

2020 REGULAR SESSION - OMNIBUS TAX BILL - SUMMARY

ALL FUNDS

\$\$\$ in thousands | BOLD indicates rows included in total

TAX POLICY: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

		HF 3389 OTB	
LINE	ITEM	FY 2020-21	FY 2022-23
	<b>GENERAL FUND FORECAST:</b>		
1	TAX POLICY (REVENUE) <sup>1</sup>	43,158,324	49,571,270
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) <sup>1</sup>	3,883,178	4,170,233
3			
4	<b>GENERAL FUND PROPOSED CHANGES:</b>		
5	TAX POLICY	(30,788)	(5,639)
6	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	150	8,035
7	<b>SUBTOTAL: GENERAL FUND EFFECT</b>	<b>(30,938)</b>	<b>(13,674)</b>
8			
9	<b>BUDGET RESERVE ACCOUNT</b>		
10	CURRENT LAW		
11	PROPOSED CHANGE - Reduction to Budget Reserve Account	-	-
12	<b>SUBTOTAL BUDGET RESERVE + PROPOSED CHANGES</b>	<b>-</b>	<b>-</b>
13			
14	<b>NON-GENERAL FUND PROPOSED CHANGES:</b>		
15	LEGACY FUNDS	(100)	(160)
16	SPECIAL REVENUE FUND		
17	ENVIRONMENTAL FUND		
18	HEALTH CARE ACCESS FUND	-	-
19	REMEDICATION FUND	-	-
20	TACONITE MUNICIPAL AID ACCOUNT		
21	DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND		
22	TACONITE ENVIRONMENTAL PROTECTION FUND		
23	TACONITE ECONOMIC DEVELOPMENT FUND		
24	MINNESOTA HOUSING FINANCE AGENCY - HOUSING DEVELOPMENT FUND	-	-
25	HIGHWAY USER TAX DISTRIBUTION FUND (HUTDF)	-	-
26	<b>SUBTOTAL: NON-GENERAL FUND EFFECT</b>	<b>(100)</b>	<b>(160)</b>

(1) General Fund state tax revenues for the FY 2020-21 biennium are based on the May Interim Projection, and state tax revenues for the FY 2022-23 biennium are based on the February 2020 Forecast.

**2020 Legislative Session - TAX POLICY CHANGES**

**HF 3389 - DE1**

ESTIMATES BASED ON MAY INTERIM BUDGET PROJECTION & THE FEBRUARY 2020 FORECAST

Dollars in Thousands: Positive amounts indicate revenue increase

HF#	LINE	ITEM	EFFECTIVE	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
HF 3245	1	<b>FEDERAL CONFORMITY- FURTHER CONSOLIDATED APPROPRIATION ACT</b>							
	2	<b>INDIVIDUAL INCOME TAX (NON BUSINESS) PROVISIONS</b>							
	3	Exclusion of Discharge of Indebtedness on Qualified Principal Residence	TY18-20	-	(6,700)	(6,700)	-	-	-
	4	Expansion of Section 529 Plans	TY 19	-	(250)	(250)	(160)	(160)	(320)
	5	Extension of Above-Line Deduction for Qualified Tuition and Related Expenses		-	-	-	-	-	-
	6	<b>SUBTOTAL: INDIVIDUAL INCOME TAX (NON BUSINESS) PROVISIONS</b>		-	<b>(6,950)</b>	<b>(6,950)</b>	<b>(160)</b>	<b>(160)</b>	<b>(320)</b>
	7								
	8	<b>INDIVIDUAL INCOME TAX (NON BUSINESS) PROVISIONS - DISASTER RELATED</b>							
	9	Special disaster-related rules for use of retirement funds	1/1/18 to 2/18/2	-	(170)	(170)	90	90	180
	10	Special disaster-related rules for qualified disaster-related personal casualty losses	1/1/18 to 2/18/2	-	(3,000)	(3,000)	(600)	(200)	(800)
	11	Temporary increase in limitation on qualified contributions	1/1/18 to 2/18/2	-	(1,400)	(1,400)	600	300	900
	12	<b>SUBTOTAL: INDIVIDUAL INCOME TAX (NON BUSINESS) DISASTER PROVISIONS</b>		-	<b>(4,570)</b>	<b>(4,570)</b>	<b>90</b>	<b>190</b>	<b>280</b>
	13								
	14	<b>INDIVIDUAL INCOME TAX BUSINESS-RELATED PROVISIONS -PASS-THROUGHS</b>							
	15	Accelerated Depreciation for Business Property on Indian Reservation	TY18-20	-	(220)	(220)	(40)	(10)	(50)
	16	Special Expensing Rules for Certain Film, Television and Live Theatrical Productions	TY18-20	-	(2,900)	(2,900)	700	500	1,200
	17	Energy-Efficient Commercial Building Deduction	TY18-20	-	(700)	(700)	10	10	20
	18	Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 20 only	-	(60)	(60)	10	10	20
	19	<b>SUBTOTAL: BUSINESS RELATED INDIVIDUAL INCOME TAX PROVISIONS</b>		-	<b>(3,880)</b>	<b>(3,880)</b>	<b>680</b>	<b>510</b>	<b>1,190</b>
	20								
	21	<b>CORPORATE FRANCHISE TAX</b>							
	22	Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY18-20	-	(240)	(240)	(80)	(60)	(140)
	23	Accelerated Depreciation for Business Property on Indian Reservation	TY18-20	-	(170)	(170)	(30)	(10)	(40)
	24	Special Expensing Rules for Certain Film, Television and Live Theatrical Productions	TY18-20	-	(2,200)	(2,200)	400	400	800
	25	Special Depreciation Allowances for Second Generation Biofuel Plant Property	TY18-20	-	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
	26	Energy-Efficient Commercial Building Deduction	TY18-20	-	(1,170)	(1,170)	80	60	140
	27	Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 20 only	-	(100)	(100)	20	20	40
	28	Special Rule for Sales or Dispositions of Transmission Lines for Qualified Electric Utilities	TY18-20	-	(1,500)	(1,500)	250	250	500
	29	<b>SUBTOTAL: CORPORATE FRANCHISE TAX</b>		-	<b>(5,380)</b>	<b>(5,380)</b>	<b>640</b>	<b>660</b>	<b>1,300</b>
	30								
	31	<b>SUMMARY BY TAX TYPE</b>							
	32	<i>Individual Income Tax</i>		-	<b>(15,400)</b>	<b>(15,400)</b>	<b>610</b>	<b>540</b>	<b>1,150</b>
	33	<i>Corporate Franchise Tax</i>		-	<b>(5,380)</b>	<b>(5,380)</b>	<b>640</b>	<b>660</b>	<b>1,300</b>
	34	<b>GENERAL FUND TOTAL - FURTHER CONSOLIDATED ACT</b>		-	<b>(20,780)</b>	<b>(20,780)</b>	<b>1,250</b>	<b>1,200</b>	<b>2,450</b>
	27								

ESTIMATES BASED ON MAY INTERIM BUDGET PROJECTION & THE FEBRUARY 2020 FORECAST

Dollars in Thousands: Positive amounts indicate revenue increase

HF#	LINE	ITEM	EFFECTIVE	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
28		<b>FEDERAL CONFORMITY - CARES ACT</b>							
29		<b>INDIVIDUAL INCOME TAX PROVISIONS</b>							
30		Special Rules for use of retirement funds	TY 20	-	(3,200)	(3,200)	1,700	1,700	3,400
31		Above-the-line deduction for charitable contribution	TY 20 only	-	(5,900)	(5,900)	-	-	-
32		Modification of limitation on charitable contributions	TY 20 only	-	(16,500)	(16,500)	6,100	3,900	10,000
33		Exclusion of student loan payments	12/31/20	-	(4,900)	(4,900)	-	-	-
34		Employee Retention Credit for employers affected by COVID-19		-	-	-	-	-	-
35		Modification of limitation on losses for pass through entities		-	-	-	-	-	-
36		Modification of limitation on business interest		-	-	-	-	-	-
37		Inclusion of certain over-the-counter medical products as qualified medical expenses	TY 20	-	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
38		<b>SUBTOTAL: INDIVIDUAL INCOME TAX PROVISIONS</b>		-	<b>(30,500)</b>	<b>(30,500)</b>	<b>7,800</b>	<b>5,600</b>	<b>13,400</b>
39									
40		<b>CORPORATE FRANCHISE TAX</b>							
41		Modification of limitation on charitable contributions	TY 20 only	-	(1,900)	(1,900)	700	500	1,200
42		Employee Retention Credit for employers affected by COVID-19		-	-	-	-	-	-
43		Modification of limitation on business interest		-	-	-	-	-	-
44		<b>SUBTOTAL: CORPORATE FRANCHISE TAX</b>		-	<b>(1,900)</b>	<b>(1,900)</b>	<b>700</b>	<b>500</b>	<b>1,200</b>
45									
46		<b>SUMMARY BY TAX TYPE</b>							
47		<i>Individual Income Tax</i>		-	<b>(30,500)</b>	<b>(30,500)</b>	<b>7,800</b>	<b>5,600</b>	<b>13,400</b>
48		<i>Corporate Franchise Tax</i>		-	<b>(1,900)</b>	<b>(1,900)</b>	<b>700</b>	<b>500</b>	<b>1,200</b>
49		<b>GENERAL FUND TOTAL - CARES ACT</b>		-	<b>(32,400)</b>	<b>(32,400)</b>	<b>8,500</b>	<b>6,100</b>	<b>14,600</b>
50									
51		<b>FEDERAL CONFORMITY - FAMILIES FIRST ACT</b>							
52		<b>INDIVIDUAL INCOME TAX PROVISIONS</b>							
53		Federal Tax Credits - Paid Sick, Paid Medical and Family Leave	TY 20	-	11,100	11,100	-	-	-
54									
55		<b>SUBTOTAL: INDIVIDUAL INCOME TAX PROVISIONS</b>		-	<b>11,100</b>	<b>11,100</b>	-	-	-
56									
57		<b>CORPORATE FRANCHISE TAX</b>							
58		Federal Tax Credits - Paid Sick, Paid Medical and Family Leave	TY 20	-	27,200	27,200	-	-	-
59		<b>SUBTOTAL: CORPORATE FRANCHISE TAX</b>		-	<b>27,200</b>	<b>27,200</b>	-	-	-
60									
61		<b>SUMMARY BY TAX TYPE</b>							
62		<i>Individual Income Tax</i>		-	<b>11,100</b>	<b>11,100</b>	-	-	-
63		<i>Corporate Franchise Tax</i>		-	<b>27,200</b>	<b>27,200</b>	-	-	-
64		<b>GENERAL FUND TOTAL - FAMILIES FIRST ACT</b>		-	<b>38,300</b>	<b>38,300</b>	-	-	-
65									

ESTIMATES BASED ON MAY INTERIM BUDGET PROJECTION & THE FEBRUARY 2020 FORECAST

Dollars in Thousands: Positive amounts indicate revenue increase

HF#	LINE	ITEM	EFFECTIVE	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23	
	66	<b>SUMMARY BY TAX TYPE - ALL FEDERAL ACTS</b>								
	67	<i>Individual Income Tax</i>		-	(34,800)	(34,800)	8,410	6,140	14,550	
	68	<i>Corporate Franchise Tax</i>		-	19,920	19,920	1,340	1,160	2,500	
	69	<b>GENERAL FUND, GRAND TOTAL - ALL FEDERAL CONFORMITY ACTS</b>			-	(14,880)	(14,880)	9,750	7,300	17,050
	70									
	71	<b>OTHER TAX POLICY CHANGES - INDIVIDUAL INCOME TAX</b>								
CK 160	72	Full Section 179 Expensing - Like-Kind Exchanges, Like-Kind Exchange 6-yr Treatment	various	-	(3,700)	(3,700)	(2,100)	(2,500)	(4,600)	
HF 502	73	Student Loan Credit, Modified to be Refundable	TY 20	-	(3,600)	(3,600)	(3,600)	(3,700)	(7,300)	
<a href="#">HF 3670</a>	74	Discharge of Student Indebtedness	Retro TY 18	-	(60)	(60)	-	-	-	
<a href="#">HF 871</a>	75	Election to File/Pay as a C Corporation	TY 120	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	
HF 3983-A2	76	Subtraction for Volunteer Drivers	TY 20-29	-	(30)	(30)	(30)	(30)	(60)	
	77									
	78	<b>SUBTOTAL: INDIVIDUAL INCOME TAX PROVISIONS</b>			-	(7,390)	(7,390)	(5,730)	(6,230)	(11,960)
	79									
	80	<b>OTHER TAX POLICY CHANGES - CORPORATE FRANCHISE TAX</b>								
CK 160	81	Full Section 179 Expensing - Like-Kind Exchanges, Like-Kind Exchange 6-yr Treatment	various	-	(4,700)	(4,700)	(2,800)	(3,200)	(6,000)	
<a href="#">HF 871</a>	82	Election to File/Pay as a C Corporation	TY 20	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	
	83	<b>SUBTOTAL: CORPORATE FRANCHISE TAX PROVISIONS</b>			-	(4,700)	(4,700)	(2,800)	(3,200)	(6,000)
	84									
	85	<b>OTHER TAX POLICY CHANGES - SALES &amp; USE TAX</b>								
HF 4248	86	Exemption by Refund, Properties Destroyed by Fire, City of Alexandria	various	-	(330)	(330)	-	-	-	
HF 3280	87	Exemption by Refund, Fire Station, City of Grand Rapids	DFE	-	(40)	(40)	(40)	(40)	(80)	
HF 3738	88	Exemption by Refund, Fire Station, City of Bloomington	DFE	-	(70)	(70)	(70)	(70)	(140)	
HF 2955	89	Exemption by Refund, Fire Station & Public Safety Facilities, City of Buffalo	DFE	-	(110)	(110)	(110)	-	(110)	
HF 3278	90	Exemption by Refund, Police Station, City of Crystal	DFE	-	(140)	(140)	(140)	(140)	(280)	
HF 3561	91	Exemption by Refund, Fire Station & Emergency Center, City of Maplewood	DFE	-	(170)	(170)	(170)	-	(170)	
HF 4074	92	Exemption Extended, Fire & Police Station, City of Minnetonka	DFE	-	-	-	(480)	-	(480)	
HF 3786	93	Exemption by Refund, Fire Station, City of St. Peter	DFE	-	(130)	(130)	(130)	-	(130)	
HF 3362	94	Modify Fundraising Sales - School Organizations	DFE	-	(620)	(620)	(640)	(670)	(1,310)	
	95	<b>SUBTOTAL: SALES &amp; USE TAX</b>			-	(1,610)	(1,610)	(1,780)	(920)	(2,700)
	96									
	97	<b>OTHER TAX POLICY CHANGES - MISCELLANEOUS</b>								
CK 186	98	Payment Agreement Fee, Temporary Waiver - Expires on June 30, 2022	DFE	(169)	(2,029)	(2,198)	(2,029)	-	(2,029)	
HF 4391	99	Exempt Tribal Owned Property, State General Levy	Assmt 2019	-	(10)	(10)	-	-	-	
HF 3578-a1	100	Property Tax, Homestead Determination Provisions, Modified	Pay 21			-	(unknown)	(unknown)	(unknown)	
	101	<b>SUBTOTAL: MISCELLANEOUS</b>			(169)	(2,039)	(2,208)	(2,029)	-	(2,029)
	102									
	103									

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ESTIMATES BASED ON MAY INTERIM BUDGET PROJECTION & THE FEBRUARY 2020 FORECAST

Dollars in Thousands: Positive amounts indicate revenue increase

HF#	LINE	ITEM	EFFECTIVE	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
	104	<b>SUMMARY BY TAX TYPE - OTHER TAX POLICY CHANGES</b>							
	105	<i>Individual Income Tax</i>		-	(7,390)	(7,390)	(5,730)	(6,230)	(11,960)
	106	<i>Corporate Franchise Tax</i>		-	(4,700)	(4,700)	(2,800)	(3,200)	(6,000)
	107	<i>Sales &amp; Use Tax</i>		-	(1,610)	(1,610)	(1,780)	(920)	(2,700)
	108	<i>Miscellaneous</i>		(169)	(2,039)	(2,208)	(2,029)	-	(2,029)
	109	<b>GENERAL FUND, GRAND TOTAL - OTHER TAX POLICY CHANGES</b>		(169)	(15,739)	(15,908)	(12,339)	(10,350)	(22,689)
	110								
	111	<b>SUMMARY BY TAX TYPE - FEDERAL CONFORMITY + OTHER TAX POLICY CHANGES</b>							
	112	<i>Individual Income Tax</i>		-	(42,190)	(42,190)	2,680	(90)	2,590
	113	<i>Corporate Franchise Tax</i>		-	15,220	15,220	(1,460)	(2,040)	(3,500)
	114	<i>Sales &amp; Use Tax</i>		-	(1,610)	(1,610)	(1,780)	(920)	(2,700)
	115	<i>Miscellaneous</i>		(169)	(2,039)	(2,208)	(2,029)	-	(2,029)
	116	<b>GENERAL FUND, GRAND TOTAL - FEDERAL CONFORMITY + OTHER TAX POLICY CHANGES</b>		(169)	(30,619)	(30,788)	(2,589)	(3,050)	(5,639)



**Minnesota House Fiscal Analysis Department**

**2020 Legislative Session - Property Tax Refunds, Aids & Credits**  
**General Fund, Change Items only**  
 Dollars in Thousands

5/7/2020  
 with May Budget Projection

Note: Positive numbers are program expenditures/revenue losses and negative numbers are cost

HF	Author	Change Item Description	Effective date	HF 3389-DE					
				FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
<b>GENERAL FUND SUMMARY</b>									
<b>Property Tax Aids, Credits and Refunds</b>									
1		<b>Feb 2020 Forecast</b>		1,861,901	2,010,277	<b>3,872,178</b>	2,070,142	2,100,091	<b>4,170,233</b>
2		<b>Enacted - CH 71 Tribal Nations Grants</b>		<u>11,000</u>	<u>0</u>	<u>11,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
3		<b>May Budget Projection = Feb 2020 Forecast + Enacted</b>		1,872,901	2,010,277	3,883,178	2,070,142	2,100,091	4,170,233
4		<b>Subtotal Division Report + Other GF Changes</b>		<u>150</u>	<u>0</u>	<u>150</u>	<u>4,115</u>	<u>3,920</u>	<u>8,035</u>
5		<b>TOTAL Property Tax Aids, Credits and Refunds, May Budget + All GF Changes</b>		<b>1,873,051</b>	<b>2,010,277</b>	<b>3,883,328</b>	<b>2,074,257</b>	<b>2,104,011</b>	<b>4,178,268</b>
6	<b>PROPERTY TAX REFUNDS</b>								
7	<b>Property Tax Refund changes (with refund / income tax interactions)</b>								
8									
9	HF 3826 w Ecklund DE1	Expanding properties eligible for class 4b classification (short-term rentals) - Property tax refund interaction	Assmt 2020	0	0	0	0	unknown	unknown
10	A1 (HF Petersburg 3578)	Expand qualifying relatives for agriculture relative homestead class	Pay 2021						
11		Property Tax Refund interaction		0	0	0	unknown	unknown	unknown
12		Ag Homestead Market Value Credit		0	0	0	unknown	unknown	unknown
13	HF 552 -DE1 Schultz	Elderly living facility exempted from property taxation	Pay 2021	0	0	0	negligible	negligible	negligible
14	HF 4391 Persell	Exempt tribal owned property - Cass County (retro) PTR interaction	Assmt 2019	0	0	0	10	10	20
15		Spouse of deceased disabled veteran market value exclusion - one-time transfer of exclusion	Pay 2021	0	0	0	(70)	(90)	(160)
16									
17	<b>AIDS AND CREDITS</b>								
18									
19	HF 4196 DE1 Poppe	LGA penalty forgiveness - City of Sargeant (for unpaid 2019 aid \$9,280)	DFE	0	0	0	0	0	0
20	HF 4255A1 Fabian	LGA penalty forgiveness - City of Roosevelt (for unpaid 2019 aid \$25,410)	DFE	0	0	0	0	0	0
21									
22	<b>OTHER AIDS, APPROPRIATIONS AND TRANSFERS</b>								
23									
24		LOST - Working Group with study due July 31, 2021	DFE	0	0	0	0	0	0
25									

**Minnesota House Fiscal Analysis Department**

**2020 Legislative Session - Property Tax Refunds, Aids & Credits**  
**General Fund, Change Items only**  
 Dollars in Thousands

5/7/2020  
 with May Budget Projection

Note: Positive numbers are program expenditures/revenue losses and negative numbers are cost

HF	Author	Change Item Description	Effective date	HF 3389-DE							
				FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23		
26	HF 3496	Youakim	Free Filing Electronic Report due Jan 15, 2022	FY 2022	0	0	0	175	0	175	
27			City of Alexandria, fire remediation	DFE	150	0	150	0	0	0	
28	HF 2601	Schultz	Transfer to Housing Development Fund, Workforce & Affordable Homeownership account	FYs 2022-2032	0	0	0	4,000	4,000	8,000	
29	<b>Total General Fund Changes,</b>										
30	<b>Property Tax Aids, Credits and Refunds</b>					150	0	150	4,115	3,920	8,035
31											
32	<b>NON GENERAL FUNDS</b>										
33	<b>Housing Development Fund</b>										
34											
35	HF 2601	Schultz	Transfer In from General Fund to Workforce & Affordable Homeownership account (REV)	FYs 2022-2032	0	0	0	(4,000)	(4,000)	(8,000)	
36	HF 2601	Schultz	Workforce & Affordable Homeownership program	FYs 2022-2032	0	0	0	4,000	4,000	8,000	
37	<b>Total Housing Development Fund Changes</b>					0	0	0	0	0	
38											
39	<b>Property tax changes - No state fund impact</b>										
40											
41	HF 3567	Carlson, A	DOR Policy/Technical bill	various	0	0	0	0	0	0	
42	HF 4371-DE1	Marquart	Settlement date for county distribution of tax receipts	DFE	0	0	0	0	0	0	
43	<b>Property tax changes - Local Option Sales/ Lodging / Food &amp; Beverage Taxes (no state fund impact)</b>										
44											
45	HF 346	Carlson, A	Authority to impose and collect local lodging taxes modified	DFE	0	0	0	0	0	0	
46	<b>Property tax changes for Tax Increment Financing (TIF)</b>										
47											
48	H3876 w A2 & A4	Petersburg	Redevelopment districts outside metro, extend five-year rule to ten years; temporary use of special tax revenues until 12.31.2021 with public hearing and OSA reporting	DFE	0	0	0	0	0	0	
49											
50											