



February 2010

An Open Letter to Governor Tim Pawlenty and Members of the Minnesota Legislature:

The undersigned organizations are deeply concerned about the 27 percent cut to the Renters' Credit that was made under unallotment and the proposal in the Governor's budget to make this cut permanent. These cuts harm Minnesotans across the state including seniors, persons with disabilities, and other low- and moderate-income Minnesotans.

The Renters' Credit provides a reduction in property taxes to Minnesotans whose rent is high relative to their income. While renters do not pay property taxes directly, the Renters' Credit recognizes that owners of rental property pass on the cost of property taxes to renters in the form of higher rents. More than one-quarter of households receiving the Renters' Credit include seniors and/or people with severe disabilities. More than 80 percent of recipients have household incomes of \$30,000 or less.

As a result of the Governor's unallotment, most Renters' Credit recipients – 280,900 households – will see a significant cut to the Renters' Credit at a time when they are struggling to make ends meet. More than 18,000 Minnesota households will no longer receive any Renters' Credit. The average credit was cut by \$129.

Even when the Renters' Credit is taken into account, rental property taxes remain one of the most regressive taxes in Minnesota.

At a time when the state faces an economic downturn and a significant lack of affordable housing, renters in Minnesota cannot afford a 27 percent cut in the Renters' Credit. Many Minnesotans use the Renters' Credit to meet basic needs such as delayed dental care, school clothes and supplies, car repairs, bills, and prescription drugs. The Governor's cut to the Renters' Credit takes \$51 million out of our communities. We need to stop asking our most vulnerable Minnesotans to bear much of the costs of balancing the state's budget.

We, the undersigned organizations, therefore oppose a cut to the Renters' Credit.

Contact Person Name: _____
Organization Name: _____
Organization Address: _____
City, State, Zip: _____
Contact email: _____
Phone: _____

To join this sign-on letter in opposition to cuts to the Renters' Credit, please provide the above contact information and return to:

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