

government

City of Mankato
 www.ci.mankato.mn.us
 10 Civic Center Plaza
 Mankato, MN 56001
 (507) 387-8600



OrganizationManager/Council
 2006 Budget\$69,276,000
 Industrial Plans Approved byCity Building Inspector
 Insurance Rating3
 Bond RatingA1

City of North Mankato
 www.northmankato.com
 1001 Belgrade Avenue
 North Mankato, MN 56003
 (507) 625-4141



OrganizationAdministrator/Council
 2005 Budget\$16,545,855
 Industrial Plans Approved byCity Building Official
 Insurance Rating5
 Bond RatingA2

Public Safety

City of Mankato

- Complete 911 service
- 18 full-time paid and 43 part-time volunteer firefighters
- 2 fire stations
- 25 EMTs
- Equipment:

4 pumps	2 aerial ladder trucks
1 rescue unit	1 confined space rescue unit
1 hazardous materials unit	1 mobile air unit
1 water rescue unit	1 incident command unit
1 emergency communications unit	1 fire command unit
- Police Officers: 44 full-time, 10 part-time, up to 40 reserve
- Community Service Officers: 2 full-time and 5 part-time

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Public Safety, continued

City of North Mankato

- Complete 911 service
- Police Officers: 10 full-time, 16 reserve
- 39 volunteer firefighters
- 2 fire stations
- Equipment:

Tower truck	4 pumpers
55-foot aerial ladder	2 equipment vans
Mobile air truck	Decontamination unit

County Offices

Mankato is the county seat for Blue Earth County. County offices include human services, license center, county attorney, environmental services, veterans services, extension service, land records department, public works department, and law enforcement center.

The community of St. Peter, located 12 miles north on Highway 169, is the county seat for Nicollet County.

State of Minnesota Offices

The State provides a number of functions at the local level:

Department of Agriculture	Department of Transportation
Department of Corrections	Driver's License Exam
Department of Health	Minnesota National Guard
Department of Labor & Industry	Minnesota Pollution Control Agency
Department of Natural Resources	Public Defender Office
Department of Public Safety	State Patrol
Department of Employment & Economic Development	

Federal Offices

The federal government provides the following services at the local level:

Army Reserve Center	Social Security Administration
Federal Bureau of Investigation	USDA Service Center
Military recruiting	

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State Taxes

Minnesota's government continues to support business development. During the 1990s, Minnesota saved businesses hundreds of millions of dollars through reducing property taxes, lowering workers' compensation costs, and eliminating the sales taxes on all capital equipment. At the same time, Minnesota has maintained high quality in providing education, transportation, social, and environmental services.

According to estimates by the Minnesota Taxpayers Association, commercial and industrial property taxes decreased 22 percent in the metro area and 15 percent in greater Minnesota for a \$1 million business facility in 2002, compared to 2000.

Minnesota does not tax commercial and industrial personal property compared to other states in the Midwest such as Indiana, Iowa, Michigan, and Missouri. (Note: Iowa exempts personal property, but considers machinery as "real" property, which is taxable). Unlike many other states, Minnesota exempts intangible property and inventories.

Advantageous sales tax exceptions in Minnesota include new and replacement capital equipment for manufacturing, fuel used for manufacturing, and repair/installation charges.

Minnesota allows companies to reduce tax liability through credits for research and development.

For a detailed summary of Minnesota's tax system, the *Minnesota Tax Handbook* is available on the Minnesota Department of Revenue web site at www.taxes.state.mn.us

Corporation Franchise/Income Tax

9.8 percent of taxable income or an alternative minimum tax of 5.8%. Plus minimum fee of up to \$5,000 based on Minnesota property, payroll, and sales.

Major exemptions:

- Charitable, religious, educational, and other organizations exempt under Subchapter F of the Internal Revenue Code (unrelated business income is taxed)
- Credit unions
- Mining subject to the occupation tax
- Insurance companies

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State Taxes

Sales and Use Taxes

Tax Base: Sales price of tangible personal property and specified taxable services sold or used in Minnesota.

Rates:

General	6.5%
Additional tax on liquor and beer, both on-sale and off-sale	2.5%
Additional tax on the rental of a car, van, or pick-up truck for less than 29 days (repealed after 12/31/05)	6.2%

Major Exemptions:

Sales for resale in the course of business; materials used in agricultural or industrial production; food products (but not prepared meals and drinks, candy, gum, and soft drinks), clothing; prescribed drugs and medicines; analgesics; fuels taxed under the motor fuels excise tax; motor vehicles subject to the motor vehicle sales tax; residential heating fuels and water services; certain capital equipment; and farm machinery.

Individual Income Taxes

Tax Base: Federal taxable income modified by state additions and subtractions.

Tax Year 2006 Taxable Income Brackets

	5.35%	7.05%	7.85%
Single	\$0-\$20,510	\$20,511-\$67,360	\$67,361 and more
Head of Household	\$0-\$25,250	\$25,251-\$101,450	\$101,451 and more
Married, filing joint	\$0-\$29,980	\$29,981-\$119,100	\$119,101 and more
Married, filing separate	\$0-\$14,990	\$14,991-\$59,550	\$59,551 and more

Minnesota additions include:

- Non-Minnesota State/municipal bond interest
- Itemized deduction for state income taxes
- Expenses deducted federally on income not taxed by Minnesota

Minnesota subtractions include:

- U.S. bond interest
- Dependent K-12 education expenses
- Income of elderly and disabled (up to limits)
- 50% of charitable contributions over \$500 for nonitemizers
- Railroad retirement income

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State General Property Tax

Tax Base: Net tax capacity of commercial-industrial, public utility, railroad, mineral, and seasonal recreational property. Net tax capacity is the estimated market value multiplied by the net class rate.

Rates: Tax rate is determined annually to equal the mandated levy, which was \$592 million for taxes payable in 2002, and for subsequent years is increased by the rate of inflation. For taxes payable in 2006, the rate was 50.827% of the net tax capacity of commercial and industrial property; 28.385% for seasonal recreational property.

Exemptions: Electric generating public utility machinery.

Administration:

Minnesota Department of Revenue: determination of tax rate.

Counties: Collection of the tax and remittance to the state.

Due Dates: Paid in two equal parts on May 15 and October 15.

Source of state tax information: Minnesota Department of Revenue

Local Tax Information (payable 2006)

	Mankato	North Mankato
Municipal Rate	36.27	41.22
County Rate	41.93	48.60
School Rate	13.62	12.80
Miscellaneous Rate	<u>0.22</u>	<u>0.23</u>
TOTAL RATE	92.04	102.85

Other Local Taxes

- 3% hotel/lodging tax
- City of Mankato: one-half percent sales tax that excludes food, clothing, and vehicles.