

2024 REGULAR SESSION - HF 5247 CONFERENCE COMMITTEE REPORT

FEBRUARY 2024 FORECAST BASELINE

\$\$\$ 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 |
| | GENERAL FUND TAX REVENUES: | | | | | | | |
| | INDIVIDUAL INCOME TAX | | | | | | | |
| 1 | Child Tax Credit - Minimum Credit Establishment | TY 25 | | | | (5,400) | (5,500) | (10,900) |
| 2 | <i>Interaction - Taconite Homestead Credit Increase (deduction decrease)</i> | | - | - | - | 40 | 40 | 80 |
| 3 | SUBTOTAL: INDIVIDUAL INCOME TAX | | - | - | - | (5,360) | (5,460) | (10,820) |
| | SALES & USE TAXES | | | | | | | |
| 6 | Moist Snuff Definition Change - Demand Elasticity Effect | 7/1/2024 | - | (500) | (500) | (590) | (650) | (1,240) |
| 7 | SUBTOTAL: SALES & USE TAXES | | - | (500) | (500) | (590) | (650) | (1,240) |
| | OTHER TAXES | | | | | | | |
| 10 | Moist Snuff Definition Change - Tobacco Products Excise Tax Revenue | 7/1/2024 | - | 2,930 | 2,930 | 3,510 | 3,860 | 7,370 |
| 11 | SUBTOTAL: OTHER TAXES | | - | 2,930 | 2,930 | 3,510 | 3,860 | 7,370 |
| 13 | TOTAL TAX REVENUES | | - | 2,430 | 2,430 | (2,440) | (2,250) | (4,690) |
| | PROPERTY TAX AIDS & CREDITS: | | | | | | | |
| | HOMESTEAD PROPERTY TAX REFUNDS | | | | | | | |
| 19 | <i>Interaction - Taconite Homestead Credit Increase</i> | Pay 25 | - | - | - | (850) | (850) | (1,700) |
| 20 | SUBTOTAL: HOMESTEAD PROPERTY TAX REFUNDS | | - | - | - | (850) | (850) | (1,700) |
| | DIRECT APPROPRIATIONS | | | | | | | |
| 24 | Dept. of Revenue - Tax Credit Outreach Grants | 7/1/2024 | - | 1,000 | 1,000 | 500 | 500 | 1,000 |
| 25 | Dept. of Revenue - Taxpayer Assistance Grants | 7/1/2024 | | 1,000 | 1,000 | 500 | 500 | 1,000 |
| 26 | Dept. of Revenue - Act Administration ¹ | 7/1/2024 | - | 4,000 | 4,000 | - | - | - |
| 27 | SUBTOTAL: DIRECT APPROPRIATIONS | | - | 6,000 | 6,000 | 1,000 | 1,000 | 2,000 |
| 29 | TOTAL TAX AIDS & CREDITS | | - | 6,000 | 6,000 | 150 | 150 | 300 |

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|------|---|----------------------------|------------|----------------|----------------|----------------|----------------|-----------------|--------------|
| | | | FY 2024 | FY 2025 | FY 2024-25 | FY 2026 | FY 2027 | FY 2026-27 | |
| | TAX-FORFEITED LANDS | | | | | | | | |
| | APPROPRIATIONS & TRANSFERS | | | | | | | | |
| 35 | Dept. of Natural Resources - Expanded Duties & Responsibilities | 7/1/2024 | - | 1,537 | 1,537 | 1,537 | 1,537 | 1,537 | 3,074 |
| 36 | Open Appropriation - Minerals Interests & Forfeited Mineral Interest Claims | Forfeitures after 12.31.23 | - | 2,225 | 2,225 | 2,225 | 2,225 | 2,225 | 4,450 |
| 37 | Transfer out from GF to Housing Support Account in Special Revenue Fund | DFE | - | 450 | 450 | 450 | 450 | 450 | 900 |
| 39 | TOTAL TAX-FORFEITED LANDS | | - | 4,212 | 4,212 | 4,212 | 4,212 | 4,212 | 8,424 |
| 41 | TOTAL GENERAL FUND EFFECT | | - | (7,782) | (7,782) | (6,802) | (6,612) | (13,414) | |
| | NON-GENERAL FUND ITEMS | | | | | | | | |
| | SPECIAL REVENUE FUND - HOUSING SUPPORT ACCOUNT | | | | | | | | |
| 47 | Transfer in from GF to Housing Support Account | DFE | - | 450 | 450 | 450 | 450 | 450 | 900 |
| | LEGACY FUNDS | | | | | | | | |
| 50 | Moist Snuff Definition Change - Demand Elasticity Effect | 7/1/2024 | - | (30) | (30) | (30) | (40) | (40) | (70) |
| | TACONITE ECONOMIC DEVELOPMENT FUND | | | | | | | | |
| 53 | Transfer to City of Chisholm - David Tomassoni Bridge of Peace | DFE | - | (300) | (300) | - | - | - | - |
| | TACONITE PROPERTY TAX RELIEF ACCOUNT | | | | | | | | |
| 56 | Taconite Homestead Credit Increase | Pay 25 | - | (3,520) | (3,520) | (7,050) | (7,050) | (14,100) | |

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| | | | FY 2024 | FY 2025 | FY 2024-25 | FY 2026 | FY 2027 | FY 2026-27 |
| | TACONITE MUNICIPAL AID ACCOUNT | | | | | | | |
| 59 | Increase Distribution to Range Association of Municipalities & Schools | Distribution 24 | - | (98) | (98) | (65) | (66) | (131) |
| | RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS | | | | | | | |
| 62 | Increase Distribution to Range Association of Municipalities & Schools | Distribution 24 | - | 98 | 98 | 65 | 66 | 131 |
| | TACONITE ENVIRONMENTAL PROTECTION FUND | | | | | | | |
| 65 | Increased Production Tax Distribution to Iron Range Schools & Comm. Develop. Account ² | Distribution 24 | - | (4,900) | (4,900) | (3,270) | (3,270) | (6,540) |
| | DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND | | | | | | | |
| 68 | Increased Production Tax Distribution to Iron Range Schools & Comm. Develop. Account ² | Distribution 24 | - | (2,450) | (2,450) | (1,630) | (1,630) | (3,260) |
| | IRON RANGE SCHOOLS & COMMUNITY DEVELOPMENT ACCOUNT³ | | | | | | | |
| 71 | Increased Production Tax Distribution to Iron Range Schools & Comm. Develop. Account ² | Distribution 24 | - | 7,350 | 7,350 | 4,900 | 4,900 | 9,800 |
| 72 | 2024 Production Tax Revenue Bonds Debt Service ⁴ | DFE | - | - | - | (3,900) | (3,900) | (7,800) |
| 73 | 2025 Production Tax Revenue Bonds Debt Service ⁴ | DFE | - | - | - | - | (2,400) | (2,400) |
| 74 | SUBTOTAL: IRON RANGE SCHOOLS & COMMUNITY DEVELOPMENT ACCOUNT | | - | 7,350 | 7,350 | 1,000 | (1,400) | (400) |
| 76 | TOTAL NON-GENERAL FUND EFFECT | | - | (3,400) | (3,400) | (10,530) | (12,940) | (23,470) |

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.