

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 2019, more than 404,000 households received the Working Family Credit, including 15.3 percent of all Greater Minnesota households who filed Minnesota income taxes and 13.2 percent of all Twin Cities metro area income tax filers.¹

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.² Children in households receiving the EITC are also more likely to attend college and earn more as adults.³ 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.

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

Working Family Credit Income Limits Tax Year 2019			
Number of children	Single or head of household filers	Married joint filers	
None	\$22,700	\$28,600	
One	\$41,500	\$47,300	
Two	\$47,600	\$53,500	
Three or more	\$51,200	\$57,000	

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).⁴

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 2019⁵

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	\$832,712	1,186	\$702	16.4%
Anoka	\$16,657,616	23,231	\$717	13.2%
Becker	\$1,863,711	2,498	\$746	16.1%

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Beltrami	\$3,577,018	4,527	\$790	23.5%
Benton	\$2,417,692	3,372	\$717	17.2%
Big Stone	\$254,673	360	\$707	15.9%
Blue Earth	\$3,342,380	5,674	\$589	18.4%
Brown	\$1,221,040	1,722	\$709	13.5%
Carlton	\$1,604,312	2,515	\$638	15.6%
Carver	\$2,535,136	3,967	\$639	8.0%
Cass	\$2,111,295	2,730	\$773	19.8%
Chippewa	\$834,449	996	\$838	17.0%
Chisago	\$2,106,106	3,217	\$655	11.9%
Clay	\$3,298,310	4,473	\$737	16.6%
Clearwater	\$578,454	693	\$835	18.6%
Cook	\$248,153	419	\$592	14.5%
Cottonwood	\$698,659	869	\$804	16.3%
Crow Wing	\$3,776,088	5,340	\$707	17.2%
Dakota	\$16,940,056	24,383	\$695	11.4%
Dodge	\$879,330	1,188	\$740	11.9%
Douglas	\$1,600,036	2,396	\$668	12.6%
Faribault	\$826,313	1,139	\$725	17.5%
Fillmore	\$991,883	1,384	\$717	14.3%
Freeborn	\$2,071,471	2,597	\$798	18.1%
Goodhue	\$1,832,232	2,708	\$677	11.7%
Grant	\$323,172	431	\$750	15.5%
Hennepin	\$56,752,055	82,217	\$690	13.2%
Houston	\$716,043	1,095	\$654	12.4%
Hubbard	\$1,358,404	1,742	\$780	18.5%
Isanti	\$2,014,432	2,906	\$693	14.7%
Itasca	\$2,646,241	3,606	\$734	17.7%
Jackson	\$526,425	685	\$769	14.1%
Kanabec	\$935,734	1,321	\$708	17.9%
Kandiyohi	\$3,106,712	3,703	\$839	17.9%
Kittson	\$212,231	270	\$786	13.4%
Koochiching	\$671,742	1,000	\$672	17.7%
Lac Qui Parle	\$341,054	430	\$793	13.7%
Lake	\$461,704	689	\$670	13.3%
Lake of the Woods	\$214,583	298	\$720	15.7%
Le Sueur	\$1,176,403	1,694	\$694	11.9%

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Lincoln	\$254,520	373	\$682	14.6%
Lyon	\$1,548,611	1,985	\$780	17.2%
Mahnomen	\$560,174	614	\$912	28.4%
Marshall	\$422,845	576	\$734	13.8%
Martin	\$1,271,280	1,687	\$754	17.5%
McLeod	\$1,666,891	2,325	\$717	12.7%
Meeker	\$1,145,450	1,552	\$738	14.1%
Mille Lacs	\$1,549,566	2,152	\$720	18.0%
Morrison	\$1,837,376	2,587	\$710	16.5%
Mower	\$2,855,606	3,575	\$799	19.6%
Murray	\$414,581	508	\$816	12.9%
Nicollet	\$1,569,602	2,292	\$685	14.5%
Nobles	\$1,342,387	1,595	\$842	16.6%
Norman	\$396,353	522	\$759	17.9%
Olmsted	\$6,974,335	9,859	\$707	12.7%
Otter Tail	\$3,208,655	4,345	\$738	15.5%
Pennington	\$770,493	1,075	\$717	16.0%
Pine	\$1,645,101	2,237	\$735	17.8%
Pipestone	\$497,193	621	\$801	14.8%
Polk	\$1,762,273	2,186	\$806	16.1%
Pope	\$513,004	742	\$691	13.3%
Ramsey	\$37,977,700	47,869	\$793	18.3%
Red Lake	\$185,319	252	\$735	13.8%
Redwood	\$927,104	1,173	\$790	15.7%
Renville	\$861,820	1,065	\$809	15.0%
Rice	\$3,308,924	4,285	\$772	14.6%
Rock	\$468,108	611	\$766	14.3%
Roseau	\$855,316	1,168	\$732	15.9%
Scott	\$5,365,772	7,456	\$720	10.4%
Sherburne	\$3,691,977	5,314	\$695	11.8%
Sibley	\$661,852	944	\$701	13.0%
St. Louis	\$8,878,987	14,716	\$603	16.1%
Stearns	\$9,610,005	12,594	\$763	17.0%
Steele	\$2,195,961	2,816	\$780	15.5%
Stevens	\$354,148	556	\$637	12.8%
Swift	\$582,770	749	\$778	16.9%
Todd	\$1,586,543	2,033	\$780	18.4%
Traverse	\$154,146	194	\$795	13.3%

County	Total Working Family Credits received	Number of households receiving the Working Family Credit	Average credit	Percent of households receiving the Working Family Credit
Wabasha	\$858,893	1,259	\$682	11.7%
Wadena	\$990,794	1,201	\$825	20.0%
Waseca	\$1,033,281	1,367	\$756	15.4%
Washington	\$8,214,952	12,510	\$657	9.7%
Watonwan	\$759,970	894	\$850	17.8%
Wilkin	\$332,522	445	\$747	14.8%
Winona	\$1,937,639	3,238	\$598	14.8%
Wright	\$4,585,975	6,898	\$665	10.5%
Yellow Medicine	\$540,052	697	\$775	14.7%
Undesignated/ Other	\$8,932,202	23,025	\$388	
TOTAL	\$282,615,088	404,408	\$699	13.5%

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¹ Minnesota Department of Revenue, <u>Tax Year 2019 Minnesota Income Tax Statistics by County</u>. In this issue brief, we use the term "number of households" to refer to the number of income tax returns filed.

² Center on Budget and Policy Priorities, <u>States Can Adopt or Expand Earned Income Tax Credits to Build Equitable,</u> <u>Inclusive Communities and Economies, March 2022.</u>

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

⁴ Center on Budget and Policy Priorities, <u>Program Participation Data Dashboard</u>, 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.

⁵ Minnesota Department of Revenue.