

Leadership Agreement 5/30/25

Dollars in Thousands

Tax Revenues, and Non-General Fund Total: Negative #s = Revenue Reduction

Property Tax, Aids & Credits, General Fund Total and Target: Negative #s = Spending Reduction

LINE	ITEM	Forecast	Leadership	
		FY 2024-25	FY 2025	FY 2026-27 FY 2028-29
	CURRENT LAW GENERAL FUND FORECAST:			
1	TAX POLICY (REVENUE) ¹	58,021,635	29,526,082	61,794,511 65,943,938
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	5,556,139	2,424,251	2,641,236 2,706,369
3	GENERAL FUND - CHANGE ITEMS:			
4	Tax Revenue		-	112,970 176,750
5	Less General Fund Property Tax Refunds, Aids, & Credits		-	(5,042) (13,470)
6	TOTAL: NET GENERAL FUND CHANGE ITEMS	-	-	(118,012) (190,220)
	General Fund Target			(118,000) (190,000)
7	NONGENERAL FUND - CHANGE ITEMS:			
8	Outdoor Heritage Fund			1,469 1,535
9	Arts & Cultural Heritage Fund			879 919
10	Clean Water Fund			1,469 1,535
11	Parks & Trails Fund			634 663
12	Special Revenue Fund - Local Government Cannabis Aid Account			(16,242) (9,100)
13	Special Revenue Fund - Metro Regional Sales Tax - Transportation			1,000 950
14	Highway User Tax Distribution Fund			500 20
15	County State Aid Highway Fund			100 -
16	Transit Assistance Fund			100 -
17	Housing Assistance Fund			1,740 1,840
18	SUBTOTAL: NET NONGENERAL FUND CHANGE ITEMS	-	-	(8,351) (1,638)

¹ Based on the February 2025 Forecast

State Taxes

February 2025 Forecast - General Fund Fiscal Impact

All Dollars in Thousands									
Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses									
Row		Effective Date	Leadership				Leadership		
			FY 2026	FY 2027	FY 2026-27		FY 2028	FY 2029	FY 2028-29
1	Summary								
2	Total - Current Law - Tax Revenues		30,526,966	31,267,545	61,794,511		32,451,374	33,492,564	65,943,938
3	Total - Net Changes - Tax Revenues		29,630	83,340	112,970		79,550	97,200	176,750
4	Total - Net, Non Dedicated Tax Revenue		30,556,596	31,350,885	61,907,481		32,530,924	33,589,764	66,120,688
5	Individual Income Tax								
6	Change Items								
8	Expand Research & Development Credit - Refundable Cap at 19.2% in TY25 and 25% in TY 2026	TY 2025	(200)	(300)	(500)		(300)	(300)	(600)
10	Interaction: Aquatic Invasive Species Aid Reduction		-		-		(50)	(50)	(100)
11	Subtotal: Change Items		(200)	(300)	(500)		(350)	(350)	(700)
12	Corporate Franchise Tax								
13	Change Items								
14	Expand Research & Development Credit - Refundable Cap at 19.2% in TY25 and 25% in TY 2026	TY 2025	(20,800)	(19,500)	(40,300)		(19,500)	(19,500)	(39,000)
15	Subtotal: Change Items		(20,800)	(19,500)	(40,300)		(19,500)	(19,500)	(39,000)
16	Sales and Use Tax								
17	Change Items								
18	Data Centers, Repeal Electricity Exemption	7/1/2025	23,930	32,320	56,250		38,130	44,570	82,700
19	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/2027	-	22,820	22,820		570	580	1,150
20	Interaction: Cannabis Gross Receipts Tax Rate Increase		(700)	(1,100)	(1,800)		(1,400)	(1,800)	(3,200)
21	Subtotal: Change Items		23,230	54,040	77,270		37,300	43,350	80,650
22	Cannabis Gross Receipts Tax								
23	Change Items								
24	Rate Increase from 10% to 15%	7/1/2025	18,500	34,300	52,800		43,400	51,500	94,900
25	Repeal, 20% Dedication of Cannabis Gross Receipt Tax for Local Aid	7/1/2025	8,900	14,800	23,700		18,700	22,200	40,900
26	Subtotal: Change Items		27,400	49,100	76,500		62,100	73,700	135,800
Feb 25 is February 2025, General Fund Balance Analysis									
End of General Fund Tax Revenue Tracking Sheet									

All Dollars in Thousands
Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses

Row		Effective Date	Leadership				Leadership		
			FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
1	Summary								
2	Total - Net Changes - Non General Fund Tax Revenues		-	(6,770)	(9,039)	(15,809)	(15,258)	(18,180)	(33,438)
3	Outdoor Heritage Fund (Legacy/33%/2300 Fund)								
4	Change Items								
5	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/27		-	436	436	10	10	20
6	Data Centers, Repeal Electricity Exemption	7/1/25		455	614	1,069	726	848	1,574
7	Cannabis Tax, Rate Increase from 10% to 15%	7/1/25		(13)	(23)	(36)	(26)	(33)	(59)
8	Subtotal: Outdoor Heritage Fund		-	442	1,027	1,469	710	825	1,535
9	Arts & Cultural Heritage (Legacy/19.75%/2301 Fund)								
10	Change Items								
11	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/27		-	261	261	6	6	12
12	Data Centers, Repeal Electricity Exemption	7/1/25		273	367	640	435	508	943
13	Cannabis Tax, Rate Increase from 10% to 15%	7/1/25		(8)	(14)	(22)	(16)	(20)	(36)
14	Subtotal: Arts & Cultural Heritage Fund			265	614	879	425	494	919
15	Clean Water (Legacy/33%/2302 Fund)								
16	Change Items								
17	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/27		-	436	436	10	10	20
18	Data Centers, Repeal Electricity Exemption	7/1/25		455	614	1,069	726	848	1,574
19	Cannabis Tax, Rate Increase from 10% to 15%	7/1/25		(13)	(23)	(36)	(26)	(33)	(59)
20	Subtotal: Clean Water fund			442	1,027	1,469	710	825	1,535
21	Parks & Trails (Legacy/ 14.25%/2303 Fund)								
22	Change Items								
23	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/27		-	188	188	4	4	8
24	Data Centers, Repeal Electricity Exemption	7/1/25		197	265	462	314	366	680
25	Cannabis Tax, Rate Increase from 10% to 15%	7/1/25		(6)	(10)	(16)	(11)	(14)	(25)
26	Subtotal: Parks & Trails Fund			191	443	634	307	356	663

Tax Revenue
February 2025 Forecast - NonGeneral Fund Fiscal Impact

Row		Effective Date	Leadership				Leadership		
			FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
27	Local Cannabis Tax (Special Revenue Fund/2000-2001 Fund)								
28	Change Items					-			-
29	Repeal, 20% Dedication of Cannabis Gross Receipts Tax to Local Aid	7/1/25		(8,900)	(14,800)	(23,700)	(18,700)	(22,200)	(40,900)
30	Subtotal: Special Revenue Fund			(8,900)	(14,800)	(23,700)	(18,700)	(22,200)	(40,900)
31	Metro Regional Sales Tax - Transportation (Special Revenue Fund/2000-2001 Fund) ¹								
32	Change Items					-			-
33	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/27		-	260	260	10	10	20
34	Data Centers, Repeal Electricity Exemption	7/1/25		280	370	650	440	520	960
35	Cannabis Tax, Rate Increase from 10% to 15%	7/1/25		(10)	(10)	(20)	(20)	(20)	(40)
36	June Acceleration 5.6% Shift, Tax Rate Reduction (Leases)	6/1/2027		-	30	30	-	-	-
37	June Acceleration 5.6% Shift, Tax Rate Reduction (Auto parts)	6/1/2027		-	80	80	-	10	10
38	Subtotal: Special Revenue Fund			270	730	1,000	430	520	950
39	Highway User Tax Distribution Fund (2710 Fund)								
40	Change Items								
41	June Acceleration 5.6% Shift, Tax Rate Reduction (Leases)	6/1/2027			30	30	-	-	-
42	June Acceleration 5.6% Shift, Tax Rate Reduction (Auto parts)	6/1/2027		-	470	470	10	10	20
43	Subtotal: Highway User Tax Distribution Fund			-	500	500	10	10	20
44	County State Aid Highway (2600 Fund)								
45	Change Items					-			-
46	June Acceleration 5.6% Shift, Tax Rate Reduction (Leases)	6/1/2027		-	100	100	-	-	-
47	Subtotal: County State Aid Highway			-	100	100	-	-	-
48	Transit Assistance Fund (1050 Fund)								
49	Change Items								
50	June Acceleration 5.6% Shift, Tax Rate Reduction (Leases)	6/1/2027		-	100	100	-	-	-
51	Subtotal: Transit Assistance Fund			-	100	100	-	-	-
52	Housing Assistance Fund (2310 Fund)								
53	Change Items								
54	June Acceleration, Sales Tax Shift at 5.6% ongoing	6/1/27		-	520	520	10	10	20

Tax Revenue
February 2025 Forecast - NonGeneral Fund Fiscal Impact

Row		Effective Date	Leadership				Leadership		
			FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
55	Data Centers, Repeal Electricity Exemption	7/1/25		540	730	1,270	870	1,020	1,890
56	Cannabis Tax, Rate Increase from 10% to 15%	7/1/25		(20)	(30)	(50)	(30)	(40)	(70)
57	Subtotal: Housing Assistance Fund			520	1,220	1,740	850	990	1,840

Note 1: In earlier versions of this document before May 14, this account was incorrectly labeled Transportation Advancement Account.
Feb 24 is February 2025 General Fund Balance and Consolidated Fund Balance
DFE is Day Following Enactment
End of Non General Fund Tax Revenue Tracking

All Dollars in Thousands								
Note: Positive numbers represent expenditures, negative numbers represent cost savings.								
Row		Effective Date	Leadership				Leadership	
			FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029
1	Summary							
2	Total - Current Law - Property Tax, Aids, and Credits		1,415,173	1,289,218	1,352,018	2,641,236	1,353,049	1,353,320
3	Total - Net Changes - Property Tax, Aids, and Credits		-	(5,042)	-	(5,042)	(6,690)	(6,780)
4	Total - Property Tax, Aids, and Credits		1,415,173	1,284,176	1,352,018	2,636,194	1,346,359	1,346,540
5	Percent Change from Prior Year or Biennium			-53.06%	-41.95%	-52.55%	-44.46%	-45.08%
6	Property Tax and Other Refunds							
7	Change Items							
8	Reduction (10%) - Sustainable Forest Incentive Payments	CY 2027	-	-	-	-	(1,840)	(1,930)
9	Subtotal: Change Items		-	-	-	-	(1,840)	(1,930)
10	Local Aids							
11	Change Items							
12	Reduction - Aquatic Invasive Species Prevention Aid	Aids Pay 2026	-	-	-	-	(5,000)	(5,000)
13	Interaction - Property Tax Refund		-	-	-	-	150	150
14	Subtotal: Change Items		-	-	-	-	(4,850)	(4,850)
15	Other							
16	Change Items							
17	TR-IN: Special Revenue Cannabis Aid Carryforward	DFE	-	(5,042)	-	(5,042)	-	-
18	Subtotal: Change Items		-	(5,042)	-	(5,042)	-	-
19	TOTAL: Property Tax, Aids, and Credits		1,415,173	1,284,176	1,352,018	2,636,194	1,346,359	1,346,540
TR-IN is Transfer In								
CY is Calendar Year								
Aids Pay is Aids Payable Year								
DFE is Day Following Enactment								
End of General Fund Property Tax, Aids, and Credits Tracking Sheet								

February 2025 Forecast - Non-General Fund Fiscal Impact

All Dollars in Thousands									
Note: Positive numbers represent <u>cost savings</u> , negative numbers represent <u>expenditures</u> .									
Row		Effective Date	Leadership				Leadership		
			FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
1	Summary								
2	Total - Current Law - Non-General Fund		(48,907)	(123,464)	(143,000)	(266,464)	(150,000)	(159,300)	(309,301)
3	Total - Net Changes - Non-General Fund		-	(5,432)	11,585	6,153	13,163	17,258	30,420
4	Total - Non-General Funds		(48,907)	(128,896)	(131,415)	(260,311)	(136,838)	(142,043)	(278,881)
5	Percent Change from Prior Year or Biennium			163.55%	2.01%	428.75%	-4.31%	-5.30%	2.60%
6	Special Revenue Fund								
7	Local Government Cannabis Aid Account								
8	Change Items								
9	Repeal Local Government Cannabis Aid	Aids Pay 2026	-	-	12,500	12,500	13,800	18,000	31,800
10	TR-OUT - Remaining Balance to General Fund	DFE	-	(5,042)	-	(5,042)	-	-	-
11	Subtotal: Change Items		-	(5,042)	12,500	7,458	13,800	18,000	31,800
12	TOTAL: Non-General Funds		(48,907)	(128,896)	(131,415)	(260,311)	(136,838)	(142,043)	(278,881)
TR-OUT is Transfer Out									
Aids Pay is Aids Payable Year									
DFE is Day Following Enactment									
End of Property Tax, Aids, and Credits Non-General Fund Tracking Sheet									