

JOINT TRACKING OF TAX FINANCE AND POLICY AGREEMENT

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

7/31/2023

CHANGE SUMMARY - ALL FUNDS, DOLLARS IN THOUSANDS

9:50 AM

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

AIDS & CREDITS: Positive amounts indicate expenditure

STADIUM FINANCE: Positive amounts indicate revenue increase (savings)

LINE	ITEM	Forecast	CHAPTER 64		
		FY 2022-23	FY 2023	FY 2024-25	FY 2026-27
1	<u>GENERAL FUND FORECAST:</u>				
3	TAX POLICY (REVENUE) ¹	58,023,319	28,632,906	58,319,607	62,994,919
4	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	4,641,358	2,588,446	4,434,615	4,554,597
5					
6	<u>GENERAL FUND / NET LOAN ACTIVITY - CHANGE ITEMS:</u>				
7	TAX POLICY			(2,009,246)	(1,242,946)
8	LESS GENERAL FUND PROPERTY TAX REFUNDS, AIDS, & CREDITS		14,172	959,422	55,764
9	LESS NET LOAN ACTIVITY (Senior Deferral)		-	260	1,290
10	SUBTOTAL PROPERTY TAX REFUNDS, AIDS CREDITS + NET LOAN ACTIVITY		14,172	959,682	57,054
11	STADIUM FINANCE/RESERVE CHANGES			(367,355)	(397,527)
12	TOTAL: GENERAL FUND / NET LOAN ACTIVITY		(14,172)	(2,968,928)	(1,300,000)
13	TOTAL: GENERAL FUND, FY 2023-2025 TOTAL			(2,983,100)	
14	TOTAL: GENERAL FUND, FY 2023-2025 TOTAL (WITH STADIUM CHANGES)			(2,615,745)	(902,473)
15					
16	<u>STADIUM RESERVE ACCOUNT</u>				
17	CURRENT LAW		366,179	678,315	1,020,617
18	PROPOSED CHANGE		(366,179)	(678,315)	(1,020,617)
19	SUBTOTAL BUDGET RESERVE + PROPOSED CHANGES			-	-
20					
21	<u>NON-GENERAL FUND - CHANGE ITEMS:</u>				
22	LEGACY FUNDS			(2,075)	(670)
23	ENVIRONMENTAL FUND			6,900	7,300
24	SPECIAL REVENUE FUND			5	10
25	HOUSING DEVELOPMENT FUND			40,000	-
26	IRON RANGE SCHOOL CONSOLIDATION			9,600	10,460
27	TACONITE COUNTY ROAD AND BRIDGE FUND			(2,540)	(3,380)
28	TACONITE ENVIRONMENTAL PROTECTION FUND			(30)	90
29	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND			(13,630)	(20,190)
30	TACONITE PROPERTY TAX RELIEF ACCOUNT			(6,000)	90
31	IRON RANGE RESOURCE AND REHABILITATION ACCOUNT			12,600	13,740
32					
33	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS			44,830	7,450

(1) General Fund state tax revenues and expenditures are based on the Minnesota Management & Budget February 2023 Forecast

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

CHANGES TO GENERAL FUND TAX PROVISIONS - February 2023 Forecast

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

HF#/Author	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	Chapter 64			Chapter 64		
			FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
1	Tax Policy -Change Items - Summary							
2	Tax Policy - Change Items		(1,381,003)	(628,243)	(2,009,246)	(613,813)	(629,133)	(1,242,946)
3	Total - General Fund, Tax Policy - All Change Items		(1,381,003)	(628,243)	(2,009,246)	(613,813)	(629,133)	(1,242,946)
4	INDIVIDUAL INCOME TAX							
5	Change Items							
7	HF1938/ Gomez Fed. Conformity: Limitation on Excess Business Losses (ARPA)	TY26	-	-	-	20,700	48,300	69,000
8	HF1938/ Gomez Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	TY27-28	-	-	-	-	21,400	21,400
9	HF1938/ Gomez Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1, 2023 Session)	Various	4,400	(700)	3,700	(1,000)	(1,400)	(2,400)
10	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan (see note "#")	TY28	-	-	-	-	-	-
11	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Retirement Account Withdrawals Emergency Exp.	TY24	-	(1,300)	(1,300)	(1,300)	(1,300)	(2,600)
12	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	TY 23	(100)	(100)	(200)	(100)	(100)	(200)
13	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Distributions 529 Plans to a Roth IRAs	TY24	-	(1,200)	(1,200)	(1,200)	(1,300)	(2,500)
14	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Qualified Charitable Contrib. from IRA	TY23	(500)	(1,000)	(1,500)	(1,000)	(1,200)	(2,200)
15	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits (see note "#")	TY 27	-	-	-	-	-	-
16	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	1/26/2021	(900)	(500)	(1,400)	-	-	-
17	HF2581/ Gomez Fed. Conformity: Secure Act 2.0 - Limit Deduction for Charitable Conserv. Easements	12/29/2022	4,200	3,300	7,500	2,800	1,900	4,700
18	HF 2883/ Hornstein Fed. Conformity - GILTI with 50% Dividend Received Deduction, No Section 250 Deduction	TY23	3,500	2,800	6,300	2,900	3,100	6,000
20	Standard/Itemized Deduction Phaseout Modifications (10% >\$304,970/20% > \$1.0 million AGI)	TY 23	173,800	180,500	354,300	187,600	197,800	385,400
21	Net Investment Income Tax (1% above \$1m, excluding gains from agricultural land sales)	TY24	-	86,200	86,200	87,700	88,800	176,500
23	HF1938/ Gomez Direct Pymt - Advanced Refundable Credit (\$520 MJ Filers, \$260 Single Filers, \$260 Dependent)	Retro TY 21	(1,130,900)		(1,130,900)			-
25	HF1938/ Gomez Child Tax Credit (\$1,750 per child, phaseout at \$35,000/\$29,500)	TY23	(455,400)	(438,000)	(893,400)	(434,600)	(480,400)	(915,000)
26	HF1369/ Kotyza-Wit Child Tax Credit for Newly Eligible Filers	TY23	(58,400)	(58,600)	(117,000)	(58,800)	(60,100)	(118,900)
27	HF1400/ Lee Changing the Working Family Credit	TY23	150,000	150,000	300,000	150,300	150,600	300,900
28	Interaction - ITIN		(44,900)	(42,100)	(87,000)	(41,100)	(45,600)	(86,700)
29	subtotal		(408,700)	(388,700)	(797,400)	(384,200)	(435,500)	(819,700)
31	HF1938/ Gomez Modify Child & Dependent Care Credit, Newborn Credit to Unmarried Filers	TY23	(1,600)	(1,600)	(3,200)	(1,600)	(1,600)	(3,200)
32	HF1400/ Lee Working Family Credit - ITIN Filers	TY23	(9,800)	(10,000)	(19,800)	(10,200)	(10,400)	(20,600)
33	HF915/ Norris Modify K-12 Education Credit, FAGI Phaseout threshold \$70K, credit increased	TY 23	(12,100)	(12,700)	(24,800)	(13,000)	(13,300)	(26,300)
34	Interaction with K-12 Education Credit: K-12 Education Subtraction		1,000	1,000	2,000	1,000	1,100	2,100
35	HF1938/ Gomez Modify Military Tax Credit	TY23	(200)		(200)			-
36	HF300/ Lislegard Modify Social Security Subtraction, 100% Subtr. for MJ Filers w/ FAGI below \$100K (phased out by \$140K)	TY23	(235,800)	(260,400)	(496,200)	(279,500)	(297,300)	(576,800)
37	HF300/ Lislegard Public Pension Subtraction, \$25K Max. Subtraction for MJ Filer with FAGI below \$100K	TY23	(41,300)	(41,100)	(82,400)	(41,000)	(40,800)	(81,800)
38	Interaction - Social Security & Public Pension (Senate)		1,000	1,000	2,000	1,000	1,000	2,000
39	HF754/ Her Modify Subtraction, Qualified Student Loan Discharges	TY23	-	-	-	-	(100)	(100)
40	HF2059/ Lislegard Modify Film Production Credit	TY23 - TY30	(8,500)	(10,100)	(18,600)	(12,700)	(13,000)	(25,700)
41	HF2277/ Vang Modify Beginning Farmer's Credit - Sales of Agricultural Assets	TY23 - TY30	(4,000)	(4,000)	(8,000)	(4,000)	(4,000)	(8,000)
42	HF1056/ Edelson Subtraction, Certain Sexual Harassment/Abuse Settlements	TY23	(100)	(100)	(200)	(100)	(100)	(200)
43	HF2022/ Norris Manufacturing Home Park Tax Credit to Cooperatives (Non Refundable)	TY23 - TY30	(350)	(380)	(730)	(400)	(430)	(830)

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

CHANGES TO GENERAL FUND TAX PROVISIONS - February 2023 Forecast

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

HF#/Author	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	Chapter 64			Chapter 64		
			FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
44	Reinstate Angel Tax Credit	TY23 - TY24	(5,000)	(5,000)	(10,000)			
45	Shortline Railroad Modernization Tax Credit	TY23	(1,400)	(1,400)	(2,800)	(1,400)	(1,400)	(2,800)
46	Subtraction, Unemployment Compensation Received by Teenagers	TY21	(10)	-	(10)	-	-	-
47	Pass-through Entity Tax Modifications	TY23	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
48	Renter's Income Tax Credit (Refundable)	TY24	-	(378,600)	(378,600)	(382,300)	(386,000)	(768,300)
49								
50	Interactions with Property Tax, Aids and Credits ^		-	850	850	770	750	1,520
51								
52	Subtotal -Income Tax Change Items		(1,673,360)	(843,230)	(2,516,590)	(830,530)	(845,080)	(1,675,610)
53	CORPORATE FRANCHISE TAX							
54	Change Items							
55	Fed. Conformity - GILTI with 50% DRD, No Section 250 Deduction	TY23	249,200	181,500	430,700	184,500	188,600	373,100
56	Reduced Deduction for Dividends Received (50%/40%)	TY23	74,100	54,000	128,100	54,900	56,100	111,000
57	Corporate Net Operating Loss Modifications (80% to 70%)	TY23	22,100	17,300	39,400	17,600	17,900	35,500
58	Reinstate the Historic Rehabilitation Tax Credit	TY22 - TY30	(700)	(3,100)	(3,800)	(8,100)	(14,700)	(22,800)
59								
60	Interactions with Property Tax, Aids and Credits ^		-	1,010	1,010	910	910	1,820
61								
62								
63	Subtotal - Corporate Franchise Tax, Change Items		344,700	250,710	595,410	249,810	248,810	498,620
64	SALES AND USE TAXES**							
65	Change Items							
66	City of Minneapolis, Retained Local Sales Tax Revenue Reduced, Eliminate Interest on Construction	7/1/2023	(6,172)	(6,172)	(12,344)	(6,172)	(6,172)	(12,344)
67	Exemption, Certain Natural Gas Fees to Residential Customers	7/1/2021 - 12/31/2026	(7,560)	(2,380)	(9,940)	(2,380)	(1,310)	(3,690)
68	Exemption, Disregarded Single Member Entities	7/1/2023	(710)	(760)	(1,470)	(810)	(860)	(1,670)
69	Exemption Modified, County Fair Sales	DFE	(30)	(30)	(60)	(30)	(30)	(60)
70	Exemption, Purchases of Firearm Storage Units	7/1/2023	(20)	(20)	(40)	(20)	(20)	(40)
71	Exemption Modified, Suite Licenses	7/1/2022	(1,350)	(690)	(2,040)	(690)	(700)	(1,390)
72	Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2022-6/30/30	(490)	(260)	(750)	(260)	(270)	(530)
73	Exemption, Sales to Nonprofit Blood Centers	1/1/2020 - 12/30/27	(1,400)	(300)	(1,700)	(300)	(300)	(600)
74	Exemption, Const. Materials Modified, Mazeppa Fire	3/12/18 - 12/31/24	(20)	-	(20)	-	-	-
75	Exemption, Const. Materials Modified, Maple Grove, Reg. Public Safety Ctr.	9/1/21-12/31/23	(290)	-	(290)	-	-	-
76	Exemption, Construction Materials, City of Chanhassen	2/1/24 - 1/31/27	-	(260)	(260)	(260)	(260)	(520)
77	Exemption, Construction Materials, Chisholm Public Schools	1/1/22 - 12/31/24	(420)	(420)	(840)	-	-	-
78	Exemption, Construction Materials, Duluth Public Schools	7/1/21 - 12/31/24	(510)	-	(510)	-	-	-
79	Exemption, Construction Materials, City of Edina, Community Health Center	1/1/24 - 12/31/25	-	-	-	(910)	-	(910)
80	Exemption, Construction Materials, Ely Public Schools	5/2/19 - 12/31/23	(360)	-	(360)	-	-	-
81	Exemption, Construction Materials, Hibbing Public Schools	5/2/19 - 12/31/24	(260)	-	(260)	-	-	-
82	Exemption, Construction Materials, Minneapolis - St. Paul Airport	7/1/23 - 6/30/24	(7,560)	-	(7,560)	-	-	-
83	Exemption, Construction Materials, City of Moorhead	3/1/24 - 3/31/27	-	(240)	(240)	(240)	(240)	(480)
84	Exemption, Construction Materials, Nashauk-Keewatin Public Schools	1/1/22 - 12/31/24	(620)	(620)	(1,240)	-	-	-
85	Exemption, Construction Materials, Northern Lights Academy	1/1/22 - 12/31/24	(160)	(160)	(320)	-	-	-
86	Exemption, Construction Materials, Northland Learning Center	1/1/22 - 12/31/24	(190)	(190)	(380)	-	-	-
87								

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)
CHANGES TO GENERAL FUND TAX PROVISIONS - February 2023 Forecast

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

HF#/Author	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	Chapter 64			Chapter 64		
			FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
88	HF2417/ Lillie	Exemption, Construction Materials, City of Oakdale, New Public Works Facility						
89	HF1177/ Niska	Exemption, Construction Materials, Ramsey Water Treatment Center						
90	HF2804/ Kiel	Exemption, Construction Materials, Red Lake County ISD 2906						
91	HF414/ Lislegard	Exemption, Construction Materials, Rock Ridge Public Schools						
92	HF2655/ Torkelson	Exemption, Construction Materials, Red Rock & Springfield Central School Districts						
93	HF2819/ Davids	Exemption, Construction Materials & Capital Equipment, Spring Grove Fire Rem.						
94	HF1534/ Acomb	Exemption, Construction Materials, City of Wayzata						
95	HF1623/ Cha	Exemption, Construction Materials, City of Woodbury Central Park						
96								
97		Subtotal - Sales & Use Tax, Change Items						
98								
99		LAWFUL GAMBLING TAXES						
100		Change Items						
101	HF1938/ Gomez	Combined Net Receipt Tax, Rate Reduction						
102								
103		Subtotal - Lawful Gambling Taxes, Change Items						
104								
105		OTHER TAX & NON TAX REVENUE						
106		Change Items						
107	HF1938/ Gomez	Repeal \$50 Fee for Payment Agreement Plan						
108	HF1487/Reyer	Revenue Recapture, Disallow Nonprofit Hospitals						
109	HF1785/ Hornstein	Solid Waste Tax, Reallocation of Receipts between General Fund/Environ. Fund at 3%						
110	HF2012/ Lislegard	Gross Proceeds Tax, Non Ferrous Mining (see note "###")						
111	HF2012/ Lislegard	State Distribution of Gross Proceeds Tax						
112	HF875/ Becker-Finn	State General Levy, Tribal Land Exemption						
113								
114		Subtotal - Other Tax & Non Tax Revenue, Change Items						

Commonly used spreadsheet acronyms and other notations:

Federal Conformity "ARPA" denotes American Rescue Plan and Federal Conformity "IRA" denotes

"DFE" is a provision is effective day following enactment, "Negli." is negligible cost/savings of plus or minus \$5,000, and "Feb-23" is current law estimates based on MMB's Feb 2023 Forecast.

** Indicates provision has a non general fund revenue impacts, see non general fund tracking

^ Interactions with Property Taxes, Fiscal Impact in Appendix B

"#" These provisions have fiscal impact outside the budget forecast window: (1) Secure Act; Exclusion of First Responder Retirement Benefits starting in FY29; (2) Secure Act: Sales of Employee Stock to an Employer Stock Ownership Plan starting in FY 28;

"###" The gross proceeds tax replaces a net proceeds tax anticipated to generate revenue beginning in FY29; both House and Senate positions repeal the net proceeds tax.

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

CHANGES TO GENERAL FUND TAX AIDS, CREDITS & REFUNDS - 2023 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains. [] brackets are for reference only and not included in totals.

HF	Author	Change Item Description	Effective Date	CHAPTER 64				CHAPTER 64		
				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
GENERAL FUND SUMMARY										
		Property Tax Aids, Credits and Refunds								
		February 2023 forecast		2,588,446	2,197,802	2,236,813	4,434,615	2,263,356	2,291,241	4,554,597
		<i>HF 1938 Tax Bill -Total Proposed GF Changes</i>		14,172	630,052	329,370	959,422	(3,388)	59,152	55,764
		<i>HF 1938 Tax Bill -Total Proposed Net Loan Activity Changes</i>		0	0	260	260	640	650	1,290
		<i>Subtotal GF + Net Loan Activity Proposed Changes</i>		14,172	630,052	329,630	959,682	(2,748)	59,802	57,054
		Property Tax Aids, Credits and Refunds - February 2023 + HF 1938 Chgs		2,602,618	2,827,854	2,566,183	5,394,037	2,259,968	2,350,393	4,610,361
PROPERTY TAX REFUNDS										
Homestead Credit State Refund (HCSR) PTR changes										
10	HF 1938 Gomez HF 1343 Youakim	Expand Homestead to Indiv taxpayer ID number (ITIN)	App filed 2023, cty data 2024		0	2,000	2,000	2,000	2,000	4,000
11	HF 1506 Lislegard	Homeowner PTR - Reduce all eligible homeowner copays 3%	2023 Rfds / Pay 2024		0	25,400	25,400	25,700	25,900	51,600
Additional One-Time 20.6% PTR payment										
13	HF 1938 Gomez	Homestead Credit State Refund (HCSR), taxes payable 2023			137,466	0	137,466			
14	HF 1323 Agbaje	Renter Credit PTR, base rent paid 2022			48,259	0	48,259			
15		Subtotal - Additional One-Time 20.6% PTR payment			185,725	0	185,725			
16	HF 1938 Gomez	Enhanced Taxpayer Assistance for PTR, WFC	7/1/2023		1,000	1,000	2,000	1,000	1,000	2,000
17	HF 2725 Norris	Targeting PTR - One-time threshold reduction from 12% to 6% incrs property tax, max refund increase from \$1,000 to \$2,500	Pay 2023 only		23,100	200	23,300			0
19	HF 1504 Norris	Homestead Market Value Exclusion changes \$95,000 threshold, maximum exclusion \$38,000, maximum market value \$517,200 PTR interaction	Assmt 2024		0	0	0	(6,080)	(6,080)	(12,160)
20	HF 307 Richardson	Community land trust property class 4d(2) rate @ 0.75% - PTR interaction	Assmt 2024		0	0	0	(260)	(260)	(520)
21	HF 307 Richardson	Class 4d low-income rental housing; remove tier, set rate at 0.25%	Assmt 2024					2,920	2,920	5,840
22	HF 1029 Anderson	Agricultural homesteads, first tier valuation increase	Assmt 2024					640	640	1,280
24	HF 561 Nelson, M	Green acres determent modification for certain property (eminent domain)	Assmt 2024					Negligible	Negligible	Negligible
26	HF 1099 Anderson	Solar generating system real property class clarified - PTR interaction	Assmt 2024		0	0	0	(Negligible)	(Negligible)	(Negligible)
27	HF 875 Becker-Finn	Indian tribe-owned property (Minneapolis), extend property tax exemption	Pay 2023-34		0	Negligible	Negligible	Negligible	Negligible	Negligible
28	HF 259 Olson, L	Elderly living facilities (St. Ann's) exempted from property tax - PTR interaction	Pay 2023		0	10	10	10	10	20
29	HF 236 Freiberg HF 858 Norris HF 1060 Demuth HF 1331 Elkins	Spouses disabled veterans' homestead MVE - application deadline eliminated /allowed to reapply	Assmt 2023		0	(30)	(30)	(40)	(40)	(80)
30		Metropolitan revenue distribution (fiscal disparities program) changes	Pay 2024			(Negligible)	(Negligible)	(Negligible)	(Negligible)	(Negligible)
31	HF 3216 Demuth	Property tax exemption ISD #745 Albany (Stearns County) FY 2023	FY 2023	46	0	0	0			
Other HCSR Aid/Credit change related PTR interactions										
33		PTR interaction - LGA approp increase	Pay 2024			(2,180)	(2,180)	(2,180)	(2,180)	(4,360)
34		PTR interaction - CPA approp increase	Pay 2024			(2,180)	(2,180)	(2,180)	(2,180)	(4,360)
35		PTR interaction - Class 4d Transition Aid	Pay 25-26 only					(20)	(20)	(40)
36		PTR interaction - PILT valuation increase	Pay 2024		0	(250)	(250)	(280)	(300)	(580)

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

CHANGES TO GENERAL FUND TAX AIDS, CREDITS & REFUNDS - 2023 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains. [] brackets are for reference only and not included in totals.

HF	Author	Change Item Description	Effective Date	CHAPTER 64				CHAPTER 64		
				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
37		PTR interaction - Electric Generation Transition Aid	Pay 2024		0	(70)	(70)	(110)	(40)	(150)
38		PTR interaction - Statewide Local Housing Aid	Pay 2023		0	(540)	(540)	(240)	(240)	(480)
39	HF 1938 Gomez	PTR interaction - Local Homeless Prevention Aid 12% for Tribal governments	Assmt 2024		0	70	70	70	70	140
40	HF 1393 Fischer	PTR interaction - Watershed Districts Levy Authority increase	Assmt 2024		0	0	-	340	340	680
41										
42		Subtotal - Homestead Credit State Refund PTR changes		46	209,825	23,430	233,255	21,290	21,540	42,830
43		Renter Property Tax Refund changes								
44	HF 1653 Coulter	Renters Credit - Convert to Income Tax Credit								
45		Renter Income Tax credit, eff rent pd 2024, tax filed 2025 [REV loss reference only]				[378,600]	[378,600]	[382,300]	[386,000]	[768,300]
46		Repeal Renter PTR, sunset rent paid 2024, taxes filed in 2025	Rent Pd 2024		0	0	0	(245,500)	(247,300)	(492,800)
47		Subtotal - Renter / Targeting PTR changes		0	0	0	0	(245,500)	(247,300)	(492,800)
48										
49		AIDS AND CREDITS								
50		Local Aid changes								
51	HF 1377 Lislegard	Local Government Aid approp increase	Pay 2024	0	0	80,000	80,000	80,000	80,000	160,000
52	--	Local Government Aid prepay Pay 2025	Pay 2025			60,586	60,586	(60,586)	0	(60,586)
53	HF 2239 Swedzinski	City of Echo 2021 LGA penalty forgiveness (\$46,060)	DFE	46	0	0	0			0
54	HF 1802 Urdahl	City of Morton 2021 LGA penalty forgiveness (\$79,476)	DFE	79	0	0	0			0
55										
56	HF 1377 Lislegard	Mahnomen City/County Property Tax Reimbursement Aid increase	Pay 2023	0	0	160	160	160	160	320
57	HF 2982 Davids	City of Spring Grove fire remediation grant, one-time	FY 2024		250	0	250	0	0	0
58	--	City of Northfield (infrastructure grant) one-time	FY 2024		300	0	300	0	0	0
59	--	Windom Relief - City Aid	FY 2023	13,000	0	0	0			
60	--	Windom Relief - Windom ISD #177	FY 2024		1,000	0	1,000			
61	HF 763 Skraba	Crane Lake Water and Sanitary District Debt Service Relief	7/1/2023		1,294	0	1,294			
62	HF 1938 Gomez	City of Minneapolis - Acquisition of property at 28th St. E. and Longfellow Ave.	7/1/2023		2,000	0	2,000			
63	HF 1938 Gomez	City of Minneapolis - Lake Street Corridor	7/1/2023		8,000	0	8,000			
64										
65	HF 1377 Lislegard	County Program Aid appropriation increase	Pay 2024	0		80,000	80,000	80,000	80,000	160,000
66										
67	HF 825 Lislegard	Increase Payments in Lieu of Taxes (PILT) valuation \$1 per acre/ Lakeshore report	Pay 2024 Study DFE	0	0	9,300	9,300	10,200	11,000	21,200
68										
69	HF 1419 Howard	Establish Statewide Local Housing Aid program	Pay 2023							
70		SLHA to Counties	Pay 2023		13,050	13,050	26,100	5,800	5,800	11,600
71		SLHA to Tribes	Pay 2023		2,700	2,700	5,400	1,200	1,200	2,400
72		SLHA to Cities with population of at least 10,000	Pay 2023		4,500	4,500	9,000	2,000	2,000	4,000
73		SLHA to MHFA - Local Housing Aid grants to Small Cities	Pay 2023		<u>2,250</u>	<u>2,250</u>	<u>4,500</u>	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
74		Subtotal Statewide Local Housing Aid			22,500	22,500	45,000	10,000	10,000	20,000
75										
76	HF 1427 Hill	Electric Generation Transition Aid to Local Governments	Pay 2024		0	2,120	2,120	3,430	1,420	4,850
77	HF 1427 Hill	Repeal Utility Valuation Transition Aid	Pay 2024		0	(17)	(17)	(18)	(19)	(37)
78										
79	HF 1938 GOV	Public Safety Aid to Local Governments	FY 2024		300,000		300,000			0
80	HF 735 Reyer	Soil and Water Conservation District Aid	Pay 2023	0	15,000	15,000	30,000	12,000	12,000	24,000
81	HF 1808 Howard	Class 4d Transition Aid	Pay 2025		0	0	0	580	580	1,160

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

CHANGES TO GENERAL FUND TAX AIDS, CREDITS & REFUNDS - 2023 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains. [] brackets are for reference only and not included in totals.

HF	Author	Change Item Description	Effective Date	CHAPTER 64				CHAPTER 64		
				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
82		Subtotal - Local Aid changes		13,126	350,344	269,649	619,993	135,766	195,141	330,907
83		Property Tax Credit changes								
86		SBB interaction - Reduction from Ag homestead 1st tier valuation increase	Assmt 2024					(1,250)	(1,420)	(2,670)
87		Subtotal - Property Tax Credit changes		0	0	0	0	(1,250)	(1,420)	(2,670)
88		Other changes								
89	HF 3068 Gomez	Tribal Nations Aid	Pay 2024		0	35,000	35,000	35,000	35,000	70,000
90	HF 1635 Norris	Housing Development Fund, Workforce & Affordable Homeownership account	7/1/2023		40,000	0	40,000			
91	HF 705 Youakim	Free Filing Report, 1.15.2024	FY 2024		175	0	175	0	0	0
92	HF 231 Davids	Interactive taxpayer receipt website begin w/taxes payable 2023- MMB admin	DFE		144	47	191	47	47	94
93	HF1938 Gomez	Problem Gambling (interaction with Charitable Gambling)	7/1/2023		(136)	(156)	(292)	(161)	(166)	(327)
94	HF 1489 Coulter	Increase Political Contribution Refund to \$75 individual / \$150 married joint filer	7/1/2023		700	1,400	2,100	1,400	1,400	2,800
95	HF 1938 Gomez	IRS Tax Filing Modernization Account	7/1/2023		5,000	0	5,000	0	0	0
96	HF 3294 Wolgamott	TRA / St. Paul TRFA - School Pension Adjustment Aid	7/1/2025		0	0	0	47,020	54,910	101,930
97	HF 1938 GOV	MN Department of Revenue Administration of Refundable Credit	DFE	<u>1,000</u>	21,000	0	21,000			
98	HF 1938 GOV	MN Department of Revenue Administration of 2023 Tax Act	DFE		<u>3,000</u>	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
99		Subtotal - Other changes		1,000	69,883	36,291	106,174	86,306	91,191	177,497
100		Total General Fund, Tax Aids, Credits & Refunds		\$14,172	\$630,052	\$329,370	\$959,422	(\$3,388)	\$59,152	\$55,764
101		Net Loan Activity								
102		Senior citizens' property tax deferral requirements: lower occupancy requirement to 5 years, increase HH income to \$96K - PTR interaction	Pay 2024		0	260	260	640	650	1,290
103	HF 1727 Wolgamott									
104		Total GF + Net Loan Activity, Tax Aids, Credits & Refunds		14,172	630,052	329,630	959,682	(2,748)	59,802	57,054
106										
107		GF Summary PTAC								
108		Subtotal - Homestead Credit State Refund PTR changes		46	209,825	23,430	233,255	21,290	21,540	42,830
109		Subtotal - Renter / Targeting PTR changes		0	0	0	0	(245,500)	(247,300)	(492,800)
110		Subtotal - Local Aid changes		13,126	350,344	269,649	619,993	135,766	195,141	330,907
111		Subtotal - Property Tax Credit changes		0	0	0	0	(1,250)	(1,420)	(2,670)
112		Subtotal - Other changes		1,000	69,883	36,291	106,174	86,306	91,191	177,497
113		TOTAL GF Changes, Property Tax Aids & Credits		14,172	630,052	329,370	959,422	(3,388)	59,152	55,764

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

NON GENERAL FUND CHANGES - February 2023 Forecast

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

HF#/Author	EFFECTIVE	CHAPTER 64			CHAPTER 64			
		FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27	
1	Total Non General Fund		41,810	3,020	44,830	3,200	4,250	7,450
2	Total - Legacy Funds:		(1,590)	(485)	(2,075)	(405)	(265)	(670)
2	HF1938, Gomez	Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023					
3	HF1746, Agbaje	Temporarily Exempts Certain Natural Gas Fees to Residential Customers	Various	(440)	(140)	(580)	(140)	(80) (220)
4	HF526, Agbaje	Sales tax Exemption, Disregarded Single Member Entities	7/1/2023	(40)	(40)	(80)	(50)	(50) (100)
4	HF2410, Lislegard	Sales Tax Exemption, Purchases of Nonprofit Snowmobiles with Sunset	7/1/2023					
4	HF2125, Engen	Exemption Expanded, Baby Products	7/1/2023					
4	HF2719, Engen	Establish One-time Sales Tax Holiday for School Supplies	8/15/23 to 8/21/23					
4	HF152, Bahner	Exemption, Const. Mat., Maple Modified, Maple Grove, No. Metro Range Reg. Public Safety C	9/1/21-12/31/23					
5	HF1510, Brand	Exemption Modified, County Fair Sales	DFE	(negli.)	(negli.)	(negli.)	(negli.)	(negli.) (negli.) (negli.)
6	SF1444, Rest	Exemption, Purchases of Firearm Storage Units	7/1/2023	(negli.)	(negli.)	(negli.)	(negli.)	(negli.) (negli.) (negli.)
6		Exemption Modified, Fiber and Conduit for Broadband	7/1/2023	-	-	-	-	- - -
7	HF2230, Lislegard	Exemption Modified, Suite Licenses	7/1/2022	(80)	(40)	(120)	(40)	(40) (80)
8	HF2230, Lislegard	Exemption Modified, Amenities Included in Admission to Athletic Events	7/1/2022-6/30/30	(30)	(10)	(40)	(20)	(20) (40)
9	HF2949, Davids	Exemption, Sales to Nonprofit Blood Centers	1/1/2020 - 12/30/27	(80)	(20)	(100)	(20)	(20) (40)
10	HF351, Jacobs	Exemption, Const. Materials, Mazeppa Fire	3/12/18 - 12/31/24	(negli.)		(negli.)		-
10	HF152, Bahner	Exemption, Const. Mat., Maple Modified, Maple Grove, No. Metro Range Reg. Public Safety C	9/1/21-12/31/23					-
11	HF152, Bahner	Exemption, Const. Mat., Maple Modified, Maple Grove, No. Metro Range Reg. Public Safety C	9/1/21-12/31/23	(20)		(20)		-
11	HF1938, Gomez	Temp. Construction Mats. Exemption - Local Gov'ts & Nonprofits	7/1/21 to 12/31/24					-
11	HF3218, Mekeland	Exemption, Construction Materials - Local Gov'ts & Nonprofits	7/1/21 - 12/31/24					-
11		Exemption, Construction Materials, Becker Public School District (see note "+")	1/1/22 - 1/31/24					-
11	HF1870, Rehm	Exemption, Construction Materials, Beltrami County Jail					-	-
11	HF1870, Rehm	Exemption, Construction Materials, City of Chanhassen (see note "+")	1/1/25-1/31/27					-
11	HF1870, Rehm	Exemption, Construction Materials, City of Chanhassen	2/1/24 - 1/31/27	-	(15)	(15)	(15)	(15) (30)
12	HF414, Lislegard	Exemption, Construction Materials, Chisholm Public Schools (see note "+")	1/1/22 to 12/31/24					-
13	HF414, Lislegard	Exemption, Construction Materials, Chisholm Public Schools	1/1/22 - 12/31/24	(20)	(20)	(40)		-
13	HF414, Lislegard	Exemption, Construction Materials, Duluth Public Schools (see note "+")	7/1/21 - 12/31/24					-
14	HF414, Lislegard	Exemption, Construction Materials, Duluth Public Schools	7/1/21 - 12/31/24	(30)		(30)		-
14	HF1786, Edelson	Exemption, Construction Materials, City of Edina, Community Health Center (see note "+")	1/1/25 - 12/31/25					-
14	HF414, Lislegard	Exemption, Construction Materials, Ely Public Schools (see note "+")	5/2/19 - 12/31/23					-
15	HF414, Lislegard	Exemption, Construction Materials, City of Edina, Community Health Center	1/1/24 - 12/31/25	-	-	-	(50)	(50)
16	HF414, Lislegard	Exemption, Construction Materials, Ely Public Schools	5/2/19 - 12/31/23	(20)		(20)		-
16	HF414, Lislegard	Exemption, Construction Materials, Hibbing Public Schools (see note "+")	5/2/19 - 12/31/24					-
16	HF414, Lislegard	Exemption, Construction Materials, Hibbing Public Schools	5/2/19 - 12/31/24	(10)		(10)		-
16	HF2575, Youakim	Exemption, Construction Materials, Itasca County, Courthouse & Correctional Facility		-	-	-	-	-
16	HF2575, Youakim	Exemption, Construction Materials, Minneapolis - St. Paul Airport (see note "+")	1/1/25-12/31/27					-
17	HF2575, Youakim	Exemption, Construction Materials, Minneapolis - St. Paul Airport	7/1/23 - 6/30/24	(440)		(440)		-
17	HF2482, Keeler	Exemption, Construction Materials, City of Moorhead (see note "+")	1/1/25-3/31/27					-

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

NON GENERAL FUND CHANGES - February 2023 Forecast

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

HF#/Author		EFFECTIVE	CHAPTER 64			CHAPTER 64		
			FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
18	HF2482, Keeler	Exemption, Construction Materials, City of Moorhead						
18	HF414, Lislegard	Exemption, Construction Materials, Nashauk-Keewatin Public Schools (see note "+")						
19	HF414, Lislegard	Exemption, Construction Materials, Nashauk-Keewatin Public Schools						
19	HF414, Lislegard	Exemption, Construction Materials, Northern Lights Academy (see note "+")						
20	HF414, Lislegard	Exemption, Construction Materials, Northern Lights Academy						
20	HF414, Lislegard	Exemption, Construction Materials, Northland Learning Center (see note "+")						
21	HF414, Lislegard	Exemption, Construction Materials, Northland Learning Center						
21	HF2417, Lillie	Exemption, Construction Materials, City of Oakdale, New Public Works Facility (see note "+")						
22	HF2417, Lillie	Exemption, Construction Materials, City of Oakdale, New Public Works Facility						
22	HF1177, Niska	Exemption, Construction Materials, Ramsey Treatment Center (see note "+")						
23	HF1177, Niska	Exemption, Construction Materials, Ramsey Water Treatment Center						
23	HF2804, Kiel	Exemption, Construction Materials, Red Lake County ISD 2906 (see note "+")						
24	HF2804, Kiel	Exemption, Construction Materials, Red Lake County ISD 2906						
24	HF414, Lislegard	Exemption, Construction Materials, Rock Ridge Public Schools (see note "+")						
25		Exemption, Construction Materials, Rock Ridge Public Schools						
25	HF2655, Torkelson	Exemption, Construction Materials, Red Rock & Springfield Central School Districts (see note "+")						
26	HF2655, Torkelson	Exemption, Construction Materials, Red Rock & Springfield Central School Districts						
27	HF2819, Davids	Exemption, Construction Materials & Capital Equipment, Spring Grove Fire Rem.						
27	HF1534, Acomb	Exemption, Construction Materials, City of Wayzata (see note "+")						
28	HF1534, Acomb	Exemption, Construction Materials, City of Wayzata						
29	HF1623, Cha	Exemption, Construction Materials, City of Woodbury Central Park (see note "+")						
29	HF1623, Cha	Exemption, Construction Materials, City of Woodbury Central Park						
30								
31		Total - Environmental Fund:						
33	HF1785, Hornstein	Solid Waste Tax, Reallocation of Receipts between General Fund/Environ. Fund						
34								

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

NON GENERAL FUND CHANGES - February 2023 Forecast

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

HF#/Author	EFFECTIVE	CHAPTER 64			CHAPTER 64					
		FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27			
35		Total - Special Revenue Fund:			-	5	5	5	5	10
36										
37	HF1487, Reyer	Revenue Recapture; Certain Nonprofit Hospitals Claims Disallowed	7/1/2023		5	5	5	5		10
38										
39		Total - Housing Development Fund			40,000	-	40,000	-	-	-
40										
41	HF1635, Norris	Mortgage Registry Tax & Deed Tax, Appropriation to Workforce & Affordable Hsg. Dev. Act.	7/1/2023	40,000		40,000				-
42										
43		Total - Iron Range School Consolidation			4,370	5,230	9,600	5,230	5,230	10,460
44										
45	HF 2012, Lislegard	Make Permanent Additional Distribution	DFE	870	1,730	2,600	1,730	1,730		3,460
46	HF 2012, Lislegard	Transfer from DJJ Economic Protection Fund		3,500	3,500	7,000	3,500	3,500		7,000
47										
48		Total - County Road & Bridge Fund:			(850)	(1,690)	(2,540)	(1,690)	(1,690)	(3,380)
49										
50	HF 2012, Lislegard	Make Permanent Reduction Distribution	DFE	(850)	(1,690)	(2,540)	(1,690)	(1,690)		(3,380)
51										
52		Total - Taconite Environmental Protection Fund:			(10)	(20)	(30)	(20)	110	90
53										
54	HF 2012, Lislegard	Gross Proceeds and Assistance Area	DFE	-	-	-	-	130		130
55	HF 2012, Lislegard	Make Permanent Reduction Distribution		(10)	(20)	(30)	(20)	(20)		(40)
56										
57		Total - DJJ Economic Protection Fund:			(3,510)	(10,120)	(13,630)	(10,120)	(10,070)	(20,190)
58										
59	HF 2012, Lislegard	Make Permanent Additional Distribution	DFE	(10)	(20)	(30)	(20)	(20)		(40)
60	HF 2012, Lislegard	Gross Proceeds and Assistance Area	DFE	-	-	-	-	50		50
61	HF 2012, Lislegard	Transfer to IRRB and Iron Range School Consolidation	DFE	(3,500)	(10,100)	(13,600)	(10,100)	(10,100)		(20,200)
62										
63		Total - Taconite Property Tax Relief Account			(6,000)	-	(6,000)	-	90	90
64										
65	HF 2012, Lislegard	Transfer to IRRR Account	DFE	(6,000)	-	(6,000)	-	-		-
66	HF 2012, Lislegard	Gross Proceeds and Assistance Area	DFE	-	-	-	-	90		90
67										
68		Total - Iron Range Resources and Rehabilitation Account			6,000	6,600	12,600	6,600	7,140	13,740
69										
70	HF 2012, Lislegard	Transfer to IRRR Account	DFE	6,000	-	6,000	-	-		-
71	HF 2012, Lislegard	Gross Proceeds and Assistance Area	DFE	-	-	-	-	540		540
72	HF 2012, Lislegard	Transfer from DJJ Economic Protection Fund	DFE	-	6,600	6,600	6,600	6,600		13,200

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

Stadium Finance and Reserve Changes

Note: Positive numbers = revenue gains or expenditure savings, negative numbers = revenue reduction or expenditures

	EFFECTIVE	CHAPTER 64				CHAPTER 64		
		FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
1 Total - Stadium Finance and Reserve Changes (Revenue + Expenditures)		(26,521)	178,393	188,962	367,355	195,394	202,133	397,527
2 Revenue		366,179	148,241	158,811	307,052	165,242	171,976	337,218
3 Authorize the Balance in Stadium Reserve Balance for Stadium Bond Payoff in FY23	DFE	366,179			366,179			
4 Repeal Stadium Reserve Account (after Stadium Bond Payoff), Deposits to Gen. Fund	DFE		150,783	161,353	312,136	167,784	174,518	342,302
5 Repeal Minneapolis Advance Payment Reimbursement (FY16-20) Requirement, City of Mpls	7/1/2023		(2,542)	(2,542)	(5,084)	(2,542)	(2,542)	(5,084)
6 Limitation of Growth in Mpls local sales tax transferred to MSFA (limit to 3% annual growth) **	7/1/2023		-	-	-	-	-	-
7								
8 Expenditures		(392,700)	30,152	30,151	60,303	30,152	30,157	60,309
9 Payoff (Prepay) U.S. Bank Stadium Bonds	DFE	(377,000)	-	-	-	-	-	-
10 Onetime Appropriation, Secure Perimeter Around Stadium	DFE	(15,700)						
11 U.S. Bank (State/Local) Debt Service Payment, Cessation, Savings to Gen. Fund	7/1/2023		30,152	30,151	60,303	30,152	30,157	60,309
12								
13 Stadium Reserve - Reference Only (Current Law - Cumulative Stadium Reserve Changes)		-	-	-	-	-	-	-
14 Current Law Balance		366,179	516,962	678,315	678,315	846,099	1,020,617	1,020,617
15 Changes to the Stadium Reserve (FY 23 Debt Pay off)		(366,179)						
16 Changes to the Stadium Reserve (Deposits To Gen. Fund)			(150,783)	(161,353)		(167,784)	(174,518)	
17 Cumulative Stadium Reserve Changes (Debt Payoff and Deposits to General Fund)			(516,962)	(678,315)	(678,315)	(846,099)	(1,020,617)	(1,020,617)

***In Chapter 64, there is a limitation on the amount of retained Minneapolis' local sales tax revenue. The 3 percent limitation has no effect in FY24-FY27; forecasted retention increases by less than three percent for that time period. Revenue retained may be lower in FY 2028 relative to current law, with a corresponding reduction to the amount appropriated to the MN Sports Facility Authority.

Commonly used spreadsheet acronyms and other notations: "DFE" denotes Day Following Enactment; "MPLS" denotes Minneapolis.

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

TAX AND PROPERTY TAX NO STATE COST CHANGES

HF	Author	Change Item Description	Effective date
Property tax changes - Miscellaneous (no state fund impact)			
1	HF 514 Lislegard	City of Virginia exempted from net debt limit	DFE
2	HF 1721 Lee	Delinquent Property Tax interest rate- county may set rate	Jan 1, 2024
3	HF 675 Agbaje	Property Tax service of petitions	July 1, 2023
4	HF 2172 Hornstein	Tourism Improvement Special Taxing Districts	DFE
5	HF 2495 Lee	Ramsey County judgment sales	Local appvl + file
6	HF 1372 Gomez	DOR Policy and Technical	various
7	HF 2089 Her	City of St. Paul bonding authority	Local appvl + file
8	HF 2905 Lislegard	Truth in Taxation	Pay 2024
9	SF 2030 Gustafson	Levy limit modification Anoka County public safety	Local appvl + file
10	HF 2012 Lislegard	Taconite Assistance Area / 2023 Transfer Production Tax Distribution	DFE +1
Tax changes - Miscellaneous (no state fund impact)			
12	HF 2757 Gomez	Local Government debt financing (Public Finance bill)	July 1, 2023
14	HF 1938 Gomez	Tax Expenditure Review Commission TERC	DFE
15	HF 1938 Gomez	Tax Refund Agreements with Tribes	DFE
16	HF 1938 Gomez	Financial Review of Grant & Business Subsidy	DFE
Property tax changes for Tax Increment Financing (TIF)			
18	HF 880 Gomez	TIF update State Auditor - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DFE +1
19	HF 1768 Coulter	Bloomington TIF Central Station undeveloped parcels extnd 5 yr	Local appvl + file
20	HF 978 Davids	Chatfield economic Development TIF	Local appvl + file
21	HF 1871 Olson, L	Duluth TIF district - Port Lot D, redevelopment TIF, limit 2 districts	Local appvl + file
22	HF 2412 Olson, L	Duluth TIF Medical Regional Exch, redvlpmt TIF, extd term to 2030	Local appvl + file
23	HF 1458 Koegel	Fridley TIF district 20 trnsfr incmnt to HRA, limit uses, reports in 2025 & 2027 Expires Dec 2027	Local appvl + file
24	SF 198 Latz	Hopkins TIF costs housing/redev incrs to 25%	Local appvl + file
25	HF 2118 Kiel	Northwest MN Multi-County HRA levy end date	Local appvl + file
26	HF 134 Klevorn	Plymouth TIF district spec rules (10 yr extnd, uses)	Local appvl + file
27	SF 2184 Bahr	Ramsey TIF - extend to 5 yr (2026)	Local appvl + file
28	HF 3162 Lee	St Paul HRA TIF #82, chg incmnt uses, allow for RiverCntr cap impvmt	Local appvl + file
29	HF4127 Hanson, J	Savage TIF district special rules (5-6yr) extended	Local appvl + file
30	HF 263 Tabke	Shakopee TIF soil deficiency authority til Dec 2026	Local appvl + file
31	HF 428 Clardy	West St. Paul Redevelopment TIF - spec rules, uses	Local appvl + file
32	HF 1463 Hemmngsen-Jager	Woodbury TIF District 13 spec rules amend	Local appvl + file
33	HF 1216 Putnam	Small city definition chg: pop 5,000 and < 5 miles from city >10,000 pop	Local appvl + file
Local Lodging / Food & Beverage Taxes (no state fund impact)			
37	HF 124 Skraba	Cook County local 1% lodging tax extended from 15 to 30 yrs	Local appvl + file
38	HF 2382 Olson, L	Duluth Extnd term 0.5% lodging, incrs debt from \$18M to \$54M	Local appvl + file
39	HF 3169 Grossell	Lake of the Woods County 3% gross receipts lodging tax	Local appvl + file
Local Sales Taxes (no state fund impact)			
42	HF 3017 Davids	Local taxes; resolution submission and referendum requirements clarified for modifying new & existing local sales tax (OSA)	Local appvl + file
43	HF 3069 Gomez	Local Taxes Advisory Task Force/ report January 2024	Local appvl + file
45	HF 2227 Grossell	Beltrami County incrs local sales to 0.625%, \$80M/ 30 y county jail	Local appvl + file
46	HF 2372 Fogelman	Jackson County 1.0% local sales \$39M 30y, Law/Govt Cntr	Local appvl + file
47	HF 2381 Daniels	Rice County new 3/8% for \$48M/ 30y public safety facility	Local appvl + file
48	HF 1003 Wolgamott	Stearns County 3/8% local sales \$325M/ 30 y new Justice Cntr	Local appvl + file
49	HF 1343 Pelowski	Winona County new 0.25% local sales for \$28M / 25y Corrctn Facility	Local appvl + file

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

TAX AND PROPERTY TAX NO STATE COST CHANGES

HF	Author	Change Item Description	Effective date
50	HF 2624 Demuth	Avon modify 0.5% local sales up to \$8.1M, term 2045	Local appvl + file
51	HF 2592 Bliss	Blackduck new 0.5% local sales for \$1.0M/ 20y 4 projcts	Local appvl + file
52	HF 1787 Coulter	Bloomington addl 0.5% local sales for \$155M/ 20y Ice Gdn/Well Cntr+	Local appvl + file
53	HF 1014 Vang	Brooklyn Center new 0.5% local sales for \$44M/20y for Com Cntr	Local appvl + file
54	HF 1420 Rehm	Chanhassen 0.5% local sales for \$40M/20y Cvc Cntr	Local appvl + file
55	HF 1867 Hudella	Cottage Grove new 0.5% local sales \$36M/ 25y	Local appvl + file
56	HF 2724 Joy	Detroit Lakes new 0.5% local sales \$17.3M/ 12 y Pavilion	Local appvl + file
57	HF 2217 Joy	Dilworth new 0.5% local sales, \$5.4M/ 25y Community Cntr	Local appvl + file
58	HF 2129 Kiel	East Grand Forks new 1.0% local sales for \$14.7M/20y CvcCntr/VFW	Local appvl + file
59	HF 1002 Edelson	Edina expand 0.5% local sales up to add'l \$31M (Richards/ Braemar Pk)	Local appvl + file
60	HF 1748 Myers	Excelsior extnd 0.5% local sales addl \$23M, term 25 yrs	Local appvl + file
61	HF 1295 Olson, B	Fairmont addl 0.5% local sales \$20M/ 25y	Local appvl + file
62	HF 2198 Backer	Fergus Falls extnd 0.5% local sales by \$3M, term til 2037	Local appvl + file
63	HF 2305 Harder	Henderson new 0.5% local sales \$250K/ 15y Allanson Pk Campgrd	Local appvl + file
64	HF 2136 Igo	Hibbing new 0.5% local sales \$19.6M/ 20y Public Sfty Cntr	Local appvl + file
65	HF 654 Freiberg	Golden Valley new 1.25% local sales for \$105M/ 30y Public Wks +Safety	Local appvl + file
66	HF 2830 Fogelman	Jackson City 1.0% local sales \$5.75M/ 30 y, Law/Govt Cntr	Local appvl + file
67	HF 1301 Swedzinski	Marshall extnd 0.5% for \$18.37M/ 35y for aquatic cntr	Local appvl + file
68	HF 1865 O'Neill	Monticello new 0.5% local sales \$30M/ 20 y, athletic pk/rec area	Local appvl + file
69	HF 2733 Moller	Moundsview new 1.5% local sales \$16.5M/ 20y Sports/rec facility	Local appvl + file
70	HF 565 Brand	N. Mankato extnd 0.5% local sales for 6 add'l yrs, add'l \$6M	Local appvl + file
71	HF 2417 Lillie	Oakdale modify 0.5% local sales add'l \$9M, extnd to 30y	Local appvl + file
72	HF 3143 Zeleznikar	Proctor addl 0.5% to exst 1.0% local sales for \$6.9M/ 20y	Local appvl + file
73	HF 1847 Howard	Richfield 0.5% local sales \$65M/ 20 y Community Cntr/Pk Cntr	Local appvl + file
74	HF 828 Smith	Rochester extnd 0.5% local sales \$205M/ 24y st constr/flood contrl/econ vit	Local appvl + file
75	HF 571 Davids		
75	HF 1671 Nadeau	Rogers modify 0.25% local sales for add'l \$8.5M, term 20 yrs	Local appvl + file
76	HF 1855 Becker- Finn	Roseville new 0.5% local sales for \$76.9M/ 20y Maintnc Facility/Psspt Cntr+	Local appvl + file
77	HF 2896 Demuth	St Joseph 0.5% local sales \$17M/ 17y Community Cntr/pk impv	Local appvl + file
78	HF 2449 Hollins	St Paul 1.0% local sales for \$984M/ 20y uses street impvt, cap impvt	Local appvl + file
79	HF 1959 Hill	Stillwater new 0.5% local sales \$12.5M/ 20y Riverfront Impv	Local appvl + file
80	--	Waite Park modify 0.5% local sales term one add'l yr (to 20y)	Local appvl + file
81	HF 1623 Cha	Woodbury 0.5% local sales \$50M/20y Public Safety campus	Local appvl + file

2023 LEGISLATIVE SESSION - CHAPTER 64 (CCR-HF1938A)

APPENDIX - INTERACTIONS SUMMARY

All Numbers in Thousands

Note: Positive numbers represent revenue gains , negative numbers or numbers in parenthesis represent revenue losses, numbers in brackets are for reference only and are not included in the total

	Effective Date	Chapter 64			Chapter 64		
		FY 2024	FY 2025	FY2024-25			
Interactions with Property Taxes - Summary		-	1,860	1,860	1,680	1,660	3,340
Individual Income Tax		-	850	850	770	750	1,520
Corporate Franchise Tax		-	1,010	1,010	910	910	1,820
Interactions with Property Taxes - Detail							
Individual Income Tax - Subtotal		-	850	850	770	750	1,520
Modify Local Government Aid (LGA)		-	360	360	360	360	720
Modify County Program Aid (CPA)			360	360	360	360	720
Modify PILT		-	40	40	50	50	100
Electric Generation Transition aid			10	10	20	-	20
Local Homeless Prevention aid 12% Tribal governments			(10)	(10)	(10)	(10)	(20)
Statewide Local Housing Aid			90	90	40	40	80
Modify Class 4D Transition Aid				-	10	10	20
Modify Watershed Districts Levy Authority				-	(60)	(60)	(120)
Corporate Franchise Tax - subtotal		-	1,010	1,010	910	910	1,820
Modify Local Government Aid			430	430	430	430	860
Modify County Program Aid			430	430	430	430	860
Modify PILT		-	50	50	50	60	110
Electric Generation Transition aid		-	10	10	20	10	30
Local Homeless Prevention aid 12% Tribal governments			(10)	(10)	(10)	(10)	(20)
Statewide Local Housing Aid			100	100	50	50	100
Modify Watershed Districts Levy Authority		-	-	-	(60)	(60)	(120)

* Note: Interactions - With changes to property tax, aids and credits, DOR Tax Research estimates assume that changes to property taxes, aids and credit will result in changes to income tax deductions, changing revenue to the general fund.

**Table 1: Summary of 2023 Chapter 64 Tax Act Expenditures
General Fund Changes - Tax Refunds, Aids & Credits**

Dollars in 000's		FY 2024	FY 2025	FY 24-25	FY 2026	FY 2027	FY 26-27
1	February 2023 Forecast - Tax Refunds, Aids & Credits	2,197,802	2,236,813	4,434,615	2,263,356	2,291,241	4,554,597
Tax Refunds, Aids & Credits CH 64 General Fund Changes							
2	<i>Positive numbers reflect an increase in spending and negative numbers</i>						
3	Total Tax Aids, Credits & Appropriations	630,052	329,370	959,422	(3,388)	59,152	55,764
4	Less Other Agency Appropriations in CH 64						
5	Windom Relief - City Aid (DEED)	0	0	0	0	0	0
6	Windom Relief - Windom ISD #177 (MDE)	(1,000)	0	(1,000)	0	0	0
7	Crane Lake Water & Sanitary District Debt Service Relief (PFA)	(1,294)	0	(1,294)	0	0	0
8	Minneapolis - Acquisition of property at 28th St. E/Longfellow A	(2,000)	0	(2,000)	0	0	0
9	Minneapolis - Lake Street Corridor (DEED)	(8,000)	0	(8,000)	0	0	0
10	Workforce & Affordable Homeownership Account (MHFA)	(40,000)	0	(40,000)	0	0	0
11	Taxpayer Receipt Interactive website (MMB)	(144)	(47)	(191)	(47)	(47)	(94)
12	Problem Gambling (interaction with Charitabe Gambling Rate R	136	156	292	161	166	327
13	TRA/St. Paul TRFA School Pension Adjustment Aid (MDE)	0	0	0	(47,020)	(54,910)	(101,930)
14	Enhanced Taxpayer Assistance, IRS Tax Filing Modernization an	(6,175)	(1,000)	(7,175)	(1,000)	(1,000)	(2,000)
15	Administration of Refundable Credit and 2023 Tax Act (DOR)	<u>(24,000)</u>	<u>0</u>	<u>(24,000)</u>	<u>(3,000)</u>	<u>0</u>	<u>(3,000)</u>
16	Subtotal less Other Agency Appropriations	(82,477)	(891)	(83,368)	(50,906)	(55,791)	(106,697)
17	Add Tax Items Enacted in Other Laws (2023)						
18	Regional Transit Authority bond increase, PTR interaction (CH 6	0	50	50	610	830	1,440
19	Cannabis PTR interaction (CH 63)	0	0	0	(10)	(40)	(50)
20	Tribal Tax Agreements - Casino Aid (CH 68)	10	30	40	30	40	70
21	Electric Assisted Bicycle Rebate Program (CH 68)	<u>4,000</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
22	Subtotal Add Tax Items Enacted in Other Laws	4,010	80	4,090	630	830	1,460
23	Net CH 64 General Fund Changes Tax Refunds, Aids & Credi	551,585	328,559	880,144	(53,664)	4,191	(49,473)
24	Plus Changes Tracked in other funds (Net Loan Activity)						
	Senior Property Tax Deferral	0	260	260	640	650	1,290
25	Total General Fund + Net Loan Activity Changes						
	CH 64 Tax Refunds, Aids & Credits (lines 17 +19)	551,585	328,819	880,404	(53,024)	4,841	(48,183)
27	Total General Fund + Net Loan Activity						
	Forecast + CH 64 Changes (lines 1 +20)	2,749,387	2,565,632	5,315,019	2,210,332	2,296,082	4,506,414

Table 2 : Selected Property Tax Refund Changes

		000's		
<i>General Fund Expenditures</i>		EFFECTIVE DATE	FY 24-25	FY 26-27
Property Tax Refunds				
1	One-time provisions			
2	Homestead Credit State Refund - Additional 20.6 percent payment	Pay 2022	137,466	0
3	Renter Property Tax Refund - Additional 20.6 percent payment	Rent pd 2022	48,259	0
4	Targeting Property Tax Refund - Reduce threshold from 12% to 6%, maximum refund from \$1,000 to \$2,500	Pay 2023	<u>23,300</u>	<u>0</u>
5	Total One-time Property Tax Refund		209,025	0
6	On-going modifications			
7	Homestead Credit State Refund (HCSR)			
8	Reduce Homeowner Copays 3 percent	Pay 2024	25,400	51,600
9	Expand Homestead Benefits, Allow Individual Taxpayer Identification (ITIN)	App filed 2023	2,000	4,000
10	Expand Homestead Market Value Exclusion \$95,000 thrshld, max exclusion \$38,000, max market value \$517,200; Community land trust 4d(2) rate 0.75%	Assmt 2024	0	(12,680)
11	Class 4d low-income rental housing, remove tier, set rate at 0.25 percent	Assmt 2024	0	5,840
12	Agricultural homesteads, first tier valuation increase	Assmt 2024	0	1,280
13	Spouses disabled veterans' homestead market value exclusion- application	Assmt 2023	(30)	(80)
14	Property Tax Refund interactions (LGA, CPA, other aids)	Pay 2023	<u>(5,150)</u>	<u>(9,150)</u>
15	Total Ongoing HCSR		22,220	40,810
16	Renter Property Tax Refund - Convert to Income Tax Credit			
17	Renters Income Tax Credit, rent pd 2024, filed 2025*	Rent pd 2024	[378,600]	[768,300]
18	Repeal Renters Property Tax Refund, sunset rent pd 2024, filed 2025	Rent pd 2024	<u>0</u>	<u>(492,800)</u>
19	Total Ongoing Renter Property Tax Refund		0	(492,800)
20	Total On-Going Modifications HCSR + Renter PTR		22,220	(451,990)
21	Total Selected Property Tax Refund Changes		231,245	(451,990)

* Numbers in brackets [] are for informational purposes only and not included in summary totals.

Table 3 : Selected Local Aid Changes

<i>General Fund Expenditures</i>		EFFECTIVE DATE	FY 24-25	FY 26-27
1	Local Aids			
2	One-time provisions			
3	Public Safety Aid	Pay 2023	300,000	0
6	Local Government Aid (LGA) - one-time prepayment (FY 2025)		60,586	(60,586)
7	Local Aids			
8	2021 LGA penalty forgiveness Echo and Morton		0	0
9	City of Spring Grove - fire remediation		250	0
10	City of Northfield - infrastructure		<u>300</u>	<u>0</u>
11	Subtotal One-time Local Aids		550	0
12	Total One-time Local Aids		361,136	(60,586)
16	On-going modifications			
19	Local Government Aid (LGA) - appropriation increase		80,000	160,000
21	County Program Aid (CPA) - appropriation increase		80,000	160,000
22	Payment in Lieu of Taxes (PILT) - valuation increase		9,300	21,200
23	Electric Generation Transition Aid for Local Governments		2,120	4,850
24	Statewide Local Housing Aid	Pay 2023	45,000	20,000
25	Soil & Water Conservation Aid	Pay 2023	30,000	24,000
26	Tribal Nations Aid	Pay 2023	<u>35,000</u>	<u>70,000</u>
27	Total On-going LGA, CPA + Local Aids		281,420	460,050
28	Subtotal Selected Local Aid Changes		642,556	399,464

Table 4: Selected Other Appropriations

<i>General Fund Expenditures</i>		EFFECTIVE DATE	FY 24-25	FY 26-27
1				
2	Workforce & Affordable Homeownership account (Housing Finance Agency)		40,000	0
3	DOR Administration of Refundable Tax Credit (Revenue)		21,000	0
4	DOR Administration of 2023 tax bill (Revenue)		<u>3,000</u>	<u>3,000</u>
5				
6	Subtotal - Selected Other Appropriations		64,000	3,000