

# 2024 REGULAR SESSION - HF 5247 CONFERENCE COMMITTEE REPORT (ARTICLES 68-71)

## FEBRUARY 2024 FORECAST

\$\$\$ in thousands | Tax Revenues & Non-General Fund Items: Negative # = Revenue Reduction | Property Tax, Aids & Credits: Negative # = Spending Reduction

LINE	ITEM	EFFECTIVE DATE	CONFERENCE					
			FY 2024	FY 2025	FY 2024-25	FY 2026	FY 2027	FY 2026-27
	<b>GENERAL FUND TAX REVENUES:</b>							
	<b>INDIVIDUAL INCOME TAX</b>							
1	Child Tax Credit - Minimum Credit Establishment	TY 25				(5,400)	(5,500)	(10,900)
2	Interaction - Taconite Homestead Credit Increase (deduction decrease)	Pay 25	-	-	-	40	40	80
3	<b>SUBTOTAL: INDIVIDUAL INCOME TAX</b>		-	-	-	(5,360)	(5,460)	(10,820)
	<b>SALES &amp; USE TAXES</b>							
6	Moist Snuff Definition Change - Demand Elasticity Effect	7/1/2024	-	(500)	(500)	(590)	(650)	(1,240)
7	<b>SUBTOTAL: SALES &amp; USE TAXES</b>		-	(500)	(500)	(590)	(650)	(1,240)
	<b>OTHER TAXES</b>							
10	Moist Snuff Definition Change - Tobacco Products Excise Tax Revenue	7/1/2024	-	2,930	2,930	3,510	3,860	7,370
11	<b>SUBTOTAL: OTHER TAXES</b>		-	2,930	2,930	3,510	3,860	7,370
13	<b>TOTAL: TAX REVENUE/TAX POLICY</b>		-	2,430	2,430	(2,440)	(2,250)	(4,690)

	<b>GENERAL FUND PROPERTY TAX AIDS &amp; CREDITS:</b>							
	<b>HOMESTEAD PROPERTY TAX REFUNDS</b>							
18	Interaction - Taconite Homestead Credit Increase	Pay 25	-	-	-	(850)	(850)	(1,700)
19	<b>SUBTOTAL: HOMESTEAD PROPERTY TAX REFUNDS</b>		-	-	-	(850)	(850)	(1,700)
	<b>DIRECT APPROPRIATIONS</b>							
22	Dept. of Revenue - Tax Credit Outreach Grants	7/1/2024	-	1,000	1,000	500	500	1,000
23	Dept. of Revenue - Taxpayer Assistance Grants	7/1/2024		1,000	1,000	500	500	1,000
24	Dept. of Revenue - Act Administration <sup>1</sup>	7/1/2024	-	4,000	4,000	-	-	-
25	<b>SUBTOTAL: DIRECT APPROPRIATIONS</b>		-	6,000	6,000	1,000	1,000	2,000

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			FY 2024	FY 2025	FY 2024-25	FY 2026	FY 2027	FY 2026-27
	<b>OTHER CHANGES</b>							
28	Property Tax Forfeiture - Purchase of Mineral Interests (Open Appropriation)	Forfeitures after	-	125	125	125	125	250
29	Property Tax Forfeiture - Payment of Minerals Interests Claims (Open Appropriation)	12/31/23	-	2,100	2,100	2,100	2,100	4,200
30	Property Tax Forfeiture - Housing Support Fund	DFE	-	450	450	450	450	900
31	Dept. of Natural Resources - Property Tax Forfeiture	7/1/2024	-	1,537	1,537	1,537	1,537	3,074
32	<b>SUBTOTAL: OTHER CHANGES</b>		-	<b>4,212</b>	<b>4,212</b>	<b>4,212</b>	<b>4,212</b>	<b>8,424</b>
34	<b>TOTAL: TAX AIDS AND CREDITS</b>		-	<b>10,212</b>	<b>10,212</b>	<b>4,362</b>	<b>4,362</b>	<b>8,724</b>
36	<b>GENERAL FUND TOTAL: TAX POLICY,TAX AIDS &amp; CREDITS</b>			<b>(7,782)</b>	<b>(7,782)</b>	<b>(6,802)</b>	<b>(6,612)</b>	<b>(13,414)</b>
	<b>NON-GENERAL FUND ITEMS</b>							
	<b>SPECIAL REVENUE FUND</b>							
41	Housing Support Account - Transfer In	DFE	-	450	450	450	450	900
	<b>LEGACY FUNDS</b>							
44	Moist Snuff Definition Change - Demand Elasticity Effect	7/1/2024	-	(30)	(30)	(30)	(40)	(70)
	<b>TACONITE ECONOMIC DEVELOPMENT FUND</b>							
47	Transfer to City of Chisholm - David Tomassoni Bridge of Peace	DFE	-	(300)	(300)	-	-	-
	<b>TACONITE PROPERTY TAX RELIEF ACCOUNT</b>							
50	Taconite Homestead Credit Increase	Pay 25	-	(3,520)	(3,520)	(7,050)	(7,050)	(14,100)
	<b>TACONITE MUNICIPAL AID ACCOUNT</b>							
53	Increase Distribution to Range Association of Municipalities & Schools	Distribution 24	-	(98)	(98)	(65)	(66)	(131)

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			FY 2024	FY 2025	FY 2024-25	FY 2026	FY 2027	FY 2026-27
56	<b>RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS</b> Increase Distribution to Range Association of Municipalities & Schools	Distribution 24	-	98	98	65	66	131
59	<b>TACONITE ENVIRONMENTAL PROTECTION FUND</b> Increased Production Tax Distribution to Iron Range Schools & Comm. Develop. Account <sup>2</sup>	Distribution 24	-	(4,900)	(4,900)	(3,270)	(3,270)	(6,540)
62	<b>DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND</b> Increased Production Tax Distribution to Iron Range Schools & Comm. Develop. Account <sup>2</sup>	Distribution 24	-	(2,450)	(2,450)	(1,630)	(1,630)	(3,260)
65	<b>IRON RANGE SCHOOLS &amp; COMMUNITY DEVELOPMENT ACCOUNT<sup>3</sup></b> Increased Production Tax Distribution to Iron Range Schools & Comm. Develop. Account <sup>2</sup>	Distribution 24	-	7,350	7,350	4,900	4,900	9,800
66	2024 Production Tax Revenue Bonds Debt Service <sup>4</sup>	DFE	-	-	-	(3,900)	(3,900)	(7,800)
67	2025 Production Tax Revenue Bonds Debt Service <sup>4</sup>	DFE	-	-	-	-	(2,400)	(2,400)
68	<b>SUBTOTAL: IRON RANGE SCHOOLS &amp; COMMUNITY DEVELOPMENT ACCOUNT</b>		-	<b>7,350</b>	<b>7,350</b>	<b>1,000</b>	<b>(1,400)</b>	<b>(400)</b>
70	<b>NON-GENERAL FUND TOTAL: ALL FUNDS</b>		-	<b>(3,400)</b>	<b>(3,400)</b>	<b>(10,530)</b>	<b>(12,940)</b>	<b>(23,470)</b>

1 - Appropriation available until June 30, 2027.  
2 - The production tax distribution to the Iron Range Schools & Community Development Account increases from 10cpt to 24cpt from Distribution Year 2024 through Distribution Year 2032.  
3 - Account formerly known as the Iron Range School Consolidation & Cooperatively Operated School Account.  
4 - The Revenue Bonds Debt Service is expected to have a fiscal impact of 20 years.