



# Who receives the Working Family Credit?

Minnesota’s Working Family Tax Credit encourages and supports work, makes the tax system more equitable, and helps working people across the state to meet their basic needs and get their kids off to a strong start. In 2020, more than 371,000 households received the Working Family Credit, including 14.1 percent of all Greater Minnesota households who filed Minnesota income taxes and 12.0 percent of all Twin Cities metro area income tax filers.<sup>1</sup>

Thirty-one states including Minnesota, plus Washington, D.C. and Puerto Rico, have tax credits like the Working Family Credit that are based on the federal Earned Income Tax Credit (EITC), and build on the EITC’s documented success in supporting work, reducing poverty, and improving the health and education of children.<sup>3</sup> Children in households receiving the EITC are also more likely to attend college and earn more as adults.<sup>4</sup> Because these tax credits are received once a year, after workers and families file their income taxes, many people use their credits to secure a stronger financial future by building their savings or reducing debt.

<b>Number of children</b>	<b>Single or head of household filers</b>	<b>Married joint filers</b>
None	\$23,100	\$29,100
One	\$42,200	\$48,100
Two	\$48,400	\$54,300
Three or more	\$52,000	\$58,000

Minnesota’s Working Family Credit is calculated based on a family’s earnings and family size, and it requires that people have earnings from work. Families with children qualify for larger credits on average, and workers with no dependent children qualify for less. The Working Family Credit offsets a portion of the state and local taxes, such as sales taxes, that low- and moderate-income people pay.

The Working Family Credit especially reaches those Minnesotans who face structural barriers to economic security. Eligibility for the Working Family Credit is fairly similar to the federal EITC, for which some estimated disaggregated data is available. In 2018, 35 percent of Minnesota households estimated to be eligible for the EITC were people of color; 15 percent were Black, non-Hispanic; 8 percent Hispanic or Latino; 6 percent Asian, Native Hawaiian, or Pacific Islander, non-Hispanic; and 6 percent another race or multi-racial (not white, non-Hispanic).<sup>5</sup>

The table below provides information about the importance of the Working Family Credit to each Minnesota county and the state as a whole.

## **Working Family Credits received by county of residence, Tax Year 2020<sup>6</sup>**

<b>County</b>	<b>Total Working Family Credits received</b>	<b>Number of households receiving the Working Family Credit</b>	<b>Average credit</b>	<b>Percent of filing households receiving the Working Family Credit</b>
Aitkin	\$707,654	1,121	\$631	15.0%
Anoka	\$13,539,951	21,588	\$627	12.1%
Becker	\$1,495,074	2,263	\$661	14.5%

<b>County</b>	<b>Total Working Family Credits received</b>	<b>Number of households receiving the Working Family Credit</b>	<b>Average credit</b>	<b>Percent of filing households receiving the Working Family Credit</b>
Beltrami	\$2,736,135	4,067	\$673	20.9%
Benton	\$1,985,663	3,174	\$626	16.0%
Big Stone	\$218,725	317	\$690	13.9%
Blue Earth	\$2,708,857	5,324	\$509	17.2%
Brown	\$1,012,719	1,662	\$609	13.1%
Carlton	\$1,339,915	2,315	\$579	14.1%
Carver	\$2,036,941	3,754	\$543	7.5%
Cass	\$1,670,097	2,447	\$683	17.3%
Chippewa	\$723,342	911	\$794	15.8%
Chisago	\$1,823,649	3,050	\$598	11.2%
Clay	\$2,872,681	4,285	\$670	15.8%
Clearwater	\$449,263	636	\$706	17.0%
Cook	\$196,775	384	\$512	13.3%
Cottonwood	\$634,320	846	\$750	15.4%
Crow Wing	\$3,146,540	4,941	\$637	15.6%
Dakota	\$13,431,503	22,798	\$589	10.6%
Dodge	\$692,746	1,130	\$613	11.2%
Douglas	\$1,344,335	2,284	\$589	11.8%
Faribault	\$722,442	1,072	\$674	16.3%
Fillmore	\$810,472	1,216	\$667	12.5%
Freeborn	\$1,745,751	2,486	\$702	17.2%
Goodhue	\$1,517,872	2,544	\$597	10.9%
Grant	\$248,989	392	\$635	14.3%
Hennepin	\$43,545,444	73,916	\$589	11.9%
Houston	\$608,552	1,007	\$604	11.3%
Hubbard	\$1,093,118	1,609	\$679	16.7%
Isanti	\$1,694,804	2,607	\$650	13.0%
Itasca	\$2,081,167	3,228	\$645	15.8%
Jackson	\$430,970	643	\$670	13.1%
Kanabec	\$729,831	1,165	\$626	15.5%
Kandiyohi	\$2,527,505	3,398	\$744	16.2%
Kittson	\$168,042	239	\$703	12.8%
Koochiching	\$549,280	906	\$606	15.8%
Lac Qui Parle	\$276,031	405	\$682	13.1%
Lake	\$366,476	642	\$571	12.3%
Lake of the Woods	\$182,828	273	\$670	14.4%
Le Sueur	\$936,037	1,504	\$622	10.5%
Lincoln	\$193,360	325	\$595	13.7%
Lyon	\$1,333,644	1,870	\$713	16.2%
Mahnomen	\$424,527	543	\$782	25.3%

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Marshall	\$328,467	533	\$616	12.8%
Martin	\$1,105,626	1,673	\$661	17.2%
McLeod	\$1,417,113	2,191	\$647	11.9%
Meeker	\$957,843	1,388	\$690	12.5%
Mille Lacs	\$1,236,795	1,950	\$634	16.0%
Morrison	\$1,565,148	2,443	\$641	15.3%
Mower	\$2,456,176	3,404	\$722	18.4%
Murray	\$310,503	449	\$692	11.4%
Nicollet	\$1,302,599	2,172	\$600	13.8%
Nobles	\$1,154,967	1,501	\$769	15.6%
Norman	\$308,262	452	\$682	16.0%
Olmsted	\$5,611,931	9,294	\$604	11.9%
Otter Tail	\$2,627,697	4,006	\$656	14.1%
Pennington	\$573,293	956	\$600	14.6%
Pine	\$1,298,763	2,048	\$634	15.9%
Pipestone	\$449,311	593	\$758	14.2%
Polk	\$1,423,157	2,049	\$695	15.2%
Pope	\$446,617	692	\$645	12.4%
Ramsey	\$30,015,969	42,982	\$698	16.4%
Red Lake	\$165,454	250	\$662	14.1%
Redwood	\$774,246	1,125	\$688	15.1%
Renville	\$728,704	1,014	\$719	14.2%
Rice	\$2,582,973	3,835	\$674	13.0%
Rock	\$405,102	572	\$708	13.5%
Roseau	\$693,847	1,095	\$634	14.9%
Scott	\$4,420,431	6,965	\$635	9.6%
Sherburne	\$3,064,256	5,162	\$594	11.2%
Sibley	\$565,200	888	\$636	12.2%
St. Louis	\$7,225,162	13,334	\$542	14.5%
Stearns	\$7,829,349	11,839	\$661	15.9%
Steele	\$1,811,399	2,690	\$673	14.7%
Stevens	\$293,939	532	\$553	12.5%
Swift	\$482,256	697	\$692	15.6%
Todd	\$1,367,379	1,893	\$722	17.0%
Traverse	\$136,285	185	\$737	12.9%
Wabasha	\$732,468	1,192	\$614	11.1%
Wadena	\$849,027	1,150	\$738	18.6%
Waseca	\$846,285	1,278	\$662	14.3%
Washington	\$6,789,179	11,968	\$567	9.2%
Watonwan	\$634,165	828	\$766	16.9%
Wilkin	\$263,536	408	\$646	14.1%

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of filing households receiving the Working Family Credit
Winona	\$1,633,179	3,051	\$535	13.9%
Wright	\$3,748,505	6,442	\$582	9.6%
Yellow Medicine	\$416,195	629	\$662	13.5%
Undesignated/ Other	\$7,188,383	20,485	\$351	7.0%
<b>TOTAL</b>	<b>\$227,191,168</b>	<b>371,570</b>	<b>\$611</b>	<b>12.3%</b>

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<sup>1</sup> Minnesota Department of Revenue, [Tax Year 2020 Minnesota Income Tax Statistics by County](#). In this issue brief, we use the term “number of households” to refer to the number of income tax returns filed.

<sup>2</sup> Minnesota Department of Revenue, [2020 Schedule M1WFC, Minnesota Working Family Credit](#).

<sup>3</sup> Center on Budget and Policy Priorities, [States Can Adopt or Expand Earned Income Tax Credits to Build Equitable, Inclusive Communities and Economies](#), March 2023.

<sup>4</sup> Center on Budget and Policy Priorities, [EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children’s Development, Research Finds](#), October 2015.

<sup>5</sup> Center on Budget and Policy Priorities, [Program Participation Data Dashboard](#), EITC – Estimated Race/Ethnicity, Education, and Language of Eligible Filers, data for 2018. We acknowledge that this data source does not include details about Native American communities or other disaggregated data that are important to fully illustrate the impact of this policy.

<sup>6</sup> Minnesota Department of Revenue.