

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

Joint Tracking of Tax Finance and Policy Agreement

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

NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	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
Tax Policy -Change Items - Summary									
Tax Policy - Change Items		(5,469,230)	(1,425,060)	(2,306,082)	(966,352)	(2,439,670)	(1,184,970)	(2,009,246)	(1,242,946)
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)	(1,242,946)
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	62,994,919
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	61,751,973
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%	-2.0%
INDIVIDUAL INCOME TAX									
Change Items									
Fed. Conformity: Limitation on Excess Business Losses (ARPA)	TY26	-	69,000	-	69,000	-	69,000	-	69,000
Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	TY27-28	-	21,400	-	21,400	-	21,400	-	21,400
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	(2,400)
Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan (see note "#")	TY28	-	-	-	-	-	-	-	-
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)	(2,600)
Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	TY 23	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
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)	(2,500)
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)	(2,200)
Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits (see note "#")	TY 27	-	-	-	-	-	-	-	-
Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	1/26/2021	(1,400)	-	(1,400)	-	(1,400)	-	(1,400)	-
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	4,700
Global Intangible Low Tax Income (GILTI) with 50% Dividend Received Deduction, No Section 250 Deduction	TY23	-	-	-	-	-	-	6,300	6,000
Standard/Itemized Deduction Phaseout Modifications (10% over \$304,970 /20% over \$1.0 million AGI)	TY 23	-	-	-	-	-	-	354,300	385,400
Net Investment Income Tax (1% above \$1.0 million, excluding gains from agricultural land sales)	TY24	-	-	-	-	-	-	86,200	176,500
Fifth Tier 10.85% Rate; \$1.0 million Married-Joint Filers; \$600,000 Single Filers	TY23	-	-	529,300	500,200	-	-	-	-
Interactions with Fifth Tier				(Negligible)	(Negligible)				
Capital Gains and Dividends Income Surtax: 1.5% & 4%	TY 23	679,600	625,100	-	-	-	-	-	-
Direct Pymt - Advanced Refundable Credit (\$2000 MJ Filers, \$1000 Single Filers, \$200 Dependent)	TY 23 only	(3,902,200)	-	-	-	-	-	-	-
Refundable Credit Payment (\$550 MJ Filers, \$275 Single Filers, \$275 Dependent)	TY 21 only	-	-	(1,250,100)	-	-	-	-	-
Direct Pymt - Advanced Refundable Credit (\$558 MJ Filers, \$279 Single Filers, \$56 Dependent)	TY 23 only	-	-	-	-	(1,088,900)	-	-	-
Direct Pymt - Advanced Refundable Credit (\$520 MJ Filers, \$260 Single Filers, \$260 Dependent)	TY21 only	-	-	-	-	-	-	(1,130,900)	-
Child Tax Credit (\$1,000/per child)	TY 23	(1,122,800)	(1,194,900)	-	-	-	-	-	-
Child Tax Credit (\$620/per child)	TY 23	-	-	-	-	(648,900)	(690,500)	-	-
Child and Working Family Tax Credit (Refundable)	TY23	-	-	(587,600)	(611,200)	-	-	-	-

Joint Tracking of Tax Finance and Policy Agreement

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

	EFFECTIVE	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)									
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)	(915,000)
44 Child Tax Credit for Newly Eligible Filers	TY23							(117,000)	(118,900)
45 Changing the Working Family Credit	TY23							300,000	300,900
46 Interaction - ITIN								(87,000)	(86,700)
47 subtotal								(797,400)	(819,700)
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)	(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)	(20,600)
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 dependents	TY23			(31,700)	(33,600)	-	-	-	-
60 Modify K-12 Education Credit, FAGI Phaseout threshold \$70K, credit increased	TY23					(24,800)	(26,300)	(24,800)	(26,300)
61 Interaction with K-12 Education Credit: K-12 Education Subtraction				2,500	2,600	2,000	2,100	2,000	2,100
62 Modify Military Tax Credit	TY23	(200)	-	(200)	-	(200)	-	(200)	-
63 Modify Social Security Subtraction, Increases Max. Subtraction, Income Phaseout Threshold Increased to \$120k	TY23	(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)	(576,800)
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)	(81,800)
67 Interaction - Social Security & Public Pension (House)				1,600	1,600	-	-	-	-
68 Interaction - Social Security & Public Pension (Senate)						2,000	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)	-	-	-	(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)	(25,700)
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)	(8,000)
76 Subtraction, Certain Sexual Harassment/Abuse Settlements	TY23	-	-	(200)	(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.	-	-

Joint Tracking of Tax Finance and Policy Agreement

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

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	EFFECTIVE	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)										
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)	(2,800)
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, Current 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										

Joint Tracking of Tax Finance and Policy Agreement

FORECAST DETAIL, GENERAL FUND TAX PROVISIONS - FEBRUARY 2023 FORECAST

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NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	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
SALES AND USE TAXES**									
<i>Change Items</i>									
City of Minneapolis, Retained Local Sales Tax Revenue Reduced, Eliminate Interest on Construction	7/1/2023	-	-	-	-	-	-	(12,344)	(12,344)
Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023	20	20	20	20	-	-	-	-
Exemption, Certain Natural Gas Fees to Residential Customers	9/1/2021 - 12/31/2026			(9,490)	(4,140)	(9,490)	(4,140)	(9,940)	(3,690)
Exemption, Disregarded Single Member Entities	7/1/2023			(1,470)	(1,670)	-	-	(1,470)	(1,670)
Exemption, Construction Materials, Purchases of Nonprofit Snowmobiles	7/1/2023			(110)	(120)	(110)	(120)		
Exemption Expanded, Baby Products	7/1/2023			(3,400)	(3,700)	(3,400)	(3,700)		
Establish One-time Sales Tax Holiday for School Supplies	8/15/23 to 8/21/23			(1,160)	-	-	-		
Exemption Modified, County Fair Sales	DFE					(60)	(60)	(60)	(60)
Exemption, Purchases of Firearm Storage Units	7/1/2023					(40)	(40)	(40)	(40)
Exemption Modified, Fiber and Conduit for Broadband	7/1/2023					(4,400)	(4,650)		
Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2023					(1,010)	(730)		
Exemption Modified, Suite Licenses	7/1/2022							(2,040)	(1,390)
Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2022-6/30/30							(750)	(530)
Exemption, Sales to Nonprofit Blood Centers	1/1/2020 - 12/30/27					(1,700)	(600)	(1,700)	(600)
Exemption, Const. Materials Modified, Mazeppa Fire	3/12/18 - 12/31/24					(20)	-	(20)	-
Exemption, Const. Materials Modified, Maple Grove, Reg. Public Safety Ctr (See note "+")	9/1/21-12/31/23	-	-	-	-	-	-	-	-
Exemption, Const. Materials Modified, Maple Grove, Reg. Public Safety Ctr.	9/1/21-12/31/23	-	-	-	-	(290)	-	(290)	-
Exemption, Construction Materials - Local Gov'ts & Nonprofits	7/1/21 - 12/31/24	(255,630)	-	(255,630)	-	-	-	-	-
Exemption, Construction Materials, Becker Public School District (see note "+")	1/1/22 - 1/31/24					-	-	-	-
Exemption, Construction Materials, Beltrami County Jail	4/1/24 - 12/31/27					-	(1,940)	-	-
Exemption, Construction Materials, City of Chanhassen (see note "+")	1/1/25-1/31/27				(520)	-	-	-	-
Exemption, Construction Materials, City of Chanhassen	2/1/24 - 1/31/27				-	(260)	(520)	(260)	(520)
Exemption, Construction Materials, Chisholm Public Schools (see note "+")	1/1/22 to 12/31/24				-	-	-	-	-
Exemption, Construction Materials, Chisholm Public Schools	1/1/22 - 12/31/24				-	(840)	-	(840)	-
Exemption, Construction Materials, Duluth Public Schools (see note "+")	7/1/21 - 12/31/24				-	-	-	-	-
Exemption, Construction Materials, Duluth Public Schools	7/1/21 - 12/31/24				-	(510)	-	(510)	-
Exemption, Construction Materials, City of Edina, Community Health Center	1/1/24 - 12/31/25			-	(910)	-	-	-	(910)
Exemption, Construction Materials, Ely Public Schools (see note "+")	5/2/19 - 12/31/23			(180)	-	-	-	-	-
Exemption, Construction Materials, Ely Public Schools	5/2/19 - 12/31/23				-	(360)	-	(360)	-
Exemption, Construction Materials, Hibbing Public Schools (see note "+")	5/2/19 - 12/31/24				-	-	-	-	-
Exemption, Construction Materials, Hibbing Public Schools	5/2/19 - 12/31/24				-	(260)	-	(260)	-
Exemption, Construction Materials, Itasca County, Courthouse & Correctional Facility	5/1/21 - 12/31/24				-	(300)	(150)	-	-
Exemption, Construction Materials, Minneapolis - St. Paul Airport (see note "+")	1/1/25-12/31/27				(2,490)	-	-	-	-
Exemption, Construction Materials, Minneapolis - St. Paul Airport	7/1/23 - 6/30/24			-	-	(7,560)	-	(7,560)	-
Exemption, Construction Materials, City of Moorhead (see note "+")	1/1/25-3/31/27				(480)	-	-	-	-
Exemption, Construction Materials, City of Moorhead	3/1/24 - 3/31/27			-	-	(240)	(480)	(240)	(480)
Exemption, Construction Materials, Nashauk-Keewatin Public Schools (see note "+")	1/1/22 - 12/31/24				-	-	-	-	-

Joint Tracking of Tax Finance and Policy Agreement

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

	EFFECTIVE	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)									
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 <i>Total - Estimated Sales & Use Tax Revenue with Change Items</i>		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 <i>Total - Estimated Percent Change to Sales & Use Tax Revenue with Change Items</i>		-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 <i>Total - Estimated Statewide Property Tax Revenue with Change Items</i>		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 <i>Total - Estimated Percent Change to Statewide Property Tax Revenue with Change Items</i>		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 <i>Total - Estimated Estate Tax Revenue with Change Items</i>		486,300	530,200	486,300	530,200	486,300	530,200	486,300	530,200
195 <i>Total - Estimated Percent Change to Estate Tax Revenue with Change Items</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Joint Tracking of Tax Finance and Policy Agreement

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

	EFFECTIVE	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
196									
197									
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Joint Tracking of Tax Finance and Policy Agreement

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

	EFFECTIVE	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)									
225	OTHER TAX REVENUE**								
226	Change Items								
227	DFE	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
228	7/1/2023			(55,000)	(15,000)	-	-	-	-
229	DFE			(11,400)	(12,100)	-	-		
230	DFE							(6,900)	(7,300)
231	DFE						(18,400)		
232	DFE			(402)	(402)			(402)	(402)
233	Assmt Yr 23			-	2,900	-	2,900	-	2,900
234	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)	(9,302)
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	1,442,145
238	<i>Total - Estimated Other Tax Revenue with Change Items</i>	1,268,976	1,439,145	1,268,976	1,439,145	1,268,976	1,439,145	1,268,976	1,439,145
239	<i>Total - Estimated Percent Change to Other Tax Revenue with Change Items</i>	-0.5%	0.0%	-11.0%	-4.0%	-0.5%	-2.7%	-1.6%	-1.3%

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.

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

7.11.2023

Tax Refunds, Aids & Credits - February 2023 Forecast

4:00 PM

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 exemption					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 appurtenances"									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	

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

7.11.2023

Tax Refunds, Aids & Credits - February 2023 Forecast

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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									
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		0	1,480									
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					(1,200)	(1,680)						
39	Chg Item: Statewide Local Housing Aid											(540)	(480)
40	Chg Item: Watershed Districts Levy Authority increase									680		0	680
41	Chg Item: Regional Transit Authority bond increase		50	1,440					50	1,440			
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					0	(492,800)					0	(492,800)
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)	13,630	28,930	31,300	13,630	28,930	31,300	13,630	28,930	31,300	13,630	28,930	31,300
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
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								2,100	2,800		2,100	2,800
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
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

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

7.11.2023

Tax Refunds, Aids & Credits - February 2023 Forecast

4:00 PM

All Numbers in Thousands

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		Gov			House			Senate			CH 64		
		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					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									
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

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

7.11.2023

Tax Refunds, Aids & Credits - February 2023 Forecast

4:00 PM

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									
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)					40,000	40,000						
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					9,800	6,800						
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											4,500	2,000
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	10,145	20,290	20,290	10,145	20,290	20,290	10,145	20,290	20,290	10,145	20,290	20,290
115	Disparity Reduction Aid (DRA)	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	140	280	280	140	280	280	140	280	280	140	280	280
120	Mahnomen Reimbursement Aid	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	28,826	55,016	55,016	28,826	55,016	55,016	28,826	55,016	55,016	28,826	55,016	55,016
125	Agricultural Market Value Credit	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

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

7.11.2023

Tax Refunds, Aids & Credits - February 2023 Forecast

4:00 PM

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

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

7.11.2023

Tax Refunds, Aids & Credits - February 2023 Forecast

4:00 PM

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									
165 OTHER AIDS & ONE-TIME APPROPRIATIONS	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	11	439	188	11	439	188	11	439	188	11	439	188
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)	243	150	150	243	150	150	243	150	150	243	150	150
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 Property Tax Aids and Credits, General Fund TOTAL	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	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
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

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	EFFECTIVE	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
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				-	-	(100)	-
58	Exemption, Construction Materials & Capital Equipment, Spring Grove Fire Rem.	12/23/22-12/31/27				(10)	-	(10)	-
59	Exemption, Construction Materials, City of Wayzata (see note "+")	4/1/20-6/30/21				(20)	-	-	-
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)	-	-
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**

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	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 Total - Stadium Finance and Reserve Changes (Revenue + Expenditures)		(26,521)	367,355	397,527		-	-	(26,521)	367,355	397,527	(26,521)	367,355	397,527
2 Revenue		366,179	307,052	337,218		-	-	366,179	307,052	337,218	366,179	307,052	337,218
3 Authorize the Balance in Stadium Reserve Balance for Stadium Bond Payoff in FY23	DFE	366,179	366,179	-	-	-	366,179	366,179	-	-	366,179	366,179	-
4 Repeal Stadium Reserve Account (after Stadium Bond Payoff), Deposits to Gen. Fund	DFE	-	312,136	342,302	-	-	-	312,136	342,302	-	-	312,136	342,302
5 Repeal Minneapolis Advance Payment Requirement (FY16-20)	7/1/2023	-	(5,084)	(5,084)	-	-	-	(5,084)	(5,084)	-	-	(5,084)	(5,084)
6 Limitation of Growth in MPLS local sales tax transferred to MSFA (limit to 3% annual growth)**	7/1/2023	-	-	-	-	-	-	-	-	-	-	-	-
7		-	-	-	-	-	-	-	-	-	-	-	-
8 Expenditures		(392,700)	60,303	60,309		-	-	(392,700)	60,303	60,309	(392,700)	60,303	60,309
9 Payoff (Prepay) U.S. Bank Stadium Bonds	DFE	(377,000)	-	-	-	-	(377,000)	-	-	-	(377,000)	-	-
10 Onetime Appropriation, Secure Perimeter Around Stadium	DFE	(15,700)	-	-	-	-	(15,700)	-	-	-	(15,700)	-	-
11 U.S. Bank (State/Local) Debt Service Payment, Cessation, Savings to Gen. Fund	7/1/2023	-	60,303	60,309	-	-	-	60,303	60,309	-	-	60,303	60,309
12		-	-	-	-	-	-	-	-	-	-	-	-
13 Stadium Reserve - Reference Only (Current Law - Cumulative Stadium Reserve Changes)		-	-	-	-	-	-	-	-	-	-	-	-
14 Current Law Balance		366,179	678,315	1,020,617	-	-	366,179	678,315	1,020,617	-	366,179	678,315	1,020,617
15 Changes to the Stadium Reserve (FY 23 Debt Pay off)		(366,179)	-	-	-	-	(366,179)	-	-	-	(366,179)	-	-
16 Changes to the Stadium Reserve (Deposits To Gen. Fund)		-	-	-	-	-	-	-	-	-	-	-	-
17 Cumulative Stadium Reserve Changes (Debt Payoff and Deposits to General Fund)		-	(678,315)	(1,020,617)	-	-	-	(678,315)	(1,020,617)	-	(678,315)	(1,020,617)	-

* 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.

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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 purpose statements	DFE	X		
14 Tax Expenditure Review 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 incmt 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 incmt 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 Corrcn Facility	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 projects	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 0.5% 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 ext 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 Facility/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

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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 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
Interactions with Property Taxes - Summary	780	2,520	2,650	5,470	800	910	1,860	3,340
Individual Income Tax	360	1,970	1,220	2,510	370	420	850	1,520
Corporate Franchise Tax	420	550	1,430	2,960	430	490	1,010	1,820
Interactions with Property Taxes - Detail								
Individual Income Tax - Subtotal	360	1,970	1,220	2,510	370	420	850	1,520
Modify Local Government Aid (LGA)	180	360	450	1,010	180	360	360	720
Modify County Program Aid (CPA)	180	360	450	960	180	360	360	720
Modify Agricultural Building Bond Credit	-	1,250	-	-	-	-	-	-
Modify PILT	-	-	40	100	10	20	40	100
Electric Generation Transition aid	-	-	10	20	10	20	10	20
Local Homeless Prevention aid (LHPA)	-	-	70	140	-	-	-	-
Local Homeless Prevention aid 12% Tribal governments	-	-	-	-	-	-	(10)	(20)
Statewide Local Housing Aid	-	-	200	280	-	-	90	80
Modify Class 4D Transition Aid	-	-	-	-	-	20	-	20
Modify Watershed Districts Levy Authority	-	-	-	-	-	(120)	-	(120)
Modify Regional Transit Bonding Authority	-	-	-	-	(10)	(240)	-	-
Corporate Franchise Tax - subtotal	420	550	1,430	2,960	430	490	1,010	1,820
Modify Local Government Aid	210	420	530	1,200	210	420	430	860
Modify County Program Aid	210	420	530	1,140	210	420	430	860
Modify Agricultural Building Bond Credit	-	(290)	-	-	-	-	-	-
Modify PILT	-	-	50	110	-	-	-	-
Modify PILT	-	-	-	-	10	20	50	110
Electric Generation Transition aid	-	-	10	30	10	30	10	30
Local Homeless Prevention aid (LHPA)	-	-	80	160	-	-	-	-
Local Homeless Prevention aid 12% Tribal governments	-	-	-	-	-	-	(10)	(20)
Statewide Local Housing Aid	-	-	230	320	-	-	100	100
Modify Watershed Districts Levy Authority	-	-	-	-	-	(120)	-	(120)
* 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.								