

Fund Summary (Dollars in Thousands)		HF 1777 1E (Lenczewski) with the A11 Amendment						
Fund		FY 12-13	2014	2015	FY 14-15	2015	2016	FY 16-17
1	General Fund - - Summary							
2	General Fund Tax Change Items	0	(147,625)	(354,770)	(502,395)	(335,505)	(356,685)	(692,190)
3	General Fund Appropriation Item	0	(1,175)	0	(1,175)	0	0	0
4								
5	General Fund Subtotal	0	(148,800)	(354,770)	(503,570)	(335,505)	(356,685)	(692,190)
6								
7	Other Funds - - Summary							
8	Legacy Fund Tax Change Items		(5,200)	(12,200)	(17,400)	(13,200)	(14,200)	(27,400)
9								
10	All Funds Total (General Fund + Legacy Fund):	0	(154,000)	(366,970)	(520,970)	(348,705)	(370,885)	(719,590)

General Fund Tax Revenues: HF 1777 1E as amended compared to the February Forecast 2014

3/3/2014

(\$ in Thousands)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

	Effective Date	Closing	HF 1777 -1E with the A11 amendment (Lenczewski)						
		FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17	
1 Individual Income Tax									
2 Current Law Receipts		19,482,774	10,848,700	11,404,600	22,253,300	12,085,300	12,547,300	24,632,600	
3 Current Law Refunds		(2,497,814)	(1,330,500)	(1,363,200)	(2,693,700)	(1,297,700)	(1,189,100)	(2,486,800)	
4 Change Items:									
5 Federal Conformity Provisions, see attached detailed spreadsheet	various		(52,670)	(143,025)	(195,695)	(106,880)	(110,405)	(217,285)	
6 Total (Current law items + Change items)		16,984,960	9,465,530	9,898,375	19,363,905	10,680,720	11,247,795	21,928,515	
7 Subtotal: Current Law Tax items		16,984,960	9,518,200	10,041,400	19,559,600	10,787,600	11,358,200	22,145,800	
8 Subtotal: Net Change Items			(52,670)	(143,025)	(195,695)	(106,880)	(110,405)	(217,285)	
9									
10 Corporate Franchise Tax									
11 Current Law Receipts		2,656,823	1,507,884	1,521,012	3,028,896	1,545,019	1,571,591	3,116,610	
12 Current Law Refunds		(331,921)	(166,511)	(148,868)	(315,379)	(201,819)	(190,910)	(392,729)	
13 Change Items:									
14 Federal Conformity Provisions, see attached detailed spreadsheet	various		(4,055)	(545)	(4,600)	(425)	(380)	(805)	
15 Total (Current law items + Change items)		2,324,902	1,337,318	1,371,599	2,708,917	1,342,775	1,380,301	2,723,076	
16 Subtotal: Current Law Tax items		2,656,823	1,341,373	1,372,144	2,713,517	1,343,200	1,380,681	2,723,881	
17 Subtotal: Net Change Items			(4,055)	(545)	(4,600)	(425)	(380)	(805)	
18									
19 Sales and Use Tax									
20 Current Law Receipts		9,957,337	5,394,826	5,528,024	10,922,850	5,751,489	6,028,645	11,780,134	
21 Current Law Refunds		(463,924)	(267,680)	(193,030)	(460,710)	(135,760)	(108,760)	(244,520)	
22 Current Law Refunds, Indian Sales Tax			(12,500)	(11,400)	(23,900)	(11,600)	(11,800)	(23,400)	
23 Current Law Transfer Sales Tax on Motor Vehicle Leases		(41,307)	(36,580)	(43,370)	(79,950)	(49,950)	(55,120)	(105,070)	
24 Current Law, City of Mpls Sales Tax to MSFA (Minn. Stat. 16A.726, sub. (b))			813	1,780	2,593	2,941	4,744	7,685	
25 Change Items:									
26 Repeal - - Electronic & Commercial Equipment & Repair	7/1/2013		(70,700)	(81,700)	(152,400)	(88,000)	(94,700)	(182,700)	
27 Repeal - - Storage & Warehousing	4/1/2014		(13,000)	(82,400)	(95,400)	(88,800)	(95,600)	(184,400)	
28 Reinstate - - Exemption for Telecomm., Cap. Eptmt & Other Modifications	4/1/2014		(7,200)	(47,100)	(54,300)	(51,400)	(55,600)	(107,000)	
29 Total (Current law items + Change items)		9,452,106	4,987,979	5,070,804	10,058,783	5,328,920	5,611,809	10,940,729	
30 Subtotal: Current Law Tax items		9,452,106	5,078,879	5,282,004	10,360,883	5,557,120	5,857,709	11,414,829	
31 Subtotal: Net Change Items			(90,900)	(211,200)	(302,100)	(228,200)	(245,900)	(474,100)	
32									
33 Statewide Property Tax									
34 Current law receipts		1,610,721	832,057	833,304	1,665,361	845,459	864,755	1,710,214	
35 Total		1,610,721	832,057	833,304	1,665,361	845,459	864,755	1,710,214	
37									
38 Cigarette & Tobacco Products Tax									
39 Current Law Receipts		393,306	615,751	587,100	1,202,851	593,020	601,260	1,194,280	
40 Current Law Refunds			(17,850)	(10,750)	(28,600)	(9,250)	(9,250)	(18,500)	
41 Total		393,306	597,901	576,350	1,174,251	583,770	592,010	1,175,780	
43									
44									

General Fund Tax Revenues: HF 1777 1E as amended compared to the February Forecast 2014

3/3/2014

(\$ in Thousands)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

	Effective Date	Closing	HF 1777 -1E with the A11 amendment (Lenczewski)						
		FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17	
45	Liquor, Wine and Beer Tax								
46	Current Law Receipts	163,365	84,310	85,980	170,290	87,680	89,430	177,110	
47	Current Law Refunds		(800)	(800)	(1,600)	(800)	(800)		
48	Total	163,365	83,510	85,180	168,690	86,880	88,630	175,510	
50									
51	Lawful Gambling Taxes								
52	Current Law Pari-Mutuel Gross Earnings	0			0			0	
53	Current Law Lawful Gambling Tax	0			0			0	
54	Current Law Pull-tab and Tip board Tax	25,789			0			0	
55	Current Law Lawful Gambling Combined Receipts Tax	58,269	41,100	42,200	83,300	43,400	44,600	88,000	
56	Current Law Gambling Tax Refunds	(6,232)	(200)	(100)	(300)	(50)	(50)	(100)	
57	Total	77,826	40,900	42,100	83,000	43,350	44,550	87,900	
58									
59									
60	Estate Tax								
61	Current Law Receipts	341,650	193,000	210,500	403,500	229,900	248,200	478,100	
62	Current Law Refunds	0	(14,000)	(9,600)	(23,600)	(10,300)	(11,100)	(21,400)	
66	Total	341,650	179,000	200,900	379,900	219,600	237,100	456,700	
70									
71	Insurance Gross Earning & Fire Marshall Tax								
72	Current Law Receipts	632,350	351,978	366,624	718,602	383,211	398,698	781,909	
73	Current Law Refunds	0	(2,500)	(2,500)	(5,000)	(2,500)	(2,500)	(5,000)	
74	Total	632,350	349,478	364,124	713,602	380,711	396,198	776,909	
76									
77	Other Net Tax Revenue								
78	Current Law Receipts:								
79	Taconite Occupation Tax	44,432	12,505	14,000	26,505	14,700	14,700	29,400	
80	Mortgage Registry Tax	242,965	99,341	95,831	195,172	98,375	97,681	196,056	
81	Deed Transfer Tax	132,987	88,319	99,355	187,674	106,949	106,130	213,079	
82	Controlled Substance Tax	7	5	5	10	5	5	10	
83	Other Gross Earnings	100	50	50	100	50	50	100	
84	Medical Assistance Surcharges	471,317	289,219	306,700	595,919	269,774	264,356	534,130	
85	Income Tax Reciprocity	182			0			0	
86	Motor Vehicle Registration Tax	1,245	650	650	1,300	650	650	1,300	
87	Fur Gross Receipts Tax	0			0			0	
88	Other Tax Refunds	(75,975)	(7,025)	(5,825)	(12,850)	(5,825)	(5,825)	(11,650)	
89	Other Excise Tax & All Other	0			0			0	
90	Total	817,260	483,064	510,766	993,830	484,678	477,747	962,425	
91									
92	General Fund Total (Current law items + Change items)		32,798,446	18,356,737	18,953,502	37,310,239	19,996,863	20,940,895	40,937,758
93	Subtotal: Current Law Tax items			18,504,362	19,308,272	37,812,634	20,332,368	21,297,580	41,629,948
94	Subtotal: Change Items			(147,625)	(354,770)	(502,395)	(335,505)	(356,685)	(692,190)

2014 Session - General Fund Expenditure Impact (Dollars in 000's)

Note: Positive numbers reflect expenditure savings, negative numbers reflect an expenditure cost

		HF 1777 1E with the A11 amendment						
Fund	Effective Date	FY 12-13	2014	2015	FY 14-15	2015	2016	FY 16-17
1	General Fund Appropriation							
2	Change Items							
3	DOR Administration of HF 1777	0	(1,175)	0	(1,175)	0	0	0
4								
5								
6	Subtotal	0	(1,175)	0	(1,175)	0	0	0
	Total - General Fund Expenditures	0	(1,175)	0	(1,175)	0	0	0

2014 Session - Non General Fund Tax Revenue Impact (Dollars in 000's)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		HF 1777 1E with the A11 amendment (\$'s in 000's)							
Fund	Effective Date	FY 12-13	2014	2015	FY 14-15	2015	2016	FY 16-17	
1	Legacy Funds								
2	Change Items								
3	Repeal - - Electronic & Commercial Equipment & Repair	7/1/2013	0	(4,100)	(4,700)	(8,800)	(5,100)	(5,500)	(10,600)
4	Repeal - - Storage & Warehousing	4/1/2013	0	(700)	(4,800)	(5,500)	(5,100)	(5,500)	(10,600)
5	Reinstate - - Exemption for Telecomm., Cap. Eptmt & Other Modifications	4/1/2013	0	(400)	(2,700)	(3,100)	(3,000)	(3,200)	(6,200)
6									
7									
8	Subtotal		0	(5,200)	(12,200)	(17,400)	(13,200)	(14,200)	(27,400)
	Total - All Non General Fund		0	(5,200)	(12,200)	(17,400)	(13,200)	(14,200)	(27,400)

2014 Session- Federal Conformity Proposal Detail in HF 1777 1E with the A11 amendment based on the 2014 February Forecast

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Estimated General Fund Tax Revenue Changes (\$'s in thousands)					
Description		FY 14	FY 15	FY 14-15	FY 16	FY 17	FY 16-17
Federal Update: The American Taxpayer Relief Act of 2012, Public Law 112-240							
Detail by Category:							
1	Individual Income Tax						
2	I. Education-Related Provisions:						
3	For education savings accounts, increase contribution limit and other changes (conform beginning TY 2013).	(100)	(100)	(200)	(100)	(100)	(200)
4	Exclusion of employer-provided education assistance (conform beginning TY 2013).	(4,400)	(4,500)	(8,900)	(4,600)	(4,700)	(9,300)
5	For the student loan interest deduction, increase the income phase-out (conform beginning TY 2013).	(5,900)	(6,000)	(11,900)	(6,100)	(6,400)	(12,500)
6	Exclusion for awards under the national health service corps scholarship program and similar programs (conform beginning TY 2013).	(600)	(600)	(1,200)	(600)	(600)	(1,200)
7	Deduction for Educator Classroom Expenses to \$250 (conform TY 2013, Federal provision expires after TY 2013)	(1,100)	0	(1,100)	0	0	0
8	Deduction of Qualified Tuition and Related Expenses (conform TY 2013, Federal provision expires after TY 2013)	(5,600)	0	(5,600)	0	0	0
9	Subtotal	(17,700)	(11,200)	(28,900)	(11,400)	(11,800)	(23,200)
10	II. Restricted Deductions for High-Income Taxpayers						
11	*Increase the thresholds for the Limitations on Itemized Deductions (not conformed to)			0			0
12	*Increase the threshold for the Phase-out of Personal Exemptions (not conformed to).			0			0
13	Subtotal	0	0	0	0	0	0
14	III. Marriage Penalty Relief						
15	*Increase the standard deduction for married filers (state add-back for TY 2013, conform beginning TY 2014) .	0	(111,000)	(111,000)	(74,700)	(77,600)	(152,300)
16	*For working family credit, increase the phase-out range for married joint filers by \$5,000, Indexed (match federal increase beginning in TY 2013)	(17,800)	(18,000)	(35,800)	(18,100)	(18,300)	(36,400)
17	Subtotal	(17,800)	(129,000)	(146,800)	(92,800)	(95,900)	(188,700)
18	IV. Homeownership Provisions						
19	Exclusion of Discharge of Indebtedness Income on Principal Residence (conform for TY 2013; federal provision expires after TY 2013).	(7,200)	0	(7,200)	0	0	0
20	Premiums for mortgage insurance deductible as qualified residence interest (conform for TY 2013; federal provision expires after TY 2013)	(3,900)	0	(3,900)	0	0	0
21	Subtotal	(11,100)	0	(11,100)	0	0	0
22	V. Charitable Contribution Provisions						
23	Special rule for contributions of qualified conservation property (conform for TY 2013; federal provision expires after TY 2013)	(320)	(30)	(350)	(20)	(10)	(30)

2014 Session- Federal Conformity Proposal Detail in HF 1777 1E with the A11 amendment based on the 2014 February Forecast

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Estimated General Fund Tax Revenue Changes (\$'s in thousands)					
Description		FY 14	FY 15	FY 14-15	FY 16	FY 17	FY 16-17
24	Tax-free IRA distribution, up to \$1,000 to Certain Public Charities for Individuals Age 70.5 years and Older (conform for TY 2013; federal provision expires after TY 2013)	(2,520)	(120)	(2,640)	(120)	(120)	(240)
25	Enhanced Charitable Contribution Deduction for Food Inventory by Other than C Corporations (conform for TY 2013, federal provision expires after TY 2013)	(700)	0	(700)	0	0	0
26	Basis Adjustment to S Corporation Stock for Charitable Contributions of Property (conform for TY 2013; federal provision expires after TY 2013)	(380)	(30)	(410)	(30)	(30)	(60)
27	Subtotal	(3,920)	(180)	(4,100)	(170)	(160)	(330)
28	VI. Other Provisions Affecting Individuals						
29	*For the dependent care credit, increase eligible expenses and credit rate that affect the state credit (state credit recalculated for TY 13, conform to increased federal credit beginning in TY 2014).	0	(1,900)	(1,900)	(1,900)	(2,000)	(3,900)
30	Exclusion for Employer-Provided Adoption Assistance (conform beginning TY 2013).	(400)	(400)	(800)	(400)	(400)	(800)
31	Parity for exclusion for employer provided mass transit and parking benefits (conform TY 2013, federal provision expires after TY 2013)	(Negli.)	0	0	0	0	0
32	Subtotal	(400)	(2,300)	(2,700)	(2,300)	(2,400)	(4,700)
33	Individual Income Tax & Corporate Tax Provisions						
34	VII. Business & Investment Provisions (TY 2013)						
35	15-Year straight-line depreciation for leasehold, restaurant, and retail improvements and new restaurants (conform for TY 2013; federal provision expires after TY 2013)						
36	Individual Income Tax	(400)	(300)	(700)	(300)	(300)	(600)
37	Corporate Tax	(650)	(500)	(1,150)	(500)	(500)	(1,000)
38	7-Year Recovery Period for Certain Motorsports Racing Track Facilities (conform for TY 2013; federal provision expires after TY 2013)						
39	Corporate Tax	(60)	(10)	(70)	(5)	(5)	(10)
40	Accelerated Depreciation for Business Property on Indian Reservations (conform for TY 2013; federal provision expires after TY 2013)						
41	Individual Income Tax	(500)	(100)	(600)	50	120	170
42	Corporate Tax	(435)	(80)	(515)	45	100	145
43	Election to expense mine safety equipment (conform for TY 2013; federal provision expires after TY 2013)						
44	Corporate Tax	(20)	Negligible	Negligible	Negligible	Negligible	Negligible
45	Special expensing rules for certain film and television productions (conform for TY 2013; federal provision expires after TY 2013)						
46	Individual Income Tax	(450)	55	(395)	40	35	75
47	Corporate Tax	(340)	45	(295)	35	25	60

2014 Session- Federal Conformity Proposal Detail in HF 1777 1E with the A11 amendment based on the 2014 February Forecast

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Estimated General Fund Tax Revenue Changes (\$'s in thousands)					
Description		FY 14	FY 15	FY 14-15	FY 16	FY 17	FY 16-17
48	Treatment of certain payments to controlling exempt organizations for the unrelated business income tax (conform for TY 2013; federal provision expires after TY 2013)						
49	Corporate Tax	(150)	0	(150)	0	0	0
50	Treatment of certain dividends of regulated investments companies (state addback for TY 2013, federal provision expires after TY 2013)						
51	Individual Income Tax	(400)	0	(400)	0	0	0
52	Exception under subpart F for active financing income (conform for TY 2013; federal provision expires after TY 2013)						
53	Corporate Tax	(1,700)	0	(1,700)	0	0	0
54	Reduction in recognition period for S corporation Built-In Gains Tax (conform for TY 2013; federal provision expires after TY 2013).						
55	Corporate Tax	(700)	0	(700)	0	0	0
56	Summary - Business & Investment Provisions - Indiv. Income Tax	(1,750)	(345)	(2,095)	(210)	(145)	(355)
57	Summary: Business & Investment Provisions - Corporate Tax	(4,055)	(545)	(4,600)	(425)	(380)	(805)
58	Subtotal	(5,805)	(890)	(6,695)	(635)	(525)	(1,160)
59	Summary 2 - All Provisions by Tax Type						
60	Individual Income Tax	(52,670)	(143,025)	(195,695)	(106,880)	(110,405)	(217,285)
61	Corporate Tax	(4,055)	(545)	(4,600)	(425)	(380)	(805)
62	General Fund Total for All Categories	(56,725)	(143,570)	(200,295)	(107,305)	(110,785)	(218,090)
63	Other Notes:						
64	* Estimates revised for the February Forecast 2014 in the HITS model.						
65	** Revenue Loss occurs after FY 2017.						