

Sales Tax for Education

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Proposal

- Increase Minnesota sales tax 1% (6.875% to 7.875%) to help alleviate funding issues in K-12 public school

- Maintain Existing Exemptions:
 - Food
 - Clothing
 - Medication



Revenue Generated

- \$900 million annually
- ~ \$1,150 per student
(Based on Minnesota's 2016 sales tax totals)



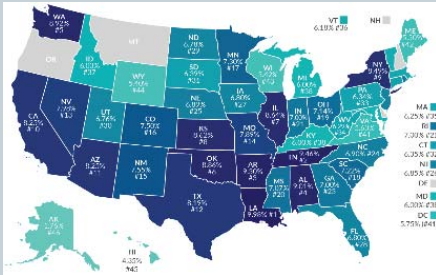
Use of Sales Tax Revenue

- Money generated would be tracked separately
- Local school boards would have full discretion over how money is used



Education Sales Tax in Other States

- Arizona passed a .6 cent sales tax in 2000
- Iowa implemented a statewide 1 percent sales tax in 2008



Reduction in Formula Funding?

- If passed by voters, to reduce formula funding would be politically dangerous
- Without an increase in revenues, legislators will likely reduce formula funding in order to fund specifics like TRA increases, special education, etc.



Questions?

