

OFFER COMPARISON

5/15/2023

11:50 AM

LINE	ITEM	House Offer (5/12/23)		Senate Offer (5/13/23)		House Offer (5/14/23)		Senate Offer (5/14/23)		House Offer (5/15/23)	
		FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27
1	TAX POLICY ITEMS										
2											
3	Revenue Increases										
4	Fed. Conformity: Limitation on Excess Business Losses (ARPA)	-	69,000	-	69,000	-	69,000	-	69,000	-	69,000
5	Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	-	21,400	-	21,400	-	21,400	-	21,400	-	21,400
6	Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1, 2023 Session)	3,700	(2,400)	3,700	(2,400)	3,700	(2,400)	3,700	(2,400)	3,700	(2,400)
7	Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan	-	-	-	-	-	-	-	-	-	-
8	Fed. Conformity: Secure Act 2.0 - Retirement Account Withdrawals Emergency Exp.	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)	(2,600)
9	Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
10	Fed. Conformity: Secure Act 2.0 - Distributions 529 Plans to a Roth IRAs	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)	(2,500)
11	Fed. Conformity: Secure Act 2.0 - Qualified Charitable Contrib. from IRA	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)	(2,200)
12	Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits	-	-	-	-	-	-	-	-	-	-
13	Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	(1,400)	-	(1,400)	-	(1,400)	-	(1,400)	-	(1,400)	-
14	Fed. Conformity: Secure Act 2.0 - Limit Deduction for Charitable Conserv. Easements	7,500	4,700	7,500	4,700	7,500	4,700	7,500	4,700	7,500	4,700
15	Income Tax, Reduced Fifth Tier: 10.85%, \$1.0 million - Married Joint					529,300	500,200			529,300	500,200
16	Income Tax, Reduced Fifth Tier: \$1.0 million - Married Joint	198,418	491,004								
17	Corporate Tax, Worldwide Combined Unitary	438,100	693,700			-	.			-	.
18	Federal Conformity - GILTI (Revised amounts from 5/13)			237,900	427,700	237,900	427,700	239,400	379,100		
19	Federal Conformity - GILTI with 50% DRD, No Section 250 Deduction (Effective TY23)									239,400	379,100
20	Standard/Itemized Deduction Phaseout Modifications (10% above \$300k)			354,300	385,400			354,300	385,400		
21	Reduced Deductions for Dividends Received (50%/65%)			43,600	69,000	43,600	69,000	43,600	69,000	43,600	69,000
22	Net Investment Income Tax (.9% above \$1m, excl. ag land sale gains, effective TY25) - Senate 5/14 offer % TBD			-	157,100			-	160,835		
23	Repeal Qualified Data Centers (effective starting in FY 2026)						186,800				
24	Repeal Qualified Data Centers, Software Exemption (effective starting in FY 2026)										75,600
25	Corporate NOL modified from 80% to 70% (effective starting in FY 2026)										35,500
26	Corporate Tax Minimum Fee Increase (effective starting in FY 2026)										42,806
27	TOTAL REVENUE INCREASES	642,118	1,269,904	641,400	1,124,400	816,400	1,268,900	642,900	1,079,535	817,900	1,187,406
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		FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27
29	Individual Income Tax										
30	Child Tax Credit, \$1,725 per dependent, phaseout at \$35,000/\$29,500					(804,000)	(804,000)			(851,000)	(801,400)
31	Child Tax Credit & Working Family Credit, \$1,275/dependents, \$36K MJ phaseout, WFC equals 4% of first \$12,500 of earned income	(710,800)	(738,000)								
32	Child Tax Credit @ \$1,100/child under 6, \$900/child age 6-17, phaseout 10% at \$40k/\$20k/\$26.7k			(751,600)	(799,900)			(751,600)	(799,900)		
33	Onetime Advance Refundable Credit (\$250 single, \$500 married, +\$250/child up to 3, max \$1,250)	(1,133,200)	-	(1,133,200)	-	(1,133,200)	-	(1,133,200)	-		-
34	Onetime Advance Refundable Credit (\$520 married, \$260 single, +\$260/child up to 3, max \$1300). Administrative Costs Included.									(1,150,000)	
35	Social Security Subtraction, 100% subtraction, FAGI below\$100K,\$120K phaseout	(409,200)	(478,700)			(409,200)	(478,700)			(409,200)	(478,700)
36	Social Security Subtraction, 100% subtraction, FAGI below\$100K,\$140K phaseout			(496,200)	(576,800)			(496,200)	(576,800)		
37	Public Pension Subtraction, \$25K Max. Subtraction for MJ Filer with FAGI below \$100K	(82,400)	(81,800)	(82,400)	(81,800)	(82,400)	(81,800)	(82,400)	(81,800)	(82,400)	(81,800)
38	--Interaction - Social Security & Public Pension	1,600	1,600			1,600	1,600			1,600	1,600
39	--Interaction - Social Security & Public Pension			2,000	2,000			2,000	2,000		
40	Renter's Income Tax Credit (NET of Credit and Repealed Refund)	(378,600)	(275,500)	(378,600)	(275,500)	(378,600)	(275,500)	(378,600)	(275,500)	(378,600)	(275,500)
41	Child and Dependent Care Credit - Newborn Credit for Unmarried Filers	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)
42	K-12 Education Credit Modifications (House position)	(31,700)	(33,600)								
43	K-12 Education Credit Modifications (Senate position)			(24,800)	(26,300)	(24,800)	(26,300)	(24,800)	(26,300)	(24,800)	(26,300)
44	--Interaction - K-12 Subtraction	2,500	2,600								
45	--Interaction - K-12 Subtraction			2,000	2,100	2,000	2,100	2,000	2,100	2,000	2,100
46	Angel Tax Credit Reinstatement			(20,000)	(20,000)			(10,000)	(10,000)		
47	Working Family Credit expansion for ITIN filers	see WFC/child tax		(19,800)	(20,600)	(19,800)	(20,600)	(19,800)	(20,600)	(19,800)	(20,600)
48	Political Contribution Refund Increase (to \$75 single /\$150 married)	(2,100)	(4,900)	(2,100)	(4,900)	(2,100)	(4,900)	(2,100)	(4,900)	(2,100)	(4,900)
49	New Markets Tax Credit			-	(1,800)			-	(1,800)		
50	Beginning Farmer Tax Credit (Senate allocation language only)	(12,000)	(12,000)								
51	Beginning Farmer Tax Credit (Senate allocation language with New Emerging Farmer Definition)					(8,000)	(8,000)			(8,000)	(8,000)
52	Beginning Farmer Tax Credit			(8,000)	(8,000)			(8,000)	(8,000)		

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53	Short Line Railroad Construction Credit (\$3k/mile)			(2,800)	(2,800)			(2,800)	(2,800)		
54	Manufactured Home Park Credit to cooperatives	(730)	(830)	(730)	(830)	(730)	(830)	(730)	(830)	(730)	(830)
55	Modify Film Production Credit	(18,600)	(25,700)	(18,600)	(25,700)	(18,600)	(25,700)	(18,600)	(25,700)	(18,600)	(25,700)
56	Modify Subtraction, Student Loan Credit	(20,000)	(30,000)								
57	Modify Student Loan Credit (House position)			(45,400)	(59,000)	(45,400)	(59,000)	(45,400)	(59,000)	(45,400)	(59,000)
58	Modify Definition of Resident Trust			-	(18,800)			-	(18,800)		
59	Nonresident income modifications			-	(2,500)			-	(2,500)		
60	Subtraction, Certain Sexual Harassment/Abuse Settlements	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
61	Modify Military Tax Credit	(200)	-	(200)	-	(200)	-	(200)	-	(200)	-
62	Modify Discharged Student Loan					-	(100)	-	(100)	-	(100)
63	Subtraction, Unemployment Compensation Received by Teenagers	(10)	-	(10)	-	(10)	-	(10)	-	(10)	-
64	Pass-through Entity Modification (Effective FY 2023)									(Unknown)	(Unknown)
65	Pass-through Entity Modification			(Unknown)	(Unknown)			(Unknown)	(Unknown)		
70											
71	<u>Corporate Franchise Tax</u>										
72	Historic Rehabilitation Tax Credit Reinstatement			(3,800)	(22,800)			(3,800)	(22,800)		
73	Historic Rehabilitation Tax Credit Reinstatement - One Year Extension									(3,300)	(12,500)
74	--Interactions with LGA (ESTIMATED)			-	-			-	-		
75	--Interactions with CPA (ESTIMATED)			-	-			-	-		
76	--Interactions with PILT Modifications			-	-			-	-		
77	--Interactions with Electric Utility Transition Aid			-	-			-	-		
78											
79	<u>Sales Tax Exemptions - Local Government Construction Projects</u>										
80	Construction materials exemption mod. - Mazeppa fire-damaged building			(20)	-			(20)	-		
81	Construction materials exemption mod. - North Metro Range	(290)	-	(290)	-	(290)	-	(290)	-	(290)	-
82	Construction materials exemption - Beltrami County			-	(1,940)			-	(1,940)		
83	Construction materials exemption - City of Chanhassen	(260)	(520)	(260)	(520)	(260)	(520)	(260)	(520)	(260)	(520)
84	Construction materials exemption - Chisholm public schools	(840)	-	(840)	-	(840)	-	(840)	-	(840)	-
85	Construction materials exemption - Duluth public schools	(510)	-	(510)	-	(510)	-	(510)	-	(510)	-
86	Construction materials exemption - Edina Community Health and Safety Center	-	(910)	-	(910)	-	(910)	-	(910)	-	(910)
87	Construction materials exemption - Ely public schools	(360)	-	(360)	-	(360)	-	(360)	-	(360)	-

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88	Construction materials exemption - Grand Rapids IRA Civic Center		-	(520)	-	-	-	-	-	-	-
89	Construction materials exemption - Hibbing public schools	(260)	-	(260)	-	(260)	-	(260)	-	(260)	-
90	Construction materials exemption - Itasca County			(300)	(150)			(300)	(150)		
91	Construction materials exemption - MSP Airport	(17,230)	(2,490)	(17,230)	(2,490)			-	-		
92	Construction materials exemption - MSP Airport (\$8 million cap)					(7,560)	-	(7,560)	-	(7,560)	-
93	Construction materials exemption - City of Moorhead	(240)	(480)	(240)	(480)	(240)	(480)	(240)	(480)	(240)	(480)
94	Construction materials exemption - Nashwauk-Keewatin public schools	(1,240)	-	(1,240)	-	(1,240)	-	(1,240)	-	(1,240)	-
95	Construction materials exemption - Northern Lights Academy	(320)	-	(320)	-	(320)	-	(320)	-	(320)	-
96	Construction materials exemption - Northland learning center	(380)	-	(380)	-	(380)	-	(380)	-	(380)	-
97	Construction materials exemption - City of Oakdale	(250)	(500)	(250)	(500)	(250)	(500)	(250)	(500)	(250)	(500)
98	Construction materials exemption - City of Ramsey	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
99	Construction materials exemption - Red Lake County School District	(400)	-	(400)	-	(400)	-	(400)	-	(400)	-
100	Construction materials exemption - Red Rock Central School District	(1,060)	-	(1,060)	-	(1,060)	-	(1,060)	-	(1,060)	-
101	Construction materials exemption - Rock Ridge Public Schools	(3,050)	-	(3,050)	-	(3,050)	-	(3,050)	-	(3,050)	-
102	Construction materials exemption - City of Spring Grove	(130)	-	(130)	-	(130)	-	(130)	-	(130)	-
103	Construction materials exemption - Springfield School District	(740)	-	(740)	-	(740)	-	(740)	-	(740)	-
104	Construction materials exemption - City of Wayzata	(1,080)	-	(1,080)	-	(1,080)	-	(1,080)	-	(1,080)	-
105	Construction materials exemption - Woodbury Central Park	(520)	(520)	(520)	(520)	(520)	(520)	(520)	(520)	(520)	(520)
106											
107	<u>Sales Tax Exemptions - Other Exemptions</u>										
108	Remove Exemption for Edible Cannabinoid Products	20	20								
109	County fair exemption expansion			(60)	(60)			(60)	(60)		
110	Expanded exemption, baby products			(3,400)	(3,700)			-	-		
111	Firearm storage units exemption			(40)	(40)			(40)	(40)	(40)	(40)
112	Fiber and conduit for broadband exemption			(4,400)	(4,650)			-	-		
113	Exemption, Disregarded Single Member Entities	(1,470)	(1,670)	(1,470)	(1,670)	(1,470)	(1,670)	(1,470)	(1,670)	(1,470)	(1,670)
114	Exemption for amenities included with admission to athletic events			(1,010)	(730)			-	-		
115	Exemption for sales to nonprofit blood centers	(1,700)	(600)	(1,700)	(600)	(1,700)	(600)	(1,700)	(600)	(1,700)	(600)
116	Snowmobile club exemption expansion			(110)	(120)			(110)	(120)		
117	Retroactive and ongoing exemption for natural gas fees	(9,490)	(4,140)	(9,490)	(4,140)	(9,490)	(4,140)	(9,490)	(4,140)	(9,490)	(4,140)
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119	Other Revenue Changes										
120	Mortgage & Deed Tax, Dedication to Workforce Housing Dev. Account	(55,000)	(15,000)			(55,000)	(15,000)			(25,000)	(10,000)
121	Combined Net Receipts (General Fund Impact)	(14,400)	(16,100)			(14,400)	(16,100)			(14,400)	(16,100)
122	Repeal \$50 Fee for Payment Agreement Plan	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
123	Minerals Article Net Revenue (Gross Proceeds Tax)	-	1,400	-	1,400	-	1,400	-	1,400	-	1,400
124											
125	SUBTOTAL: TAX POLICY ITEMS	(2,271,622)	(455,536)	(2,401,620)	(848,450)	(2,215,690)	(558,970)	(2,371,120)	(871,845)	(2,251,330)	(645,404)
126											
127	EXPENDITURE ITEMS										
128											
129	Aids										
130	Onetime Public Safety Aid	50,000	-	300,000		100,000	-	300,000		200,000	-
131	Onetime Tribal Aid for Homelessness			44,000				-	-		
132	Tribal Nations Aid	75,000	150,000			75,000	150,000	25,000	50,000	50,000	100,000
133	LGA/CPA Increases (Senate: \$69.876m in Pay 24, \$74.841m in Pay 25, \$74.842m in Pay 26, interactions below)	192,580	422,610	139,752	299,366			136,852	293,566		
134	LGA increase \$100M per year, no inflation, with interactions					96,290	192,580	[68,426]	[146,783]	96,290	192,580
135	CPA increase, \$100M per year, no inflation, with interactions					96,290	192,580	[68,426]	[146,783]	96,290	192,580
136											
137	Morton and Echo Aid Forgiveness (FY23 Appropriations)	125	-	125	-	125	-	125	-	125	-
138	Mahnomen Property Tax Reimbursement Aid	160	320	160	320	160	320	160	320	160	320
139	Grant for City of Spring Grove - fire recovery	250	-	250	-	250	-	250	-	250	-
140	City of St Paul streets	30,000				30,000				30,000	
141	City of Northfield	300				300				300	
142	Windom Relief			14,000	-			14,000	-		
143	Town of Crane Lake Debt Service Relief			1,220	-			-	-		
144											
145	Payment in lieu of Taxes Modifications (House Position)	8,960	20,410	8,960	20,410	8,960	20,410	8,960	20,410	8,960	20,410
146	SWCD Aid	30,000	24,000	32,000	32,000	30,000	24,000	30,000	24,000	30,000	24,000
147	Electric Utility Transition Aid	1,996	4,576	1,996	4,576	1,996	4,576	1,996	4,576	1,996	4,576
148	Repeal Utility Valuation Transition Aid	(17)	(37)	(17)	(37)	(17)	(37)	(17)	(37)	(17)	(37)
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150	Local Homeless Prevention Aid : <i>NOTE May 15- House Offer: With 12% Tribal Nation's Earmark</i>	39,440	38,880			39,440	26,794			39,440	.
151	Local Affordable Housing Aid \$50 M in FY 24-25, \$30M in FY 26-27 with interactions)	98,370	67,720			88,920	48,500			50,000	30,000
152											
153	Property Tax Refunds										
154	Homestead eligibility/PTR expansion for ITIN filers	2,000	4,000	2,000	4,000	2,000	4,000	2,000	4,000	2,000	4,000
155	Homestead Credit State Refund Copays 5%	41,800	84,900			41,800	84,900			41,800	84,900
156	One-time boost Homeowner PTR (% TBD)	92,300				92,300		58,324		49,556	
157	One-time boost Renter PTR (% TBD)	32,300				32,300		20,410		18,098	
158	Targeting PTR - One-time FY 24	23,300	-			23,300	-			23,300	-
159	Targeting PTR - Reduce threshold from 12% to 10% incrs property tax, max refund increase from \$1,000 to \$2,000			1,900	4,700			1,900	4,700		
160	Enhanced Taxpayer Assistance (VITA) including PTR , WFC	2,000	2,000			2,000	2,000	2,000	2,000	2,000	2,000
161											
162	Property Tax Changes										
163	Homestead Market Value Exclusion changes \$95,000 threshold, maximum exclusion \$38,000, maximum market value \$517,200	-	(12,160)	-	(12,160)	-	(12,160)	-	(12,160)	-	(12,160)
164	Community Land Trust 4d @ 0.75%		520				520				520
165	Class 4d - PTR Interaction (net includes income tax interaction)			-	5,260			-	5,260		
166	Class 4d Transition Aid			-	1,160			-	1,160		
167	Saint Ann's senior residence exemption	10	20	10	20	10	20	10	20	10	20
168	Indian tribal owned property tax exemptn (incl. CI levy reduction)	10	Negligible	10	Negligible	10	Negligible	10	Negligible	10	Negligible
169	Classification change for solar energy systems	(negligible)	(negligible)	-	(Negligible)	(negligible)	(negligible)	-	(Negligible)	(negligible)	(negligible)
170	Energy storage systems exemption			-	40			-	40		
171	Green Acres deferment modification for certain property			-	Negligible	-	Negligible	-	Negligible	-	Negligible
172	Spouses Disabled Vets' MVE application/reapply	30	80			30	80	30	80	30	80
173	Disabled veteran market value exclusion increase			(290)	(650)			(290)	(650)		
174	Spousal benefit mod. for disabled veterans' homestead market value exclusion			(Negligible)	(Negligible)			-	-		
175	Modifying definition of attachments and appurtenances for coop utility lines			-	60			-	60	-	60
176	Agricultural homesteads, first tier valuation increase			-	1,280			-	1,280		
177	Class 1c homestead resorts tier limit incrs; <\$850K/ \$850K to \$3.1M/ >\$3.1M			-	20			-	20		

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178	Watershed Districts Levy Authority Interactions (PTR and income, net)			-	920			-	920		
179											
180	Other Changes										
181	Score grants - Onetime Appropriation					21,674	-				-
182	Solid Waste Tax Distribution to SCORE Grants (5% to 3%)	6,900	7,300					6,900	7,300	6,900	7,300
183	Solid Waste Tax Distribution to SCORE Grants (10% FY24, 20% FY25, 30% FY26 onward)			34,600	72,700			-	-		
184	Local Election Expense Reimbursement			20,000	20,000			20,000	20,000		
185	Disallow Revenue Recapture	402	402			402	402			402	402
186	Free file	175				175				175	
187	Taxpayer receipt	191	94			191	94			191	94
188	Problem Gambling	144	161			144	161			144	161
189	Senior citizens' property tax deferral requirements: lower occupancy requirement to 5 years, increase HH income to \$96K - PTR interaction	260	1,290	260	1,290	260	1,290	260	1,290	260	1,290
196											
197	SUBTOTAL: EXPENDITURE ITEMS	728,986	817,086	600,936	455,275	784,310	741,030	628,880	428,155	748,670	653,096
198											
208											
209	TOTAL	(3,000,608)	(1,272,622)	(3,002,556)	(1,303,725)	(3,000,000)	(1,300,000)	(3,000,000)	(1,300,000)	(3,000,000)	(1,298,500)

NOTES

General Fund Effects Only

\$'s in Thousands