

## 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 support their families. In 2017, more than 315,000 households received the Working Family Credit, which is 10.8 percent of all households who file Minnesota income taxes.<sup>1</sup> Minnesotans claiming the Working Family Credit live all across the state: 48 percent in Greater Minnesota and 52 percent in the Twin Cities metro area.

More than half of all states, including Minnesota, 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>2</sup> Children in

households receiving the EITC are also more likely to attend college and earn more as adults.<sup>3</sup> Because these tax credits are received once a year, after workers and families file their taxes, many people use their credits to secure a stronger financial future by building their savings or reducing debt.

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 two or more children qualify for larger credits on average, and workers with no dependent children qualify for much less. The Working Family

Working Family Credit parameters (Tax Year 2017)				
Number of children	Maximum income (single or head of household)	Maximum Income (married)		
None	\$15,000	\$20,600		
One child	\$39,600	\$45,100		
Two or more children	\$44,900	\$50,500		

Credit offsets a portion of the significant state and local taxes, such as sales taxes, that low- and moderateincome people pay.

In the 2019 tax year, Minnesotans will see a \$30 million expansion of the Working Family Credit, which is expected to increase the amount of credit received by 275,000 households, 33,000 of whom did not previously qualify for the credit. 2019 is also the first year that workers without children can qualify for the credit if they are at least 21 years old, rather than 25.

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

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Aitkin	\$738,124	1,032	\$715	14.5%
Anoka	\$13,936,114	17,840	\$781	10.5%
Becker	\$1,714,429	2,199	\$780	14.5%
Beltrami	\$3,129,726	3,610	\$867	19.7%

## Working Family Credits received by county of residence, Tax Year 2017<sup>4</sup>

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County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Benton	\$2,103,136	2,659	\$791	13.9%
Big Stone	\$232,054	290	\$800	12.7%
Blue Earth	\$2,625,701	3,846	\$683	12.8%
Brown	\$1,079,921	1,463	\$738	11.4%
Carlton	\$1,449,059	2,009	\$721	12.8%
Carver	\$2,087,098	2,886	\$723	6.1%
Cass	\$1,990,559	2,383	\$835	17.7%
Chippewa	\$684,584	812	\$843	13.9%
Chisago	\$1,920,992	2,611	\$736	10.0%
Clay	\$2,688,282	3,467	\$775	13.1%
Clearwater	\$442,174	587	\$753	16.1%
Cook	\$222,418	315	\$706	11.1%
Cottonwood	\$620,043	765	\$811	14.3%
Crow Wing	\$3,406,331	4,379	\$778	14.5%
Dakota	\$14,282,618	18,572	\$769	8.9%
Dodge	\$767,189	953	\$805	9.7%
Douglas	\$1,404,591	2,008	\$699	10.8%
Faribault	\$711,373	963	\$739	14.6%
Fillmore	\$909,675	1,178	\$772	12.3%
Freeborn	\$1,772,178	2,215	\$800	15.5%
Goodhue	\$1,580,888	2,184	\$724	9.6%
Grant	\$301,816	364	\$829	13.0%
Hennepin	\$49,314,886	63,340	\$779	10.5%
Houston	\$633,080	934	\$678	10.6%
Hubbard	\$1,126,786	1,478	\$762	16.1%
lsanti	\$1,743,103	2,293	\$760	12.3%
ltasca	\$2,219,176	2,888	\$768	14.6%
Jackson	\$476,837	602	\$792	12.3%
Kanabec	\$899,269	1,112	\$809	15.6%
Kandiyohi	\$2,747,042	3,200	\$858	15.6%
Kittson	\$164,474	223	\$738	10.8%
Koochiching	\$636,947	879	\$725	15.0%
Lac Qui Parle	\$277,235	347	\$799	11.1%
Lake	\$413,205	571	\$724	11.4%
Lake of the Woods	\$181,852	261	\$697	14.3%
Le Sueur	\$1,081,891	1,399	\$773	10.1%
Lincoln	\$229,109	304	\$754	12.1%

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Lyon	\$1,372,846	1,624	\$845	14.1%
McLeod	\$1,545,241	1,983	\$779	11.1%
Mahnomen	\$478,347	527	\$908	25.2%
Marshall	\$372,897	490	\$761	11.5%
Martin	\$1,125,283	1,456	\$773	14.8%
Meeker	\$982,797	1,251	\$786	11.7%
Mille Lacs	\$1,404,398	1,737	\$809	15.0%
Morrison	\$1,756,970	2,309	\$761	14.9%
Mower	\$2,457,033	2,993	\$821	16.6%
Murray	\$367,939	436	\$844	10.9%
Nicollet	\$1,390,737	1,930	\$721	12.4%
Nobles	\$1,195,148	1,462	\$817	15.0%
Norman	\$356,332	423	\$842	14.3%
Olmsted	\$5,908,080	7,577	\$780	10.1%
Otter Tail	\$2,816,344	3,627	\$776	13.1%
Pennington	\$702,079	935	\$751	14.0%
Pine	\$1,504,913	1,926	\$781	15.7%
Pipestone	\$473,524	588	\$805	13.8%
Polk	\$1,491,290	1,900	\$785	13.9%
Pope	\$421,949	590	\$715	10.8%
Ramsey	\$32,742,003	38,436	\$852	15.0%
Red Lake	\$176,980	225	\$787	12.6%
Redwood	\$842,339	1,011	\$833	13.7%
Renville	\$735,708	896	\$821	12.6%
Rice	\$2,873,143	3,423	\$839	12.0%
Rock	\$447,757	535	\$837	12.6%
Roseau	\$819,766	1,019	\$804	14.1%
St. Louis	\$7,830,929	11,213	\$698	12.5%
Scott	\$4,399,214	5,392	\$816	7.9%
Sherburne	\$3,163,352	4,025	\$786	9.3%
Sibley	\$645,870	804	\$803	11.1%
Stearns	\$8,070,493	9,821	\$822	13.7%
Steele	\$1,909,968	2,354	\$811	13.1%
Stevens	\$248,269	380	\$653	8.9%
Swift	\$476,540	599	\$796	13.4%
Todd	\$1,333,652	1,745	\$764	16.1%
Traverse	\$134,447	171	\$786	11.6%
Wabasha	\$822,478	1,142	\$720	10.8%

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Wadena	\$849,574	1,073	\$792	18.2%
Waseca	\$934,983	1,190	\$786	13.6%
Washington	\$6,968,208	9,350	\$745	7.6%
Watonwan	\$646,523	774	\$835	15.2%
Wilkin	\$250,863	336	\$747	11.3%
Winona	\$1,625,239	2,452	\$663	11.3%
Wright	\$3,910,419	5,317	\$735	8.5%
Yellow Medicine	\$477,450	605	\$789	12.9%
Undesignated/ Other	\$7,256,788	13,801	\$526	
TOTAL	\$243,663,067	315,274	\$773	10.8%

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<sup>&</sup>lt;sup>1</sup> Minnesota Department of Revenue, <u>Tax Year 2017 Minnesota Income Tax Statistics by County</u>. In this analysis, the number of households refers to the number of tax returns.

<sup>&</sup>lt;sup>2</sup> Center on Budget and Policy Priorities, <u>Policy Basics: State Earned Income Tax Credits</u>, August 2017.

<sup>&</sup>lt;sup>3</sup> Center on Budget and Policy Priorities, <u>EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support</u> <u>Children's Development, Research Finds</u>, October 2015.

<sup>&</sup>lt;sup>4</sup> Minnesota Department of Revenue, <u>Tax Year 2017 Minnesota Income Tax Statistics by County</u>.