

2018 LEGISLATIVE SESSION - HF 4385-3E, HF4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - CHANGE SUMMARY

ALL FUNDS

\$\$\$ in thousands | BOLD indicates rows included in total
PROPERTY TAX REFUNDS, AIDS, & CREDITS: Positive change indicates expenditure increase

May 11, 2018, 6 PM -
Revised

		GOVERNOR		HOUSE		SENATE		CONFERENCE	
	ITEM	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21
	GENERAL FUND FORECAST:								
12	TAX POLICY (REVENUE)	42,963,853	46,830,377	42,963,853	46,830,377	42,963,853	46,830,377	42,963,853	46,830,377
13	PROPERTY TAX REFUNDS, AIDS, & CREDITS	3,655,702	3,652,469	3,655,702	3,652,469	3,655,702	3,652,469	3,655,702	3,652,469
	GENERAL FUND PROPOSED CHANGES:								
17	TAX POLICY	24,786	417,108	(104,229)	(41,889)	(171,405)	(94,525)	(136,450)	(46,389)
18	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	12,564	7,441	5,370	(25,508)	(346)	76	5	460
19	SUBTOTAL: GENERAL FUND IMPACT	12,222	409,667	(109,599)	(16,381)	(171,059)	(94,601)	(136,455)	(46,849)
	NON-GENERAL FUND PROPOSED CHANGES:								
23	LEGACY FUNDS	390	3,970	(465)	(820)	(30)	(60)	(65)	(100)
24	STATE AIRPORTS FUND			(15)	(30)				
25	HEALTH CARE ACCESS FUND			700	500				
26	MNSURE ACCOUNT					-	-	-	-
27	SPECIAL REVENUE FUND			(3,411)	-				
28	TACONITE PROPERTY TAX RELIEF ACCOUNT			(3,211)	-	(3,211)	-	(3,211)	-
29	IRON RANGE RESOURCES AND REHABILITATION ACCOUNT			3,211	-	3,211	-	3,211	-
30	IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED SCHOOL ACCOUNT			-	-	-	4,900	-	-
31	TACONITE ENVIRONMENTAL PROTECTION ACCOUNT			-	(121)	-	(4,068)	-	832
32	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND			-	(863)				
33	TACONITE MUNICIPAL AID ACCOUNT			-	-			-	-
34	TACONITE ECONOMIC DEVELOPMENT FUND			-	(832)	-	(832)	-	(832)
36	SUBTOTAL: NON-GENERAL FUND IMPACT	390	3,970	(3,191)	(2,166)	(30)	(60)	(65)	(100)

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

GENERAL FUND, CHANGE ITEMS ONLY

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TAX POLICY: Positive amounts indicate revenue increase
AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

			GOVERNOR		HOUSE		SENATE		CONFERENCE					
			A	B	C	D	E	F	H	I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
	TAX POLICY:													
	<u>TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS</u>													
1	Reverse Forecast Adjustment/Repeal Consistent Election Requirement	TY18	-26,500	-55,000	-26,500	-55,000	-26,500	-55,000	0	-26,500	-26,500	-27,100	-27,900	-55,000
2	Create a MN Standard Deduction , \$14,000, MJ Filers/\$7,000 Single & Married Separate	TY 18			-119,300	-153,000								
3	FAGI Starting Point/Adopt Chained CPI/Allow federal itemized deductions like TCJA deductions	TY 18			122,900	214,100								
4	FAGI Starting Point/Adopt Chained CPI/Allow prior law federal itemized deductions	TY18			0	0	-23,500	14,800	0	-23,200	-23,200	-2,700	13,000	10,300
8	Expand Eligibility for Medical Expense Deduction by Reducing FAGI Floor to 7.5% from 10%	TY17-18			-25,300	0	-26,400	0	0	-26,400	-26,400	0	0	0
9	Repeal Deduction for Alimony Payments and Corresponding Inclusion of Received Alimony	TY19			500	3,400	500	3,400	0	500	500	1,100	2,300	3,400
10	Subtraction for Qualified Moving Expenses	TY19					-5,000	-7,600	0	-5,000	-5,000	-3,700	-3,900	-7,600
11	Suspend Deduction for moving expenses other than service members	TY19			5,000	7,900	5,000	7,900	0	5,000	5,000	3,900	4,000	7,900
12	Suspend Exclusion of Qualified Moving Expenses				5,600	7,800								
13	Clarify Limit on Wagering Losses	TY18			150	180	150	180	0	150	150	90	90	180
14	Conform to Disallowing the Charitable Deduction for College Athletic Seating Payments	TY18	2,000	2,400	2,000	2,400	2,000	2,400	0	2,000	2,000	1,200	1,200	2,400
15	Repeal Exclusion for Certain Employer-Provided Bicycle Fringe Benefits	TY18			40	60	40	60	0	40	40	30	30	60
16	Allow Increased Contributions to ABLE Accounts	TY18			(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)
17	Extend Rollover Period for Certain Retirement Plan Loan Offsets	TY18			(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)
18	Repeal Special Rule Permitting Recharacterization of IRA Contributions	TY18			450	600	450	600	0	450	450	300	300	600
19	SUBTOTAL: TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS		-24,500	-52,600	-58,360	-12,060	-74,060	-34,960	0	-72,960	-72,960	-26,880	-10,880	-37,760
	<u>TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS</u>													
22	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY18	-81,600	-85,200	-81,600	-85,200			-19,800	-61,800	-81,600	-48,600	-36,600	-85,200
23	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY 19					-20,300	-113,700						
24	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18	400	19,400	400	19,400	400	19,400	-600	1,000	400	8,700	10,700	19,400
25	Disallow Certain Active Pass Through Losses, \$500,000 Married Joint Filers	TY18	58,000	98,500	58,000	98,500	58,000	98,500	0	58,000	58,000	52,200	46,300	98,500
26	Tax Gain on Sale of Partnership on a Look-Through Basis	TY18	1,100	3,700	1,100	3,700	1,100	3,700	0	1,100	1,100	1,800	1,900	3,700
27	Expand Definition of Built-in Loss for Purposes of Partnership Loss Transfers	TY18	400	600	400	600	400	600	0	400	400	300	300	600
28	Charitable Contributions & Foreign Taxes Accounted for in Determining Limit on Partner's Share of Loss	TY18	700	1,500	700	1,500	700	1,500	0	700	700	700	800	1,500
29	Repeal Rollover of Publicly Traded Securities Gain	TY18	300	600	300	600	300	600	0	300	300	300	300	600
30	Small Business Accounting Method Reform and Simplification	TY18	-67,000	-34,200	-67,000	-34,200	-67,000	-34,200	-4,300	-62,700	-67,000	-22,000	-12,200	-34,200
31	Conform to Limitation on Net Interest Deduction to 30% of Income with Carryforward	TY18	102,100	183,000	102,100	183,000	102,100	183,000	4,400	97,700	102,100	90,500	92,500	183,000
32	Conform to Modifications of Net Operating Loss Deduction	TY18	40,900	75,200	40,900	75,200	40,900	75,200	2,100	38,800	40,900	31,900	43,300	75,200
33	Repeal Deferred Gain on Like-Kind Exchanges	TY18	2,400	5,800	2,400	5,800	2,400	5,800	100	2,300	2,400	2,500	3,300	5,800
34	Reduce Recovery Period for Certain Real Property	TY18	-200	-1,000	-200	-1,000	-200	-1,000	0	-200	-200	-400	-600	-1,000
35	Repeal Deduction for Local Lobbying Expenses (Day following Enactment)	7/1/2018	200	200	200	200	200	200	0	200	200	100	100	200
36	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18	3,800	5,300	3,800	5,300	3,800	5,300	200	3,600	3,800	2,600	2,700	5,300
37	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18	2,900	4,000	2,900	4,000	2,900	4,000	200	2,700	2,900	2,000	2,000	4,000
38	Prohibit Deduction for Employee Achievement Awards	TY18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
39	Limit Deduction for FDIC Premiums	TY18	2,000	3,600	2,000	3,600	2,000	3,600	100	1,900	2,000	1,800	1,800	3,600
40	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enactment)	7/1/2018	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
41	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018	300	1,100	300	1,100	300	1,100	0	300	300	400	700	1,100
42	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19	-1,600	-900	-1,600	-900	-1,600	-900	-100	-1,500	-1,600	-900	0	-900

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				A	B			C	D			E	F	H		I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE		FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21			
43	Modify Limit on Excessive Compensation	TY18		500	1,200	500	1,200	500	1,200	0	500	500	600	600	1,200					
44	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18		3,600	8,700	3,600	8,700	3,600	8,700	100	3,500	3,600	3,900	4,800	8,700					
45	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18		6,600	12,700															
46	Inclusion of foreign derived intangible income(FDII) from domestic trade or business, with deduction	TY18		2,000	7,700															
47	SUBTOTAL: TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS			77,800	311,500	69,200	291,100	130,500	262,600	-17,600	86,800	69,200	128,400	162,700	291,100					
TCJA CONFORMITY - CORPORATE FRANCHISE TAX																				
50	Full conformity with Section 179 Expensing, Eliminate 80% Addback			-30,900	-32,300	-30,900	-32,300			-7,500	-23,400	-30,900	-18,400	-13,900	-32,300					
51	Full conformity with Section 179 Expensing, Eliminate 80% Addback	TY19		0	0	0	0	-7,700	-43,000	0	0	0	0	0	0					
52	Index Corporate Minimum Fee Using Chained CPI	TY18		0	0	0	200	0	200	0	0	0	100	100	200					
53	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18		800	40,900	800	40,900	800	40,900	-1,300	2,100	800	18,300	22,600	40,900					
54	Repeal Rollover of Publicly Traded Securities Gain	TY18		700	1,200	700	1,200	700	1,200	0	700	700	600	600	1,200					
55	Small Business Accounting Method Reform and Simplification	TY18		-7,400	-3,700	-7,400	-3,700	-7,400	-3,700	-500	-6,900	-7,400	-2,400	-1,300	-3,700					
56	Conform to Limitation on Net Interest Deduction to 30% of Income	TY18		17,300	31,100	17,300	31,100	17,300	31,100	700	16,600	17,300	15,400	15,700	31,100					
57	Repeal Deferred Gain on Like-Kind Exchanges	TY18		3,000	7,300	3,000	7,300	3,000	7,300	100	2,900	3,000	3,100	4,200	7,300					
58	Reduce Recovery Period for Certain Real Property	TY18		-500	-1,900	-500	-1,900	-500	-1,900	0	-500	-500	-800	-1,100	-1,900					
59	Repeal Deduction for Local Lobbying Expenses (Day of Enactment)	7/1/2018		400	600	400	600	400	600	0	400	400	300	300	600					
60	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18		10,400	14,300	10,400	14,300	10,400	14,300	600	9,800	10,400	7,000	7,300	14,300					
61	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18		7,700	11,000	7,700	11,000	7,700	11,000	400	7,300	7,700	5,400	5,600	11,000					
62	Prohibit Deduction for Employee Achievement Awards	TY18		Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.					
63	Limit Deduction for FDIC Premiums	TY18		5,200	9,800	5,200	9,800	5,200	9,800	200	5,000	5,200	4,900	4,900	9,800					
64	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enactm	7/1/2018		Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.					
65	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018		800	3,100	800	3,100	800	3,100	0	800	800	1,100	2,000	3,100					
66	Conform to Modifications of Historic Rehabilitation Credit (TY 2018)	TY18		14,900	37,700	14,900	37,700	14,900	37,700	0	14,900	14,900	25,000	12,700	37,700					
67	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19		-2,000	-1,100	-2,000	-1,100	-2,000	-1,100	-100	-1,900	-2,000	-1,100	0	-1,100					
68	Modify Limit on Excessive Compensation	TY18		2,800	7,200	2,800	7,200	2,800	7,200	0	2,800	2,800	3,600	3,600	7,200					
69	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18		1,900	4,600	1,900	4,600	1,900	4,600	100	1,800	1,900	2,100	2,500	4,600					
70	Deemed Repatriation of Foreign Income	TY18		172,800	210,600	0	0			0	0	0	0	0	0					
71	Deemed Repatriation of Foreign Income, Net Amount	TY 18				56,000	68,200			3,500	52,500	56,000	33,500	34,700	68,200					
72	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18		62,000	120,000															
73	Inclusion of Foreign Derived Intangible Income (FDII) from domestic trade or business, with deduction	TY18		12,300	47,000															
74	Other Modifications to Subpart F	TY 18				Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.					
75	SUBTOTAL: TCJA CONFORMITY - CORPORATE FRANCHISE TAX			272,200	507,400	81,100	198,200	48,300	119,300	-3,800	84,900	81,100	97,700	100,500	198,200					
TCJA CONFORMITY - PROPERTY TAX REFUND - INTERACTION																				
78	Modifications to FAGI - Homestead Credit Refund					0	70			0	0	0	0	0	0					
79	Modifications to FAGI - Renters Property Tax Credit					0	30			0	0	0	0	0	0					
80	SUBTOTAL: TCJA CONFORMITY - PROPERTY TAX REFUND					0	100													
UNRELATED BUSINESS INCOME TAX																				
83	Unrelated Business Income of Charitable Organizations Separately Computed	TY18						3,100	4,400											
84	SUBTOTAL: UNRELATED BUSINESS INCOME TAX							3,100	4,400											

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LINE	ITEM	EFFECTIVE DATE	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21		
OTHER CONFORMITY																		
87	Make Permanent Mortgage Insurance Premiums Deduction	TY18	-7,000	-16,800					-7,000	-16,800			0			0		
88	Make Permanent Tuition Expenses Deduction	TY18	-2,600	-5,300					-2,600	-5,300			0			0		
89	SUBTOTAL: OTHER CONFORMITY		-9,600	-22,100					-9,600	-22,100	0	0	0	0	0	0		
BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME																		
92	Exclusion of Discharge of Indebtedness on Principal Residence	TY 17	-6,700	0	-6,700	0	-6,700	0	-6,700	0	-6,700	0	-6,700	0	0	0		
93	Premium for Mortgage Insurance Deductible as Qualified Residence Interest	TY 17	-6,500	0	-6,500	0	-6,500	0	-6,500	0	-6,500	0	-6,500	0	0	0		
94	Deduction for Tuition & Related Expenses	TY 17	-2,500	0	-2,500	0	-2,500	0	-2,500	0	-2,500	0	-2,500	0	0	0		
95	Extend Limitation Period for Exclusion for Wrongfully Incarcerated Individuals	2/9/2018	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)		
96	Expand the Deduction of Legal Fees for Whistleblowers	TY 18	-100	-200	-100	-200	-100	-200	-100	-200	0	-100	-100	-100	-100	-200		
97	Expand Foreign Earned Income Exclusion, Individuals Supporting Armed Forces in Combat Zones	TY 18	-600	-800	-600	-800	-600	-800	-600	-800	0	-600	-600	-400	-400	-800		
98	Classification of Certain Racehorses as 3-year Property	TY 17	-75	20	-75	20	-75	20	-75	20	-50	-25	-75	10	10	20		
99	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-290	35	-290	35	-290	35	-290	35	-230	-60	-290	10	25	35		
100	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,600	700	-1,600	700	-1,600	700	-1,600	700	-2,100	500	-1,600	400	300	700		
101	Special Depreciation Allowance for Second Generation Biofuel Property	TY 17	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)		
102	Energy Efficiency Commercial Deduction	TY 17	-140	5	-140	5	-140	5	-140	5	-150	10	-140	5	Negli.	5		
103	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-100	45	-100	45	-100	45	-100	45	-150	50	-100	25	20	45		
104	Modify Special Rule for Qualified Casualty Losses	TY 17	-100	0	-100	0	-100	0	-100	0	-100	0	-100	0	0	0		
105	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)		
106	SUBTOTAL: BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME TAX		-18,705	-195	-18,705	-195	-18,705	-195	-18,705	-195	-18,480	-225	-18,705	-50	-145	-195		
BIPARTISAN BUDGET ACT - CORPORATE TAX																		
109	Seven Year Period for Motor Sports Entertainment Complexes	TY 17	-35	-15	-35	-15	-35	-15	-35	-15	-20	-15	-35	-10	-5	-15		
110	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-270	25	-270	25	-270	25	-270	25	-220	-50	-270	5	20	25		
111	Election to Expense Mine Safety Equipment	TY 17	-10	Negli.	-10	Negli.	-10	Negli.	-10	0	-10	Negli.	-10	Negli.	Negli.	Negli.		
112	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,450	600	-1,450	600	-1,450	600	-1,450	600	-1,900	450	-1,450	350	250	600		
113	Energy Efficiency Commercial Deduction	TY 17	-105	5	-105	5	-105	5	-105	5	-110	5	-105	5	Negli.	5		
114	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-30	15	-30	15	-30	15	-30	15	-50	20	-30	10	5	15		
115	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)		
116	SUBTOTAL: BIPARTISAN BUDGET ACT - CORPORATE TAX		-1,900	630	-1,900	630	-1,900	630	-1,900	630	-2,310	410	-1,900	360	270	630		
DISASTER RELIEF ACT & AIRPORTS & AIRWAYS EXTENSION ACT - INDIVIDUAL INCOME																		
119	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-1,900	900	-1,900	900	-1,900	900	-1,900	900	-3,700	1,800	-1,900	600	300	900		
120	Modify & Expand Casualty Loss Deduction for Damage in Disaster Areas	TY 17	-1,400	0	-1,400	0	-1,400	0	-1,400	0	-1,400	0	-1,400	0	0	0		
121	Special Rules for Qualified Early ITRA Distributions	TY 17	-50	20	-50	20	-50	20	-50	20	-40	-10	-50	10	10	20		
122	SUBTOTAL: DISASTER TAX RELIEF ACT - INDIVIDUAL INCOME TAX		-3,350	920	-3,350	920	-3,350	920	-3,350	920	-5,140	1,790	-3,350	610	310	920		
123																		
124	DISASTER RELIEF ACT & AIRPORTS & AIRWAYS EXTENSION ACT - CORPORATE TAX																	
125	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-200	100	-200	100	-200	100	-200	100	-400	200	-200	100	0	100		
126	SUBTOTAL: DISASTER TAX RELIEF ACT - CORPORATE TAX		-200	100	-200	100	-200	100	-200	100	-400	200	-200	100	0	100		

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

GENERAL FUND, CHANGE ITEMS ONLY

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AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

			GOVERNOR		HOUSE		SENATE		CONFERENCE					
LINE	ITEM	EFFECTIVE DATE	A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
128	REFERENCE SUBTOTAL: NET EFFECT OF CONFORMITY-RELATED ITEMS		291,745	745,655	67,785	478,795	74,085	330,695	-47,730	100,915	53,185	200,240	252,755	452,995

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

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			GOVERNOR		HOUSE		SENATE		CONFERENCE									
			A	B	C		D		E		F		H	I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21		
	OTHER INDIVIDUAL INCOME TAX PROVISIONS																	
131	New MN non-refundable Personal and Dependent Credit, phase out starts at \$90K and \$180K	TY18	-233,200	-475,600														
132	Expand the Working Family Tax Credit	TY18	-52,100	-101,600														
133	Rate Reduction on 2nd Bracket	TY18																
134	Rate Reduction on 1st Bracket (to 5.10% from 5.35%)	TY18							-237,800	-337,500								
135	Rate Reduction on 2nd Tier (from 7.05% to 6.95%, 6.90%, 6.75% in TY 18, TY19, TY 20 respectively)	TY18			-106,300	-336,100												
136	Rate Reductions: (1) 1st Tier from 5.35% to 5.30% in TY 18 & TY19, 5.25% in TY 20; (2) 2nd Tier from 7.05% to 6.95% in TY18 & TY 19, 6.85% in TY 20.										0	-137,100	-137,100	-142,400	-198,700	-341,100		
137	Rate Reduction on 2nd Tier Interaction Impact with Full Section 179 Expensing				-100	-1,700												
138	Angel Tax Credit	TY18	-10,000	0	-10,000	0			-5,000	0	0	-5,000	-5,000	0	0	0		
139	New Non Refundable Credit, Donation of Prepared Food	TY18			-300	-600												
140	New Non Refundable Credit, Railroad Crossing Improvement	10/2/2018			-80	-600												
141	Modify Credit, Master's Degree Credit	TY18			-80	-320												
142	DOR Tax Policy Bill - Partnership Audit Rules, Reporting Residency Information	TY18			-2,500	-7,100												
143	Stillbirth Credit Modification	Retro 1/1/2016			Negl.	Negl.			Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.		
144	Tax Rate Reduction Contingent on Budget Surplus	7/1/2018			0	(Unkn.)			0	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)		
145	Cannabis Expense Subtraction	TY18			(Unkn.)	(Unkn.)			(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)		
146	Income Tax Interactions (See Appendix)	Various		0	-1,950	50	160		0	-80								
147	SUBTOTAL: OTHER INDIVIDUAL INCOME TAX PROVISIONS		-295,300	-579,150	-119,310	-346,260			-242,800	-337,580	0	-142,100	-142,100	-142,400	-198,700	-341,100		
148																		
149	OTHER CORPORATE FRANCHISE TAX PROVISIONS																	
150	Apportionment Sales Factor-Exclude Derivatives	TY 18	0	0														
151	Dividend Received Deduction on Debt Financed Stock	TY 18	100	200														
152	Base Year %-R&D Credit	TY 18	-900	-1,800														
153	Establishing Economic Substance Requirement	TY 18	0	1,800														
154	Mutual Fund Manager Consistent Apportionment	TY 18	6,300	21,500														
155	Rate Reduction from 9.8% to 9.64% in TY 2018-19 and 9.06% in TY2020 and after	TY 18			-24,300	-129,700												
156	Rate Reduction from 9.8% to 9.65% in TY 2018-19 and 9.1% in TY2020 and after										0	-22,900	-22,900	-37,600	-85,100	-122,700		
157	Repeal Corporate Alternative Minimum Tax "AMT"	TY 18			-23,000	-29,600					0	-23,000	-23,000	-15,400	-14,200	-29,600		
158	Captive Insurance Company Definition (Conference/A91 language)	Retro 2017			0	-400			0	-400	0	0	0	0	-300	-300		
159	Tax Rate Reduction Contingent on Budget Surplus	7/1/2018							0	(Unkn.)								
160	SUBTOTAL: OTHER CORPORATE TAX PROVISIONS		5,500	21,700	-47,300	-159,700			0	-400	0	-45,900	-45,900	-53,000	-99,600	-152,600		
161																		
162	SALES TAX																	
163	Vapor Products - Excise Tax	7/1/2018	-120	-640														
164	Modify Data Center Exemption	7/1/2018	6,600	68,000														
165	Tobacco Indexing	7/1/2018	10	160														
166	Premium Cigars	7/1/2018	-30	-80														
167	Exemption: Construction of Minnetonka Public Safety Facility (Expires 1/1/21)	DFE			-110	-700			-110	-700	0	-110	-110	-520	-180	-700		
168	Exemption: Inver Grove Heights Fire Station (Expires 1/1/21)	DFE			-220	0			-220	0	0	-220	-220	0	0	0		
169	Exemption: Game Release Fees	FY19							-160	-330								

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				GOVERNOR		HOUSE		SENATE		CONFERENCE					
				A	B	C	D	E	F	H	I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE		FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
170	Exemption: Extend Exemption of Construction Materials for City of Melrose (Expires 1/1/23)	Retro 9/30/16				0	0			100	-100	0	0	0	0
171	Exemption, Admissions - College Preferred Seating Based on Criteria	DFE				-810	-1,690								
172	Exemption, Conservation Clubs	7/1/2018				-10	-20			0	-10	-10	-10	-10	-20
173	Exemption, Invasive Aquatic Herbicides	7/1/2018				-130	-280								
174	Various exemptions, Medical Facilities in Underserved Areas	7/1/2018				-150	-390			0	-150	-150	-180	-210	-390
175	Construction Exemption by refund, Duluth School Property Redevelopment	7/1/2018 -12/31/19				-950	-3,800								
176	Construction Exemption, Virginia Fire station	DFE to 12/31/20				-200	-200			0	-200	-200	-200	0	-200
177	Construction Exemption by refund, Second Harvest	1/2/18 to 12/31/21				-400	-270								
178	Construction Exemption by refund, Mazeppa Property Affected by Fire	3/12/18 to 12/31/20				-10	0			0	-10	-10	0	0	0
179	Construction Exemption by refund, Elko New Market, Water Treatment. Facility	6/1/14 to 5/31/16				-240	0			0	-240	-240	0	0	0
180	Modify Exemption, Bullion Coins	7/1/2018				-260	-580			0	-260	-260	-290	-290	-580
181	Modify Exemption for Gambling Equipment/Prizes	7/1/2018				-2,200	-5,200								
182	Modify Exemption, Non Profit Ice Arena	7/1/2018				-10	-20			0	-10	-10	-10	-10	-20
183	Modify Exemption, Non Profit Snowmobile Clubs	7/1/2018				-15	-30			0	-15	-15	-15	-15	-30
184	Massage Therapy Services subject to Provider Tax	7/1/2018				-2,400	-1,500								
185	Collecting Sales Tax - Remote Sellers, Revenue Neutral Rate Reduction	DFE				0	0								
186	SUBTOTAL: SALES TAX			6,460	67,440	-8,115	-14,680	-490	-1,030	100	-1,325	-1,225	-1,225	-715	-1,940
187															
188	CIGARETTE/TOBACCO TAXES	7/1/2018													
189	Tobacco Indexing - Excise Tax	7/1/2018		1,900	20,100										
190	Tobacco Indexing - In-Lieu of Sales Tax	7/1/2018		-70	-430										
191	Moist Snuff - Excise Tax	7/1/2018		300	3,400										
192	Premium Cigars - Excise Tax	7/1/2018		1,100	2,400										
193	Vapor Products - Excise Tax	7/1/2018		1,000	4,900										
194	Nicotine Definition Change	7/1/2018		Negli.	Negli.										
195	SUBTOTAL: CIGARETTE/TOBACCO TAXES			4,230	30,370										
196															
197	STATEWIDE PROPERTY TAX														
198	Statewide Property Tax - State General Levy Inflation Reinstated subtotal			12,140	91,560										
199	Property tax exemption Expansion to Indian Tribe-owned pharmacy	Payable 19						-10	0	0	-10	-10	0	0	0
200	Intrastate Natural Gas Transportation or Distribution Pipeline Exemption	Payable 20				0	-10	0	-10	0	0	0	(Negl.)	-10	-10
201	Special Refund Authorized for Aitkin, Crow Wing, and Mille Lacs Counties	Payable 18				-300	0								
202	Exemption, Medically Underserved Areas	Payable 19				0	-24			0	(Negli.)	0	-9	-15	-24
203	Modify Classifications, Change 4c(1) to 1c property, "Ma & Pa" Resort Qualifications	Payable 19				0	-10			0	0	0	-5	-5	-10
204	Abatement, Non Profit Property Development/Operated as a Community Health Center (Duluth)	Payable 18				0	0								
205	SUBTOTAL: STATEWIDE PROPERTY TAX			12,140	91,560	-300	-44	0	-10	0	-10	-10	-14	-30	-44
206															
207	ESTATE TAX														
208	Freeze Estate Tax Exclusion at \$2.4 million subtotal	1/1/2019		0	38,600										
209	Increase Estate Tax Exclusion to \$5 million	1/1/2019						0	-82,500						
210	Modify Business/Farm Subtraction, Recapture Tax Changes (Retro for decedents dying after 12/31/11 to 12/31/2016)	Retro 1/1/2012				-400	0			0	-400	-400	0	0	0
211	Modification to Definition of Qualified Property	Retro 1/1/2018				(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)
212	SUBTOTAL: ESTATE TAX			0	38,600	-400	0	0	-82,500	0	-400	-400	0	0	0

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

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			GOVERNOR		HOUSE		SENATE		CONFERENCE					
LINE	ITEM	EFFECTIVE DATE												
			A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
213														
214	GROSS EARNINGS TAXES													
215	Insurance Tax Fairness - Insurance Gross Premiums		0	800										
216	SUBTOTAL: GROSS EARNINGS TAXES		0	800										
217														
218	OCCUPATION TAX													
219	Occupation Tax Refund	FY19	0	0			-2,200	-3,700						
220	Occupation Tax Refund	FY20	0	0					0	0	0	-1,900	-1,800	-3,700
221	SUBTOTAL: OCCUPATION TAX		0	0			-2,200	-3,700	0	0	0	-1,900	-1,800	-3,700
222														
223	OTHER TAX & NON TAX PROVISIONS													
224	DOR Tax Policy Bill - Modify Minimum DEED Transfer Tax Calculation	1/1/2019	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
225	Special Revenue Fund - DOR Service and Recovery Transfer to General Fund, One-time	FY18			3,411	0								
226	Impose New Penalty, Cigarette & Tobacco Retailers/Sub jobbers	FY 19	0	109										
227	License Fee Increase, Cigarette & Tobacco Distributors/Sub jobbers	FY 19	11	24										
228	SUBTOTAL: OTHER TAX & NON TAX REVENUE PROVISIONS		11	133	3,411	0	0	0	0	0	0	0	0	0
229														
230	TOTAL: TAX POLICY		24,786	417,108	-104,229	-41,889	(171,405)	(94,525)	(47,630)	(88,820)	(136,450)	1,701	(48,090)	(46,389)

* The Consolidated Appropriations Act of 2018 (3/23/18), a federal conformity act, was included in the Governor, House and Senate omnibus tax bills. Conformity to that act has a zero revenue impact.

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS
GENERAL FUND

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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
	Property tax refunds												
	Homeowners property tax refund												
1	GOV Change: Homestead Classification Allow ITIN	\$0	\$2,200										
2													
3						-	360	-	-	-	180	180	360
	SENATE Change Item: Certain ground lease pymnts (Mfg Home Pk Coops) elig for Homestead Credit Refund- Pay 19		-										
4	SENATE Change Item: Cloquet Area Fire & Ambulance Tax District Modifications, Effective Aug 1 2018		-			-	100	-	-	-	50	50	100
5	HOUSE Change Item: Residential property classification consolidation, class rates modified. B&B chg to 5+ units. Effective taxes payable in 2020		-										
6	PTR interactions		-	0	1,510								
7	PTR Manufactured homes		-	0	180								
8	PTR for Homeowners Blind/Disabled		-	0	4,550								
9	Subtotal - Residential Property Class Consolidation		-	0	6,240								
10			-										
11	HOUSE Change Item: Agricultural homestead classification requirements for business "entities" (2a homestead) amended. Effective pay 2019		-										
12	Property Tax Refund interaction		-	0	200			0	0	0	100	100	200
13	Ag Homestead Market Value Credit		-	0	460			0	0	0	230	230	460
14	Subtotal - Agricultural homestead class chgs		-	0	660			0	0	0	330	330	660
15													
16	Homestead MVE for spouses disabled veteran- applictn date chg'd from July 1 to Dec 15; transfer MVE to other property PTR interactions			-	(730)	-	(730)			-	(660)	(70)	(730)

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS
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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
17	HOUSE Change Item: Agricultural homestead rules modified for properties owned by trusts												
18			-										
19			-	0	negligible			0	0	0	negligible	negligible	negligible
20			-	0	negligible			0	0	0	negligible	negligible	negligible
21			-	0	negligible			0	0	0	negligible	negligible	negligible
22	HOUSE Change Item: Agricultural classification of land converted from agricultural use for environmental purposes - modified. Effective Pay 2019.		-										
23			-	0	negligible			0	0	0	negligible	negligible	negligible
24			-	0	negligible			0	0	0	negligible	negligible	negligible
25			-	0	negligible			0	0	0	negligible	negligible	negligible
26													
27	HOUSE: Acres exempt under the agricultural historical society property exemption increased to 40 acres			0	negligible								
28	SENATE: Property tax exemption Expansion to Indian Tribe-owned pharmacy					-	negligible	-	-	-	negligible	negligible	negligible
29	BOTH Facilities used as retreat houses or craft houses classification - modified to resort property status			0	negligible	-	negligible	0	0	0	negligible	negligible	negligible
30	HOUSE Change Child care facilities property, owned/ operated as part of church mission, property tax expt		-	0	negligible								
31	HOUSE Change Item: Land used to provide environmental benefits allowed (buffers ponds, forest restore) to be defined as an agricultural purpose. Grtr 3 acres or 10%. Effect assmt 2019		-										
32	Property Tax Refund interaction		-	0	negligible			0	0	0		negligible	negligible
33	Ag Homestead Market Value Credit		-	0	negligible			0	0	0		negligible	negligible

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS
GENERAL FUND

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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
34	Subtotal - Environmental use as ag purpose		-	0	<i>negligible</i>			0	0	0		<i>negligible</i>	<i>negligible</i>
35													
36	HOUSE Change Item: Fractional homestead determined on percentage of ownership in county land records - modified		-										
37	Property Tax Refund interaction		-	0	<i>unknown</i>			0	0	0	<i>unknown</i>	<i>unknown</i>	<i>unknown</i>
38	Ag Homestead Market Value Credit		-	0	<i>unknown</i>			0	0	0	<i>unknown</i>	<i>unknown</i>	<i>unknown</i>
39	Subtotal - Fractional homestead determ'd percent ownership		-	0	<i>unknown</i>			0	0	0	<i>unknown</i>	<i>unknown</i>	<i>unknown</i>
40													
41	HOUSE Change Item: Standardized referendum dates			0	<i>(unknown)</i>								
42	HOUSE Change Item: Reverse referendum approval for qualified leases		-	0	<i>(unknown)</i>								
43	HOUSE Change Item: Biennial notice + referendum if muny to use public utiity license/fees to raise revenue		-	0	<i>unknown</i>								
44	Subtotal: Homeowner PTR base + change items	\$0	\$2,200	0	6,170	-	(270)	-	-	-	(100)	490	390
45	Forest Land Credits (SFIA)	-	-	-	-	-	-	-	-	-	-	-	-
46	GOV Change: SFIA Timber Harvest Credits	\$8,000	\$0	-	-	-	-	-	-	-	-	-	-
47	Subtotal - All Property Tax Refund changes	8,000	2,200	-	6,170	-	(270)	-	-	-	(100)	490	390
48	OTHER REFUNDS												
49	Political Contribution Refund												
50	HOUSE Change Item: Repeal Political Contrib Refund			(5,500)	(10,000)								
51	Subtotal: Political Contrib Refund base + change items			(5,500)	(10,000)								
52													
53	Subtotal - Other Refund changes			(5,500)	(10,000)								

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS
GENERAL FUND

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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
54	LOCAL AIDS												
55	Local Government Aid (LGA)	-	-										
56	HOUSE Change Item: Special property tax abatement aid authorized for Aitkin, Crow Wing and Mille Lacs												
57	Local property tax abatement reimbursmt			1,100	-								
58	HOUSE Change Item: Lilydale one-time LGA adjustment (\$150K within LGA FY 2019 only)			150	-			-	-	-	-	-	-
59	HOUSE Change Item: Hermantown aid adjustment for previously reduced LGA (\$97K within LGA FY 2019 only)			97	-			-	-	-	-	-	-
60	HOUSE Change Item: Mazeppa fire remediation aid - money appropriated.			5	-			0	5	5	0	0	-
61	BOTH Chg Item: Melrose Fire Recov grant 3-yr exten			(346)	346	(346)	346						
62	BOTH Change Item: Melrose Fire Recovery grant 1-yr extension							0	0	-	0	0	-
63	Subtotal LGA Changes -			1,006	346	-	-	-	5	5	-	-	-
64	Subtotal- Local Government Aid (LGA)	0	0										
65													
66	Senior Deferral Reimbursement loans	-	-	-	-	-	-			-			-
67	Senior Deferral Reimbursement loan repayments	-	-	-	-	-	-			-			-
68	GOV Change: Lower occupancy reqmt from 15 yr to 5 yrs, chg application date from July 1 to Nov 1	-	420	-	-	-	-			-			-
69	HOUSE Change Item: Due dates related to property tax modified, effective pay 2021 (include Senior Deferral with impact in FY 2022)			-	-	-	-						
70	HOUSE Change Item: Senior citizens' property tax deferral - 60 day reconsideration following denial. Effective Pay 2020		-	-	-	-	-						

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS
GENERAL FUND

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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
71	Application due date changed from July 1 to Nov 1, early notification, notice by DOR reasons for denial . Effective pay 2019		-	-	-	-	-	0	0	-	70	0	70
72	Subtotal: Senior Deferral Reimbursement base + change items	-	420	-	-	-	-	-	-	-	-	-	-
73	Subtotal - All Aid Changes	-	420	1,006	346	-	-	-	5	5	70	-	70
74	Other Aids and One-Time Appropriations												
75	City of Minneapolis Library debt service	-	-	-	-	-	-			-			-
76	HOUSE Change: Repeal Minneapolis Library debt service aid			(4,120)	(8,240)	-	-			-			-
77	Property tax refund interactions	-	-	-	200	-	-			-			-
78	Subtotal - Repeal Mpls Library debt service aid			(4,120)	(8,040)	-	-			-			-
79	HOUSE Change: Prepay Local Govm't Aid one-time			13,984	(13,984)	-	-			-			-
80	DOR Administration												
81	GOV Change: MN Response to 2017 Federal Tax Act	3,151	3,078	-	-	-	-			-			-
82	GOV Change: Tobacco Products Tax chgs	417	887	-	-	-	-			-			-
83	GOV Change: DOR Admin - Working Family Credit	276	856	-	-	-	-			-			-
84	GOV Change: SFIA Timber Harvest Credits- DNR admin	720	0	0	0	-	-			-			-
85	Subtotal: DOR Administration base + chg items	4,564	4,821	-	-	-	-			-			-
86	Subtotal - All Other Aids and One-Time Changes	4,564	4,821	9,864	(22,024)	-	-	-	-	-	-	-	-
87	TOTAL Property Tax Aids and Credits, GF Revenues + Spending Changes	12,564	7,441	5,370	(25,508)	(346)	76	-	5	5	(30)	490	460

2018 HF 4385-3E, HF 4385-2UE, OTB - APPENDIX A: ITEMS WITHOUT STATE FUNDS IMPACTS

All Numbers in Thousands

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

Line	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
1	Property tax changes (no state fund impact)												
2	<i>Metro Agri preserve early termination for purchase by state or local government</i>		-	-	-	-	-	-	-	-	-	-	-
3	<i>Local governments prohibited from imposing excise tax or fee on food or food containers</i>			-	-	-	-	-	-	-	-	-	-
4	<i>Sustainable Forest Incentive Act (SFIA) Effective Date clarification "for applications <u>and</u> certifications "</i>			-	-	-	-	-	-	-	-	-	-
5	<i>County veterans service officer allowed disclose data for MVE</i>			-	-	-	-	-	-	-	-	-	-
6	<i>City and town expenditures for historical societies permitted.</i>			-	-	-	-	-	-	-	-	-	-
7	<i>Rail project expenditures and other powers restricted and project insurance required (ZIP RAIL)</i>			-	-								
8	<i>Standardizing referendum dates</i>			-	-								
9	<i>Hennepin County; cities (Plymouth, Maple Grove) authorized to receive a portion of transportation, sales and use tax to spend on roads and bridges within city limits</i>			-	-								
10	<i>Tax-forfeited land sale documentation - state deed issuance</i>			-	-			-	-	-	-	-	-
11	<i>Border City Enterprise zones clarifying language for restrictions on a retail food or beverage facility</i>			-	-			-	-	-	-	-	-
12	<i>School Property Tax Reform (HG+1) Working Group</i>			-	-			-	-	-	-	-	-
13	<i>Pipeline and Utilities Property Valuation Study and Report</i>					-	-						
14	Property tax changes for Local Taxes (no state fund impact)												
15	<i>St Cloud; local tax increase allowed, 1% liquor, food, bev to 1.5% and 0.5% to 1.0% lodging- MODIFIED no operating costs</i>			-	-	-	-	-	-	-	-	-	-
16	<i>Excelsior; local option sales tax 0.5% for Commons MODIFIED</i>					-	-	-	-	-	-	-	-

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2018 HF 4385-3E, HF 4385-2UE, OTB - APPENDIX A: ITEMS WITHOUT STATE FUNDS IMPACTS

All Numbers in Thousands

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

Line	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
17	Fire Protection Special taxing District					-	-						
18	Watershed District Levy Authority modified					-	-						
19	Increase City of Mpls Max allowable lodging tax cap from 13% to 13.875%					-	-						
20	Authority for St. Paul lodging tax increase from 3% to 4%					-	-	-	-	-	-	-	-
21	Wind Energy Production Tax modification					-	-						
22	Property tax changes for Tax Increment Financing (TIF)												
23	Levy authority for NW MN multicounty housing and redevelopment authorities extended 5 yrs to Pay 2024			-	-	-	-	-	-	-	-	-	-
24	Champlin; tax increment financing authority modified (Mississippi Crossings).			-	-			-	-	-	-	-	-
25	Minneapolis; special tax increment financing rules authorized (Upper Harbor Terminal).			-	-								
26	Cloquet; local sales tax authority -uses of proceeds modified, orig proj total \$16.5M unchgd.			-	-			-	-	-	-	-	-
27	Bloomington TIF modifications (Central Station)- Extends current 5 yr rule exemption of 15 years to 20 years for project phase-in			-	-			-	-	-	-	-	-
28	Public Finance												
29	Bond Allocation Act definition of a public facilities project modified			-	-	-	-	-	-	-	-	-	-
30	Drainage lien principal interest rate modification					-	-	-	-	-	-	-	-
31	Miscellaneous												
32	Department of Revenue Technical Bill - with modifications			-	-	-	-	-	-	-	-	-	-
33	Department of Revenue Policy Bill - with modifications			-	-	-	-	-	-	-	-	-	-
34	Minnesota Housing Tax Credit Program study					-	-						
35	Report on Heat and Power Processing Plants					-	-						

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2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, OMNIBUS TAX BILL - NON-GENERAL FUND ITEMS

NON-GENERAL FUND CHANGES

\$\$\$ in thousands | BOLD indicates rows included in total | Negative change indicates revenue decrease

Line	Non General Fund Tax Revenues	GOV		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
	Total - Changes, Non-General Funds	390	3,970	(3,191)	(1,303)	(30)	(60)	5	(70)	(65)	(65)	(35)	(100)
	Legacy Funds												
10	Exemption modified, qualifying data centers	400	4,000										
11	Vapor Product Excise Tax Modifications (including June Acceleration)	(10)	(40)										
12	Premium Cigars, Restore Maximum Rate of \$3.50 per	(negli.)	(negli.)										
13	Restore Indexing, Moist Snuff	negli.	10										
14	Exemption: Construction of Minnetonka Public Safety Facility (Expires 1/1/21)			(10)	(40)	(10)	(40)	-	(10)	(10)	(30)	(10)	(40)
15	Exemption: Inver Grove Heights Fire Station (Expires 1/1/21)			(10)	-	(10)	-	-	(10)	(10)	-	-	-
16	Exemption: Extend Exemption of Construction Materials for City of Melrose (Expires 1/1/23)			-				5	(5)	-			
17	Exemption: Game Release Fees					(10)	(20)						
18	Exemption, Admissions - College Preferred Seating Based on Criteria (DFE)			(50)	(100)								
19	Exemption, Conservation Clubs (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
20	Exemption, Invasive Aquatic Herbicides (7/1/2018)			(10)	(20)								
21	Various exemptions, Medical Facilities in Underserved Areas (7/1/2018)			(10)	(20)			-	(10)	(10)	(10)	(10)	(20)
22	Construction Exemption by refund, Duluth School Property Redvlpmnt. (7/1/2018 to 12/31/19)			(50)	(200)								
23	Construction Exemption, Virginia Fire station (DFE to 12/31/20)			(10)	(10)			-	(10)	(10)	(10)	-	(10)
24	Construction Exemption by refund, Second Harvest (1/1/18 to 12/31/21)			(20)	(20)								
25	Construction Exemption by refund, Mazeppa Property Affected by Fire (Retro 3/11/18 to 12/31/20)			(negli.)	-			-	(negli.)	(negli.)	-	-	-
26	Construction Exemption by refund, Elko New Market, Water Trtmt. Facility (Retro 6/1/14 to 5/31/16)			(10)	-			-	(10)	(10)	-	-	-
27	Modify Exemption, Bullion Coins (7/1/2018)			(15)	(30)			-	(15)	(15)	(15)	(15)	(30)
28	Modify Exemption for Gambling Equipment/Prizes (7/1/2018)			(130)	(290)								
29	Modify Exemption, Non Profit Ice Arena (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
30	Modify Exemption, Non Profit Snowmobile Clubs (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
31	Massage Therapy Services subject to Provider Tax (7/1/2018)			(140)	(90)								
32	Collecting Sales Tax - Remote Sellers, Revenue Neutral Rate Reduction (DFE)			-	-			-	-	-	-	-	-
33	Legacy Fund Changes - Subtotal	390	3,970	(465)	(820)	(30)	(60)	5	(70)	(65)	(65)	(35)	(100)
35	State Airports Fund												
36	HF 858 - Modifies Aircraft Registration Tax , Unmanned Aircraft Changes			(15)	(30)								
37	State Airports Fund Changes - Subtotal			(15)	(30)								
39	Health Care Access Fund												
40	Massage Therapy Services subject to Provider Tax (not sales tax)			700	500								
41	Health Care Access Fund Changes - Subtotal			700	500								
47	MNSURE ACCOUNT												
48	Revenue reduction					(4,676)	(18,253)	-		-			-
49	Expenditure reduction					4,676	18,253	-		-			-
50	MNsure Account - Subtotal					-	-	-	-	-	-	-	-

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, OMNIBUS TAX BILL - NON-GENERAL FUND ITEMS

NON-GENERAL FUND CHANGES

\$\$\$ in thousands | BOLD indicates rows included in total | Negative change indicates revenue decrease

Line	Non General Fund Tax Revenues	GOV		HOUSE		SENATE		CONFERENCE					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
52	<u>Special Revenue Fund</u>												
53	DOR Service and Recovery - one-time transfer to General Fund			(3,411)	-				-	-	-	-	-
54	Special Revenue Fund - Subtotal			(3,411)	-			-	-	-	-	-	-
56	<u>TACONITE PROPERTY TAX RELIEF ACCOUNT</u>												
57	10 cents/ton transfer from Taconite Property Tax Relief to IRRRB - 2018 distribution only*			(3,211)	-	(3,211)	-	0	(3,211)	(3,211)	-	-	-
58	Taconite Property Tax Relief - Subtotal			(3,211)	-	(3,211)	-	0	(3,211)	(3,211)	-	-	-
60	<u>IRON RANGE RESOURCES AND REHABILITATION (IRRRB) ACCOUNT</u>												
61	Transfer 10 cents/ton to IRRRB from Taconite Property Tax Relief -2018 distribution only*			3,211	-	3,211	-	0	3,211	3,211	-	-	-
62	Iron Range Resources and Rehabilitation Account - Subtotal			3,211	-	3,211	-	0	3,211	3,211	-	-	-
64	<u>IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED SCHOOL ACCT</u>												
65	Increased Allocation of Production Tax Revenues*					0	4,900						
66	Iron Range School Consolidation Coop School Account - Subtotal					0	4,900						
68	<u>TACONITE ENVIRONMENTAL PROTECTION FUND</u>												
69	Taconite Municipal Aid distribution (100% max guarantee)			0	(953)								
70	Modify Pellet Chips and Fines TEDF Credit*			0	832	0	832	0	0	0	413	419	832
71	Decreased Allocation of Production Tax Revenues*					0	(4,900)						
72	Taconite Environmental Protection Fund - Subtotal			-	(121)	0	(4,068)	0	0	0	413	419	832
74	<u>DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND</u>												
	Taconite Municipal Aid distribution modification			0	(863)								
76	Douglas J Johnson Economic Protection Fund- Subtotal			0	(863)								
78	<u>TACONITE MUNICIPAL AID ACCOUNT</u>												
	Taconite Municipal Aid distribution (100% max guarantee)			0	1,816			0	0	0	790	1,026	1,816
	Distributions to Municipalities			0	(1,816)			0	0	0	(790)	(1,026)	(1,816)
81	Taconite Municipal Aid Account- Subtotal			0	0			0	0	0	0	0	0
83	<u>TACONITE ECONOMIC DEVELOPMENT FUND</u>												
84	Modify Pellet Chips and Fines TEDF Credit*			0	(832)	0	(832)	0	0	0	(413)	(419)	(832)
85	Taconite Economic Development Fund - Subtotal			0	(832)	0	(832)	0	0	0	(413)	(419)	(832)

*These provisions are also included in HF3763 & HF3763-1UE

APPENDIX B: INTERACTIONS WITH TAX POLICY

GENERAL FUND

\$\$\$ in thousands | BOLD indicates rows included in total | Negative change indicates revenue decrease

		GOVERNOR		HOUSE		SENATE		CONFERENCE			
Line	ITEM	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020	FY 2021	FY 2020-21
	<u>INDIVIDUAL INCOME TAX INTERACTIONS</u>										
1	Senate Change Item: Cloquet Area Fire and Ambulance Taxing District					-	(80)	-	-40	-40	(80)
2	Senate Change Item: Intrastate Natural Gas Transportation or Distribution Pipeline Exemption from state general levy. Max 12 yr. Effective pay 2020			-	negligible	-	-	-	0	negligible	negligible
3	House Change Item: Special State General Levy Refund aid authorized for Aitkin, Crow wing and Mille Lacs Counties			50	-						
4	House Change: Medical facilities in medically underserved areas exempted from property taxes (see also sales tax component).			-	(negligible)			-	(negligible)	(negligible)	(negligible)
5	House Change: Property tax abatement for nonprofit Mental Health Center (Duluth)			negligible	-						
6	House Change: Repeal Mpls Library debt service - Income tax interactions			-	160			-			-
7	Gov Change: State General levy inflation	-	(1,950)								
8	TOTAL: INDIVIDUAL INCOME TAX INTERACTIONS	-	(1,950)	50	160	-	(80)	-	(40)	(40)	(80)