

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT

7/31/2023

CHANGES WITH FEBRUARY 2023 FORECAST DETAIL

ALL FUNDS, DOLLARS IN THOUSANDS

TAX POLICY & NON GENERAL FUND CHANGE ITEMS: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

STADIUM FINANCE: Positive amounts indicate revenue increase (savings)

LINE	ITEM	Forecast	Governor			House			Senate			CHAPTER 64		
		FY 2022-23	FY 2023	FY 2024-25	FY 2026-27	FY 2023	FY 2024-25	FY 2026-27	FY 2023	FY 2024-25	FY 2026-27	FY 2023	FY 2024-25	FY 2026-27
1	GENERAL FUND FORECAST:													
2	TAX POLICY (REVENUE) ¹	58,023,319	28,632,906	58,319,607	62,994,919	28,632,906	58,319,607	62,994,919	28,632,906	58,319,607	62,994,919	28,632,906	58,319,607	62,994,919
3	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	4,641,358	2,588,446	4,434,615	4,554,597	2,588,446	4,434,615	4,554,597	2,588,446	4,434,615	4,554,597	2,588,446	4,434,615	4,554,597
4														
5	GENERAL FUND / NET LOAN ACTIVITY - CHANGE ITEMS:													
6	TAX POLICY			(5,469,230)	(1,425,060)		(2,305,670)	(965,950)		(2,439,670)	(1,184,970)		(2,009,246)	(1,242,946)
7	LESS GENERAL FUND PROPERTY TAX REFUNDS, AIDS, & CREDITS		2,589	722,663	(227,707)	126	693,542	336,058	126	577,047	140,538	14,172	959,422	55,764
8	LESS NET LOAN ACTIVITY (Senior Deferral)		0	210	1,040	0	260	1,290	0	260	1,290	-	260	1,290
9	SUBTOTAL PROPERTY TAX REFUNDS, AIDS CREDITS + NET LOAN ACTIVITY		2,589	722,873	(226,667)	126	693,802	337,348	126	577,307	141,828	14,172	959,682	57,054
10	STADIUM FINANCE/RESERVE CHANGES		(26,521)	362,271	392,443				(26,521)	362,271	392,443		(367,355)	(397,527)
11	TOTAL: GENERAL FUND / NET LOAN ACTIVITY		(29,110)	(5,829,832)	(805,950)	(126)	(2,999,472)	(1,303,298)	(26,647)	(2,654,706)	(934,355)	(14,172)	(2,968,928)	(1,300,000)
12	TOTAL: GENERAL FUND, FY 2023-2025 TOTAL												(2,983,100)	
13	TOTAL: GENERAL FUND, FY 2023-2025 TOTAL (WITH STADIUM CHANGES)												(2,615,745)	(902,473)
14														
15	STADIUM RESERVE ACCOUNT													
16	CURRENT LAW		366,179	678,315	1,020,617		678,315	1,020,617	366,179	678,315	1,020,617	366,179	678,315	1,020,617
17	PROPOSED CHANGE		(366,179)	(678,315)	(1,020,617)		(14,257)	(30,195)	(366,179)	(678,315)	(1,020,617)	(366,179)	(678,315)	(1,020,617)
18	SUBTOTAL BUDGET RESERVE + PROPOSED CHANGES		-	-	-		664,058	990,422		-	-		-	-
19														
20	NON-GENERAL FUND - CHANGE ITEMS:													
21	LEGACY FUNDS			(14,750)	-		(15,740)	(860)		(2,135)	(840)		(2,075)	(670)
22	ENVIRONMENTAL FUND						11,400	12,100		-	18,400		6,900	7,300
23	SPECIAL REVENUE FUND						5	10		25,000	-		5	10
24	HOUSING DEVELOPMENT FUND						55,000	15,000		-	-		40,000	-
25	IRON RANGE SCHOOL CONSOLIDATION						9,600	10,460	-	9,600	10,460		9,600	10,460
26	TACONITE COUNTY ROAD AND BRIDGE FUND						(2,540)	(3,380)	-	(2,540)	(3,380)		(2,540)	(3,380)
27	TACONITE ENVIRONMENTAL PROTECTION FUND						(30)	90		(30)	90		(30)	90
28	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND						(13,630)	(20,190)		(13,630)	(20,190)		(13,630)	(20,190)
29	TACONITE PROPERTY TAX RELIEF ACCOUNT						(6,000)	90		(6,000)	90		(6,000)	90
30	IRON RANGE RESOURCE AND REHABILITATION ACCOUNT						12,600	13,740		12,600	13,740		12,600	13,740
31														
32	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS			(14,750)	-		50,665	27,060		22,865	18,370		44,830	7,450

(1) General Fund state tax revenues and expenditures are based on the Minnesota Management & Budget February 2023 Forecast

2023 LEGISLATIVE SESSION: CHAPTER 64 (CCR-HF1938A)

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
		FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE							
1	Tax Policy -Change Items - Summary								
2	Tax Policy - Change Items		(5,469,230)	(1,425,060)	(2,306,082)	(966,352)	(2,439,670)	(1,184,970)	(2,009,246)
3							-	-	-
4	Total - General Fund, Tax Policy - All Change Items		(5,469,230)	(1,425,060)	(2,306,082)	(966,352)	(2,439,670)	(1,184,970)	(2,009,246)
5	Total - Non Dedicated, Current Law, General Fund Tax Revenue (before Change Items)		58,319,607	62,994,919	58,319,607	62,994,919	58,319,607	62,994,919	58,319,607
6	Total - Estimated Non Dedicated General Fund Tax Revenue with Change Items		52,850,377	61,569,859	56,013,525	62,028,567	55,879,937	61,809,949	56,310,361
7	Total - Estimated Percent Change to Non Dedicated General Fund Tax Revenue with Change Items		-9.4%	-2.3%	-4.0%	-1.5%	-4.2%	-1.9%	-3.4%
8									
9	INDIVIDUAL INCOME TAX								
10	Change Items								
11	Fed. Conformity: Limitation on Excess Business Losses (ARPA)	TY26	-	69,000	-	69,000	-	69,000	-
12	Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	TY27-28	-	21,400	-	21,400	-	21,400	-
13	Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1, 2023 Session)	Various	3,700	(2,400)	3,700	(2,400)	3,700	(2,400)	3,700
14	Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan (see note "#")	TY28	-	-	-	-	-	-	-
15	Fed. Conformity: Secure Act 2.0 - Retirement Account Withdrawals Emergency Exp.	TY24	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)
16	Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	TY 23	(200)	(200)	(200)	(200)	(200)	(200)	(200)
17	Fed. Conformity: Secure Act 2.0 - Distributions 529 Plans to a Roth IRAs	TY24	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)
18	Fed. Conformity: Secure Act 2.0 - Qualified Charitable Contrib. from IRA	TY23	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)
19	Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits (see note "#")	TY 27	-	-	-	-	-	-	-
20	Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	1/26/2021	(1,400)	-	(1,400)	-	(1,400)	-	(1,400)
21	Fed. Conformity: Secure Act 2.0 - Limit Deduction for Charitable Conserv. Easements	12/29/2022	7,500	4,700	7,500	4,700	7,500	4,700	7,500
22									
23	Global Intangible Low Tax Income (GILTI) with 50% Dividend Received Deduction, No Section 250 Deduction	TY23		-	-	-	-	-	6,300
24									6,000
25	Standard/Itemized Deduction Phaseout Modifications (10% over \$304,970 /20% over \$1.0 million AGI)	TY 23	-	-	-	-	-	-	354,300
26	Net Investment Income Tax (1% above \$1.0 million, excluding gains from agricultural land sales)	TY24	-	-	-	-	-	-	86,200
27	Fifth Tier 10.85% Rate; \$1.0 million Married-Joint Filers; \$600,000 Single Filers	TY23	-	-	529,300	500,200	-	-	-
28	Interactions with Fifth Tier			(Negligible)	(Negligible)				-
29	Capital Gains and Dividends Income Surtax: 1.5% & 4%	TY 23	679,600	625,100	-	-	-	-	-
30									
31	Direct Pymt - Advanced Refundable Credit (\$2000 MJ Filers, \$1000 Single Filers, \$200 Dependent)	TY 23 only	(3,902,200)	-	-	-	-	-	-
32	Refundable Credit Payment (\$550 MJ Filers, \$275 Single Filers, \$275 Dependent)	TY 21 only			(1,250,100)	-	-	-	-
33	Direct Pymt - Advanced Refundable Credit (\$558 MJ Filers, \$279 Single Filers, \$56 Dependent)	TY 23 only				(1,088,900)	-	-	-
34	Direct Pymt - Advanced Refundable Credit (\$520 MJ Filers, \$260 Single Filers, \$260 Dependent)	TY21 only						(1,130,900)	-
35								-	-
36	Child Tax Credit (\$1,000/per child)	TY 23	(1,122,800)	(1,194,900)	-	-	-	-	-
37	Child Tax Credit (\$620/per child)	TY 23				(648,900)	(690,500)	-	-
38	Child and Working Family Tax Credit (Refundable)	TY23			(587,600)	(611,200)		-	-

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

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		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)		EFFECTIVE	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25
39	Child and Working Family Tax Credit - Newly Eligible Filers	TY23			(94,700)	(95,300)			-
40	Child and Working Family Tax Credit - ITIN Filers	TY23	-	-	(19,800)	(20,600)	-	-	-
41	Interaction - Child and Working Family Tax Credit				(8,700)	(10,900)			-
42	Subtotal				(710,800)	(738,000)			-
43	Child Tax Credit (\$1,750 per child, phaseout at \$35,000/\$29,500)	TY23							(893,400)
44	Child Tax Credit for Newly Eligible Filers	TY23							(117,000)
45	Changing the Working Family Credit	TY23							300,000
46	Interaction - ITIN								(87,000)
47	subtotal								(797,400)
48									
49	Modify Child & Dep. Care Credit w/ Great Start Child Care Credit (phases out btwn. \$200k-\$240k MJ filers)	TY23	(528,900)	(537,400)	-	-	-	-	-
50	Modify Child & Dep. Care Credit w/ Great Start Child Care Credit (phases out btwn. \$160k-\$200k MJ filers)	TY23				(470,900)	(478,400)	-	-
51	Modify Child & Dependent Care Credit, Newborn Credit to Unmarried Filers	TY23	(3,200)	(3,200)	(3,200)	(3,200)	-	-	(3,200)
52	Interaction, Expand Eligibility, Newborn Credit to Non-Married Joint Filers		(32,600)	(33,300)	-	-	-	-	-
53	Interaction, Addition for Dependent Care Expenses		25,900	26,300	-	-	20,900	21,300	-
54	subtotal								-
55									
56	Working Family Credit - ITIN Filers	TY23	(19,800)	(20,600)	-	-	(19,800)	(20,600)	(19,800)
57	Modify K-12 Education Credit, FAGI Phaseout begins at \$59,210	TY23	(22,300)	(23,600)	-	-	-	-	-
58	Interaction with K-12 Education Credit: K-12 Education Subtraction		1,800	1,900	-	-	-	-	-
59	Modify K-12 Education Credit, FAGI Phaseout threshold \$70K, credit increased, phaseout for 3 dependers	TY23			(31,700)	(33,600)	-	-	-
60	Modify K-12 Education Credit, FAGI Phaseout threshold \$70K, credit increased	TY 23					(24,800)	(26,300)	(24,800)
61	Interaction with K-12 Education Credit: K-12 Education Subtraction				2,500	2,600	2,000	2,100	2,000
62	Modify Military Tax Credit	TY23	(200)	-	(200)	-	(200)	-	(200)
63	Modify Social Security Subtraction, Increases Max. Subtraction, Income Phaseout Threshold Increased to \$120k	TY 23	(220,400)	(250,000)	-	-	-	-	-
64	Modify Social Security Subtraction, 100% Subtr. for MJ Filers w/ FAGI below \$100K (phased out by \$120k)	TY23			(409,200)	(478,700)	-	-	-
65	Modify Social Security Subtraction, 100% Subtr. for MJ Filers w/ FAGI below \$100K (phased out by \$140k)	TY23					(496,200)	(576,800)	(496,200)
66	Public Pension Subtraction, \$25K Max. Subtraction for MJ Filer with FAGI below \$100K	TY23			(82,400)	(81,800)	(82,400)	(81,800)	(82,400)
67	Interaction - Social Security & Public Pension (House)				1,600	1,600	-	-	-
68	Interaction - Social Security & Public Pension (Senate)						2,000	2,000	2,000
69	Modify Student Loan Credit	TY23	-	-	(45,400)	(59,000)	-	-	-
70	Modify Subtraction, Qualified Student Loan Discharges	TY23	-	-	-	(100)	-	-	-
71	Modify Film Production Credit	TY23	-	-	(14,040)	(25,700)	-	-	-
72	Modify Film Production Credit	TY23					(5,800)	(6,600)	-
73	Modify Film Production Credit	TY23 - TY30							(18,600)
74	Modify Beginning Farmer's Credit - Sales of Agricultural Assets	TY23	-	-	(15,500)	(19,900)	-	-	-
75	Modify Beginning Farmer's Credit - Sales of Agricultural Assets	TY23 - TY30					(8,000)	(8,000)	(8,000)
76	Subtraction, Certain Sexual Harassment/Abuse Settlements	TY23	-	-	(200)	(200)	-	-	(200)
77	Modify Credit for Attaining a Master's Degree in a Teacher's Licensure Field	TY23	-	-	(1,100)	(1,200)	-	-	-
78	Modify Credit for Parents of Stillborn Children	TY16	Negli.	Negli.	Negli.	Negli.	Negli.	Negli.	-

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			GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
79	Manufacturing Home Park Tax Credit to Cooperatives (Non Refundable)	TY23 - TY30	-	-	(730)	(830)	(730)	(830)	(730)	(830)
80	Electric Vehicle Tax Credit	TY 23	(18,900)	(24,600)						
81	Reinstate Angel Tax Credit	TY23 - TY24	(20,000)	(20,000)	-	-	(10,000)	(10,000)	(10,000)	
82	Shortline Railroad Modernization Tax Credit	TY23					(2,800)	(2,800)	(2,800)	(2,800)
83	New Markets Tax Credit (see note "#")	TY 24					-	(1,800)		
84	Modify Definition of Resident Trust	DFE					-	(18,800)		
85	Modify Nonresident Employee Exclusion	TY 24					-	(2,500)		
86	Subtraction, Unemployment Compensation Received by Teenagers	TY21	-	-	(10)	-	(10)	-	(10)	-
87	Pass-through Entity Tax Modifications	TY22					(Unknown)	(Unknown)		
88	Pass-through Entity Tax Modifications	TY 23			(Unknown)	(Unknown)				
89	Pass-through Entity Tax Modifications	TY23							Unknown	Unknown
90	Modify Political Contribution Increase	1/1/2024					(2,100)	(2,800)		
91	Renter's Income Tax Credit (Refundable)	TY24			(378,600)	(768,300)	-	-	(378,600)	(768,300)
92										
93	Interactions with Property Tax, Aids and Credits ^		360	1,970	1,220	2,510	370	420	850	1,520
94	Interactions with Fifth Tier				Negligible	Negligible	-	-	-	-
95					-	-	-	-	-	-
96	Subtotal - Income Tax Change Items		(5,178,040)	(1,367,130)	(2,402,960)	(1,618,420)	(2,830,670)	(1,817,510)	(2,516,590)	(1,675,610)
97	Net Individual Income, Current Law Tax Receipts (before changes items)		32,660,848	35,950,279	32,660,848	35,950,279	32,660,848	35,950,279	32,660,848	35,950,279
98	Total - Estimated Individual Income Tax Revenue with Change Items		27,482,808	34,583,149	30,257,888	34,331,859	29,830,178	34,132,769	30,144,258	34,274,669
99	Total - Estimated Percent Change to Individual Income Tax Revenue with Change Items		-15.9%	-3.8%	-7.4%	-4.5%	-8.7%	-5.1%	-7.7%	-4.7%
100										
101	CORPORATE FRANCHISE TAX									
102	Change Items									
103	Worldwide Combined Reporting	TY24		-	438,100	693,700	438,100	693,700	-	-
104	Global Intangible Low Tax Income (GILTI) with 50% Dividend Received Deduction, No Section 250 Deduction	TY23							430,700	373,100
105	Reduced Deduction for Dividends Received (50%/40%)	TY23							128,100	111,000
106	Corporate Net Operating Loss Modifications (80% to 70%)	TY23							39,400	35,500
107	Reinstate the Historic Rehabilitation Tax Credit	FY22-30	(3,800)	(22,800)			(3,800)	(22,800)	(3,800)	(22,800)
108	Interactions with Property Tax, Aids and Credits ^		420	550	1,430	2,960	430	490	1,010	1,820
109			-	-						
110	Subtotal - Corporate Franchise Tax, Change Items		(3,380)	(22,250)	439,530	696,660	434,730	671,390	595,410	498,620
111	Net Corporate Franchise , Currrent Law Tax Receipts (before changes items)		4,574,801	4,706,689	4,574,801	4,706,689	4,574,801	4,706,689	4,574,801	4,706,689
112	Total - Estimated Corporate Tax Revenue with Change Items		4,571,421	4,684,439	5,014,331	5,403,349	5,009,531	5,378,079	5,170,211	5,205,309
113	Total - Estimated Percent Change to Corporate Tax Revenue with Change Items		-0.1%	-0.5%	9.6%	14.8%	9.5%	14.3%	13.0%	10.6%
114										

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		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
		FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE							
115	<u>SALES AND USE TAXES**</u>								
116									
117	<i>Change Items</i>								
118	City of Minneapolis, Retained Local Sales Tax Revenue Reduced, Eliminate Interest on Construction	7/1/2023	-	-	-	-	-	(12,344)	(12,344)
119	Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023	20	20	20	-	-	-	-
120	Exemption, Certain Natural Gas Fees to Residential Customers	9/1/2021 - 12/31/2026			(9,490)	(4,140)	(9,490)	(4,140)	(9,940)
121	Exemption, Disregarded Single Member Entities	7/1/2023			(1,470)	(1,670)	-	-	(1,470)
122	Exemption, Construction Materials, Purchases of Nonprofit Snowmobiles	7/1/2023			(110)	(120)	(110)	(120)	
123	Exemption Expanded, Baby Products	7/1/2023			(3,400)	(3,700)	(3,400)	(3,700)	
124	Establish One-time Sales Tax Holiday for School Supplies	8/15/23 to 8/21/23			(1,160)	-	-	-	
125	Exemption Modified, County Fair Sales	DFE				(60)	(60)	(60)	(60)
126	Exemption, Purchases of Firearm Storage Units	7/1/2023				(40)	(40)	(40)	(40)
127	Exemption Modified, Fiber and Conduit for Broadband	7/1/2023				(4,400)	(4,650)		
128	Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2023				(1,010)	(730)		
129	Exemption Modified, Suite Licenses	7/1/2022						(2,040)	(1,390)
130	Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2022-6/30/30						(750)	(530)
131	Exemption, Sales to Nonprofit Blood Centers	1/1/2020 - 12/30/27				(1,700)	(600)	(1,700)	(600)
132	Exemption, Const. Materials Modified, Mazeppa Fire	3/12/18 - 12/31/24				(20)	-	(20)	-
133	Exemption, Const. Materials Modified, Maple Grove, Reg. Public Safety Ctr (See note "+")	9/1/21-12/31/23	-	-	-	-	-	-	-
134	Exemption, Const. Materials Modified, Maple Grove, Reg. Public Safety Ctr.	9/1/21-12/31/23	-	-	-	(290)		(290)	
135	Exemption, Construction Materials - Local Gov'ts & Nonprofits	7/1/21 - 12/31/24	(255,630)	-	(255,630)	-	-	-	-
136	Exemption, Construction Materials, Becker Public School District (see note "+")	1/1/22 - 1/31/24				-	-	-	-
137	Exemption, Construction Materials, Beltrami County Jail	4/1/24 - 12/31/27				-	(1,940)	-	-
138	Exemption, Construction Materials, City of Chanhassen (see note "+")	1/1/25-1/31/27				(520)	-	-	-
139	Exemption, Construction Materials, City of Chanhassen	2/1/24 - 1/31/27				-	(260)	(260)	(520)
140	Exemption, Construction Materials, Chisholm Public Schools (see note "+")	1/1/22 to 12/31/24				-	-	-	-
141	Exemption, Construction Materials, Chisholm Public Schools	1/1/22 - 12/31/24				-	(840)	(840)	-
142	Exemption, Construction Materials, Duluth Public Schools (see note "+")	7/1/21 - 12/31/24				-	-	-	-
143	Exemption, Construction Materials, Duluth Public Schools	7/1/21 - 12/31/24				-	(510)	(510)	-
144	Exemption, Construction Materials, City of Edina, Community Health Center	1/1/24 - 12/31/25			-	(910)	-	-	(910)
145	Exemption, Construction Materials, Ely Public Schools (see note "+")	5/2/19 - 12/31/23			(180)	-	-	-	-
146	Exemption, Construction Materials, Ely Public Schools	5/2/19 - 12/31/23				-	(360)	(360)	-
147	Exemption, Construction Materials, Hibbing Public Schools (see note "+")	5/2/19 - 12/31/24				-	-	-	-
148	Exemption, Construction Materials, Hibbing Public Schools	5/2/19 - 12/31/24				-	(260)	(260)	-
149	Exemption, Construction Materials, Itasca County, Courthouse & Correctional Facility	5/1/21 - 12/31/24				-	(300)	(150)	-
150	Exemption, Construction Materials, Minneapolis - St. Paul Airport (see note "+")	1/1/25-12/31/27				(2,490)	-	-	-
151	Exemption, Construction Materials, Minneapolis - St. Paul Airport	7/1/23 - 6/30/24			-	-	(7,560)	(7,560)	-
152	Exemption, Construction Materials, City of Moorhead (see note "+")	1/1/25-3/31/27				(480)	-	-	-
153	Exemption, Construction Materials, City of Moorhead	3/1/24 - 3/31/27			-	-	(240)	(240)	(480)
154	Exemption, Construction Materials, Nashauk-Keewatin Public Schools (see note "+")	1/1/22 - 12/31/24				-	-	-	-

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

			GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
155	Exemption, Construction Materials, Nashwauk-Keewatin Public Schools	1/1/22 - 12/31/24			-	-	(1,240)	-	(1,240)	-
156	Exemption, Construction Materials, Northern Lights Academy (see note "+")	1/1/22 - 12/31/24				-	-	-	-	-
157	Exemption, Construction Materials, Northern Lights Academy	1/1/22 - 12/31/24			-	-	(320)	-	(320)	-
158	Exemption, Construction Materials, Northland Learning Center (see note "+")	1/1/22 - 12/31/24				-	-	-	-	-
159	Exemption, Construction Materials, Northland Learning Center	1/1/22 - 12/31/24			-	-	(380)	-	(380)	-
160	Exemption, Construction Materials, City of Oakdale, New Public Works Facility (see note "+")	1/1/25-12/31/27				(500)	-	-	-	-
161	Exemption, Construction Materials, City of Oakdale, New Public Works Facility	9/1/23 - 12/31/26			-	-	(250)	(500)	(250)	(500)
162	Exemption, Construction Materials, Ramsey Water Treatment Plant (see note "+")	1/1/25-12/31/26				(460)	-	-	-	-
163	Exemption, Construction Materials, Ramsey Water Treatment Center	1/1/2023			-	-	(700)	(700)	(700)	(700)
164	Exemption, Construction Materials, Red Lake County ISD 2906 (see note "+")	1/1/21 to 6/30/21				-	-	-	-	-
165	Exemption, Construction Materials, Red Lake County ISD 2906	1/1/21 - 12/31/25			(900)	-	(1,060)	-	(400)	-
166	Exemption, Construction Materials, Rock Ridge Public Schools (see note "+")	5/2/19 to 12/31/23				-	(400)	-	-	-
167	Exemption, Construction Materials, Rock Ridge Public Schools	5/2/19 - 12/31/23			-	-	(3,050)	-	(3,050)	-
168	Exemption, Construction Materials, Red Rock & Springfield Central School Districts (see note " + ")	Various				-	-	-	-	-
169	Exemption, Construction Materials, Red Rock & Springfield Central School Districts	1/1/22 - 6/30/25			(130)	-	(740)	-	(1,800)	-
170	Exemption, Construction Materials & Capital Equipment, Spring Grove Fire Rem.	12/23/22-12/31/27			(380)	-	(130)	-	(130)	-
171	Exemption, Construction Materials, City of Wayzata (see note "+")	4/1/20-6/30/21				-	-	-	-	-
172	Exemption, Construction Materials, City of Wayzata	4/1/20 - 12/31/24			-	-	(1,080)	-	(1,080)	-
173	Exemption, Construction Materials, City of Woodbury Central Park (see note "+")	1/1/25 to 12/31/25			-	(520)	-	-	-	-
174	Exemption, Construction Materials, City of Woodbury Central Park	7/1/23 - 12/31/25					(520)	(520)	(520)	(520)
175			-	-		-	-	-	-	-
176	Subtotal - Sales & Use Tax, Change Items		(255,610)	20	(272,830)	(15,490)	(40,720)	(18,850)	(48,554)	(23,954)
177	Net Sales and Use Tax, Current Law Receipts (before change items)		15,129,596	16,087,151	15,129,596	16,087,151	15,129,596	16,087,151	15,129,596	16,087,151
178	Total - Estimated Sales & Use Tax Revenue with Change Items		14,873,986	16,087,171	14,856,766	16,071,661	15,088,876	16,068,301	15,081,042	16,063,197
179	Total - Estimated Percent Change to Sales & Use Tax Revenue with Change Items		-1.7%	0.0%	-1.80%	-0.10%	-0.3%	-0.1%	-0.3%	-0.1%
180										
181	STATEWIDE PROPERTY TAX (STATE GENERAL LEVY)				-	-	-	-	-	-
182							-	-	-	-
183	Change Items				-	-	-	-	-	-
184	State General Levy, Tribal Land Exemption	Pay 2023			(10)	-	(10)		-	(10)
185			-	-		-		-		-
186	Subtotal - Statewide Property Tax, Change Items		-	-	(10)	-	(10)	-	-	(10)
187	Net Statewide Property Tax, Current Law Receipts (before change items)		1,492,411	1,490,570	1,492,411	1,490,570	1,492,411	1,490,570	1,492,411	1,490,570
188	Total - Estimated Statewide Property Tax Revenue with Change Items		1,492,411	1,490,570	1,492,401	1,490,570	1,492,401	1,490,570	1,492,411	1,490,560
189	Total -Estimated Percent Change to Statewide Property Tax Revenue with Change Items		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
190										
191	ESTATE TAX					-	-	-	-	-
192	Subtotal - Estate Taxes, Change Items		-	-			-	-	-	-
193	Net Estate Tax, Current Law Receipts (before change items)		486,300	530,200	486,300	530,200	486,300	530,200	486,300	530,200
194	Total - Estimated Estate Tax Revenue with Change Items		486,300	530,200	486,300	530,200	486,300	530,200	486,300	530,200
195	Total - Estimated Perecent Change to Estate Tax Revenue with Change Items		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
	EFFECTIVE	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
196	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)			-	-	-	-	-	-
197	CIGARETTE & TOBACCO TAXES			-	-	-	-	-	-
198	Subtotal - Cigarette & Tobacco Taxes , Change Items								
199	Net Cigarette & Tobacco Tax, Current Law Receipts (before change items)	1,098,600	1,097,160	1,098,600	1,097,160	1,098,600	1,097,160	1,098,600	1,097,160
200	Total -Estimated Cigarette & Tobacco Tax Revenue with Change Items	1,098,600	1,097,160	1,098,600	1,097,160	1,098,600	1,097,160	1,098,600	1,097,160
201	Total - Estimated Percent Change to Cigarette & Tobacco Tax Revenue with Change Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
202				-	-				
203	ALCOHOL EXCISE TAXES								
204	Subtotal - Alcohol Excise Taxes, Change Items								
205	Net Alcohol Excise Tax, Current Law Receipts (before change items)	221,520	231,420	221,520	231,420	221,520	231,420	221,520	231,420
206	Total - Estimated Alcohol Tax Revenue with Change Items	221,520	231,420	221,520	231,420	221,520	231,420	221,520	231,420
207	Total - Estimated Percent Change to Alcohol Tax Revenue with Change Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
208									
209	INSURANCE GROSS EARNINGS & FIRE MARSHALL TAX								
210	Subtotal - Insurance & Fire Marshall Taxes, Change Items								
211	Net Insurance & Fire Marshall Tax, Current Law Receipts (before change items)	952,955	998,205	952,955	998,205	952,955	998,205	952,955	998,205
212	Total -Estimated Insurance Gross Earnings Tax Revenue with Change Items	952,955	998,205	952,955	998,205	952,955	998,205	952,955	998,205
213	Total -Est. Percent Change to Insurance Gross Earnings Tax Revenue with Change Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
214									
215	LAWFUL GAMBLING TAXES								
216	Change Items			-	-	-	-	-	-
217	Combined Net Receipt Tax, Rate Reduction^^ (see note "###")	7/1/2023	-	[(14,400)]	[(16,100)]				
218	Combined Net Receipt Tax, Rate Reduction	7/1/2023	(29,200)	(32,700)	-			(29,200)	(32,700)
219				-		-	-	-	-
220	Subtotal - Lawful Gambling Taxes, Change Items	(29,200)	(32,700)	-	-	-	-	(29,200)	(32,700)
221	Net Lawful Gambling Tax, Current Law Receipts (before change items)	430,600	461,100	430,600	461,100	430,600	461,100	430,600	461,100
222	Total - Estimated Lawful Gambling Tax Revenue with Change Items	401,400	428,400	430,600	461,100	430,600	461,100	401,400	428,400
223	Total - Estimated Percent Change to Lawful Gambling Tax Revenue with Change Items	-13.5%	-14.2%	0.0%	0.0%	0.0%	0.0%	-13.5%	-14.2%
224									

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
		FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE							
225	OTHER TAX REVENUE**								
226	Change Items								
227	Repeal \$50 Fee for Payment Agreement Plan	DFE	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
228	Mortgage Registry Tax & Deed Tax, Dedication to Workforce & Affordable Hsg. Dev. Act.	7/1/2023		(55,000)	(15,000)	-	-	-	-
229	Solid Waste Tax, Reallocation of Receipts between General Fund/Environ. Fund at 5%	DFE		(11,400)	(12,100)	-	-		
230	Solid Waste Tax, Reallocation of Receipts between General Fund/Environ. Fund at 3%	DFE						(6,900)	(7,300)
231	Solid Waste Tax, Reallocation of Receipts between General Fund/Environ. Fund at 15%	DFE					(18,400)		
232	Revenue Recapture Modification, Disallow Nonprofit Hospitals	DFE		(402)	(402)			(402)	(402)
233	Gross Proceeds Tax, Non Ferrous Mining	Assmt Yr 23		-	2,900	-	2,900	-	2,900
234	State Distribution of Gross Proceeds Tax	Dist. After 12.31.22		(10)	(1,500)	-	(1,500)	(10)	(1,500)
235									
236	Subtotal - Other Tax Revenue, Change Items		(3,000)	(3,000)	(69,812)	(29,102)	(3,000)	(20,000)	(10,312)
237	Net Other Tax, Current Law Receipts (before change items)		1,271,976	1,442,145	1,271,976	1,442,145	1,271,976	1,442,145	1,271,976
238	Total - Estimated Other Tax Revenue with Change Items		1,268,976	1,439,145	1,268,976	1,439,145	1,268,976	1,439,145	1,268,976
239	Total - Estimated Percent Change to Other Tax Revenue with Change Items		-0.5%	0.0%	-11.0%	-4.0%	-0.5%	-2.7%	-1.6%

Commonly used spreadsheet acronyms:

- "Negli." denotes negligible cost/savings of plus or minus \$5,000
- "Feb-23" denotes current law estimates based on MMB's February 2023 Forecast
- "DFE" denotes a provision is effective day following enactment
- "DOR" Minnesota Department of Revenue
- "ARPA": Federal Conformity, American Rescue Plan (Public Law 117-2)
- "IRA": Federal Conformity, Inflation Reduction Act

Notes:

- ** Non general fund revenue impacts
- ^^ The estimates in brackets "[]"are not included in the total
- ^ Interactions with Property Taxes, Fiscal Impact in Appendix B
- "#" These provisions will have fiscal impact outside of the budget forecast window:
 - (1) Secure Act - Exclusion of First Responder Retirement Benefits, Gross with an estimated revenue reduction starting in FY28.
 - (2) Secure Act - Deferral of Sales of Stock to An Employee Stock Ownership Plan with an estimated revenue reduction in FY28
 - (3) The current law net proceeds tax was estimated to have a fiscal impact in FY29.

Tax Refunds, Aids & Credits - February 2023 Forecast

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [] are for reference only and are not reflected in spreadsheet totals.

		Gov	Governor	Governor	House	House	House	Senate	Senate	Senate	CH 64	CH 64	CH 64
		FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27
	General Fund Expenditures												
1	TAX REFUNDS	\$ 878,470	\$1,917,400	\$1,995,660	\$ 878,470	\$2,101,850	\$1,570,850	\$ 878,470	\$1,921,000	\$1,996,000	\$ 878,516	\$2,150,885	\$1,543,930
2	Homestead Credit State Refund (Homeowner PTR)	612,800	1,357,300	1,423,000	612,800	1,357,300	1,423,000	612,800	1,357,300	1,423,000	612,800	1,357,300	1,423,000
3	Chg Item: Expand Homestead Benefits Allow ITIN		2,000	4,000		2,000	4,000		2,000	4,000		2,000	4,000
4	Chg Item: HCSR Reduce hmwnr copays 5%					41,800	84,900						
5	Chg Item: HCSR Reduce hmwnr copays 3%											25,400	51,600
6	Chg Item: HCSR Add'l one-time 13.8% PTR payment, pay 2023					92,300	0						
7	Chg Item: HCSR Add'l one-time 20.6% PTR payment, pay 2023											137,466	
8	Chg Item: Hmstd MVE \$80,300 thrshld, max exclusion \$32,120, max mkt value \$437,100					0	(2,620)						
9	Chg Item: Hmstd MVE \$95,000 thrshld, max exclusion \$38,000, max mkt value \$517,200								0	(12,160)			(12,160)
10													
11	Chg item: Community land trust property class 4d(2) rate @ 0.75%						(520)						(520)
12	Chg item: Class 4d low-income rental housing; remove tier, set rate at 0.25%									5,320			5,840
13	Chg item: Agricultural homesteads, first tier valuation increase									1,280			1,280
14	Chg item: Green acres determent for certain property (eminent domain)									negligible			negligible
15	Class 1c homestead resorts tier limit incrs; <\$850K/ \$850K to \$3.1M/ >\$3.1M									20			
16													
17	Chg Item: Elderly living facility property tax exmption					10	20		10	20		10	20
18	Chg Item: Spouses disabled veterans' homestead market value exclusion - application deadline eliminated/allowed to reapply					(30)	(80)					(30)	(80)
19	Chg Item: Spouses disabled veterans' homestead MVE modifications								(negligible)	(negligible)			
20	Chg Item: Disabled veterans' homestead MVE incrs \$165K 70%, \$330K 100%								(290)	(650)			
21	Chg Item: Airport property 50% exempt "manufacture" of aircraft					30	60						
22													
23	Chg Item: Solar generating systm property class definition					(negligible)	(negligible)		0	(negligible)		0	(negligible)
24	Chg item: Energy storage systems property tax exemption									40			
25	Chg item: Cooperative utility distribution lines "attachments and apprunances"									60			
26													
27	Chg Item: Tribe-owned property, extnd tax exmptn (SGL FY24)					negligible	negligible		negligible	negligible		negligible	negligible
28	Chg Item: Metropolitan reveue distribution (fiscal disparities) changes								(negligible)	(negligible)		(negligible)	(negligible)
29	Chg Item: Property tax exemption ISD #745 Albany (Stearns County) Pay 23										46	0	

Tax Refunds, Aids & Credits - February 2023 Forecast

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		Gov	Governor	Governor	House	House	House	Senate	Senate	Senate	CH 64	CH 64	CH 64
		FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27
30	Chg Item: LGA interactions		(1,090)	(2,180)		(2,730)	(6,150)		(1,090)	(2,180)		(2,180)	(4,360)
31	Chg Item: CPA interactions		(1,090)	(2,180)		(2,730)	(5,830)		(1,090)	(2,180)		(2,180)	(4,360)
32	Chg Item: SBB Agr Credit interaction		<u>0</u>	<u>1,480</u>									
33	Chg Item: Class 4d Transition Aid									(40)			(40)
34	Chg Item: PILT valuation increase interactions					(250)	(580)		(50)	(100)		(250)	(580)
35	Chg Item: Electric Generation Transition Aid interaction					(70)	(150)		(70)	(150)		(70)	(150)
36	Chg Item: Local Homeless Prevention Aid					(410)	(820)						
37	Chg Item: Local Homeless Prevention Aid 12% Tribal governments											70	140
38	Chg Item: Local Affordable Housing Aid					<u>(1,200)</u>	<u>(1,680)</u>						
39	Chg Item: Statewide Local Housing Aid											(540)	(480)
40	Chg Item: Watershed Districts Levy Authority increase									680		<u>0</u>	<u>680</u>
41	Chg Item: Regional Transit Authority bond increase		<u>50</u>	1,440					<u>50</u>	<u>1,440</u>			
42	Chg item Subtotal HCSR		(130)	2,560		128,720	70,550		(530)	(4,600)	46	159,696	40,830
43	Renters property tax refund (Renters PTR Credit)	229,300	476,700	492,800	229,300	476,700	492,800	229,300	476,700	492,800	229,300	476,700	492,800
44	Chg Item: Renters Credit Add'l one-time 13.8% PTR pymt, rent paid 2022					32,300	0						
45	Chg Item: Renter Credit Add'l one-time 20.6% PTR pymt, rent paid 2022											48,259	
46	Chg Item: Renters Credit Convert to Income Tax Credit												
47	Renters Income Tax credit, rent pd 2024 filed 2025					[378,600]	[768,300]					[378,600]	[768,300]
48	Repeal Renters PTR, sunset rent pd 2024, filed 2025					<u>0</u>	<u>(492,800)</u>					<u>0</u>	<u>(492,800)</u>
49	Chg item Subtotal Renter PTR					32,300	(492,800)					48,259	(492,800)
50	Targeting property tax refund	7,290	22,900	13,500	7,290	22,900	13,500	7,290	22,900	13,500	7,290	22,900	13,500
51	Chg Item: Targeting one-time rdctn 12% to 6%, max rfnd \$1,000 to \$2,500					23,300	0					23,300	0
52	Chg Item: Targeting reduction 12% to 10%, max rfnd \$1,000 to \$2,000								1,900	4,700			
53	Forest Land Credits (SFIA)	<u>13,630</u>	<u>28,930</u>	<u>31,300</u>	<u>13,630</u>	<u>28,930</u>	<u>31,300</u>	<u>13,630</u>	<u>28,930</u>	<u>31,300</u>	<u>13,630</u>	<u>28,930</u>	<u>31,300</u>
54	Subtotal - Property Tax Refunds	863,020	1,885,700	1,963,160	863,020	2,070,150	1,538,350	863,020	1,887,200	1,960,700	863,112	2,117,085	1,508,630
55													
56	Political Contribution Refund	3,400	6,200	6,200	3,400	6,200	6,200	3,400	6,200	6,200	3,400	6,200	6,200
57	Chg Item: Increase Political Contribution Rfnd to \$75 individual/ \$150 couple								<u>2,100</u>	<u>2,800</u>		<u>2,100</u>	<u>2,800</u>
58	Subtotal - Political Contribution Refund				3,400	6,200	6,200	3,400	8,300	9,000	3,400	8,300	9,000
59	Tax Refund Interest	12,050	25,500	26,300	12,050	25,500	26,300	12,050	25,500	26,300	12,050	25,500	26,300
60													
61	LOCAL AIDS	923,472	1,968,006	2,042,338	923,598	2,269,959	2,457,251	923,598	2,046,977	1,975,720	936,598	2,177,839	2,187,765
62	Local Government Aid (LGA)	564,398	1,128,796	1,128,796	564,398	1,128,796	1,128,796	564,398	1,128,796	1,128,796	564,398	1,128,796	1,128,796
63	21, SS1,CH 14, Local Government Aid one-time suplmt	5,516	-	-	5,516	-	-	5,516	-	-	5,516	-	-
64	Chg Item: Local Government Aid to cities		40,000	80,000		100,000	225,200		40,000	80,000		80,000	160,000

Tax Refunds, Aids & Credits - February 2023 Forecast

All Numbers in Thousands

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		Gov	Governor	Governor	House	House	House	Senate	Senate	Senate	CH 64	CH 64	CH 64
		FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27
65	Chg Item: Prepay Local Government Aid								74,885	(74,885)		60,586	(60,586)
66	Chg Item: City of Echo 2021 LGA penalty forgiveness				46	0	0	46	0	0	46	0	0
67	Chg Item: City of Morton 2021 LGA penalty forgiveness				79	0	0	79	0	0	79	0	0
68	Chg Item: City of Spring Grove fire remediation grant					250	0		250	0		250	0
69	Chg Item: City of St. Paul (streets)					30,000	0						
70	Chg Item: City of Northfield					300	0					300	0
71	Chg Item: Windom Relief - City Aid										13,000	0	
72	Chg Item: Windom Relief- Windom ISD #177											1,000	
73	Chg Item: Crane Lake Water and Sanitary District Debt Service Relief											1,294	
74	Chg Item: Minneapolis - Acquisition of property at 28th St. E/ Longfellow Av											2,000	
75	Chg Item: Minneapolis - Lake Street Corridor											8,000	
76	Subtotal- Local Government Aid (LGA)	569,914	1,168,796	1,208,796	570,040	1,259,346	1,353,996	570,040	1,243,931	1,133,911	583,040	1,282,226	1,228,210
77													
78	County Program Aid	264,012	528,528	521,908	264,012	528,528	521,908	264,012	528,528	521,908	264,012	528,528	521,908
79	Chg Item: County Program Aid to counties		40,000	80,000		100,000	213,700		40,000	80,000		80,000	160,000
80	Public Defense Bd, Public Defender Aid	0	1,000	1,000	0	1,000	1,000	0	1,000	1,000	0	1,000	1,000
81	Local Impact Notes (LBO/MDE)	0	428	428	0	428	428	0	428	428	0	428	428
82	Subtotal- County Program Aid (CPA)	264,012	569,956	603,336	264,012	629,956	737,036	264,012	569,956	603,336	264,012	609,956	683,336
83													
84	Township Aid	10,000	19,112	19,000	10,000	19,112	19,000	10,000	19,112	19,000	10,000	19,112	19,000
85	Payment in Lieu of Taxes (PILT) for DNR Owned Lands	36,488	81,957	82,857	36,488	81,957	82,857	36,488	81,957	82,857	36,488	81,957	82,857
86	Chg Item: Increase PILT valuation/ Lakeshore report					9,300	21,200		1,720	3,440		9,300	21,200
87	Subtotal- Payment in Lieu of Taxes (PILT)					91,257	104,057		83,677	86,297		91,257	104,057
88	Aquatic Invasive Species Prevention Aid	10,000	20,000	20,000	10,000	20,000	20,000	10,000	20,000	20,000	10,000	20,000	20,000
89	Riparian Protection Aid to BWSR	745	\$1,490	\$1,490	745	\$1,490	\$1,490	745	\$1,490	\$1,490	745	\$1,490	\$1,490
90	Riparian Protection Aid to Counties	7,255	14,510	14,510	7,255	14,510	14,510	7,255	14,510	14,510	7,255	14,510	14,510
91	Subtotal- Riparian Protection Aid	8,000	\$16,000	\$16,000	8,000	\$16,000	\$16,000	8,000	\$16,000	\$16,000	8,000	\$16,000	\$16,000
92	Indian Family Out-of-Home Placement Aid	4,054	\$10,000	\$10,000	4,054	\$10,000	\$10,000	4,054	\$10,000	\$10,000	4,054	\$10,000	\$10,000
93	Casino Aid to Counties	1,614	3,228	3,228	1,614	3,228	3,228	1,614	3,228	3,228	1,614	3,228	3,228

Tax Refunds, Aids & Credits - February 2023 Forecast

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [] are for reference only and are not reflected in spreadsheet totals.

		Gov	Governor	Governor	House	House	House	Senate	Senate	Senate	CH 64	CH 64	CH 64
		FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27
94	Local Homeless Prevention Aid (LHPA)		40,000	40,000		40,000	40,000		40,000	40,000		40,000	40,000
95	Chg Item: Increase LHPA, earmark \$4.8 M/yr Tribes (see line 37)					<u>40,000</u>	<u>40,000</u>						
96	Subtotal- Local Homeless Prevention Aid					80,000	80,000		40,000	40,000		40,000	40,000
97	Change Item: Establish Local Affordable Housing Aid (LAHA)												
98	LAHA to Counties					58,600	41,200						
99	LAHA to Tribes					12,000	8,400						
100	LAHA to Cities w pop >10,000					19,600	13,600						
101	LAHA to MHFA - Local Affordable Housing Grants for Small Cities					<u>9,800</u>	<u>6,800</u>						
102	Subtotal- Local Affordable Housing Aid					100,000	70,000						
103	Change Item: Establish Statewide Local Housing Aid program												
104	SLHA to Counties											26,100	11,600
105	SLHA to Tribes											5,400	2,400
106	SLHA to Cities w pop >10,000											9,000	4,000
107	SLHA to MHFA - Local Housing Aid grants for Small Cities											<u>4,500</u>	<u>2,000</u>
108	Subtotal- Statewide Local Housing Aid											45,000	20,000
109	Production Property Transition Aid	0	0	0	0	0	0	0	0	0	0	0	0
110	Utility Transition Aid (cities and towns)	9	33	37	9	33	37	9	33	37	9	33	37
111	Chg Item: Electric Generation Transition Aid Local Govt's					2,120	4,850		2,120	4,850		2,120	4,850
112	Chg Item: Repeal Utility Valuation Transition Aid					(17)	(37)		(4)	(23)		(17)	(37)
113	DRA School	8,036	16,074	16,074	8,036	16,074	16,074	8,036	16,074	16,074	8,036	16,074	16,074
114	DRA Non-School	<u>10,145</u>	<u>20,290</u>	<u>20,290</u>	<u>10,145</u>	<u>20,290</u>	<u>20,290</u>	<u>10,145</u>	<u>20,290</u>	<u>20,290</u>	<u>10,145</u>	<u>20,290</u>	<u>20,290</u>
115	Disparity Reduction Aid (DRA)	18,181	36,364	36,364	18,181	36,364	36,364	18,181	36,364	36,364	18,181	36,364	36,364
116	Mahnomen City Reimbursement Aid	160	320	320	160	320	320	160	320	320	160	320	320
117	Chg Item: Mahnomen City/County aid increase		160	320		160	320		160	320		160	320
118	Mahnomen County Aid	900	1,800	1,800	900	1,800	1,800	900	1,800	1,800	900	1,800	1,800
119	Mahnomen ISD #432 Aid	<u>140</u>	<u>280</u>	<u>280</u>	<u>140</u>	<u>280</u>	<u>280</u>	<u>140</u>	<u>280</u>	<u>280</u>	<u>140</u>	<u>280</u>	<u>280</u>
120	Mahnomen Reimbursement Aid	1,200	2,560	2,720	1,200	2,560	2,720	1,200	2,560	2,720	1,200	2,560	2,720
121													
122	PROPERTY TAX CREDITS	121,108	282,399	350,828	121,108	282,399	310,528	121,108	282,399	307,858	121,108	282,399	307,858
123	Agr MVC School	7,641	14,601	14,566	7,641	14,601	14,566	7,641	14,601	14,566	7,641	14,601	14,566
124	Agr MVC Non-School	<u>28,826</u>	<u>55,016</u>	<u>55,016</u>	<u>28,826</u>	<u>55,016</u>	<u>55,016</u>	<u>28,826</u>	<u>55,016</u>	<u>55,016</u>	<u>28,826</u>	<u>55,016</u>	<u>55,016</u>
125	Agricultural Market Value Credit	36,467	69,617	69,582	36,467	69,617	69,582	36,467	69,617	69,582	36,467	69,617	69,582
126													
127	School Building Bond Agricultural Credit	70,050	\$185,509	212,015	70,050	185,509	212,015	70,050	\$185,509	212,015	70,050	\$185,509	212,015

Tax Refunds, Aids & Credits - February 2023 Forecast

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [] are for reference only and are not reflected in spreadsheet totals.

		Gov	Governor	Governor	House	House	House	Senate	Senate	Senate	CH 64	CH 64	CH 64
		FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27
128	Chg Item: Increase to 85%, effective Pay 25		0	40,300									
129	Chg Item: Interaction with Ag homestead 1st tier valuation increase								(2,670)			(2,670)	
130	School Building Bond Agricultural Credit		185,509	252,315		185,509	212,015		185,509	209,345		185,509	209,345
131													
132	Agriculture Preservation Credit -School (w/o State Con Fnd)	0	19	20	0	19	20	0	19	20	0	19	20
133	Agriculture Preservtn Credit -NonSchool (w/o State Con Fnd)	0	80	80	0	80	80	0	80	80	0	80	80
134													
135	Border City Disparity -School	3,185	5,923	6,268	3,185	5,923	6,268	3,185	5,923	6,268	3,185	5,923	6,268
136	Border City Disparity -Non-School	11,331	21,249	22,563	11,331	21,249	22,563	11,331	21,249	22,563	11,331	21,249	22,563
137	Border City Disparity Credit	14,516	27,172	28,831	14,516	27,172	28,831	14,516	27,172	28,831	14,516	27,172	28,831
138													
139	Prior Year Credit -School	17	2	-	17	2	-	17	2	-	17	2	-
140	Prior Year Credit- Non-School	58	-	-	58	-	-	58	-	-	58	-	-
141	Prior Year Credits	75	2	-	75	2	-	75	2	-	75	2	-
142													
143	TACONITE TAX RELIEF AREA AIDS & CREDITS	13,594	27,136	27,059	13,594	27,136	27,059	13,594	27,136	27,059	13,594	27,136	27,059
144	State Taconite Aid to IRRR (Non-School)	3,599	7,320	7,409	3,599	7,320	7,409	3,599	7,320	7,409	3,599	7,320	7,409
145	State Taconite Aid Local Distribution	3,980	7,621	7,234	3,980	7,621	7,234	3,980	7,621	7,234	3,980	7,621	7,234
146	Subtotal State Taconite Aid	7,579	14,941	14,643	7,579	14,941	14,643	7,579	14,941	14,643	7,579	14,941	14,643
147	Taconite Reimbursement (School)	561	1,122	1,122	561	1,122	1,122	561	1,122	1,122	561	1,122	1,122
148	Supplemetal Taconite Homestead Credit (Non-School)	5,454	11,073	11,294	5,454	11,073	11,294	5,454	11,073	11,294	5,454	11,073	11,294
150													
151	LOCAL PENSION AIDS	150,860	317,770	340,230	150,860	317,770	340,230	150,860	317,770	340,230	150,860	317,770	340,230
152													
153	Police Aid (includes only local; DNR & DPS aid in State Gov)	86,799	185,580	202,660	86,799	185,580	202,660	86,799	185,580	202,660	86,799	185,580	202,660
154	Fire Aid	36,931	77,300	81,900	36,931	77,300	81,900	36,931	77,300	81,900	36,931	77,300	81,900
155	Fire Insurance Surcharge Aid	6,200	12,970	13,750	6,200	12,970	13,750	6,200	12,970	13,750	6,200	12,970	13,750
156	Police & Fire Retirement Aid Supplement	15,500	31,000	31,000	15,500	31,000	31,000	15,500	31,000	31,000	15,500	31,000	31,000
157													
158	Police/Fire Amorization Aid (Open)	2,729	5,458	5,458	2,729	5,458	5,458	2,729	5,458	5,458	2,729	5,458	5,458
159	Redirected Amortization Aid - St Paul + TRFA	2,094	4,188	4,188	2,094	4,188	4,188	2,094	4,188	4,188	2,094	4,188	4,188
160	Firefighters Supplemental Benefits Reimbursements	607	1,274	1,274	607	1,274	1,274	607	1,274	1,274	607	1,274	1,274
161													
162	Public Employees Retirement Assoc. (PERA) Aid	0	-	-	0	-	-	0	-	-	0	-	-
163													
164													

Tax Refunds, Aids & Credits - February 2023 Forecast

All Numbers in Thousands

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		Gov	Governor	Governor	House	House	House	Senate	Senate	Senate	CH 64	CH 64	CH 64
		FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27	FY2023	FY2024-25	FY2026-27
165	<u>OTHER AIDS & ONE-TIME APPROPRIATIONS</u>	503,531	644,567	26,189	500,942	129,043	184,737	500,942	416,380	48,268	501,942	438,008	203,519
166	Disaster Credit -School	46	91	62	46	91	62	46	91	62	46	91	62
167	Disaster Credit- Non-School	<u>11</u>	<u>439</u>	<u>188</u>	<u>11</u>	<u>439</u>	<u>188</u>	<u>11</u>	<u>439</u>	<u>188</u>	<u>11</u>	<u>439</u>	<u>188</u>
168	Disaster Credit	57	530	250	57	530	250	57	530	250	57	530	250
169	Local Option Disaster Credits		-	-									
170	Local Option Disaster Abatement reimb (school)	45	53	50	45	53	50	45	53	50	45	53	50
171	Local Option Disaster Abatement reimb (non school)	<u>243</u>	<u>150</u>	<u>150</u>	<u>243</u>	<u>150</u>	<u>150</u>	<u>243</u>	<u>150</u>	<u>150</u>	<u>243</u>	<u>150</u>	<u>150</u>
172	Local Option Disaster Abatement Reimbursement	288	203	200	288	203	200	288	203	200	288	203	200
173													
174	Border City Reimbursement	83	166	166	83	166	166	83	166	166	83	166	166
175	Performance Measuremt Reimbursement	514	1,035	1,046	514	1,035	1,046	514	1,035	1,046	514	1,035	1,046
176	City of Minneapolis Library debt service	0	-	-	0	-	-	0	-	-	0	-	-
177	Local Government grants (19 SS1 CH 6, and 21 SS1 CH 14)	0	-	-	0	-	-	0	-	-	0	-	-
178	21 SS1, CH 14 Local gov't assist to counties- one time												
179	22 CH 50 - Frontline Worker Aid	500,000	-	-	500,000	-	-	500,000	-	-	500,000	-	-
180													
181	<i>Chg Item: Public Safety Aid to Local Governments</i>		550,000	-		-	-		325,000	-		300,000	-
182	<i>Chg Item: Earmark Crisis Response/Criminal Investigation grants</i>								[-25,000]				
183	<i>Chg Item: Soil & Water Conservation District Aid</i>		24,000	24,000		44,000	28,000		25,446	25,446		30,000	24,000
184	<i>Chg Item: Housing Development Fund, Workforce & Affordable Homeownership</i>											40,000	
185	<i>Chg Item: Class 4d Transition Aid</i>									1,160			1,160
186	<i>Chg Item Tribal Nations Housing and Homeless Aid</i>		44,000	-		-	-		44,000	-		-	-
187	<i>Chg Item Tribal Nations Aid</i>					75,000	150,000					35,000	70,000
188	<i>Chg Item Enhanced Taxpayer Assistance for PTR, Working Family Credit</i>					7,887	5,142					2,000	2,000
189	<i>Chg Item: Free Filing Report, Report Due on 1.15.2024</i>					175	-					175	-
190	<i>Chg Item: Taxpayer Receipt interactive website (MMB)</i>					191	94					191	94
191	<i>Chg Item Problem Gambling (interaction with Charitable Gambling Rate Reduction)</i>					(144)	(161)					(292)	(327)
192	<i>Chg Item: Local ElectionExpense Reimbursement - Local Election Reimbursement</i>								12,000	12,000			
193	<i>Chg Item: Local ElectionExpense Reimbursement - Voting Equipment/Infrastructure</i>								8,000	8,000			
194	<i>Chg Item: IRS Tax Filing Modernization Account</i>											5,000	-
195	<i>Chg Item: TRA / St. Paul TRFA School Pension Adjustment Aid</i>											-	101,930
196	<i>Chg Item Department of Revenue - Administration of Refundable Credit</i>										1,000	21,000	
197	<i>Chg Item Department of Revenue - Administration of 2023 Tax Act</i>	2,589	24,633	527		-	-		-	-		3,000	3,000
198													
199	<u>Property Tax Aids and Credits, General Fund TOTAL</u>	2,591,035	5,157,278	4,782,304	2,588,572	5,128,157	4,890,655	2,588,572	5,011,662	4,695,135	2,602,618	5,394,037	4,610,361
200	Plus Senior Deferral changes	0	210	1,040	0	260	1,290		260	1,290		260	1,290
201	Property Tax Aids and Credits with Senior Deferral	\$2,591,035	\$5,157,488	\$4,783,344	\$2,588,572	\$5,128,417	\$4,891,945	\$2,588,572	\$5,011,922	\$4,696,425	\$2,602,618	\$5,394,297	\$4,611,651

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT
NON GENERAL FUND CHANGES - February 2023 Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		EFFECTIVE	GOV FY2024-25	GOV FY2026-27	HOUSE FY2024-25	HOUSE FY2026-27	SENATE FY2024-25	SENATE FY2026-27	CHAPTER 64 FY2024-25	CHAPTER 64 FY2026-27
1	Total Non General Fund		(14,750)	negli.	50,665	27,060	22,865	18,370	44,830	7,450
3	Total - Legacy Funds:		(14,750)		(15,740)	(860)	(2,135)	(840)	(2,075)	(670)
5	Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023	negli.	negli.	negli.	negli.				
6	Temporarily Exempts Certain Natural Gas Fees to Residential Customers	Various			(550)	(240)	(550)	(240)	(580)	(220)
7	Sales tax Exemption, Disregarded Single Member Entities	7/1/2023			(80)	(100)			(80)	(100)
8	Sales Tax Exemption, Purchases of Nonprofit Snowmobiles with Sunset	7/1/2023			(negli.)	(negli.)	(negli.)	(negli.)		
9	Exemption Expanded, Baby Products	7/1/2023			(200)	(200)				
10	Establish One-time Sales Tax Holiday for School Supplies	8/15/23 to 8/21/23			(70)	-				
11	Exemption, Const. Mat., Maple Modified, Maple Grove, No. Metro Range Reg. Public Safety	9/1/21-12/31/23				-				
12	Exemption Modified, County Fair Sales	DfE					(negli.)	(negli.)	(negli.)	(negli.)
13	Exemption, Purchases of Firearm Storage Units	7/1/2023					(negli.)	(negli.)	(negli.)	(negli.)
14	Exemption Modified, Fiber and Conduit for Broadband	7/1/2023					(250)	(250)	-	-
15	Exemption Modified, Suite Licenses	7/1/2022					(60)	(40)	(120)	(80)
16	Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2022-6/30/30							(40)	(40)
17	Exemption, Sales to Nonprofit Blood Centers	1/1/2020 - 12/30/27					(100)	(40)	(100)	(40)
18	Exemption, Const. Materials, Mazeppa Fire	3/12/18 - 12/31/24					(negli.)	-	(negli.)	-
19	Exemption, Const. Mat., Maple Modified, Maple Grove, No. Metro Range Reg. Public Safety	9/1/21-12/31/23						-		-
20	Exemption, Const. Mat., Maple Modified, Maple Grove, No. Metro Range Reg. Public Safety	9/1/21-12/31/23				-	(20)	-	(20)	-
21	Temp. Construction Mats. Exemption - Local Gov'ts & Nonprofits	7/1/21 to 12/31/24	(14,750)		(14,750)	-	-	-	-	-
22	Exemption, Construction Materials - Local Gov'ts & Nonprofits	7/1/21 - 12/31/24					-	-	-	-
23	Exemption, Construction Materials, Becker Public School District (see note "+")	1/1/22 - 1/31/24					-	-	-	-
24	Exemption, Construction Materials, Beltrami County Jail						-	(120)	-	-
25	Exemption, Construction Materials, City of Chanhassen (see note "+")	1/1/25-1/31/27					-	-	-	-
26	Exemption, Construction Materials, City of Chanhassen	2/1/24 - 1/31/27					(15)	(30)	(15)	(30)
27	Exemption, Construction Materials, Chisholm Public Schools (see note "+")	1/1/22 to 12/31/24					-	-	-	-
28	Exemption, Construction Materials, Chisholm Public Schools	1/1/22 - 12/31/24					(40)	-	(40)	-
29	Exemption, Construction Materials, Duluth Public Schools (see note "+")	7/1/21 - 12/31/24					-	-	-	-
30	Exemption, Construction Materials, Duluth Public Schools	7/1/21 - 12/31/24					(30)	-	(30)	-
31	Exemption, Construction Materials, City of Edina, Community Health Center (see note "+")	1/1/25 - 12/31/25					-	-	-	-
32	Exemption, Construction Materials, Ely Public Schools (see note "+")	5/2/19 - 12/31/23					-	-	-	-
33	Exemption, Construction Materials, City of Edina, Community Health Center	1/1/24 - 12/31/25							-	(50)
34	Exemption, Construction Materials, Ely Public Schools	5/2/19 - 12/31/23					(20)	-	(20)	-
35	Exemption, Construction Materials, Hibbing Public Schools (see note "+")	5/2/19 - 12/31/24					-	-	-	-
36	Exemption, Construction Materials, Hibbing Public Schools	5/2/19 - 12/31/24					(10)	-	(10)	-
37	Exemption, Construction Materials, Itasca County, Courthouse & Correctional Facility						(20)	(10)	-	-
38	Exemption, Construction Materials, Minneapolis - St. Paul Airport (see note "+")	1/1/25-12/31/27					-	-	-	-
39	Exemption, Construction Materials, Minneapolis - St. Paul Airport	7/1/23 - 6/30/24					(440)	-	(440)	-
40	Exemption, Construction Materials, City of Moorhead (see note "+")	1/1/25-3/31/27					-	-	-	-
41	Exemption, Construction Materials, City of Moorhead	3/1/24 - 3/31/27					(10)	(20)	(10)	(20)
42	Exemption, Construction Materials, Nashwauk-Keewatin Public Schools (see note "+")	1/1/22 - 12/31/24					-	-	-	-

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT
NON GENERAL FUND CHANGES - February 2023 Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE	CHAPTER 64	CHAPTER 64
	EFFECTIVE	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
43	Exemption, Construction Materials, Nashwauk-Keewatin Public Schools	1/1/22 - 12/31/24				(80)	-	(80)	-
44	Exemption, Construction Materials, Northern Lights Academy (see note "+")	1/1/22 - 12/31/24				-	-	-	-
45	Exemption, Construction Materials, Northern Lights Academy	1/1/22 - 12/31/24				(20)	-	(20)	-
46	Exemption, Construction Materials, Northland Learning Center (see note "+")	1/1/22 - 12/31/24				-	-	-	-
47	Exemption, Construction Materials, Northland Learning Center	1/1/22 - 12/31/24				(20)	-	(20)	-
48	Exemption, Construction Materials, City of Oakdale, New Public Works Facility (see note "+")	1/1/25-12/31/27				-	-	-	-
49	Exemption, Construction Materials, City of Oakdale, New Public Works Facility	9/1/23 - 12/31/26				(10)	(20)	(10)	(20)
50	Exemption, Construction Materials, Ramsey Treatment Center (see note "+")	1/1/25-12/31/26				-	-	-	-
51	Exemption, Construction Materials, Ramsey Water Treatment Center	1/1/2023				(40)	(40)	(40)	(40)
52	Exemption, Construction Materials, Red Lake County ISD 2906 (see note "+")	1/1/21 to 6/30/21				-	-	-	-
53	Exemption, Construction Materials, Red Lake County ISD 2906	1/1/21 - 12/31/25				(20)	-	(20)	-
54	Exemption, Construction Materials, Rock Ridge Public Schools (see note "+")	5/2/19 to 12/31/23				-	-	-	-
55	Exemption, Construction Materials, Rock Ridge Public Schools	5/2/19 - 12/31/23				(100)	-	(180)	-
56	Exemption, Construction Materials, Red Rock & Springfield Central School Districts (see note	Various				-	-	-	-
57	Exemption, Construction Materials, Red Rock & Springfield Central School Districts	1/1/22 - 6/30/25		-	-	(180)	-	(100)	-
58	Exemption, Construction Materials & Capital Equipment, Spring Grove Fire Rem.	12/23/22-12/31/27		(10)	-	(10)	-	(10)	-
59	Exemption, Construction Materials, City of Wayzata (see note "+")	4/1/20-6/30/21		(20)	-	(60)	-	-	-
60	Exemption, Construction Materials, City of Wayzata	4/1/20 - 12/31/24		-	-	-	-	(60)	-
61	Exemption, Construction Materials, City of Woodbury Central Park (see note "+")	1/1/25 to 12/31/25		-	(30)	(30)	(30)	-	-
62	Exemption, Construction Materials, City of Woodbury Central Park	7/1/23 - 12/31/25		-	-			(30)	(30)
63				-	-				
64	Total - Environmental Fund:			11,400	12,100	-	18,400	6,900	7,300
65									
66	Solid Waste Tax, Reallocation of Receipts between General Fund/ 5% Environ. Fund	DFE		11,400	12,100	-	-	-	-
67	Solid Waste Tax, Reallocation of Receipts between General Fund/15% Environ. Fund	DFE				-	18,400		
68	Solid Waste Tax, Reallocation of Receipts between General Fund/3% Environ. Fund							6,900	7,300
69									
70	Total - Special Revenue Fund:			5	10	25,000		5	10
71									
72	Revenue Recapture; Certain Nonprofit Hospitals Claims Disallowed	7/1/2023		5	10			5	10
73	Transfer from General Fund - Crisis Response & Criminal Investigation acct					25,000			
74									
75	Total - Housing Development Fund		0	55,000	15,000	-	-	40,000	-
76									
77	Mortgage Registry Tax & Deed Tax, Dedication to Workforce & Affordable Hsg. Dev. Act.	7/1/2023		55,000	15,000	-	-	-	-
78	Mortgage Registry Tax & Deed Tax, Appropriation to Workforce & Affordable Hsg. Dev. Act.	7/1/2023				-	-	40,000	-
79									
80	Total - Iron Range School Consolidation			9,600	10,460	9,600	10,460	9,600	10,460
81									
82	Make Permanent Additional Distribution	DFE		2,600	3,460	2,600	3,460	2,600	3,460
83	Transfer from DJJ Economic Protection Fund			7,000	7,000	7,000	7,000	7,000	7,000
84									
85	Total - County Road & Bridge Fund:			(2,540)	(3,380)	(2,540)	(3,380)	(2,540)	(3,380)

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT
NON GENERAL FUND CHANGES - February 2023 Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

	EFFECTIVE	GOV FY2024-25	GOV FY2026-27	HOUSE FY2024-25	HOUSE FY2026-27	SENATE FY2024-25	SENATE FY2026-27	CHAPTER 64 FY2024-25	CHAPTER 64 FY2026-27
86									
87	Make Permanent Reduction Distribution	DFE		(2,540)	(3,380)	(2,540)	(3,380)	(2,540)	(3,380)
88									
89	Total - Taconite Environmental Protection Fund:			(30)	90	(30)	90	(30)	90
90									
91	Gross Proceeds and Assistance Area	DFE		-	130	-	130	-	130
92	Make Permanent Reduction Distribution			(30)	(40)	(30)	(40)	(30)	(40)
93				-	-	-	-	-	-
94	Total - DJJ Economic Protection Fund:			(13,630)	(20,190)	(13,630)	(20,190)	(13,630)	(20,190)
95									
96	Make Permanent Additional Distribution	DFE		(30)	(40)	(30)	(40)	(30)	(40)
97	Gross Proceeds and Assistance Area	DFE		-	50	-	50	-	50
98	Transfer to IRRB and Iron Range School Consolidation	DFE		(13,600)	(20,200)	(13,600)	(20,200)	(13,600)	(20,200)
99									
100	Total - Taconite Property Tax Relief Account			(6,000)	90	(6,000)	90	(6,000)	90
101									
102	Transfer to IRRR Account	DFE		(6,000)	-	(6,000)	-	(6,000)	-
103	Gross Proceeds and Assistance Area	DFE		-	90	-	90	-	90
104				-	-	-	-	-	-
105	Total - Iron Range Resources and Rehabilitation Account			12,600	13,740	12,600	13,740	12,600	13,740
106									
107	Transfer to IRRR Account	DFE		6,000	-	6,000	-	6,000	-
108	Gross Proceeds and Assistance Area	DFE		-	540	-	540	-	540
109	Transfer from DJJ Economic Protection Fund	DFE		6,600	13,200	6,600	13,200	6,600	13,200

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT

Stadium Finance and Reserve Changes

Note: Positive numbers = revenue gains or expenditure savings, negative numbers = revenue reduction or expenditures

	EFFECTIVE	GOV* FY2023	GOV* FY2024-25	GOV* FY2026-27	HOUSE** FY2023	HOUSE** FY2024-25	HOUSE** FY2026-27	SENATE FY2023	SENATE FY2024-25	SENATE FY2026-27	CH 64 FY2023	CH 64 FY2024-25	CH 64 FY2026-27
1													
2													
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17													

* Governor's stadium finance and stadium reserve recommendations are contained in HF 2940.

** In HF1938-3E (House omnibus tax bill), if the conditions are satisfied in Article 12, section 11, the state must reduce the local sales taxes retained by the City of Minneapolis by \$12.8 million/year and the calculation of the balance in the reserve account would also be affected.

***Limiting the City of Minneapolis' local sales tax revenue retention to 3% annual growth has no effect in FY24-FY27; forecasted retention increases by less than 3% annually for that time period.

Revenue retained may be lower in FY 2028 relative to current law, with a corresponding reduction to the amount appropriated to the MN Sports Facility Authority.

Commonly used spreadsheet acronyms and other notations: "DFE" denotes effective day following enactment; "MPLS" denotes Minneapolis.

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT
TAX AND PROPERTY TAX NO STATE COST CHANGES

Change Item Description		Effective date	House	Senate	CH 64
Property tax changes - Miscellaneous (no state fund impact)					
1	City of Virginia exempted from net debt limit	DFE	X	X	X
2	Delinquent Property Tax interest rate- county may set rate	Jan 1, 2024	X	X	X
3	Property Tax service of petitions	July 1, 2023	X	X	X
4	Tourism Improvement Special Taxing Districts	DFE	X	X	X
5	Ramsey County judgment sales	Local appvl + file	X		X
6	DOR Policy and Technical	various	X	X	X
7	City of St. Paul bonding authority	Local appvl + file	X	X	X
8	Truth in Taxation	Pay 2024	X		X
9	Levy limit modification Anoka County public safety	Local appvl + file		X	X
10	Taconite Assistance Area / 2023 Transfer Production Tax Distribution	DFE +1	X	X	X
Tax changes - Miscellaneous (no state fund impact)					
12	Local Government debt financing (Public Finance bill)	July 1, 2023	X	X	X
13	Tax Expenditure review statements	DFE	X		
14	Tax Expenditure Purpose Commission TERC	DFE			X
15	Tax Refund Agreements with Tribes	DFE			X
16	Financial Review of Grant & Business Subsidy	DFE			X
Property tax changes for Tax Increment Financing (TIF)					
18	TIF update State Auditor - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DFE +1	X	X	X
19	Bloomington TIF Central Station undeveloped parcels extnd 5 yr	Local appvl + file	X	X	X
20	Chatfield economic Development TIF	Local appvl + file	X	X	X
21	Duluth TIF district - Port Lot D, redevelopment TIF, limit 2 districts	Local appvl + file	X	X	X
22	Duluth TIF Medical Regional Exch, redvlpmt TIF, extd term to 2030	Local appvl + file	X	X	X
23	Fridley TIF district 20 trnsfr incmnt to HRA, limit uses, reports in 2025 & 2027 Expires Dec 2027	Local appvl + file	X	X	X
24	Hopkins TIF costs housing/redev incrs to 25%	Local appvl + file		X	X
25	Northwest MN Multi-County HRA levy end date	Local appvl + file	X	X	X
26	Plymouth TIF district spec rules (10 yr extnd, uses)	Local appvl + file	X	X	X
27	Ramsey TIF - extend to 5 yr (2026)	Local appvl + file		X	X
28	St Paul HRA TIF #82, chg incmnt uses, allow for RiverCntr cap impvmt	Local appvl + file	X	X	X
29	Savage TIF district special rules (5-6yr) extended	Local appvl + file	X	X	X
30	Shakopee TIF soil deficiency authority til Dec 2026	Local appvl + file	X	X	X
31	West St. Paul Redevelopment TIF - spec rules, uses	Local appvl + file	X	X	X
32	Woodbury TIF District 13 spec rules amend	Local appvl + file	X	X	X
33	Small city definition chg: pop 5,000 and < 5 miles from city >10,000 pop	Local appvl + file		X	X
34	TIF expansion 3 small cities (Spicer, Lafayette, Nicolet)	Local appvl + file	X		
35	Housing TIF Nonmetro cities pop < 50,000	Local appvl + file	X		
Local Lodging / Food & Beverage Taxes (no state fund impact)					
37	Cook County local 1% lodging tax extended from 15 to 30 yrs	Local appvl + file	X	X	X
38	Duluth Extnd term 0.5% lodging, incrs debt from \$18M to \$54M	Local appvl + file	X		X
39	Lake of the Woods County 3% gross receipts lodging tax	Local appvl + file		X	X
40	Wayzata 1.0% food and beverage tax for city maintenance, public safety	Local appvl + file		X	
Local Sales Taxes (no state fund impact)					
42	Local taxes; resolution submission and referendum requirements clarified for modifying new & existing local sales tax (OSA)	Local appvl + file		X	X
43	Local Taxes Advisory Task Force/ report January 2024	Local appvl + file			X
44	Aitkin new 1.0% local sales for \$9.3M/ 20y Muny Bldg/pk impvmts	Local appvl + file		X	
45	Beltrami County incrs local sales to 0.625%, \$80M/ 30 y county jail	Local appvl + file		X	X
46	Jackson County 1.0% local sales \$39M 30y, Law/Govt Cntr	Local appvl + file		X	X
47	Rice County new 3/8% for \$48M/ 30y public safety facility	Local appvl + file		X	X
48	Stearns County 3/8% local sales \$325M/ 30 y new Justice Cntr	Local appvl + file		X	X
49	Winona County new 0.25% local sales for \$28M / 25y Corrcrtn Facilty	Local appvl + file		X	X
50	Avon modify 0.5% local sales up to \$8.1M, term 2045	Local appvl + file		X	X
51	Blackduck new 0.5% local sales for \$1.0M/ 20y 4 projcts	Local appvl + file		X	X
52	Bloomington addl 0.5% local sales for \$155M/ 20y Ice Gdn/Well Cntr+	Local appvl + file		X	X
53	Brooklyn Center new 0.5% local sales for \$44M/20y for Com Cntr	Local appvl + file		X	X
54	Chanhassen 0.5% local sales for \$40M/20y Cvc Cntr	Local appvl + file		X	X
55	Cottage Grove new 0.5% local sales \$36M/ 25y	Local appvl + file		X	X
56	Detroit Lakes new 05% local sales \$17.3M/ 12 y Pavilion	Local appvl + file		X	X
57	Dilworth new 0.5% local sales, \$5.4M/ 25y Community Cntr	Local appvl + file		X	X
58	East Grand Forks new 1.0% local sales for \$14.7M/20y CvcCntr/VFW	Local appvl + file		X	X
59	Edina expand 0.5% local sales up to add'l \$31M (Richards/ Braemar Pk)	Local appvl + file		X	X
60	Excelsior extnd 0.5% local sales addl \$23M, term 25 yrs	Local appvl + file		X	X
61	Fairmont addl 0.5% local sales \$20M/ 25y	Local appvl + file		X	X
62	Fergus Falls extnd 0.5% local sales by \$3M, term til 2037	Local appvl + file		X	X
63	Henderson new 0.5% local sales \$250K/ 15y Allanson Pk Campgrd	Local appvl + file		X	X
64	Hibbing new 0.5% local sales \$19.6M/ 20y Public Sfty Cntr	Local appvl + file		X	X
65	Golden Valley new 1.25% local sales for \$105M/ 30y Public Wks +Safety	Local appvl + file		X	X
66	Jackson City 1.0% local sales \$5.75M/ 30 y, Law/Govt Cntr	Local appvl + file		X	X
67	Marshall extnd 0.5% for \$18.37M/ 35y for aquatic cntr	Local appvl + file		X	X
68	Monticello new 0.5% local sales \$30M/ 20 y, athletic pk/rec area	Local appvl + file		X	X
69	Mounds View new 1.5% local sales \$16.5M/ 20y Sports/rec facility	Local appvl + file		X	X
70	N. Mankato extnd 0.5% local sales for 6 add'l yrs, add'l \$6M	Local appvl + file		X	X
71	Oakdale modify 0.5% local sales add'l \$9M, extnd to 30y	Local appvl + file		X	X
72	Proctor addl 0.5% to exst 1.0% local sales for \$6.9M/ 20y	Local appvl + file		X	X
73	Richfield 0.5% local sales \$65M/ 20 y Community Cntr/Pk Cntr	Local appvl + file		X	X
74	Rochester extnd 0.5% local sales \$205M/ 24y st constr/flood contrl/econ vit	Local appvl + file		X	X
75	Rogers modify 0.25% local sales for add'l \$8.5M, term 20 yrs	Local appvl + file		X	X
76	Roseville new 0.5% local sales for \$76.9M/ 20y Maintnc Facilty/Psspt Cntr+	Local appvl + file		X	X
77	St Joseph 0.5% local sales \$17M/ 17y Community Cntr/pk impv	Local appvl + file		X	X
78	St Paul 1.0% local sales for \$984M/ 20y uses street impvt, cap impvt	Local appvl + file		X	X
79	Stillwater new 0.5% local sales \$12.5M/ 20y Riverfront Impv	Local appvl + file		X	X
80	Waite Park modify 0.5% local sales term one add'l yr (to 20y)	Local appvl + file		X	X
81	Woodbury 0.5% local sales \$50M/20y Public Safety campus	Local appvl + file		X	X

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A) , TAX AGREEMENT

APPENDIX - INTERACTIONS SUMMARY

All Numbers in Thousands

Note: Positive numbers represent revenue gains , negative numbers represent revenue losses. Numbers in brackets are for reference only and are not included in the total

	Gov	Gov	House	House	Senate	Senate	CHAPTER 64	CHAPTER 64
	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27	FY2024-25	FY2026-27
1Interactions with Property Taxes - Summary	780	2,520	2,650	5,470	800	910	1,860	3,340
2								
3Individual Income Tax	360	1,970	1,220	2,510	370	420	850	1,520
4Corporate Franchise Tax	420	550	1,430	2,960	430	490	1,010	1,820
5								
6Interactions with Property Taxes - Detail								
7Individual Income Tax - Subtotal	360	1,970	1,220	2,510	370	420	850	1,520
8Modify Local Government Aid (LGA)	180	360	450	1,010	180	360	360	720
9Modify County Program Aid (CPA)	180	360	450	960	180	360	360	720
10Modify Agricultural Building Bond Credit	-	1,250	-	-	-	-	-	-
11Modify PILT	-	-	40	100	10	20	40	100
12Electric Generation Transition aid	-	-	10	20	10	20	10	20
13Local Homeless Prevention aid (LHPA)			70	140	-	-	-	-
14Local Homeless Prevention aid 12% Tribal governments					-	-	(10)	(20)
15Statewide Local Housing Aid			200	280	-	-	90	80
16Modify Class 4D Transition Aid			-		-	20	-	20
17Modify Watershed Districts Levy Authority			-		-	(120)	-	(120)
18Modify Regional Transit Bonding Authority					(10)	(240)		
19								
20Corporate Franchise Tax - subtotal	420	550	1,430	2,960	430	490	1,010	1,820
21Modify Local Government Aid	210	420	530	1,200	210	420	430	860
22Modify County Program Aid	210	420	530	1,140	210	420	430	860
23Modify Agricultural Building Bond Credit	-	(290)	-	-	-	-	-	-
24Modify PILT	-	-	50	110	-	-	-	-
25Modify PILT					10	20	50	110
26Electric Generation Transition aid		-	10	30	10	30	10	30
27Local Homeless Prevention aid (LHPA)	-	-	80	160	-	-	-	-
28Local Homeless Prevention aid 12% Tribal governments					-	-	(10)	(20)
29Statewide Local Housing Aid		-	230	320	-	-	100	100
30Modify Watershed Districts Levy Authority		-			-	(120)	-	(120)
31								
* Note: Interactions - With changes to property tax, aids and credits, DOR Tax Research estimates assume that changes to property taxes, aids and credits will result in changes to income tax deductions, changing revenue to the general fund.								