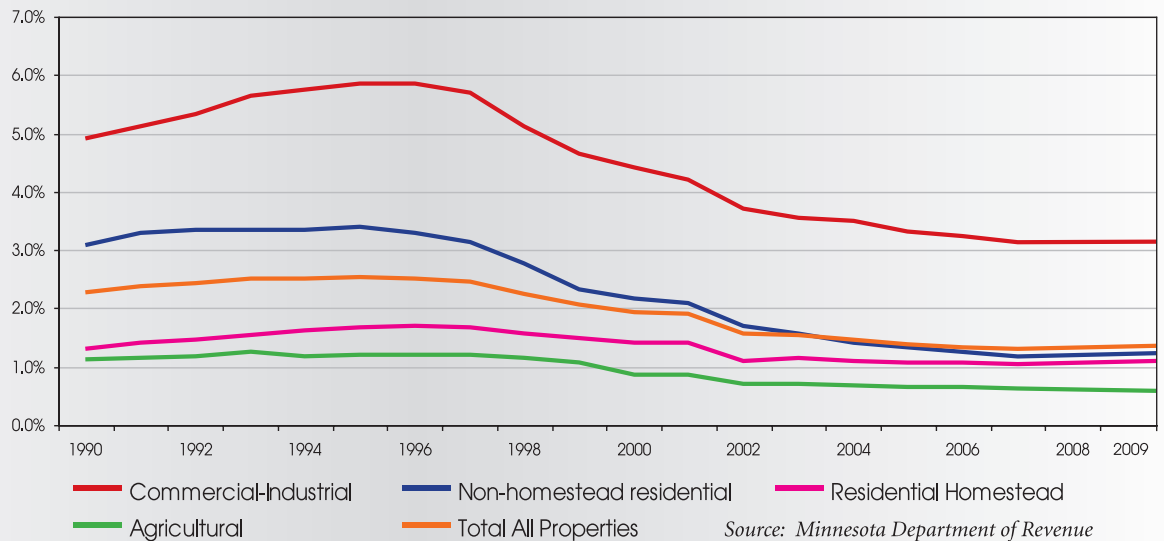


Minnesota's struggling economy cannot bear the weight of even greater fixed costs on doing business here.

Since 2001, taxes payable as a percentage of market value—the “Effective Tax Rates”—have fallen for all classes of property in Minnesota...

But Minnesota's employers—the users of commercial and industrial space—continue to pay almost \$3 per \$100 in market value, compared with homeowners, who pay just \$1 for the same amount of market value.

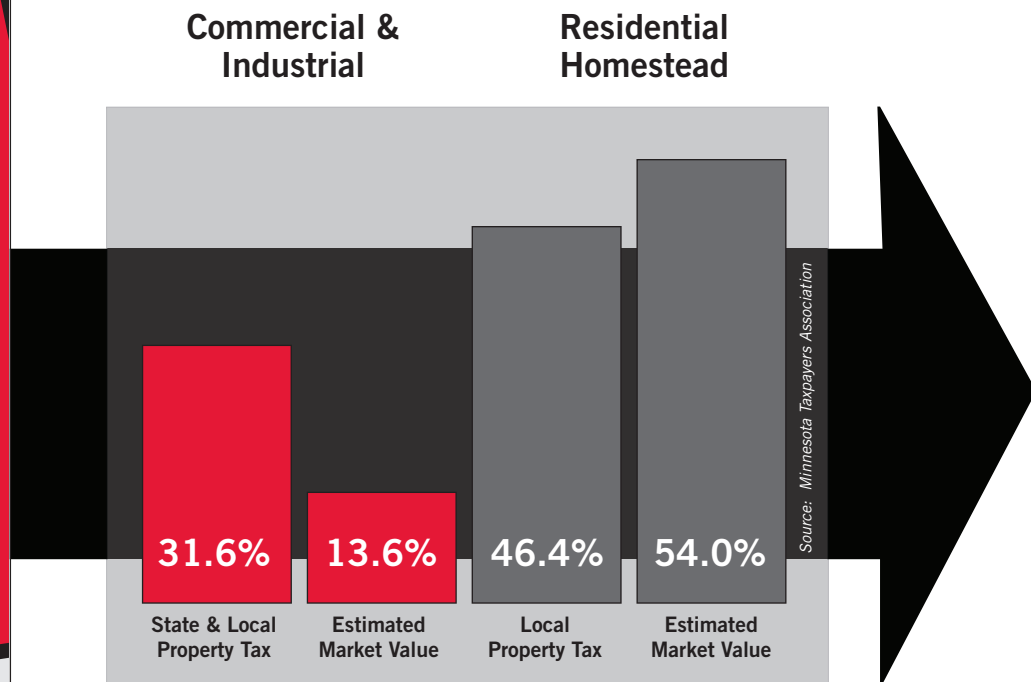


Many policy makers labor under the misconception that the owner of an office tower, a shopping center, or an industrial building with multiple tenants actually pays the property taxes. In fact, each tenant business in these buildings pays its own pro rata share of both local and statewide general property taxes, along with all other operating expenses.

Increasing fixed costs, such as property taxes, on any Minnesota employer in this tough economy will only make it even more difficult for them to retain existing employees and keep them working, let alone create new jobs or bring back workers who have already been laid off.

Minnesota businesses already contribute *far more* than their FAIR SHARE—in fact, more than 3 TIMES THEIR SHARE!

Business property owners and their employer-tenants pay 31.6% of all property taxes collected...but represent only 13.6% of total statewide market value.



In 2010, our best job-creators—the thousands of businesses, large and small, who drive the local economies of hundreds of communities across the state—will again be taxed *twice* on the property they own or lease for their operations.

Like homeowners, businesses pay property taxes to their local city, county and school district... and then are taxed a **SECOND TIME** on the **SAME** property by the State of Minnesota, with a special “Statewide General Tax” that is actually paid only by them, seasonal property owners and utilities.

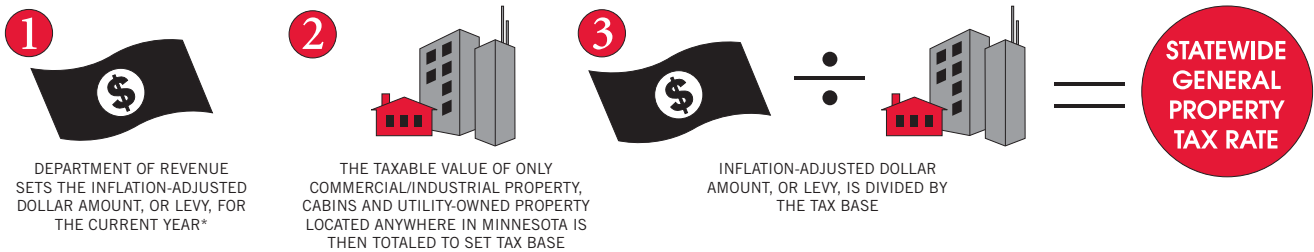
HERE’S HOW PROPERTY TAX RATES ARE CALCULATED IN MINNESOTA.

The “Statewide General Property Tax” rate is calculated in almost the same way local governments calculate their own tax rates.

How Local Governments Calculate Local Property Tax Rates



How State Government Calculates the Statewide General Property Tax Rate



*The dollar amount or levy is increased each year by the percentage increase in the implicit price deflator, a measure of the level of price change in the U.S. economy.

In 2010, the Statewide General Property Tax will raise more than **THREE-QUARTERS OF A BILLION DOLLARS**—more than **90%** of it paid by Minnesota’s businesses and employers—**ON TOP OF ALL OF THE PROPERTY TAXES THE SAME BUSINESSES WILL PAY IN THEIR LOCAL TAXING DISTRICT.**

The Statewide General Property Tax was originally set at \$592 million for taxes payable in 2002. Since then it has increased by \$187 million to a predicted \$779 million in 2010, up more than **31%** in just 8 years.

PAYABLE YEAR	MONEY RAISED BY THE STATEWIDE GENERAL PROPERTY TAX LEVY
2002	\$592.0 (millions)
2003	595.0
2004	615.0
2005	625.0
2006	655.0
2007	693.0
2008	729.0
2009	774.0
2010 (preliminary)	779.0

31% Increase Since 2002

Source: Minnesota Department of Revenue

