

St. Paul's 2026 Property Taxes: The Big Picture – Executive Summary

The attached report from **In\$ight St. Paul** was prepared to help elected officials and taxpayers more fully understand the difficult position Saint Paul is in regarding property valuation shifts within our changing tax base and even greater reliance on higher tax levies. **The total levies for all governments taxing Saint Paul went up three and one-half times the inflation rate. Property Class valuation shifts and extremely high tax levies have resulted in significant Payable 2026 property tax increases for residential homeowners.** This is extremely alarming, because the 2024 House Research's Residential Homestead Property Tax Burden report to the Legislature identified that Saint Paul had **the highest effective residential property tax rate in Minnesota.**

St. Paul's 2026 Property Taxes: The Big Picture report will be widely shared with elected officials, city staff, citizen advisory committees, and the public to show clearly the severity of our property taxation problems and to propose actions that will lessen future property taxation.

In\$ight urges elected officials to enact twelve “common sense” changes, including: Intergovernmental cooperation to eliminate redundant spending and ineffective programs. Avoid building new facilities that increase long-term operating costs. Decertify Tax Increment Financing (TIF) districts ahead of schedule and limit future TIF usage. Emphasize job-creating industrial development and avoid the overbuilding of downtown. Seek state aid for the Capitol complex and increased regional funding for Como Zoo. **In\$ight** believes that by enacting these changes, St. Paul will be in a better position to provide quality services with more affordable property taxation. Lowering property taxes will help grow our tax base by retaining businesses and residents and by attracting even more investment to Saint Paul.

Property taxes are rising far faster than inflation. Certified tax levies and referendum levies (excluding TIF) **increased 8.7%** from \$660M to \$717M, a \$58M increase. I.S.D.625 had the largest increase at **14.9%**, Ramsey County with **6.6%**, City of St. Paul with **5.3%**. Plus TIF taxes spread were \$36.3M.

TIF imposes a significant hidden cost on non-TIF taxpayers. St. Paul is Minnesota's largest user of TIF, capturing \$36.3M in 2026, about 6.1% of the tax base. Because TIF properties do not pay for the city services they consume, non-TIF taxpayers cover the gap. Since 1975, St. Paul has captured over \$1 billion in TIF increments. TIF subsidies have led to overbuilding in Downtown without adequate demand, which in turn has led to high vacancies, reduced valuations, and an uneven competitive landscape.

Downtown market values have dropped by **14%** since 2020, meaning a loss of **\$308M**. This past year alone Downtown lost **5.4%** of its estimated market value. This decline shifts even more of the tax burden onto neighborhoods and homeowners.

In\$ight has concluded that high and rising property taxes are eroding affordability, depressing commercial property values, and discouraging investment. We urge policymakers to tie future tax growth to inflation, prioritize essential services, and adopt structural reforms—to restore long-term fiscal sustainability.

In\$ight St. Paul is a volunteer, non-partisan citizen group that includes members with deep knowledge of Saint Paul finances. **In\$ight St. Paul** presents this analysis to urge elected officials to prioritize long-term affordability and pursue structural reforms. Thank you for your consideration, **In\$ight St. Paul.**