

Minnesota House of Representatives - House Fiscal Analysis Department

2022 REGULAR SESSION - TAX POLICY AND TAX AIDS & CREDITS - SUMMARY

Updated: 4/26/22 11:21 AM

HF 3669 - 1E with the A23 amendment, House Omnibus Tax Bill - Summary of Change Items, As Referred to The Ways and Means Committee

ALL FUNDS, DOLLARS IN THOUSANDS

TAX POLICY & NON GENERAL FUND CHANGE ITEMS: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

LINE	ITEM	Actual	HF 3669 -1E	
		FY 2021-22	FY 2022-23	FY 2024-25
1	<u>GENERAL FUND FORECAST:</u>			
2	TAX POLICY (REVENUE) ¹	47,737,661	54,594,416	58,105,887
3	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	3,892,681	4,153,638	4,342,803
4				
5	<u>GENERAL FUND - CHANGE ITEMS:</u>			
6	TAX POLICY		(1,477,230)	(1,629,040)
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS		167,727	(29,956)
8	SUBTOTAL: GENERAL FUND CHANGE ITEMS		(1,644,957)	(1,599,084)
9				
9				
10	<u>NON-GENERAL FUND - CHANGE ITEMS:</u>			
11	LEGACY FUNDS		(7,130)	(1,960)
12	ENVIRONMENTAL FUND		3,100	6,400
13	SPECIAL REVENUE FUND		290	640
14	RESTRICTED MISCELLANEOUS SPECIAL REVENUE FUND		(5)	20
15	HOUSING DEVELOPMENT FUND		-	-
16	IRON RANGE SCHOOL CONSOLIDATION FUND		-	2,775
17	TACONITE ENVIRONMENTAL PROTECTION FUND		-	(1,850)
18	DJJ ECONOMIC PROTECTION FUND		-	(926)
19	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS		(13,740)	(14,921)

(1) General Fund state tax revenues are based on the February 2022 Forecast

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 - 1E with the A23 amendment - General Fund Tax Revenue - Summary of Change Items, February (Feb-22) Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF #	NON DEDICATED TAX REVENUE	EFFECTIVE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	
	TOTAL - Non Dedicated General Fund Tax Revenue, Current Law Forecast		26,552,098	28,042,318	54,594,416		28,768,606	29,337,281	58,105,887
	HF 3669 - Tax Policy - Change Items - Summary								
	<i>Tax Policy - Change Items</i>		-	(1,396,400)	(1,396,400)		(789,120)	(805,120)	(1,594,240)
	<i>Tax Policy - Federal Conformity - Change Items</i>		-	(80,830)	(80,830)		(18,260)	(16,540)	(34,800)
	Total - General Fund, Tax Policy - HF 3669, All Change Items		-	(1,477,230)	(1,477,230)		(807,380)	(821,660)	(1,629,040)
	TOTAL - Non Dedicated Tax Revenue Forecast + HF 3669 - Total, All Change Items		26,552,098	26,565,088	53,117,186		27,961,226	28,515,621	56,476,847
	INDIVIDUAL INCOME TAX								
	Change Items - Federal Conformity								
	*FCAA: Expansion of Section 529 Plans	Retro, TY 19	-	(530)	(530)		(160)	(160)	(320)
	*CARES: Increase Limitation on Charitable Deduction Limit for Food Inventory from 15% to 25%	TY 20 only	-	(190)	(190)		40	10	50
HF 3828	*CARES: Exclusion of Certain Employer Student Loan Payments	TY 20 only	-	(5,000)	(5,000)				
	*CAA: Exclusion, Discharge of Indebtedness, Qual. Principle Residence (Full Retroactive Conformity)	TY 21-25	-	(2,800)	(2,800)		(1,600)	(1,600)	(3,200)
	*CAA: Exclusion of Benefits for Volunteer Firefighters & Emergency Medical Responders	TY 21 only	-	(590)	(590)		(400)	(400)	(800)
HF 3828	*CAA: Exclusion of Certain Employer Student Loan Payments	TY 21-25	-	(14,300)	(14,300)		(7,300)	(7,400)	(14,700)
	*CAA: Special disaster-related rules for use of retirement funds (Full Retroactive Conformity)	TY 21 only	-	(10)	(10)		10	-	10
	*CAA: Temporary increase in limitation on qualified contributions	TY 21-22	-	(900)	(900)		(400)	(400)	(800)
	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21	-	(2,800)	(2,800)		(300)	(100)	(400)
	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21	-	(2,400)	(2,400)		(400)	(200)	(600)
	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY21	-	(80)	(80)		(10)	(Negli.)	(10)
	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro, TY18	-	(8,200)	(8,200)		(1,100)	(900)	(2,000)
	*CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical Productions	TY 21-25	-	(3,300)	(3,300)		(600)	(600)	(1,200)
	*CAA: Energy-Efficient Commercial Building Deduction	Begins TY 21	-	(410)	(410)		(200)	(200)	(400)
	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	Begins TY 21	-	(120)	(120)		(40)	(40)	(80)
	*ARPA: Employer-Provided Dependent Care Assistance, Exclusion Increased	TY 21 only	-	(760)	(760)				-
	*ARPA: Discharged Student Loans, Exclusion Provided (Fully Retroactive Conformity)	TY 21-25	-	(200)	(200)		(100)	(100)	(200)
	*ARPA: Increase maximum unearned income for Working Family Credit	TY 21	-	(900)	(900)		(500)	(500)	(1,000)
	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only	-	(6,300)	(6,300)		(600)	(300)	(900)
HF 3551	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only	-	(4,400)	(4,400)		(400)	(200)	(600)
	*IIJA: Private Activity Bonds for Qualified Broadband Projects	Beginning TY22	-	(80)	(80)		(170)	(290)	(460)
	*IIJA: Tax Exempt Bonds for Qualified Carbon Dioxide Capture Facilities	Beginning TY22	-	(20)	(20)		(20)	(40)	(60)
					-				-
	Subtotal - Change Items - Incom Tax, Federal Conformity		-	(54,290)	(54,290)		(14,250)	(13,420)	(27,670)

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2022 Legislature - HF 3669 - 1E with the A23 amendment - General Fund Tax Revenue - Summary of Change Items, February (Feb-22) Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF #	NON DEDICATED TAX REVENUE	EFFECTIVE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
38	Change Items				-			-
39	HF3558 Renters Income Tax Credit to Replace Renters Credit (Refundable)	TY 2022	-	(372,600)	(372,600)	(378,200)	(386,100)	(764,300)
40	Repeal of Renter Property Tax Credit (See Property Tax Expenditure Section)^	Pay 2023	-	-	-	[231,600]	[234,700]	[466,300]
41								
42	HF 3072 Student Loan Tax Credit: Credit Size Modified and Made Refundable	TY 22-28	-	(32,000)	(32,000)	(32,600)	(33,300)	(65,900)
43	HF1456, HF3713 Beginning Farmer Tax Management and Incentive Credits: Eligibility Modified	TY 2022	-	(3,700)	(3,700)	(4,000)	-	(4,000)
44	HF118 Stillborn Tax Credit Modifications	Retro TY 16	Negli.	Negli.	Negli.	Negli.	Negli.	Negli.
45	HF1373 K-12 Education Tax Credit: Phaseout \$70,000 FAGI and Indexed	TY 2022	-	(13,300)	(13,300)	(14,000)	(14,200)	(28,200)
46	<i>K-12 Education Tax Credit Interaction: K-12 Subtraction</i>		-	1,100	1,100	1,100	1,100	2,200
47	HF3283 Great Start Child & Dependent Care Tax Credit: Increased Credit, Income Phaseout & Other Changes	TY 22-28	-	(196,600)	(196,600)	(202,300)	(204,100)	(406,400)
48	<i>Child & Dependent Care Tax Credit Interaction: Addition for Dependent Care Expenses</i>		-	14,300	14,300	14,700	14,800	29,500
49	HF3669 Rebate Credit, Children under Age 17, \$140,000 FAGI Phaseout (Refundable)	Retro TY 21 only	-	(308,000)	(308,000)	-	-	-
50	HF 3944 Polar Vortex Response Tax Credit (Refundable)	TY20 21 only	-	(14,700)	(14,700)	-	-	-
51	<i>Polar Vortex Response Tax Credit Interaction: Addition for Deducted Excess Energy Costs</i>		-	300	300			
52	HF3669 Working Family Tax Credit: Expand Eligibility to Include ITIN Taxpayers	TY 2022	-	(9,800)	(9,800)	(10,400)	(10,400)	(20,800)
53	HF3669 Small Business Investment (Angel) Tax Credit: Allocation Increase	TY 22 only	-	(7,000)	(7,000)			
54	HF 4318 Credit for Taxes Paid to Another State, Disregarded LLCs	TY 2022	-	-	-	-	-	-
55	HF4590 Film Production Tax Credit, Modifies the Minimum Expense for Eligibility	TY 2022	-	-	-	-	-	-
56	HF3967 Pass-Through Entity (PTE), Various Modifications	Retro TY 2021	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
57			-	-	-			
58	HF2765 Unemployment Insurance Subtraction, \$10,200 Maximum Subtraction, \$150,000 FAGI Phaseout	TY2021 only	-	(160,900)	(160,900)			
59	HF3846 Social Security Subtraction, Modified Subtraction and Phaseout	TY 2022	-	(114,200)	(114,200)	(127,500)	(134,900)	(262,400)
60	HF4689 Covid Business Assistance Aid, Subtraction	Retro TY 2020	-	(11,500)	(11,500)			
61	HF2091 Military Pension Subtraction, Eligibility Expanded	Retro TY 2021	-	(1,300)	(1,300)	(700)	(700)	(1,400)
62	HF3776 Emergency Assistance Post-Secondary Grants, Subtraction	TY 2022	-	(10)	(10)	(10)	(10)	(20)
63	HF4446 Workforce Grant Payment Subtraction	TY 2022	-	-	-	-	-	-
64			-	-	-			
65	<i>Interaction with Property Taxes: Local Government Aid</i>					350	350	700
66	<i>Interaction with Property Taxes: County Program Aid</i>					130	130	260
67	<i>Interaction with Property Taxes: School LOR Levy</i>					690	850	1,540
68	<i>Interaction with Property Taxes: School Building Bond Agricultural Aid, 85%</i>					-	580	580
69	<i>Interaction with Property Taxes: School District LTFM Levy</i>					(10)	(10)	(20)
70	<i>Interaction with Property Taxes: Payment-in-Lieu of Taxes (PILT)</i>					90	100	190
71	<i>Interaction with Property Taxes: Local Affordable Housing Aid</i>					340	370	710
72	<i>Interaction with Property Taxes: Ely School Bond Debt Service</i>					(10)	(10)	(20)
73	<i>Interaction with Property Taxes: Local Homeless Prevention Aid for tribal governments</i>					(20)	(20)	(40)
74								
75	Subtotal - Other Income Tax Change Items		-	(1,229,910)	(1,229,910)	(752,350)	(765,470)	(1,517,820)
76								
77								

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HF #	NON DEDICATED TAX REVENUE	EFFECTIVE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
78	CORPORATE FRANCHISE TAX							
79								
80	Change Items - Federal Conformity							
81	*FCAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY18-20	-	(360)	(360)	(40)	(20)	(60)
82	*CARES: Increase Limitation on Charitable Deduction Limit for Food Inventory from 15% to 25%	TY 20 only	-	(90)	(90)	30	-	30
83	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21	-	(2,600)	(2,600)	(100)	(100)	(200)
84	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21	-	(2,400)	(2,400)	(400)	(200)	(600)
85	*CAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY 21-25	-	(190)	(190)	(100)	(110)	(210)
86	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY 21	-	(60)	(60)	(10)	-	(10)
87	*CAA: Depreciation of Certain Residential Rental Property over 30 years	2018	-	(4,100)	(4,100)	(500)	(400)	(900)
88	*CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical Productions	TY 21-25	-	(3,800)	(3,800)	(700)	(700)	(1,400)
89	*CAA: Energy-Efficient Commercial Building Deduction	Begins TY 21	-	(660)	(660)	(320)	(320)	(640)
90	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	Begins TY 21	-	(180)	(180)	(70)	(70)	(140)
91	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only	-	(6,100)	(6,100)	(600)	(300)	(900)
92	HF 3551 *ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only	-	(4,300)	(4,300)	(400)	(200)	(600)
93	*ARPA: Worldwide Interest Allocation Rules, Repeal	TY21	-	Unknown	Unknown	Unknown	Unknown	Unknown
94	*IJA: Modification of Tax Treatment of Contributions to the Capital of a Corporation	TY21	-	(1,700)	(1,700)	(800)	(700)	(1,500)
95			-					
96	Subtotal - Change Items - Corporate Franchise Tax, Federal Conformity		-	(26,540)	(26,540)	(4,010)	(3,120)	(7,130)
97								
98	Change Items							
99	HF3688 Historic Rehabilitation Tax Credit: Timing of Credit & Sunset Delayed	DFE to TY30		(31,800)	(31,800)	(14,600)	(19,700)	(34,300)
100	HF4689 Covid Business Assistance Aid, Subtraction	Retro TY 2020		(9,400)	(9,400)	(900)	(900)	(1,800)
101								
102	Subtotal - Other Corporate Franchise Tax, Change Items		-	(41,200)	(41,200)	(15,500)	(20,600)	(36,100)
103								
104								
105	SALES AND USE TAXES							
106								
107	Change Items							
108	HF 3669 Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofits	7/1/21 to 12/31/22	-	(95,500)	(95,500)			-
109	HF 2189 Construction Exemption, Duluth - I.S.D. 709	various	-	(240)	(240)	(250)		(250)
110	HF 2092 Construction Exemption, Ely - I.S.D. 696	various	-	(320)	(320)			-
111	HF 2786 Construction Exemption, Various School Building Projects	various	-	(1,400)	(1,400)	(3,180)	(1,320)	(4,500)
112	HF 1960 Construction Exemption, Itasca County Courts & Courthouses	various	-			(250)	(250)	(500)
113	HF 4114 Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	various	-	(290)	(290)			-
114	HF 2262 Construction Exemption, City of Wayzata, Various Projects	various	-			(520)		(520)
115	HF 921 Capital Equipment Exemption, Expansion to Restaurant Food Service	7/1/2022	-	(7,700)	(7,700)	(8,600)	(8,800)	(17,400)
116	HF 4422 Exemption Expanded, Fiber & Conduit by Internet/Broadband Service Providers	Retro 7/1/2017	-	(13,150)	(13,150)	(2,900)	(3,050)	(5,950)

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HF #	NON DEDICATED TAX REVENUE	EFFECTIVE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	
117	HF 4318	Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022	-	(660)	(660)	(710)	(760)	(1,470)
118	HF 3307	Exemption, Agricultural Fencing	Retro 7/1/21	-	(2,580)	(2,580)	(1,310)	(1,320)	(2,630)
119	HF 3167	Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	(290)	(290)	(320)	(320)	(640)
120	HF 3104	Exemption, Pre-sales by Agricultural Societies	DFE	(Negli.)	(30)	(30)	(30)	(30)	(60)
121	HF 4678	Exemption Extended, MN State High School League To Tax Year 2030	DFE	-	-	-	-	-	-
122	HF 2756	Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	Retro 3/11/18	-	(20)	(20)	-	-	-
123									
124		Subtotal - Sales & Use Tax, Change Items		-	(122,180)	(122,180)	(18,070)	(15,850)	(33,920)
125									
126		Estate Tax							
127		Change Items							
128	HF 759	Special Ag Homestead Market Value Credit	various	-	-	-	(unknown)	(unknown)	(unknown)
129									
130		Subtotal - Estate Taxes, Change Items		-	-	-	(unknown)	(unknown)	(unknown)
131									
132		STATEWIDE PROPERTY TAX (STATE GENERAL LEVY)							
133		Change Items							
134	HF 4400	Indian Tribe Owned Property - SGL refund	Pay 2022	-	(10)	(10)	-	-	-
135									
136		Subtotal - Statewide Property Tax, Change Items		-	(10)	(10)	-	-	-
137									
138		OTHER TAX REVENUE							
139		Change Items							
140	HF 2367	Solid Waste Management - Reallocation of Tax Revenue, Environmental Fund to General Fund	DFE	-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
141	HF 3827	Repeal June Acceleration Requirement, Budget Reserve (see appendix A)	7/1/2022						
142									
143		Subtotal - Other Tax Revenue, Change Items		-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
144									
145									
146		ADDITIONAL ANALYSIS							
147									
148		TOTAL - Non Dedicated General Fund Tax Revenue, Current Law Forecast		26,552,098	28,042,318	54,594,416	28,768,606	29,337,281	58,105,887
149		Percentage Change from Prior Biennium				14.36%			6.43%
150									
151		TOTAL - Non Dedicated Tax Revenue Forecast + HF 3669 - Total, All Change Items		26,552,098	26,565,088	53,117,186	27,961,226	28,515,621	56,476,847
152		Percentage Change from Prior Biennium				11.27%			6.32%
153		Percentage Change from Current Law Forecast Tax Revenue		0.00%	-5.27%	-2.71%	-2.81%	-2.80%	-2.80%
154									

*Federal Conformity Act Acronyms:

- FCAA: Further Consolidated Appropriations Act (Public law 11-94)
- CARES: Coronavirus, Aid, Relief and Security Act (Public Law 116-127)
- CAA: Consolidated Appropriations Act (Public Law 116-260)
- ARPA: American Rescue Plan (Public Law 117-2)
- IJA: Infrastructure, Investment and Jobs Act (Public Law - 117-58)

Spreadsheet acronyms:

- "Negli." denotes negligible cost/savings
- "Feb-22" denotes current law estimates based on MMB's February 2022 Forecast
- ^^ The estimates in brackets "[]" are not included in the total.
- "DFE" denotes a provision is effective day following enactment

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2022 Legislature - HF 3669 -1E with the A23 amendment, Omnibus Tax Bill

4/26/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2021 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

HF	Change Item Description	Effective Date	HOUSE	HOUSE	HOUSE	% Chg FY 22-23 v FY 20-21	HOUSE	HOUSE	HOUSE	% Chg FY 24-25 v FY 22-23
			FY2022	FY2023	FY2022-23		FY2024	FY2025	FY2024-25	
GENERAL FUND SUMMARY										
1	Property Tax Aids, Credits and Refunds									
2	February 2022 forecast		2,075,125	2,078,513	4,153,638	6.7%	2,151,796	2,191,007	4,342,803	4.6%
3	HF 3669 OTB -Total Proposed GF Changes		0	167,727	167,727		(33,168)	3,212	(29,956)	
4	Property Tax Aids, Credits and Refunds - February 2022 + HF 3669 OTB Chgs		2,075,125	2,246,240	4,321,365	11.0%	2,118,628	2,194,219	4,312,847	-0.2%
PROPERTY TAX REFUNDS										
Homestead Credit State Refund (HCSR) PTR changes										
8	HF 3518 Homeowner PTR - Incrs max refund \$200, reduce thrshds 0.1% incm \$21.8K-\$32.8K, reduce copays 5% incm \$33K-\$77K	2022 Rfds/ Pay 2023	0	0	0		35,200	36,800	72,000	
9	HF 3669 Expand Homestead to Indiv taxpayer ID number (ITIN)	App filed 2022	0	0	0		1,800	1,800	3,600	
11	HF 1095 Manufactured home park classification modified. PTR interaction	Pay 2024	0	0	0		0	270	270	
12	HF 3629 Homestead Market Value Exclusion changes PTR interaction	Assmt 2023	0	0	0		0	(1,610)	(1,610)	
13	HF 2300 Community land trust property class 4d(2) rate @ 0.75% - PTR	Pay 2023	0	0	0		(180)	(180)	(360)	
14	HF 3384 Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$96K - PTR	Pay 2023	0	0	0		270	660	930	
15	HF 1661 Elderly living facilities exempted from taxation - PTR	Assmt 2023	0	0	0		0	10	10	
16	HF 3782 Energy storage system exemption established - PTR	Assmt 2022	0	0	0		20	20	40	
17	HF 3678 Airport property - exempt "manufacture" of aircraft - PTR	Pay 2023	0	0	0		20	20	40	
18	HF 3224 School District levy - Long-term Facilities Revenue - PTR	FY 2024	0	0	0		20	20	40	
18	HF 498									
19	HF 4042 Ely School Bond debt service - PTR	Local appvl + file	0	0	0		30	30	60	
20	HF 1429 Class 2a land ag product def include hemp - PTR	Assmt 2023	0	0	0		0	30	30	
21	HF 4591 Cooperative utility distribution line chg - PTR	Assmt 2023	0	0	0		0	520	520	
22	HF 4305 Solar energy production tax exemption created - PTR	DFE	0	0	0		30	30	60	
23	HF 2865 Disabled veterans' homestead market value exclusion application	Assmt 2022	0	0	0		(Negligible)	(Negligible)	(Negligible)	
23	HF 3066 deadline extended for qualifying spouses PTR									
24	HF 2181 Solar generating system real property class clarified - PTR	Pay 2023	0	0	0		(Negligible)	(Negligible)	(Negligible)	
25	HF 4400 Indian tribe-owned property extnd p tax exmptn - PTR	Pay 2022	0	0	0		Negligible	Negligible	Negligible	
26	HF 759 Special Ag Hmstd- qualifying relatives expanded PTR	App filed 2022/ Pay 2023	0	0	0		Unknown	Unknown	Unknown	

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4/26/2022

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Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

HF	Change Item Description	Effective Date	HOUSE	HOUSE	HOUSE	% Chg FY 22-23 v FY 20-21	HOUSE	HOUSE	HOUSE	% Chg FY 24-25 v FY 22-23	
			FY2022	FY2023	FY2022-23		FY2024	FY2025	FY2024-25		
27	Other HCSR Aid/Credit change related PTR interactions										
28	HF 4064	PTR interaction - LGA approp increase	Pay 2023	0	0	0	(900)	(900)	(1,800)		
29	HF 4399	PTR interaction - CPA approp increase	Pay 2023	0	0	0	(340)	(340)	(680)		
30	HF 3073	PTR interaction - PILT valuation increase	Pay 2023	0	0	0	(240)	(260)	(500)		
31	HF3982	PTR interaction - Local Affordable Hsg Aid	Pay 2023	0	0	0	(870)	(950)	(1,820)		
32	HF 3224	PTR interaction - School Equalization LOR levy/aid	FY 2024	0	0	0	(3,320)	(4,080)	(7,400)		
	HF 3906										
33	HF 2929	PTR interaction - Increase SBB Ag Credit 85%	Pay 2024	0	0	0	0	680	680		
34		PTR interaction -Earmark \$2.2M of Local Homeless Prevention Aid for tribal governments	Pay 2023/ FY 2024	0	0	0	60	60	120		
35		Subtotal - Homestead Credit State Refund PTR changes		0	0	0	31,600	32,630	64,230		
36	Renter / Targeting Property Tax Refund changes										
37	HF 3558	Renters Credit - Convert to Income Tax Credit									
38	HF 4226	Repeal Renter PTR, sunset rent paid 2022, taxes filed in 2023	Rnt Pd 2022	0	0	0	(231,600)	(234,700)	(466,300)		
39	HF 3725	Special (Targeting) PTR -Thrshd to 10%, max rfnd to \$2,000	2022 Rfnds/ Pay 2023	0	0	0	1,900	2,000	3,900		
40		Subtotal - Renter / Targeting PTR changes		0	0	0	(229,700)	(232,700)	(462,400)		
41											
42	AIDS AND CREDITS										
43	Local Aid changes										
44	HF 4064	Local Government Aid formula chg/approp increase	Pay 2023	0	0	0	34,220	34,220	68,440		
45	HF 2810	City of Echo 2021 LGA penalty forgiveness	DFE	0	0	0	0	0	0		
46	HF3586	City of Morton 2021 LGA penalty forgiveness	DFE	0	0	0	0	0	0		
47											
48	HF 4064	City of Mahnommen Property Tax Reimbursement Aid incrs	Pay 2023	0	0	0	160	160	320		
49											
50	HF4399	County Program Aid appropriation increase	Pay 2023	0	0	0	13,000	13,000	26,000		
51											
52	HF 4198	County grants - Community Career Workforce Academies	FY 2023 only	0	40,000	40,000	0	0	0		
53											
54	HF 4689	County Pandemic Business Aid / report	FY 2023 only	0	50,000	50,000	0	0	0		
55	HF 4689	County Pandemic Rental Assistance / report	FY 2023 only	0	25,000	25,000	0	0	0		
56											

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 -1E with the A23 amendment, Omnibus Tax Bill

4/26/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2021 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

HF	Change Item Description	Effective Date	HOUSE	HOUSE	HOUSE	% Chg FY 22-23 v FY 20-21	HOUSE	HOUSE	HOUSE	% Chg FY 24-25 v FY 22-23	
			FY2022	FY2023	FY2022-23		FY2024	FY2025	FY2024-25		
57	HF 3982	Establish Local Affordable Housing Aid program									
58		LAHA to Counties	0	0	0		25,600	28,000	53,600		
59		LAHA to Cities with population of at least 10,000	0	0	0		7,400	8,000	15,400		
60		LAHA to MHFA - Local Affordable Housing grants	0	0	0		4,000	4,000	8,000		
61		Subtotal Local Affordable Housing Aid	0	0	0		37,000	40,000	77,000		
62											
63	HF 2928	Stronger Community Aid Program created, replaces Performance Measurement									
64		Sunset Performance Measurement Aid	1/1/2024	0	0	0	0	(497)	(497)		
65		Stronger Community Aid Program	Pay 2024	0	0	0	0	497	497		
66											
67	HF3719	Soil and Water Conservation District Aid created	Pay 2022	0	22,000	22,000	22,000	22,000	44,000		
68	HF 3073	Increase Payments in Lieu of Taxes (PILT) valuation/report	Pay 2023	0	0	0	9,200	9,800	19,000		
69	HF 3224	School District Equalization Aid - Local Option Rev levy/aid	FY 2024	0	0	0	38,740	51,950	90,690		
70	HF 3906										
		Subtotal - Local Aid changes		0	137,000	137,000	154,320	171,130	325,450		
71		Property Tax Credit changes									
72	HF 1429	Ag Homestead Market Value Credit intct - Class 2a incld hemp	Assmt 2023	0	0	0	0	10	10		
73	HF 759	Special Ag Hmstd- qualifying relatives expanded Ag MVC	Pay 2023	0	0	0	Unknown	Unknown	Unknown		
74	HF 2929	Increase School Building Bond Agricultural Credit to 85%	Pay 2024	0	0	0	0	21,800	21,800		
75	HF 3224	School Bldg Bond Ag Credit intct - LTFM chg	FY 2024	0	0	0	10	10	20		
76	HF4042	School Bldg Bond Ag Credit intct - Ely School bond debt serv	Local appvl + file	0	0	0	30	30	60		
77	HF 1429	School Bldg Bond Ag Credit intct - Class 2a land, hemp	Assmt 2023	0	0	0	0	30	30		
78	HF 4305	School Bldg Bond Ag Credit intct - Solar eny tax exmptn	DFE	0	0	0	20	20	40		
79		Subtotal - Property Tax Credit changes		0	0	0	60	21,900	21,960		
80		Other changes									
81	HF 998	Housing Development Fund, Workforce & Affordable Homeownership account	Beg 7/1/22 FYs 23-30	0	10,000	10,000	10,000	10,000	20,000		
82	HF 3944	Polar Vortex - Rebate to municipal utilities avail til Dec 31, 2022	FY 2023	0	20,000	20,000	0	0	0		
83	HF 1795	Revenue Recapture, Hospital Claims disallowed	DFE		252	252	252	252	504		
84	HF 376	Free Filing Report	FY 2023		175	175	0	0	0		

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4/26/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2021 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

HF	Change Item Description	Effective Date	HOUSE	HOUSE	HOUSE	% Chg FY 22-23 v FY 20-21	HOUSE	HOUSE	HOUSE	% Chg FY 24-25 v FY 22-23
			FY2022	FY2023	FY2022-23		FY2024	FY2025	FY2024-25	
85										
86	HF 4513 Legislative Auditor admin - Review county costs child protection	FY 2023	0	0	0		0	0	0	
87	Begin Farmer Credit - Rural Finance Authority admin	TY 2022		300	300		300	0	300	
88	HF 3827 Aid Payment Shift, Budget Reserve	Pay 2023								
89										
90	Subtotal - Other changes		0	30,727	30,727		10,552	10,252	20,804	
91										
92	Total General Fund Changes, Property Tax Aids & Credits		\$0	\$167,727	\$167,727		(\$33,168)	\$3,212	(\$29,956)	
93										
94	GF Summary PTAC		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022-23</u>		<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024-25</u>	
95	Subtotal - Homestead Credit State Refund PTR changes		0	0	0		31,600	32,630	64,230	
96	Subtotal - Renter / Targeting PTR changes		0	0	0		(229,700)	(232,700)	(462,400)	
97	Subtotal - Local Aid changes		0	137,000	137,000		154,320	171,130	325,450	
98	Subtotal - Property Tax Credit changes		0	0	0		60	21,900	21,960	
99	Subtotal - Other changes		0	30,727	30,727		10,552	10,252	20,804	
100	TOTAL GF Changes, Property Tax Aids & Credits		0	167,727	167,727		(33,168)	3,212	(29,956)	

2022 Legislature - HF 3669 1E with the A23 amendment - Non General Fund Tax Revenue - Summary of Change Items, February (Feb 2022) Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF		EFFECTIVE	HOUSE FY2022	HOUSE FY2023	HOUSE FY2022-23	HOUSE FY2024	HOUSE FY2025	HOUSE FY2024-25
	Total Non General Fund		-	(13,740)	(13,740)	(7,541)	(7,380)	(14,921)
	Total - Legacy Funds:		-	(7,130)	(7,130)	(1,060)	(900)	(1,960)
HF 3669	Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonpro	12/31/22		(5,510)	(5,510)			-
HF 2189	Construction Exemption, Duluth - I.S.D. 709	Varous		(10)	(10)	(20)		(20)
HF 2092	Construction Exemption, Ely - I.S.D. 696	Varous		(20)	(20)			-
HF 2786	Construction Exemption, Various School Building Projects	Varous		(70)	(70)	(180)	(70)	(250)
HF 1960	Construction Exemption, Itasca County Courts & Courthouses	Varous			-	(10)	(10)	(20)
HF 4114	Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	Varous		(20)	(20)			-
HF 2262	Construction Exemption, City of Wayzata, Various Projects	1/1/2024			-	(30)		(30)
HF 921	Capital Equipment Exemption, Expansion to Restaurant Food Service	7/1/2022		(460)	(460)	(500)	(500)	(1,000)
HF 4422	Exemption Expanded, Fiber/Conduit by Internet/Broadband Service Providers	Retro 7/1/2017		(850)	(850)	(200)	(200)	(400)
HF 4318	Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022		(40)	(40)	(40)	(40)	(80)
HF 3307	Exemption, Agricultural Fencing	Retroactive 7/1/21		(150)	(150)	(80)	(80)	(160)
HF 3167	Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	-	-	-	-	-
HF 3104	Exemption, Pre-sales by Agricultural Societies	DFE	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
HF 4678	Exemption Extended, MN State High School League To Tax Year 2030	DFE	-	-	-	-	-	-
HF 2756	Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	retro 3/11/18		(Negli.)	(Negli.)	-	-	-
	Total - Environmental Fund:		-	3,100	3,100	3,200	3,200	6,400
HF 2367	Solid Waste Management - Reallocation of Tax Revenue	DFE		3,100	3,100	3,200	3,200	6,400
	Total - Special Revenue Fund:		-	290	290	320	320	640
HF 3167	Exemption, National Sports Center- Blaine, Amateur Sports Comm	DFE		290	290	320	320	640
	Total - Restricted Miscellaneous Special Revenue Fund		-	(5)	(5)	10	10	20
HF 1795	Revenue Recapture; Certain Nonprofit Hospitals Claims Disallowed	DFE		(5)	(5)	10	10	20
	Total - Housing Development Fund			-	-	-	-	-
HF 998	Workforce & Affordable Homeownership from general fund (REV)	FYs 23-30		(10,000)	(10,000)	(10,000)	(10,000)	(20,000)
	Workforce & Affordable Homeownership program	FYs 23-30		10,000	10,000	10,000	10,000	20,000
	Total - Iron Range School Consolidation		-	-	-	925	1,850	2,775
HF 4042	Extend 10 cnt/ton distribution to 2043, then 5 cnt/ton in 2044 and beyond	DFE				925	1,850	2,775
	Total - Taconite Environmental Protection Fund:		-	-	-	(617)	(1,233)	(1,850)
HF 4042	Extend 10 cnt/ton distribution to 2043, then 5 cnt/ton in 2044 and beyond	DFE				(617)	(1,233)	(1,850)
	Total - DJJ Economic Protection Fund:		-	-	-	(309)	(617)	(926)
HF 4042	Extend 10 cnt/ton distribution to 2043, then 5 cnt/ton in 2044 and beyond	DFE				(309)	(617)	(926)

(1) Amounts in the Legacy funds aggregate the revenue changes that affect these funds: outdoor heritage; arts and cultural heritage; clean water and parks and trails.

^^ The estimates are bracketed and are not included in the total. The estimates will be tracked by a committee other than the House Tax Committee and are intended for reference only.

2022 Legislature - HF 3669 -1E with the A23 amendment, Omnibus Tax Bill
Tax and Property Tax No Cost Change Items

HF	Author	Change Item Description	Effective date
Tax changes - Miscellaneous (no state fund impact)			
1		Tax Expenditure purpose statements	DFE
2	HF 3083 Marquart	DOR Policy and Technical	various
Property tax changes - Miscellaneous (no state fund impact)			
4	HF 2800 Hertaus	Delinquent Property Tax interest rate	Jan 1, 2023
5	HF 3042 Davnier	Tourism Improvement Special Taxing Districts	DFE
6	HF 4577 Marquart	Local Government debt financing (Public Finance bill)	DFE
7	HF 4022 Lislegard	City of Virginia exempted from net debt limit	DFE
Property tax changes for Tax Increment Financing (TIF)			
8	HF 4281 Youakim	Tax Increment Financing - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DFE +1
9			
10	HF 2775 Klevorn	Plymouth TIF district spec rules (10yr extnd,uses)	Local appvl + file
11	HF 4082 Youakim	Hopkins TIF District 2-11 amd special rules (30% incmnt, uses)	Local appvl + file
12	HF4127 Hanson, J	Savage TIF district special rules (5-6yr) extended	Local appvl + file
13	HF 2700 Sandell	Woodbury TIF District 13 special rules amended, Central Park	Local appvl + file
14	HF4297 Bernardy	Fridley TIF district 20 special rules established, housing uses	Local appvl + file
Local Lodging / Food & Beverage Taxes (no state fund impact)			
15	HF 3074 Ecklund	Cook County local 1% lodging tax extended from 15 to 30 yrs	Local appvl + file
16	HF 551 Klevorn	Plymouth 3% local lodging, eliminate 10-yr sunset	DFE
17	HF 1676 Sandell	Woodbury 3% local lodging tax (current authority), allow 2/3 use	Local appvl + file
18			
Local Option Sales Taxes (no state fund impact)			
19	HF 3381 Youakim	Local taxes; resolution submission and referendum requirements clarified for modifying new & existing local sales tax	Local appvl + file
20			
21	HF 3107 Igo	Grand Rapids modify 0.5% local sales for \$10.6M/12y IRA Cvc Cntr	Local appvl + file
22	HF 3443 Gruenhagen	Henderson new 0.5% local sales for \$240K Allanson Pk Cmpgrnd	Local appvl + file
23	HF 3716 Murphy	Proctor addl 0.5% to exst 1.0% local sales for \$3.85M/ 20y	Local appvl + file
24	HF 2923 Pelowski	Winona County new 0.25% local sales for \$28M / 25y Corrcn Fcilty	Local appvl + file
25	HF3748 Lippert	Rice County new 3/8% for \$77M/ 30y public sfty fcilty	Local appvl + file
26	HF 3606 Carlson	Bloomington addl 0.5% local sales for \$135M/ 20y Ice Gdn/Well Cntr+	Local appvl + file
27	HF2702 Edelson	Edina expand 0.5% local sale rev to \$46.9M/17y Braemar Pk + impvmts	Local appvl + file
28	HF3760 Vang	Brooklyn Center new 0.5% local sales for \$55M/20y for Com Cntr	Local appvl + file
29	HF 3194 Becker-Finn	Roseville new 0.5% local sales for \$65M/ 16y Maintnc Fcilty/Psspt Cntr+	Local appvl + file
30	HF 3829 Lueck	Aitkin new 1.0% local sales for \$9.3M/ 20y Muny Bldg/pk impvmts	Local appvl + file
31	HF 3473 Freiberg	Golden Valley new 0.75% local sales for \$73M/ 30y Public Wks +Safety	Local appvl + file
32	HF 3703 Grossell	Blackduck new 0.5% local sales for \$1.0M/ 20y 4 projcts	Local appvl + file
33	HF 3763 Kiel	East Grand Forks new 1.25% local sales for \$21.5M/20y CvcCntr/VFW	Local appvl + file
34	HF 3822 Liebling	Rochester extnd 0.5% local sales \$155M/16.5y St constr/flood contrl/Rec	Local appvl + file
35	HF 3969 Swedzinski	Marshall extnd 0.5% for \$16M/ 30y for aquatic cntr	Local appvl + file

APPENDIX A

PRELIMINARY FISCAL IMPACT OF HF 3669: Estimated Fiscal Impact

Note: Positive numbers = revenue gain, negative numbers = revenue reduction

	FY 2022	FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25
Priority #6: June Accelerated Requirement in 16A.152 (Assumes: June 2023 liabilities)						
Repeal of Payment Requirement for Remaining Tax Types - General Fund Subtotal		(70,100)	(70,100)	(600)	-	(600)
Repeal of Payment Requirement for Remaining Tax Types - Penalty Impact - General Fund Subtotal		(9)	(9)	(9)	(9)	(18)
Repeal of Payment Requirement for Remaining Tax Types - Legacy Funds Subtotal		(4,100)	(4,100)	-	100	100
			-			-
Total All Funds - Priority #6	-	(74,209)	(74,209)	(609)	91	(518)
Priority #7: Aid Payment Shifts						
Selected State Aid Payments in Article 10, Section 26 - General Fund Subtotal			-	(488,813)	-	(488,813)
			-			-
Total General Fund - Priority #7	-	-	-	(488,813)	-	(488,813)
			-			-
(a) Estimated Total Net Change to the General Fund for Priority 6-7	-	(74,209)	(74,209)	(489,422)	91	(489,331)
(b) Estimated Total Net Change to the Legacy Funds for Priority 6	-	(4,100)	(4,100)	-	100	100

Note (a) reflects the estimated amount of a positive unrestricted general fund balance that would need to be allocated in the November 2022 forecast to address priorities 6 & 7 in Minnesota Statute 16A.152.

Note (b) reflects the estimated impact to the Legacy Funds: Outdoor Heritage (33%), Arts and Cultural Heritage (19.75%), Clean Water (33%), and Parks and Trails (14.25%)

Source:

HF 3827 - Revenue Estimate by MN Dept. of Revenue, Published on March 2, 2022

HF 3827 Fiscal Note, Legislative Budget Office, Published on March 28, 2022