

# House OTB Offer 1

Tax Revenue	FY 14-15 Biennium	FY 16-17 Biennium
<b>Income Tax</b>		
4th Tier at 8.84% on MJ Filers at \$250,000	554,720	565,920
Surtax at \$500,000 for Two Years	860,600	-
Increase AMT Rate, the AMT Exemption Amount & Phase-Out Threshold	12,000	7,000
Repeal Long-Term Care Insurance Tax Credit	17,200	17,800
Charitable Contribution Credit	64,100	69,400
Make R&D Credit Non Refundable	4,800	4,200
Interactions		
Subtotal - Income Tax	1,513,420	664,320
<b>Corporate Tax</b>		
Limit Foreign Royalty Subtraction to Unitary Groups that have R&D	132,800	109,200
FOC Repeal with Interaction	46,000	38,700
Measurement of MN Sales	46,000	40,000
Foreign Partnerships	12,000	12,000
REIT Dividends	2,000	2,000
Increase the Minimum Fee	18,700	19,400
Tax Havens	36,500	28,400
Modify R&D Tax Credit, Non Refundable	99,600	74,500
Subtotal - Corporate Tax	393,600	324,200
<b>Federal Conformity (Individual + Corporate)</b>		
Increased Section 179 Expensing, with 80% Addback & 5-Year Recovery (TY 13)	6,950	(2,250)
50% Bonus Depreciation, with 80% Addback & 5-Year Recovery (TY 13)	20,700	(11,800)
Subtotal - Federal Conformity	27,650	(14,050)
<b>Estate Taxes</b>		
Modify Qualified Farm and Small Business Provisions	23,800	47,200
Impose Gift Tax & Include Certain Gifts in Estate	41,400	65,200
Taxation of Non Resident Property Held in a Pass Through	12,800	15,300
Subtotal - Estate Tax	78,000	127,700
<b>Special Taxes</b>		
Cigarette/Tobacco		
Cigarette Tax Increase, \$1.60/per pack	370,820	370,420
Other Tobacco Products, to 95% of wholesale price	43,000	49,100
Impose Cigarette Tax on Little Cigars	20,500	20,900
Subtotal - Cigarette	434,320	440,420
Alcohol Tax Increase, 7 cents/drink with Small Brewer/Winery Credits	346,680	376,380
MV Rental Tax Increase to 9.2%	15,000	16,500
Sports Memorabilia to 13%	32,300	38,100
Subtotal - Special Taxes Other	393,980	430,980
<b>Mineral Tax</b>		
Increase Taconite Occupation Rate from 2.45% to 4.95%	38,700	40,600
<b>Sales Tax (at current law general sales tax rate of 6.5%)</b>		
Warehousing & Storage (81% Business, 19% Personal)	189,500	227,400

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## Tax Revenue

	<b>FY 14-15</b>	<b>FY 16-17</b>
	<b>Biennium</b>	<b>Biennium</b>
Sales Tax Exemption for Cities/Counties, Effective Jan. 1. 2014	(172,000)	(254,100)
New Method for Calculating Motor Vehicle Paint & Materials	5,100	5,700
Multiple Points of Use	(1,370)	(1,560)
High & Low Intensity Research Facility Construction Exemption	(2,530)	(870)
Religious Affiliation Exemption	(143)	(105)
Industrial Measurement Facility Construction Exemption	-	(815)
Biopharmaceutical Facility Construction Exemption	-	(940)
Rochester Medical Development Facility Construction Exemption	-	(715)
<b>Subtotal - Base Expansion</b>	<b>18,557</b>	<b>(26,005)</b>
Affiliate Nexus	9,700	12,460
Digital Goods (placeholder estimate)	8,260	9,890
<b>Subtotal - Sales Tax Other</b>	<b>17,960</b>	<b>22,350</b>
<b>TOTAL</b>	<b>2,916,187</b>	<b>2,010,515</b>
Target	2,910,000	2,000,000