

OMNIBUS TAX BILL - House Fiscal Tracking

2023 LEGISLATURE - HF1938 (GOMEZ) WITH A23 - 0111 and A13 AMENDMENTS
 SUMMARY OF CHANGE ITEMS

4/19/2023
 8:00 AM

ALL FUNDS, DOLLARS IN THOUSANDS

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

LINE	ITEM	Forecast	House		
		FY 2022-23	FY 2023	FY 2024-25	FY 2026-27
1	GENERAL FUND FORECAST:				
2	TAX POLICY (REVENUE) ¹	58,023,319	28,632,906	58,319,607	62,994,919
3	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	4,641,358	2,588,446	4,434,615	4,554,597
4					
5	GENERAL FUND / NET LOAN ACTIVITY - CHANGE ITEMS:				
6	TAX POLICY			(2,310,760)	(963,650)
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS		126	688,854	335,060
8	LESS NET LOAN ACTIVITY (Senior Deferral)		-	260	1,290
9	SUBTOTAL: GENERAL FUND / NET LOAN ACTIVITY CHANGE ITEMS		(126)	(2,999,874)	(1,300,000)
10	STADIUM RESERVE ACCOUNT				
11	CURRENT LAW			678,316	1,020,617
12	PROPOSED CHANGE			(14,257)	(30,195)
13	SUBTOTAL BUDGET RESERVE + PROPOSED CHANGES			664,059	990,422
14	NON-GENERAL FUND - CHANGE ITEMS:				
15	LEGACY FUNDS			(15,470)	(660)
16	ENVIRONMENTAL FUND			11,400	12,100
17	SPECIAL REVENUE FUND		-	5	10
18	HOUSING DEVELOPMENT FUND			55,000	15,000
19	IRON RANGE SCHOOL CONSOLIDATION			9,600	10,460
20	TACONITE COUNTY ROAD AND BRIDGE FUND			(2,540)	(3,380)
21	TACONITE ENVIRONMENTAL PROTECTION FUND			(30)	90
22	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND			(13,630)	(20,190)
23	TACONITE PROPERTY TAX RELIEF ACCOUNT			(6,000)	90
24	IRON RANGE RESOURCES AND REHABILITATION ACCOUNT			12,600	13,740
25	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS			50,935	27,260

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

2023 Legislature: HF 1938 (Gomez) with A23 - 0111, A13

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

House File	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	
			FY 2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27	
	Tax Policy -Change Items - Summary									
	Tax Policy - Change Items		-	(1,721,820)	(588,940)	(2,310,760)		(505,680)	(457,970)	(963,650)
	Total - General Fund, Tax Policy - All Change Items		-	(1,721,820)	(588,940)	(2,310,760)		(505,680)	(457,970)	(963,650)
	INDIVIDUAL INCOME TAX									
	Change Items									
HF1938, Gomez	Fed. Conformity: Limitation on Excess Business Losses (ARPA)	TY26		-	-	-		20,700	48,300	69,000
HF1938, Gomez	Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	TY27-28							21,400	21,400
HF1938, Gomez	Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1, 2023 Session)	Various		4,400	(700)	3,700		(1,000)	(1,400)	(2,400)
HF2581, Gomez	Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan (see note"#")	TY28		-	-	-		-	-	-
HF2581, Gomez	Fed. Conformity: Secure Act 2.0 - Retirement Account Withdrawals Emergency Exp.	TY24		-	(1,300)	(1,300)		(1,300)	(1,300)	(2,600)
HF2581, Gomez	Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	TY 23		(100)	(100)	(200)		(100)	(100)	(200)
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)
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)
HF2581, Gomez	Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits (see note "#")	TY 27		-	-	-		-	-	-
HF2581, Gomez	Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	1/26/2021		(900)	(500)	(1,400)		-	-	-
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
HF442, Her	Fifth Tier 10.85% Rate; \$1.0 million Married-Joint Filers; \$600,000 Single Filers	TY23		281,900	247,400	529,300		244,100	256,100	500,200
HF1938, Gomez	One-Time Refundable Credit Payment	TY21		(1,250,100)	-	(1,250,100)		-	-	-
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)
HF915, Norris	Modify K-12 Education Credit	TY23		(15,500)	(16,200)	(31,700)		(16,600)	(17,000)	(33,600)
	Interaction with K-12 Education Credit: K-12 Education Subtraction			1,200	1,300	2,500		1,300	1,300	2,600
HF721, Stephenson	Child and Working Family Tax Credit (Refundable)	TY23		(307,800)	(314,600)	(622,400)		(325,100)	(327,700)	(652,800)
HF1369, Kotyza-Witthuhn	Child and Working Family Tax Credit - Newly Eligible Filers	TY23		(39,600)	(39,700)	(79,300)		(39,800)	(40,000)	(79,800)
HF1400, Lee	Child and Working Family Tax Credit - ITIN Filers	TY23		(9,800)	(10,000)	(19,800)		(10,200)	(10,400)	(20,600)
	Interaction - Child and Working Family Tax Credit - ITIN Filers			(3,300)	(3,600)	(6,900)		(4,100)	(4,500)	(8,600)
	Subtotal - Child & Working Family Tax Credit			(360,500)	(367,900)	(728,400)		(379,200)	(382,600)	(761,800)
HF1938, Gomez	Modify Military Tax Credit	TY23		(200)		(200)				-
HF300, Lislegard	Modify Social Security Subtraction	TY23		(193,200)	(216,000)	(409,200)		(232,200)	(246,500)	(478,700)
HF300, Lislegard	Public Pension Subtraction	TY23		(41,200)	(41,000)	(82,200)		(40,900)	(40,700)	(81,600)
HF443, Her	Modify Student Loan Credit	TY23		(16,800)	(28,600)	(45,400)		(29,200)	(29,800)	(59,000)
HF754, Her	Modify Subtraction, Qualified Student Loan Discharges	TY23		-	-	-		-	(100)	(100)
HF2059, Lislegard	Modify Film Production Credit	TY23		(8,500)	(10,100)	(18,600)		(12,700)	(13,000)	(25,700)
HF2277, Vang	Modify Beginning Farmer's Credit - Sales of Agricultural Assets	TY23		(6,300)	(9,200)	(15,500)		(9,700)	(10,200)	(19,900)

2023 Legislature: HF 1938 (Gomez) with A23 - 0111, A13

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House File	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	
			FY 2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27	
36 HF1056, Edelson	Subtraction, Certain Sexual Harassment/Abuse Settlements	TY23		(100)	(100)	(200)		(100)	(100)	(200)
37 HF2340, Klevorn	Modify Credit for Attaining a Master's Degree in a Teacher's Licensure Field	TY23		(500)	(600)	(1,100)		(600)	(600)	(1,200)
38 HF73, Robbins	Modify Credit for Parents of Stillborn Children	TY16		Negli.	Negli.	Negli.		Negli.	Negli.	Negli.
39 HF2730, Anderson, P.E.	Unemployment Compensation Subtraction, MN Court of Appeals Decision	TY21		(10)	-	(10)		-	-	-
40 HF2256, Davids	Passthrough Entity Tax (PTE) Modifications	TY23		(Unknown)	(Unknown)	(Unknown)		(Unknown)	(Unknown)	(Unknown)
41 HF2022, Norris	Manufacturing Home Park Credit to Cooperatives (Non Refundable)	TY23		(350)	(380)	(730)		(400)	(430)	(830)
42 HF1653, Coulter	Renter's Income Tax Credit (Refundable)	TY24		-	(378,600)	(378,600)		(382,300)	(386,000)	(768,300)
43	Interactions with Property Tax, Aids and Credits ^			-	1,220	1,220		1,180	1,330	2,510
44	Interactions with Fifth Tier			(Negli.)	(Negli.)	(Negli.)		(Negli.)	(Negli.)	(Negli.)
45										
46	Subtotal -Income Tax Change Items		-	(1,604,660)	(821,860)	(2,426,520)		(840,020)	(803,600)	(1,643,620)
47										
48	CORPORATE FRANCHISE TAX									
49	Change Items									
50 HF 2883, Hornstein	Worldwide Combined Reporting	TY24		104,000	348,000	452,000		353,800	363,700	717,500
51	Interactions with Property Tax, Aids and Credits ^			-	1,430	1,430		1,370	1,590	2,960
52										
53	Subtotal - Corporate Franchise Tax, Change Items		-	104,000	349,430	453,430		355,170	365,290	720,460
54										
55	SALES AND USE TAXES**									
56	Change Items									-
57 HF1938, Gomez	Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023		10	10	20		10	10	20
58 HF1746, Agbaje	Exemption, Certain Natural Gas Fees to Residential Customers	Various		(7,110)	(2,380)	(9,490)		(2,380)	(1,760)	(4,140)
59 HF526, Agbaje	Exemption, Disregarded Single Member Entities	7/1/2023		(710)	(760)	(1,470)		(810)	(860)	(1,670)
60 HF2410, Lislegard	Exemption, Construction Materials, Purchases of Nonprofit Snowmobiles	7/1/2023		(50)	(60)	(110)		(60)	(60)	(120)
61 HF1938, Gomez	Exemption, Construction Materials - Local Gov'ts & Nonprofits	7/1/21 to 12/31/24		(177,110)	(78,520)	(255,630)				
62 HF152, Bahner	Exemption, Construction Mat., Maple Grove, No. Metro Range Reg. Public Safety Ctr	9/1/21-12/31/23		-	-	-		-	-	-
63 HF414, Lislegard	Exemption, Construction Materials School Buildings	Various		(1,080)		(1,080)		-	-	-
64 HF1534, Acomb	Exemption, Construction Materials, City of Wayzata	4/1/20-6/30/21		(380)	-	(380)		-	-	-
65 HF1623, Cha	Exemption, Construction Materials, City of Woodbury Central Park	1/1/25-12/31/25		-	-	-		(520)	-	(520)
66 HF1870, Rehm	Exemption, Construction Materials, City of Chanhassen	1/1/25-1/31/27		-	-	-		(260)	(260)	(520)
67 HF2575, Youakim	Exemption, Construction Materials, Minneapolis - St. Paul Airport	1/1/25-12/31/27		-	-	-		(1,450)	(1,040)	(2,490)
68 HF2655, Torkelson	Exemption, Construction Materials, School Buildings	1/1/24-6/30/25		-	-	-		-	-	-
69 HF2804, Kiel	Exemption, Construction Materials, Red Lake County ISD 2906	1/1/21-6/30/21		-	-	-		-	-	-
70 HF2819, Davids	Exemption, Construction Materials & Capital Equipment, Spring Grove Fire Rem.	12/23/22-12/31/27		(130)	-	(130)		-	-	-
71 HF1786, Edelson	Exemption, Construction Materials, Community Health Center	1/1/25to 12/31/25		-	-	-		(910)	-	(910)
72 HF2417, Lillie	Exemption, Construction Materials, City of Oakdale, New Public Works Facility	1/1/25-12/31/27		-	-	-		(250)	(250)	(500)
73 HF2482, Keeler	Exemption, Construction Materials, City of Moorhead	1/1/25-3/31/27		-	-	-		(240)	(240)	(480)

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			FY 2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27	
74 HF1177, Niska	Exemption, Construction Materials, Ramsey Treatment Center	1/1/25-12/31/26		-	-	-		(460)	-	(460)
75										
76	Subtotal - Sales & Use Tax, Change Items		-	(186,560)	(81,710)	(268,270)		(7,330)	(4,460)	(11,790)
77	LAWFUL GAMBLING TAXES									
78	Change Items									
79 HF1938, Gomez	Combined Net Receipt Tax, Rate Reduction^^ (see note "###")	7/1/2023		[(6,700)]	[(7,700)]	[(14,400)]		[(7,900)]	[(8,200)]	[(16,100)]
80										
81	Subtotal - Lawful Gambling Taxes, Change Items		-	-	-	-		-	-	-
82										
83	OTHER TAX AND NON TAX REVENUE									
84	Change Items									
85 HF1938, Gomez	Repeal \$50 Fee for Payment Agreement Plan	DFE		(1,500)	(1,500)	(3,000)		(1,500)	(1,500)	(3,000)
86 HF 1635, Norris	Mortgage Registry Tax & Deed Tax, Dedication to Workforce & Affordable Hsg. Dev. Act.	7/1/2023		(27,500)	(27,500)	(55,000)		(7,500)	(7,500)	(15,000)
87 HF 1785, Hornstein	Solid Waste Tax, 5% Dedication to Resource Management Account/Environment Fund	DFE		(5,600)	(5,800)	(11,400)		(6,000)	(6,100)	(12,100)
88 HF2012, Lislegard	Gross Proceeds Tax at 0.4%, Non Ferrous Mining	Assmt Yr 23		-	-	-		1,500	1,400	2,900
89 HF2012, Lislegard	State Distribution of Gross Proceeds Tax	Dist. After 12.31.22		-	-	-		-	(1,500)	(1,500)
90 HF 2012, Lislegard	Net Proceeds Tax & State Distribution of Net Proceeds Tax, Repealed (see note "#")			-	-	-		-	-	-
91										
92	Subtotal - Other Tax Revenue, Change Items		-	(34,600)	(34,800)	(69,400)		(13,500)	(15,200)	(28,700)

Commonly used spreadsheet acronyms and other notations:

Federal Conformity "ARPA" denotes American Rescue Plan (Public Law 117-2)

Federal Conformity "IRA" denotes Inflation Reduction Act

"DFE" denotes a provision is effective day following enactment

"DOR" Minnesota Department of Revenue

"Negli." denotes negligible cost/savings of plus or minus \$5,000

"**" Denotes provisions have non general fund revenue fiscal impacts, see non general fund tracking.

^^ The estimates in brackets "[]" are not included in the total.

^ Interactions with Property Taxes, see 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; (3) The net proceeds tax would be first collected in FY2029 based on the revenue estimate.

"###" If the conditions are satisfied in Article 12, section 11, the state would reduce the local sales taxes retained by the City of Minneapolis by \$12.8 million/year and the calculation of the balance in the reserve account would also be affected.

2023 Legislature - HF 1938 with A23 - 0111, A13 House Omnibus Tax Bill

Changes to General Fund Tax Aids, Credits & Refunds - 2023 February Forecast

Dollars in Thousands

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HF	Author	Change Item Description	Effective Date	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE
				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
		GENERAL FUND SUMMARY								
1		Property Tax Aids, Credits and Refunds								
2		February 2023 forecast		2,588,446	2,197,802	2,236,813	4,434,615	2,263,356	2,291,241	4,554,597
3		HF 1938 OTB -Total Proposed GF Changes		126	270,807	418,047	688,854	149,942	185,118	335,060
4		Property Tax Aids, Credits and Refunds - February 2023 + HF 1938 OTB Chgs		2,588,572	2,468,609	2,654,860	5,123,469	2,413,298	2,476,359	4,889,657
5										
6		PROPERTY TAX REFUNDS								
7		Homestead Credit State Refund (HCSR) PTR changes								
8	HF 1938 Gomez	Expand Homestead to Indiv taxpayer ID number (ITIN)	App filed 2023, city data 2024			2,000	2,000	2,000	2,000	4,000
9	HF 1343 Youakim GOV									
9	HF 1506 Lislegard	Homeowner PTR - Reduce all eligible homeowner copays 5%	2023 Rfds / Pay 2024		0	41,800	41,800	42,300	42,600	84,900
10		Additional One-Time 13.8% PTR payment								0
11		Homestead Credit State Refund (HCSR), taxes payable 2023	Pay 2023		91,300	1,000	92,300			0
12		Renter Credit PTR, based rent paid 2022	Pay 2023		<u>32,000</u>	<u>300</u>	<u>32,300</u>			0
13		Subtotal - Additional One-Time 13.8% PTR payment			123,300	1,300	124,600			0
14	HF 2725 Norris	Targeting PTR - Reduce from 12% to 6% incrs property tax, max refund increase from \$1,000 to \$2,500	Pay 2023		23,100	200	23,300			0
15		Enhanced Taxpayer Assistance for PTR, WFC			1,394	1,393	2,787	1,871	1,871	3,742
16										
17	HF 1504 Norris	Homestead Market Value Exclusion changes \$80,300 threshold, maximum exclusion \$32,120, maximum market value \$437,100 PTR interaction	Assmt 2024		0	0	0	(1,310)	(1,310)	(2,620)
18										
19	HF 307 Richardson	Community land trust property class 4d(2) rate @ 0.75% - PTR interaction	Assmt 2024		0	0	0	(260)	(260)	(520)
20	HF 259 Olson, L	Elderly living facilities exempted from property tax - PTR interaction	Pay 2023		0	10	10	10	10	20
21										
22	HF 1099 Anderson	Solar generating system real property class clarified - PTR interaction	Pay 2024		0	(Negligible)	(Negligible)	(Negligible)	(Negligible)	(Negligible)
23	HF 875 Becker-Finn	Indian tribe-owned property (Mps), extend property tax exemption (SGL FY 24 only)	Pay 2023-34		10	Negligible	Negligible	Negligible	Negligible	Negligible
24										

2023 Legislature - HF 1938 with A23 - 0111, A13 House Omnibus Tax Bill

Changes to General Fund Tax Aids, Credits & Refunds - 2023 February Forecast

Dollars in Thousands

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				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
25	HF 236 Freiberg HF 858 Norris HF 1060 Demuth	Spouses disabled veterans' homestead market value exclusion - application deadline eliminated /allowed to reapply PTR interaction	Assmt 2023		0	(30)	(30)	(40)	(40)	(80)
26	HF 1471 Kozlowski	Airport property - 50% exempt "manufacture" of aircraft - PTR interaction	Pay 2024		0	30	30	30	30	60
27		<u>Other HCSR Aid/Credit change related PTR interactions</u>								
28		PTR interaction - LGA approp increase	Pay 2024			(2,730)	(2,730)	(2,730)	(3,420)	(6,150)
29		PTR interaction - CPA approp increase	Pay 2024			(2,730)	(2,730)	(2,730)	(3,100)	(5,830)
31		PTR interaction - PILT valuation increase	Pay 2024		0	(250)	(250)	(280)	(300)	(580)
32		PTR interaction - Electric Generation Transition Aid	Pay 2024		0	(70)	(70)	(110)	(40)	(150)
33		PTR interaction - Local Homeless Prevention Aid	Pay 2023			(410)	(410)	(410)	(410)	(820)
34		PTR interaction - Local Affordable Housing Aid	Pay 2023			(1,200)	(1,200)	(840)	(840)	(1,680)
35										
36		Subtotal - Homestead Credit State Refund PTR changes		0	147,804	39,313	187,117	37,501	36,791	74,292
37		<u>Renter Property Tax Refund changes</u>								
38	HF 1653 Coulter	Renters Credit - Convert to Income Tax Credit								
39		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]
40		Repeal Renter PTR, sunset rent paid 2024, taxes filed in 2025	Rent Pd 2024		0	0	0	(245,500)	(247,300)	(492,800)
41		Subtotal - Renter PTR changes		0	0	0	0	(245,500)	(247,300)	(492,800)
42										
43		<u>AIDS AND CREDITS</u>								
44		<u>Local Aid changes</u>								
45	HF 1377 Lislegard	Local Government Aid approp increase	Pay 2024	0	0	100,000	100,000	100,000	125,200	225,200
46	HF 2239 Swedzinski	City of Echo 2021 LGA penalty forgiveness (\$46,060)	DFE	46	0	0	0			0
47	HF 1802 Urdahl	City of Morton 2021 LGA penalty forgiveness (\$79,476)	DFE	79	0	0	0			0
48										0
49	HF 1377 Lislegard	City of Mahanomen Property Tax Reimbursement Aid increase	Pay 2023	0	0	160	160	160	160	320
50	HF 2982 Davids	City of Spring Grove fire remediation grant, one-time	FY 2024		250	0	250	0	0	0
51		City of St. Paul (street improvements) one-time pymt 7.15.2023	DFE		30,000	0	30,000	0	0	0
52		City of Northfield infrastructure grant, one-time	FY 2024		300	0	300	0	0	0
53										
54	HF 1377 Lislegard	County Program Aid appropriation increase	Pay 2024	0		100,000	100,000	100,000	113,700	213,700
55										

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				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
56	HF 825 Lislegard	Increase Payments in Lieu of Taxes (PILT) valuation/ Lakeshore report	Pay 2024 Study DFE	0	0	9,300	9,300	10,200	11,000	21,200
57	HF 1938 Gomez	Local Homeless Prevention Aid - Incrs approp, earmark \$4.8 M/ yr for Tribal Nations	Pay 2023		20,000	20,000	40,000	20,000	20,000	40,000
58	HF 1419 Howard	Establish Local Affordable Housing Aid program	Pay 2023							
59		LAHA to Counties		0	29,300	29,300	58,600	20,600	20,600	41,200
60		LAHA to Tribal Nations		0	6,000	6,000	12,000	4,200	4,200	8,400
61		LAHA to Cities with population of at least 10,000		0	9,800	9,800	19,600	6,800	6,800	13,600
62		LAHA to MHFA - Local Affordable Housing grants to Small Cities		0	4,900	4,900	9,800	3,400	3,400	6,800
63		Subtotal Local Affordable Housing Aid		0	50,000	50,000	100,000	35,000	35,000	70,000
65	HF 1427 Hill	Electric Generation Transition Aid to Local Governments	Pay 2024		0	2,120	2,120	3,430	1,420	4,850
66		Repeal Utility Valuation Transition Aid	Pay 2024		0	(17)	(17)	(18)	(19)	(37)
68	HF 735 Reyer	Soil and Water Conservation District Aid, ongoing \$14M/year begins Pay 25	Pay 2023	0	22,000	22,000	44,000	14,000	14,000	28,000
69		Subtotal - Local Aid changes		126	122,550	303,563	426,113	282,772	320,461	603,233
74		Other changes								
76	HF 3068 Gomez	Tribal Nations Aid	Pay 2024		0	75,000	75,000	75,000	75,000	150,000
77	HF 1487 Reyer	Disallow Revenue Recapture nonprofit hospitals	DFE		201	201	402	201	201	402
78	HF 705 Youakim	Free Filing Report, 1.15.2024	FY 2024		175	0	175	0	0	0
79	HF 231 Davids	Interactive taxpayer receipt website begin w/taxes payable 2023- MMB admin	DFE		144	47	191	47	47	94
80	HF1938 Gomez	Problem Gambling (interaction with Charitable Gambling)			(67)	(77)	(144)	(79)	(82)	(161)
85		Subtotal - Other changes		0	453	75,171	75,624	75,169	75,166	150,335
87		Total General Fund, Tax Aids, Credits & Refunds		\$126	\$270,807	\$418,047	\$688,854	\$149,942	\$185,118	\$335,060
88		Net Loan Activity								
90	HF 1727 Wolgamott	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
91		Total GF + Net Loan Activity, Tax Aids, Credits & Refunds		126	270,807	418,307	689,114	150,582	185,768	336,350

2023 Legislature - HF 1938 with A23 - 0111, A13 House Omnibus Tax Bill

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	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE
				FY2023	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
94		GF Summary PTAC		FY 2023	FY 2024	FY 2025	FY 2024-25	FY 2024	FY 2025	FY 2024-25
95		Subtotal - Homestead Credit State Refund PTR changes		0	147,804	39,313	187,117	37,501	36,791	74,292
96		Subtotal - Renter PTR changes		0	0	0	0	(245,500)	(247,300)	(492,800)
97		Subtotal - Local Aid changes		126	122,550	303,563	426,113	282,772	320,461	603,233
98		Subtotal - Property Tax Credit changes		0	0	0	0	0	0	0
99		Subtotal - Other changes		0	453	75,171	75,624	75,169	75,166	150,335
100		TOTAL GF Changes, Property Tax Aids & Credits		126	270,807	418,047	688,854	149,942	185,118	335,060

1938 (Gomez) A23-011 & A13: Non General Fund Tax Revenue - Summary of Change Items, February (Feb 2023) Forecast

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

HF		EFFECTIVE	HOUSE FY2023	HOUSE FY2024	HOUSE FY2025	HOUSE FY2024-25	HOUSE FY2026	HOUSE FY2027	HOUSE FY2026-27
	Total Non General Fund		-	22,340	28,595	50,935	13,090	14,170	27,260
	Total - Legacy Funds:			(10,760)	(4,710)	(15,470)	(415)	(245)	(660)
HF1938, Gomez	Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023		negli.	negli.	negli.	negli.	negli.	negli.
HF1746, Agbaje	Temporarily Exempts Certain Natural Gas Fees to Residential Customers	Various		(410)	(140)	(550)	(140)	(100)	(240)
HF526, Agbaje	Sales tax Exemption, Disregarded Single Member Entities	7/1/2023		(40)	(40)	(80)	(50)	(50)	(100)
HF2410, Lislegard	Sales Tax Exemption, Purchases of Nonprofit Snowmobiles with Sunset	7/1/2023		(negli.)	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
HF1938, Gomez	Temp. Construction Mats. Exemption - Local Gov'ts & Nonprofits	7/1/21 to 12/31/24		(10,220)	(4,530)	(14,750)	-	-	-
HF15, Bahner	Construction Exemption, Maple Grove, No. Metro Range Reg. Public Safety Ctr	9/1/21-12/31/23				-			-
HF414, Lislegard	Construction Exemption, School Buildings	Various		(60)		(60)			-
HF1534, Acomb	Construction Exemption, City of Wayzata	4/1/20-6/30/21		(20)		(20)			-
HF1623, Cha	Construction Exemption, City of Woodbury Central Park	1/1/25-12/31/25				-	(30)		(30)
HF1870, Rehm	Construction Exemption, City of Chanhassen	1/1/25-1/31/27				-	(15)	(15)	(30)
HF2575, Youakim	Construction Exemption, MSP Airport	1/1/25-12/31/27				-	(80)	(60)	(140)
HF2655, Torkelson	Construction Exemption, School Buildings	1/1/24-6/30/25				-			-
HF2804, Kiel	Construction Exemption, Red Lake County ISD 2906	1/1/21-6/30/21				-			-
HF2819, Davids	Construction Exemption & Capital Equipment, Spring Grove Fire Rem.	12/23/22-12/31/27		(10)		(10)			-
HF1786, Edelson	Construction Exemption, Community Health Center	1/1/25to 12/31/25				-	(50)		(50)
HF2417, Lillie	Construction Exemption, City of Oakdale, New Public Works Facility	1/1/25-12/31/27				-	(10)	(10)	(20)
HF2482, Keeler	Construction Exemption, City of Moorhead	1/1/25-3/31/27				-	(10)	(10)	(20)
HF1177, Niska	Construction Exemption, Ramsey Treatment Center	1/1/25-12/31/26				-	(30)	-	(30)
	Total - Environmental Fund:			5,600	5,800	11,400	6,000	6,100	12,100
HF1785, Hornstein	Solid Waste Tax, 5% Dedication to Resource Management Account	DfE		5,600	5,800	11,400	6,000	6,100	12,100
	Total - Special Revenue Fund:			-	5	5	5	5	10
HF1487, Reyer	Revenue Recapture; Certain Nonprofit Hospitals Claims Disallowed	7/1/2023			5	5	5	5	10

1938 (Gomez) A23-011 & A13: Non General Fund Tax Revenue - Summary of Change Items, February (Feb 2023) Forecast

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

HF		EFFECTIVE	HOUSE FY2023	HOUSE FY2024	HOUSE FY2025	HOUSE FY2024-25	HOUSE FY2026	HOUSE FY2027	HOUSE FY2026-27
	Total - Housing Development Fund			27,500	27,500	55,000	7,500	7,500	15,000
HF 1635, Norris	Mortgage Registry Tax & Deed Tax, Dedication to Workforce & Affordable Hsg. Dev. Act.	7/1/2023		27,500	27,500	55,000	7,500	7,500	15,000
	Total - Iron Range School Consolidation			4,370	5,230	9,600	5,230	5,230	10,460
HF 2012, Lislegard	Make Permanent Additional Distribution	DFE		870	1,730	2,600	1,730	1,730	3,460
	Transfer from DJJ Economic Protection Fund			3,500	3,500	7,000	3,500	3,500	7,000
	Total - County Road & Bridge Fund:			(850)	(1,690)	(2,540)	(1,690)	(1,690)	(3,380)
HF 2012, Lislegard	Make Permanent Reduction Distribution	DFE		(850)	(1,690)	(2,540)	(1,690)	(1,690)	(3,380)
	Total - Taconite Environmental Protection Fund:			(10)	(20)	(30)	(20)	110	90
HF 2012, Lislegard	Gross Proceeds and Assistance Area	DFE		-	-	-	-	130	130
	Make Permanent Reduction Distribution			(10)	(20)	(30)	(20)	(20)	(40)
	Total - DJJ Economic Protection Fund:			(3,510)	(10,120)	(13,630)	(10,120)	(10,070)	(20,190)
HF 2012 (Lislegard)	Make Permanent Additional Distribution	DFE		(10)	(20)	(30)	(20)	(20)	(40)
	Gross Proceeds and Assistance Area	DFE		-	-	-	-	50	50
	Transfer to IRRB and Iron Range School Consolidation	DFE		(3,500)	(10,100)	(13,600)	(10,100)	(10,100)	(20,200)
	Total - Taconite Property Tax Relief Account			(6,000)	-	(6,000)	-	90	90
HF 2012, Lislegard	Transfer to IRRR Account	DFE		(6,000)	-	(6,000)	-	-	-
	Gross Proceeds and Assistance Area	DFE		-	-	-	-	90	90
	Total - Iron Range Resources and Rehabilitation Account			6,000	6,600	12,600	6,600	7,140	13,740
HF 2012, Lislegard	Transfer to IRRR Account	DFE		6,000	-	6,000	-	-	-
	Gross Proceeds and Assistance Area	DFE		-	-	-	-	540	540
	Transfer from DJJ Economic Protection Fund	DFE		-	6,600	6,600	6,600	6,600	13,200

APPENDIX A - HF 1938 - A23 -0111 Omnibus Tax bill

Tax and Property Tax No State Cost Items

Bill #	Author	Change Item Description	Effective date
NO STATE COST CHANGES			
Tax and Property tax changes - Miscellaneous (no state fund impact)			
1			
2	HF 514 Lislegard	Virginia debt limit exclusion	DFE
3	HF 1721 Lee	Delinquent Property Tax interest rate	Jan 1, 2024
4	HF 675 Agbaje	Property tax service of petitions	July 1, 2023
5	HF 2172 Hornstein	Tourism Improvement Districts	DFE
6	HF 2495 Lee	Ramsey County Tax judgment sales	Local appvl + file
7	HF 1372 Gomez	DOR Policy & Technical bill	Various
8	HF 2089 Her	City of St. Paul bonding authority	Local appvl + file
9	HF 2757 Gomez	Local govt debt financing (Public Finance bill)	July 1, 2023
10	HF 916 Agbaje	Purpose statements of Tax bills	DFE
11	HF 2905 Lislegard	Truth in Taxation	Pay 2024
12		2023 Transfer Production Tax Distribution	DFE + 1
Property tax changes for Tax Increment Financing (TIF)			
13			
14	HF 880 Gomez	Tax Increment Financing - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DFE +1
15	HF 1871 Olson, L.	Duluth TIF - Port Lot D, redvlpmt TIF	Local appvl + file
16	HF 2412 Olson, L.	Duluth TIF Medical Regional Exchg, redvlpmt TIF, extnd term to 2051	Local appvl + file
17	HF 335 Hanson, J	Savage TIF district special rules (5-6yr) extended	Local appvl + file
18	HF 978 Davids	TIF Economic Development - Chatfield	Local appvl + file
19	HF 263 Tabke	Shakopee TIF - soil deficiency	Local appvl + file
20	HF 1049 Brand	TIF expansion for 3 small cities (Spicer, Lafayette, Nicolet)	Local appvl + file
21	HF 1768 Coulter	Bloomington TIF - Central Station undevelopd parcels	Local appvl + file
22	HF 134 Klevorn	Plymouth TIF - Establish a redvlpmt dstct, spc rules 10yr extnd	Local appvl + file
23	HF 1285 Lislegard	Housing TIF - Nonmetro cities pop < 50,000	Local appvl + file
24	HF 428 Clardy	West St. Paul Redevelopment TIF - spec rules, uses	Local appvl + file
25	HF 1458 Koegel	Fridley TIF District 20 - trnsfr incmnt to HRA, limit uses, reports in 2024 & 2026. Expires Dec 2026	Local appvl + file
26	HF 1463 Hemmingsen-Jager	Woodbury TIF Distct 13- spec rules amd	Local appvl + file
27	HF 2118 Kiel	Northwest MN Multi-County HRA levy end date	July 1, 2023
28	HF 3162 Lee	St. Paul HRA TIF #82, chg incmnt uses, allow for RiverCntr etc capital imprvmts	Local appvl + file
Local Lodging / Tourism Taxes (no state fund impact)			
29	HF 3069 Gomez	Local Taxes Advisory Task Force	DFE
30	HF 124 Skraba	Cook County local 1% lodging tax extd from 15 to 30 yrs	Local appvl + file
31	HF 2382 Olson, L	Duluth Extnd term 0.5% lodging, incrs debt from \$18M to \$54M	DFE

APPENDIX B - PROPERTY TAX INTERACTIONS *

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	House FY 2024	House FY 2025	House Y2024-25		House FY2026	House FY2027	House Y2026-27
-1	Interactions with Property Taxes - Summary	-	2,650	2,650		2,550	2,920	5,470
0								
1	Individual Income Tax	-	1,220	1,220		1,180	1,330	2,510
2	Corporate Franchise Tax	-	1,430	1,430		1,370	1,590	2,960
3								
4	Interactions with Property Taxes - Detail							
5	Individual Income Tax - Subtotal	-	1,220	1,220		1,180	1,330	2,510
6	Modify Local Government Aid	-	450	450		450	560	1,010
7	Modify County Program Aid	-	450	450		450	510	960
8	Modify Agricultural Building Bond Credit			-				-
9	Modify PILT	-	40	40		50	50	100
10	Electric Generation Transition aid		10	10		20	-	20
11	Local Homeless Prevention aid		70	70		70	70	140
12	Local Affordable Housing Aid		200	200		140	140	280
13				-				-
14	Corporate Franchise Tax - subtotal	-	1,430	1,430		1,370	1,590	2,960
15	Modify Local Government Aid	-	530	530		530	670	1,200
16	Modify County Program Aid	-	530	530		530	610	1,140
17	Modify Agricultural Building Bond Credit			-				-
18	Modify PILT	-	50	50		50	60	110
19	Electric Generation Transition aid		10	10		20	10	30
20	Local Homeless Prevention aid		80	80		80	80	160
21	Local Affordable Housing Aid		230	230		160	160	320
22				-				-
23								
24								

* 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.