

Minnesota House of Representatives - House Fiscal Analysis Department

2022 REGULAR SESSION - TAX POLICY AND TAX AIDS & CREDITS - SUMMARY

Updated: 2/22/22 9:39 AM

HF 3669 - Governor's Supplemental Budget Recommendations - January 2022

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 | Actual | HF 3669 Governor (Jan 2022) | |
|------|---|------------|--------------------------------|------------------|
| | | FY 2021-22 | FY 2022-23 | FY 2024-25 |
| | <u>GENERAL FUND FORECAST:</u> | | | |
| 2 | TAX POLICY (REVENUE) ¹ | 47,737,661 | 53,440,332 | 57,825,811 |
| 3 | PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹ | 3,892,980 | 4,168,586 | 4,367,225 |
| 4 | | | | |
| 5 | <u>GENERAL FUND - CHANGE ITEMS:</u> | | | |
| 6 | TAX POLICY | | (236,580) | (253,540) |
| 7 | LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS | | 834,273 | 243,361 |
| 8 | SUBTOTAL: GENERAL FUND CHANGE ITEMS | | (1,070,853) | (496,901) |
| 9 | | | | |
| 9 | | | | |
| 10 | NON-GENERAL FUND PROPOSED CHANGE ITEMS: | | | |
| 11 | LEGACY FUNDS | | (5,500) | (8,200) |
| 12 | SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS | | (5,500) | (8,200) |

(1) General Fund state tax revenues are based on the November 2021 Forecast

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 - Governor's Tax Policy Recommendations - General Fund Tax Revenue - November 2021 (Nov-21) Forecast

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

| NON DEDICATED TAX REVENUE | EFFECTIVE | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 |
|---|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | Actual | FY2022 | FY2023 | FY2022-23 | FY2024 | FY2025 | FY2024-25 |
| 1 Total - Non Dedicated General Fund Tax Revenue, Current Law Forecast | | 47,737,661 | 25,826,946 | 27,613,386 | 53,440,332 | 28,500,796 | 29,325,015 | 57,825,811 |
| 2 Total - General Fund, Tax Policy - Change Items | | - | - | (236,580) | (236,580) | (129,840) | (123,700) | (253,540) |
| 3 Subtotal - Tax Policy - Change Items | | - | - | (141,700) | (141,700) | (114,480) | (108,480) | (222,960) |
| 4 Subtotal - Tax Policy - Federal Conformity - Change Items | | - | - | (94,880) | (94,880) | (15,360) | (15,220) | (30,580) |
| 5 TOTAL - Non Dedicated Tax Revenue Forecast + Change Items | | 47,737,661 | 25,826,946 | 27,376,806 | 53,203,752 | 28,500,796 | 29,201,315 | 57,702,111 |
| 6 Individual Income Tax | | | | | | | | |
| 7 Current Law, Forecast | | | | | | | | |
| 8 Receipts | | 29,621,270 | 16,069,200 | 16,984,800 | 33,054,000 | 17,799,600 | 18,514,100 | 36,313,700 |
| 9 Refunds | | (3,423,481) | (2,063,600) | (1,540,900) | (3,604,500) | (1,510,300) | (1,687,500) | (3,197,800) |
| 10 Subtotal - Current Law | | 26,197,789 | 14,005,600 | 15,443,900 | 29,449,500 | 16,289,300 | 16,826,600 | 33,115,900 |
| 11 Change Items - Federal Conformity | | | | | | | | |
| 12 *FCAA: Expansion of Section 529 Plans | Retro, Beginning | | | (530) | (530) | (160) | (160) | (320) |
| 13 *CARES: Increase Limitation on Charitable Deduction Limit for Food Inventory from 15% to 25% | TY 20 only | | | (190) | (190) | 40 | 10 | 50 |
| 14 *CARES: Inclusion of certain over-the-counter medical products as qualified medical expenses | Beginning TY 20 | | - | (Negli.) | (Negli.) | (Negli.) | (Negli.) | (Negli.) |
| 15 *CAA: Exclusion of Discharge of Indebtedness on Qualified Principal Residence | TY 21-25 | | | (2,800) | (2,800) | (1,600) | (1,600) | (3,200) |
| 16 *CAA: Exclusion of Benefits for Volunteer Firefighters & Emergency Medical Responders | TY 21 only | | | (590) | (590) | (400) | (400) | (800) |
| 17 *CAA: Exclusion of Certain Employer Student Loan Payments | TY 21-25 | | | (13,900) | (13,900) | (7,300) | (7,400) | (14,700) |
| 18 *CAA: Partial Above the Line Deduction of Charitable Contributions | TY 21 only | | | (13,900) | (13,900) | - | - | - |
| 19 *CAA: Increase Limitation on Charitable Contributions Deductions, 60% to 100% of FAGI | TY 21 only | | - | (6,500) | (6,500) | 2,700 | 1,200 | 3,900 |
| 20 *CAA: Special disaster-related rules for use of retirement funds | TY 21 only | | | (10) | (10) | 10 | - | 10 |
| 21 *CAA: Temporary increase in limitation on qualified contributions | TY 21-22 | | | (900) | (900) | (400) | (400) | (800) |
| 22 *CAA: Exclusion of SBA Loan Assistance | TY 21 | | | (2,700) | (2,700) | (300) | (100) | (400) |
| 23 *CAA: Exclusion of Shuttered Venue Grants | TY 21 | | | (2,300) | (2,300) | (400) | (200) | (600) |
| 24 *CAA: Accelerated Depreciation for Business Property on Indian Reservation | TY21 | | | (80) | (80) | (10) | (Negli.) | (10) |
| 25 *CAA: Depreciation of Certain Residential Rental Property over 30 years | Retro, Begins TY | | | (8,200) | (8,200) | (1,100) | (900) | (2,000) |
| 26 *CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical Productions | TY 21-25 | | | (3,300) | (3,300) | (600) | (600) | (1,200) |
| 27 *CAA: Energy-Efficient Commercial Building Deduction | Begins TY 21 | | | (410) | (410) | (200) | (200) | (400) |
| 28 *CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits | Begins TY 21 | | | (120) | (120) | (40) | (40) | (80) |
| 29 *ARPA: Employer-Provided Dependent Care Assistance, Exclusion Increased | TY 21 only | | | (760) | (760) | | | - |
| 30 *ARPA: Discharged (Forgiven) Student Loans, Exclusion Provided | TY 21-25 | | | (200) | (200) | (100) | (100) | (200) |
| 31 *ARPA: Increase maximum unearned income for Working Family Credit | TY 21 | | | (900) | (900) | (500) | (500) | (1,000) |
| 32 *ARPA: Exclusion of EIDL Loan Advances | TY 21 only | | | (5,800) | (5,800) | (600) | (300) | (900) |
| 33 *ARPA: Exclusion of Restaurant Revitalization Grants | TY 21 only | | | (4,200) | (4,200) | (400) | (200) | (600) |
| 34 *IIJA: Private Activity Bonds for Qualified Broadband Projects | Beginning TY22 | | - | (80) | (80) | (170) | (290) | (460) |

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 - Governor's Tax Policy Recommendations - General Fund Tax Revenue - November 2021 (Nov-21) Forecast

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

| | EFFECTIVE | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 |
|--|----------------|------------|------------|------------|------------|------------|------------|------------|
| | | Actual | | | | | | |
| NON DEDICATED TAX REVENUE | | FY2020-21 | FY2022 | FY2023 | FY2022-23 | FY2024 | FY2025 | FY2024-25 |
| 35 *IIJA: Tax Exempt Bonds for Qualified Carbon Dioxide Capture Facilities | Beginning TY22 | | - | (20) | (20) | (20) | (40) | (60) |
| 36 Subtotal - Change Items - Federal Conformity ^ | | - | - | (68,390) | (68,390) | (11,550) | (12,220) | (23,770) |
| 37 <i>Change Items</i> | | | | | - | | | - |
| 38 K-12 Education Tax Credit: Phaseout Changed to FAGI, Phaseout Threshold Increased ^ | TY 2022 | | - | (13,300) | (13,300) | (13,800) | (14,100) | (27,900) |
| 39 K-12 Education Tax Credit: Interactions with Income Phase-out & Threshold Changes | | | - | 1,100 | 1,100 | 1,100 | 1,100 | 2,200 |
| 40 Child & Depend. Care Tax Credit: Increase Tax Credit by 30 percent | TY22 -23 only | | - | (8,200) | (8,200) | (8,400) | - | (8,400) |
| 41 Child & Depend. Care Tax Credit: Increase Increase Phaseout Threshold & Index Threshold - TY | TY 22 | | - | (5,700) | (5,700) | (6,100) | (6,500) | (12,600) |
| 42 Child & Depend. Care Tax Credit: Interactions with Tax Credit and Phaseout Threshold Changes | | | - | (1,600) | (1,600) | (1,600) | | (1,600) |
| 43 Child & Depend. Care Tax Credit: Expand Eligibility for Newborn Tax Credit | TY 22 | | | (1,400) | (1,400) | (1,400) | (1,500) | (2,900) |
| 44 Child & Depend. Care Tax Credit: Interactions with Newborn Tax Credit Expansion | | | | (1,000) | (1,000) | (1,000) | (400) | (1,400) |
| 45 Working Family Tax Credit: Expand Eligibility to Include ITIN Taxpayers ^ | TY 22 | | | (9,800) | (9,800) | (10,400) | (10,400) | (20,800) |
| 46 Small Business Investment (Angel) Tax Credit: Extend the Sunset Date with a Capped Allocation | TY 22-30 | | | (7,000) | (7,000) | (5,000) | (5,000) | (10,000) |
| 47 Public Safety Aid: Interaction with Property Taxes | | | | | | 470 | 470 | 940 |
| 48 Subtotal - Change Items | | - | - | (46,900) | (46,900) | (46,130) | (36,330) | (82,460) |
| 49 TOTAL - INDIVIDUAL INCOME TAX | | 26,197,789 | 14,005,600 | 15,328,610 | 29,334,210 | 16,231,620 | 16,778,050 | 33,009,670 |
| Corporate Franchise Tax | | | | | | | | |
| 50 Corporate Franchise Tax | | | | | | | | |
| 51 Current Law, Forecast | | | | | | | | |
| 52 Receipts | | 4,364,277 | 2,524,446 | 2,232,049 | 4,756,495 | 2,014,629 | 1,973,067 | 3,987,696 |
| 53 Refunds | | (396,632) | (232,586) | (193,529) | (426,115) | (188,080) | (185,579) | (373,659) |
| 54 Subtotal - Current Law | | 3,967,645 | 2,291,860 | 2,038,520 | 4,330,380 | 1,826,549 | 1,787,488 | 3,614,037 |
| 55 Change Items - Federal Conformity | | | | | | | | |
| 56 *FCAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes | TY18-20 | | | (360) | (360) | (40) | (20) | (60) |
| 57 *CARES: Modification of Limitation on Charitable Contributions Deductions, 10% to 20% of FTI | TY 20 only | | | (550) | (550) | 170 | 100 | 270 |
| 58 *CARES: Increase Limitation on Charitable Deduction Limit for Food Inventory from 15% to 25% | TY 20 only | | | (90) | (90) | 30 | - | 30 |
| 59 *CAA: Exclusion of SBA Loan Assistance | TY 21 | | - | (2,500) | (2,500) | (100) | (100) | (200) |
| 60 *CAA: Exclusion of Shuttered Venue Grants | TY 21 | | | (2,300) | (2,300) | (400) | (200) | (600) |
| 61 *CAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes | TY 21-25 | | - | (190) | (190) | (100) | (110) | (210) |
| 62 *CAA: Accelerated Depreciation for Business Property on Indian Reservation | TY 21 | | | (60) | (60) | (10) | - | (10) |
| 63 *CAA: Depreciation of Certain Residential Rental Property over 30 years | 2018 | | | (4,100) | (4,100) | (500) | (400) | (900) |
| 64 *CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical Productions | TY 21-25 | | | (3,800) | (3,800) | (700) | (700) | (1,400) |
| 65 *CAA: Energy-Efficient Commercial Building Deduction | Begins TY 21 | | | (660) | (660) | (320) | (320) | (640) |
| 66 *CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits | Begins TY 21 | | | (180) | (180) | (70) | (70) | (140) |
| 67 *CAA: Special disaster-related rules for qualified disaster-related personal casualty losses | TY 21-22 | | | (100) | (100) | 30 | 20 | 50 |
| 68 *ARPA: Exclusion of EIDL Loan Advances | TY 21 only | | | (5,800) | (5,800) | (600) | (300) | (900) |
| 69 *ARPA: Exclusion of Restaurant Revitalization Grants | TY 21 only | | | (4,100) | (4,100) | (400) | (200) | (600) |

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 - Governor's Tax Policy Recommendations - General Fund Tax Revenue - November 2021 (Nov-21) Forecast

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

| | | Nov-21 Actual | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | |
|----------------------------------|---|--------------------|------------------|---------------|---------------|------------------|---------------|---------------|------------------|
| NON DEDICATED TAX REVENUE | | EFFECTIVE | FY2020-21 | FY2022 | FY2023 | FY2022-23 | FY2024 | FY2025 | FY2024-25 |
| 70 | *ARPA: Worldwide Interest Allocation Rules, Repeal | Beginning TY21 | | | Unknown | Unknown | Unknown | Unknown | Unknown |
| 71 | *IIJA: Modification of Tax Treatment of Contributions to the Capital of a Corporation | Beginning TY21 | | - | (1,700) | (1,700) | (800) | (700) | (1,500) |
| 72 | Subtotal - Change Items - Federal Conformity ^ | | - | - | (26,490) | (26,490) | (3,810) | (3,000) | (6,810) |
| 73 | <i>Change Items</i> | | | | | | | | |
| 74 | Public Safety Aid: Interaction with Property Taxes | | | | | - | 550 | 550 | 1,100 |
| 75 | Subtotal - Tax Law Changes | | - | - | - | - | 550 | 550 | 1,100 |
| 76 | TOTAL - CORPORATE FRANCHISE TAX | | 3,967,645 | 2,291,860 | 2,012,030 | 4,303,890 | 1,823,289 | 1,785,038 | 3,608,327 |
| 77 | Sales and Use Tax | | | | | | | | |
| 78 | Current Law, Forecast | | | | | | | | |
| 79 | Receipts | | 12,329,643 | 7,062,315 | 7,282,943 | 14,345,258 | 7,497,134 | 7,776,245 | 15,273,379 |
| 80 | Refunds | | (398,701) | (208,550) | (186,801) | (395,351) | (176,801) | (176,801) | (353,602) |
| 81 | Indian Sales Tax Refunds | | (28,732) | (11,000) | (12,500) | (23,500) | (12,700) | (12,900) | (25,600) |
| 82 | Transfer Sales Tax on Motor Vehicle Leases | | | | | | | | |
| 83 | City of Minneapolis Sales Tax to MSFA | | 2,118 | - | - | - | 1,642 | 1,852 | 3,494 |
| 84 | MPLS Sales Tax Repayment, NFL Stadium | | 10,539 | 21,214 | 21,703 | 42,917 | 22,147 | 22,550 | 44,697 |
| 85 | Elim. June Sales Tax Shift Requirement | | | (347,600) | (10,900) | (358,500) | (10,500) | (13,700) | (24,200) |
| 86 | Subtotal - Current Law | | 11,914,867 | 6,516,379 | 7,094,445 | 13,610,824 | 7,320,922 | 7,597,246 | 14,918,168 |
| 87 | <i>Change Items</i> | | | | | | | | |
| 88 | Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofits | Retroactive 7/1/21 | | - | (94,800) | (94,800) | (68,900) | (72,700) | (141,600) |
| 89 | Added to base, Adult-Use Cannabis | 1/1/2024 | | - | - | - | [5,800] | [19,400] | [25,200] |
| 90 | Subtotal - Change Items | | - | - | (94,800) | (94,800) | (68,900) | (72,700) | (141,600) |
| 91 | TOTAL - SALES AND USE TAXES | | 11,914,867 | 6,516,379 | 6,999,645 | 13,516,024 | 7,252,022 | 7,524,546 | 14,776,568 |
| 92 | Estate Tax | | | | | | | | |
| 93 | Current Law, Forecast | | | | | | | | |
| 94 | Receipts | | 370,402 | 209,800 | 218,600 | 428,400 | 235,100 | 251,600 | 486,700 |
| 95 | Refunds | | (15,432) | (7,300) | (7,300) | (14,600) | (7,300) | (7,300) | (14,600) |
| 96 | Subtotal - Current Law | | 354,970 | 202,500 | 211,300 | 413,800 | 227,800 | 244,300 | 472,100 |
| 97 | TOTAL - ESTATE TAX | | 354,970 | 202,500 | 211,300 | 413,800 | 227,800 | 244,300 | 472,100 |

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 - Governor's Tax Policy Recommendations - General Fund Tax Revenue - November 2021 (Nov-21) Forecast

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

| | | Nov-21 Actual | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | |
|---------------------------|---|------------------|-----------|----------------|----------------|------------------|----------------|----------------|------------------|
| NON DEDICATED TAX REVENUE | | EFFECTIVE | FY2020-21 | FY2022 | FY2023 | FY2022-23 | FY2024 | FY2025 | FY2024-25 |
| 98 | Statewide Property Tax (General Levy) | | | | | | | | |
| 99 | Current Law, Forecast | | | | | | | | |
| 100 | Receipts | | 1,556,452 | 774,232 | 764,171 | 1,538,403 | 748,456 | 748,637 | 1,497,093 |
| 101 | Refunds | | - | | | - | | | - |
| 102 | Subtotal - Current Law | | 1,556,452 | 774,232 | 764,171 | 1,538,403 | 748,456 | 748,637 | 1,497,093 |
| 103 | TOTAL - STATEWIDE PROPERTY TAX | | 1,556,452 | 774,232 | 764,171 | 1,538,403 | 748,456 | 748,637 | 1,497,093 |
| 104 | Cigarette & Tobacco Products Taxes | | | | | | | | |
| 105 | Current Law, Forecast | | | | | | | | |
| 106 | Receipts | | 1,194,033 | 601,040 | 602,630 | 1,203,670 | 601,330 | 600,280 | 1,201,610 |
| 107 | Refunds | | (19,827) | (10,800) | (10,500) | (21,300) | (10,600) | (10,600) | (21,200) |
| 108 | Subtotal - Current Law | | 1,174,206 | 590,240 | 592,130 | 1,182,370 | 590,730 | 589,680 | 1,180,410 |
| 109 | TOTAL - CIGARETTE & TOBACCO TAXES | | 1,174,206 | 590,240 | 592,130 | 1,182,370 | 590,730 | 589,680 | 1,180,410 |
| 110 | Liquor, Wine and Beer Tax | | | | | | | | |
| 111 | Current Law, Forecast | | | | | | | | |
| 112 | Receipts | | 197,674 | 103,290 | 106,060 | 209,350 | 108,600 | 111,210 | 219,810 |
| 113 | Refunds | | (2,011) | (870) | (880) | (1,750) | (890) | (900) | (1,790) |
| 114 | Subtotal - Current Law | | 195,663 | 102,420 | 105,180 | 207,600 | 107,710 | 110,310 | 218,020 |
| 114 | TOTAL - LIQUOR, WINE AND BEER TAXES | | 195,663 | 102,420 | 105,180 | 207,600 | 107,710 | 110,310 | 218,020 |
| 115 | Lawful Gambling Taxes - Total | | | | | | | | |
| 116 | Current Law, Forecast | | | | | | | | |
| 117 | Receipts | | 198,762 | 157,000 | 166,500 | 323,500 | 174,800 | 181,700 | 356,500 |
| 118 | Refunds | | (481) | (250) | (250) | (500) | (250) | (250) | (500) |
| 119 | 2012 Feb. Base [not included totals] | | [73,800] | [36,900] | [36,900] | [73,800] | [36,900] | [36,900] | [73,800] |
| 120 | Amount Over 2012 Base [not included totals] | | [125,276] | [119,850] | [129,350] | [251,568] | [137,650] | [144,550] | [284,958] |
| 121 | Subtotal - Current Law | | 198,281 | 156,750 | 166,250 | 323,000 | 174,550 | 181,450 | 356,000 |
| 122 | TOTAL - LAWFUL GAMBLING TAXES | | 198,281 | 156,750 | 166,250 | 323,000 | 174,550 | 181,450 | 356,000 |

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 - Governor's Tax Policy Recommendations - General Fund Tax Revenue - November 2021 (Nov-21) Forecast

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

| | EFFECTIVE | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 |
|--|----------------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Actual | | | | | | |
| NON DEDICATED TAX REVENUE | | FY2020-21 | FY2022 | FY2023 | FY2022-23 | FY2024 | FY2025 | FY2024-25 |
| 123 Insurance Gross Earning & Fire Marshall Tax | | | | | | | | |
| 124 Current Law - Subtotal | | | | | | | | |
| 125 Receipts | | 865,634 | 446,343 | 461,992 | 908,335 | 473,014 | 483,978 | 956,992 |
| 126 Refunds | | (5,714) | (2,500) | (2,500) | (5,000) | (2,500) | (2,500) | (5,000) |
| | Subtotal - Current Law | 859,920 | 443,843 | 459,492 | 903,335 | 470,514 | 481,478 | 951,992 |
| 127 TOTAL - INSURANCE GROSS EARNINGS & FIRE MARHALL TAX | | 859,920 | 443,843 | 459,492 | 903,335 | 470,514 | 481,478 | 951,992 |
| <hr/> | | | | | | | | |
| 128 Other Net Tax Revenue | | | | | | | | |
| 129 Current Law, Forecast | | | | | | | | |
| 130 Taconite Occupation Tax | | 25,124 | 16,800 | 15,500 | 32,300 | 15,500 | 15,500 | 31,000 |
| 131 Mortgage Registry Tax | | 416,391 | 210,383 | 190,589 | 400,972 | 180,234 | 169,492 | 349,726 |
| 132 Deed Transfer Tax | | 298,994 | 187,590 | 186,692 | 374,282 | 187,696 | 194,079 | 381,775 |
| 133 Controlled Substance Tax | | - | 5 | 5 | 10 | 5 | 5 | 10 |
| 134 Other Gross Earnings | | 107 | 50 | 50 | 100 | 50 | 50 | 100 |
| 135 Medical Assistance Surcharges | | 591,060 | 333,797 | 350,365 | 684,162 | 365,983 | 383,903 | 749,886 |
| 136 Other Tax Refunds | | (13,808) | (5,503) | (5,203) | (10,706) | (5,203) | (5,203) | (10,406) |
| 137 | Subtotal - Current Law | 1,317,868 | 743,122 | 737,998 | 1,481,120 | 744,265 | 757,826 | 1,502,091 |
| 138 <i>Change Items</i> | | | | | | [8,900] | [29,800] | [38,700] |
| 139 Impose 10 Percent Liquor Gross Receipts Tax, Adult-Use Cannabis ^^ | | | - | - | - | | | |
| 140 | Subtotal - Tax Law Changes | - | - | - | - | [8,900] | [29,800] | [38,700] |
| 141 | | | | | | | | |
| 142 TOTAL - OTHER NET REVENUE | | 1,317,868 | 743,122 | 737,998 | 1,481,120 | 744,265 | 757,826 | 1,502,091 |

sources:

MMB General Fund Balance Analysis, 2022 Governor's Recommendations, January 26, 2022

*Federal Conformity Act Acronyms:

- FCAA: Further Consolidated Appropriations Act (Public law 11-94)
- CARES: Coronavirus, Aid, Relief and Security Act (Public Law 116-127)
- CAA: Consolidated Appropriations Act (Public Law 116-260)
- ARPA: American Rescue Plan (Public Law 117-2)
- IIJA: Infrastructure, Investment and Jobs Act (Public Law - 117-58)

Spreadsheet acronyms:

- "Negli." denotes negligible cost/savings
- "Nov- 21" denotes current law estimates based on MMB's November 2021 Forecast
- " ^ " denotes tax policy provision also contains an administrative cost.
- ^^ The estimates are bracketed and are not included in the total. The estimates will be tracked by a committee other than the House Tax Committee and are intended for reference only.

Minnesota House of Representatives - House Fiscal Analysis Department

2022 Legislature - HF 3669 Governor's January 2022 Recommendations - November 2021 Forecast

As of 2.10.2022

General Fund - Tax Refunds, Aids & Credits

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [] are for information purposes only and are not reflected in spreadsheet totals.

| | Nov 21 fct FY2020-21 | Gov Jan 2022 | | | Gov Jan 22 v Nov 21 FY2022-23 | Gov Jan 2022 | | | Gov Jan 22 v Nov 21 FY2024-25 |
|---|-------------------------|--------------|--------------|--------------------|-------------------------------------|--------------|--------------|--------------------|-------------------------------------|
| | | FY2022 | FY2023 | FY2022-23 | | FY2024 | FY2025 | FY2024-25 | |
| General Fund Expenditures | | | | | | | | | |
| <u>REFUNDS</u> | \$1,657,309 | \$850,070 | \$882,160 | \$1,732,230 | | \$913,480 | \$937,570 | \$1,851,050 | |
| Homestead Credit property tax refund | 1,107,857 | \$590,200 | \$616,500 | \$1,206,700 | - | \$645,300 | \$666,900 | \$1,312,200 | - |
| <i>Chg Item: Expand Homestead Benefits Allow ITIN</i> | | | | | | \$1,800 | \$1,800 | \$3,600 | 3,600 |
| <i>Chg Item: Public Safety Aid (interaction)</i> | | | | | | (\$2,630) | (\$2,630) | (\$5,260) | (5,260) |
| <i>Chg Item: Agriculture Product Definition - Include Hemp (intctn)</i> | | | | | | \$0 | \$30 | \$30 | 30 |
| Renters property tax refund | 455,624 | 225,300 | 227,500 | 452,800 | - | 232,600 | 233,900 | 466,500 | - |
| Targeting | 21,599 | 2,930 | 8,400 | 11,330 | - | 6,500 | 6,500 | 13,000 | - |
| Forest Land Credits (SFIA) | 24,384 | 12,990 | 13,510 | 26,500 | - | 14,060 | 14,620 | 28,680 | - |
| Subtotal - Property Tax Refunds | 1,609,464 | 831,420 | 865,910 | 1,697,330 | - | 897,630 | 921,120 | 1,818,750 | (1,630) |
| Political Contribution Refund | 5,927 | 3,000 | 3,500 | 6,500 | - | 3,000 | 3,500 | 6,500 | - |
| Tax Refund Interest | 41,918 | 15,650 | 12,750 | 28,400 | - | 12,850 | 12,950 | 25,800 | - |
| <u>LOCAL AIDS</u> | 1,692,272 | 918,751 | 1,045,951 | 1,964,702 | | 1,064,973 | 1,064,782 | 2,129,755 | |
| Local Government Aid (LGA) | 1,018,490 | 564,398 | 564,398 | 1,128,796 | - | 564,398 | 564,398 | 1,128,796 | - |
| 21, SS1,CH 14, Local Government Aid one-time supplement | | 0 | 5,516 | 5,516 | - | 0 | 0 | - | - |
| Subtotal- Local Government Aid (LGA) | 1,018,490 | 564,398 | 569,914 | 1,134,312 | - | 564,398 | 564,398 | 1,128,796 | - |
| County Program Aid | 494,174 | 263,971 | 264,012 | 527,983 | - | 264,374 | 263,954 | 528,328 | - |
| Public Defense Bd, Public Defender Aid | 0 | 500 | 500 | 1,000 | - | 500 | 500 | 1,000 | - |
| Local Impact Notes (LBO/MDE) | 0 | 214 | 214 | 428 | - | 214 | 214 | 428 | - |
| Subtotal- County Program Aid (CPA) | 494,174 | 264,685 | 264,726 | 529,411 | - | 265,088 | 264,668 | 529,756 | - |
| Township Aid | 19,997 | 10,000 | 10,000 | 20,000 | - | 10,000 | 10,000 | 20,000 | - |
| Payment in Lieu of Taxes (PILT) for DNR Owned Lands | 72,030 | 36,581 | 36,806 | 73,387 | - | 39,532 | 39,757 | 79,289 | - |
| Aquatic Invasive Species Prevention Aid | 20,000 | 10,000 | 10,000 | 20,000 | - | 10,000 | 10,000 | 20,000 | - |
| Riparian Protection Aid to BWSR | 1,490 | 745 | 745 | \$1,490 | - | 745 | 745 | \$1,490 | - |
| Riparian Protection Aid to Counties | 14,510 | <u>7,255</u> | <u>7,255</u> | 14,510 | - | <u>7,255</u> | <u>7,255</u> | 14,510 | - |
| Subtotal- Riparian Protection Aid | 16,000 | 8,000 | 8,000 | \$16,000 | - | 8,000 | 8,000 | \$16,000 | - |
| Indian Family Out-of-Home Placement Aid | 10,000 | 4,337 | 3,549 | \$7,886 | - | 5,000 | 5,000 | \$10,000 | - |
| Casino Aid to Counties | 2,749 | 1,400 | 1,614 | 3,014 | - | 1,614 | 1,614 | 3,228 | - |

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All Numbers in Thousands

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| | Nov 21 fct | Gov Jan 2022 | | | Gov Jan 22 | Gov Jan 2022 | | | Gov Jan 22 |
|---|----------------|---------------|---------------|---------------|-----------------------|---------------|---------------|---------------|-----------------------|
| | FY2020-21 | FY2022 | FY2023 | FY2022-23 | v Nov 21 FY2022-23 | FY2024 | FY2025 | FY2024-25 | v Nov 21 FY2024-25 |
| 32 Local Homeless Prevention Aid | | | | | - | 20,000 | 20,000 | 40,000 | - |
| 33 <i>Chg Item: Public Safety Aid to Local Governments</i> | | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 200,000 | 200,000 |
| 34 <i>Chg Item: Soil Water Conservation District Aid</i> | | | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 44,000 | 44,000 |
| 35 | | | | | | | | | |
| 36 Production Property Transition Aid | 80 | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| 37 Utility Transition Aid (cities and towns) | 8 | 11 | 9 | 20 | - | 8 | 12 | 20 | - |
| 38 DRA School | 16,045 | 8,029 | 8,023 | 16,052 | - | 8,023 | 8,023 | 16,046 | - |
| 39 DRA Non-School | 20,299 | <u>10,110</u> | <u>10,110</u> | <u>20,220</u> | - | <u>10,110</u> | <u>10,110</u> | <u>20,220</u> | - |
| 40 Disparity Reduction Aid (DRA) | 36,344 | 18,139 | 18,133 | 36,272 | - | 18,133 | 18,133 | 36,266 | - |
| 41 Mahnomens City Reimbursement Aid | 320 | 160 | 160 | 320 | - | 160 | 160 | 320 | - |
| 42 Mahnomens County Aid | 1,800 | 900 | 900 | 1,800 | - | 900 | 900 | 1,800 | - |
| 43 Mahnomens ISD #432 Aid | 280 | <u>140</u> | <u>140</u> | <u>280</u> | - | <u>140</u> | <u>140</u> | <u>280</u> | - |
| 44 Mahnomens Reimbursement Aid | 2,400 | 1,200 | 1,200 | 2,400 | - | 1,200 | 1,200 | 2,400 | - |
| 45 | | | | | | | | | |
| 46 <u>PROPERTY TAX CREDITS</u> | 195,317 | 113,010 | 121,245 | 234,255 | - | 141,936 | 147,303 | 289,239 | - |
| 47 Agr MVC School | 17,064 | 7,794 | 7,411 | 15,205 | - | 7,376 | 7,376 | 14,752 | - |
| 48 Agr MVC Non-School | 57,360 | <u>28,849</u> | <u>27,543</u> | 56,392 | - | 27,543 | 27,543 | 55,086 | - |
| 49 <i>Chg Item: Agriculture Product Definition - Include Hemp (intcn)</i> | | | | | - | <u>0</u> | <u>10</u> | <u>10</u> | 10 |
| 50 Agricultural Market Value Credit | 74,424 | 36,643 | 34,954 | 71,597 | - | 34,919 | 34,929 | 69,848 | 10 |
| 51 | | | | | | | | | |
| 52 School Building Bond Agricultural Credit | 93,690 | 62,109 | 71,788 | \$133,897 | - | 92,087 | 96,965 | \$189,052 | - |
| 53 <i>Chg Item: Agriculture Product Definition - Include Hemp (intcn)</i> | | | | | - | 0 | 30 | 30 | 30 |
| 54 | | | | | | | | | |
| 55 Agriculture Preservation Credit -School (w/o State Con Fnd) | 132 | 5 | 0 | 5 | - | 0 | 0 | - | - |
| 56 Agriculture Preservtn Credit -NonSchool (w/o State Con Fnd) | 319 | 0 | 0 | - | - | 0 | 0 | - | - |
| 57 | | | | | | | | | |
| 58 Border City Disparity -School | 5,452 | 3,236 | 3,326 | 6,562 | - | 3,424 | 3,531 | 6,955 | - |
| 59 Border City Disparity -Non-School | <u>20,427</u> | <u>10,848</u> | <u>11,174</u> | <u>22,022</u> | - | <u>11,506</u> | <u>11,848</u> | <u>23,354</u> | - |
| 60 Border City Disparity Credit | 25,879 | 14,084 | 14,500 | 28,584 | - | 14,930 | 15,379 | 30,309 | - |
| 61 | | | | | | | | | |
| 62 Prior Year Credit -School | 72 | 104 | 3 | 107 | - | 0 | 0 | - | - |
| 63 Prior Year Credit- Non-School | <u>801</u> | <u>65</u> | <u>0</u> | <u>65</u> | - | <u>0</u> | <u>0</u> | <u>0</u> | - |
| 64 Prior Year Credits | 873 | 169 | 3 | 172 | - | - | - | - | - |

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All Numbers in Thousands

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|--|-------------------------|--------------|---------|-----------|-------------------------------------|--------------|---------|-----------|-------------------------------------|
| | | FY2022 | FY2023 | FY2022-23 | | FY2024 | FY2025 | FY2024-25 | |
| TACONITE TAX RELIEF AREA AIDS & CREDITS | 28,006 | 13,734 | 13,796 | 27,530 | | 14,186 | 14,537 | 28,723 | |
| State Taconite Aid to IRRR (Non-School) | 7,517 | 3,629 | 3,724 | 7,353 | - | 4,003 | 4,230 | 8,232 | - |
| State Taconite Aid Local Distribution | 8,579 | 4,136 | 4,050 | 8,186 | - | 4,107 | 4,175 | 8,282 | - |
| Subtotal State Taconite Aid | 16,096 | 7,765 | 7,773 | 15,538 | - | 8,109 | 8,405 | 16,514 | - |
| Taconite Reimbursement (School) | 1,122 | 561 | 561 | 1,122 | - | 561 | 561 | 1,122 | - |
| Supplemental Taconite Homestead Credit (Non-School) | 10,788 | 5,408 | 5,462 | 10,870 | - | 5,516 | 5,571 | 11,087 | - |
| LOCAL PENSION AIDS | 292,540 | 142,102 | 147,006 | 289,108 | | 152,056 | 157,306 | 309,362 | |
| Police Aid (includes only local; DNR & DPS aid in State Gov) | 165,425 | 82,181 | 85,920 | 168,101 | - | 89,790 | 93,830 | 183,620 | - |
| Fire Aid | 62,945 | 34,211 | 35,240 | 69,451 | - | 36,270 | 37,330 | 73,600 | - |
| Fire Insurance Surcharge Aid | 8,386 | 4,750 | 4,890 | 9,640 | - | 5,040 | 5,190 | 10,230 | - |
| Police & Fire Retirement Aid Supplement | 30,995 | 15,500 | 15,500 | 31,000 | - | 15,500 | 15,500 | 31,000 | - |
| Police/Fire Amorization Aid (Open) | 5,458 | 2,729 | 2,729 | 5,458 | - | 2,729 | 2,729 | 5,458 | - |
| Redirected Amortization Aid - St Paul + TRFA | 4,188 | 2,094 | 2,094 | 4,188 | - | 2,094 | 2,094 | 4,188 | - |
| Firefighters Supplemental Benefits Reimbursements | 1,243 | 637 | 633 | 1,270 | - | 633 | 633 | 1,266 | - |
| Public Employees Retirement Assoc. (PERA) Aid | 13,900 | 0 | 0 | 0 | - | 0 | 0 | 0 | - |
| OTHER AIDS & ONE-TIME APPROPRIATIONS | 16,237 | 49,825 | 705,208 | 755,033 | | 1,140 | 1,136 | 2,276 | |
| Disaster Credit -School | 32 | 544 | 60 | 604 | - | 28 | 31 | 59 | - |
| Disaster Credit- Non-School | 74 | 1,809 | 0 | 1,809 | - | 94 | 94 | 188 | - |
| Disaster Credit | 106 | 2,353 | 60 | 2,413 | - | 122 | 125 | 247 | - |
| Local Option Disaster Credits | - | | | - | | | | - | |
| Local Option Disaster Abatement reimb (school) | 337 | 48 | 23 | 71 | - | 25 | 25 | 50 | - |
| Local Option Disaster Abatement reimb (non school) | 1,396 | 0 | 75 | 75 | - | 75 | 75 | 150 | - |
| Local Option Disaster Abatement Reimbursement | 1,733 | 48 | 98 | 146 | - | 100 | 100 | 200 | - |

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| | Nov 21 fct | Gov Jan 2022 | | | Gov Jan 22 | Gov Jan 2022 | | | Gov Jan 22 | |
|-----|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| | FY2020-21 | FY2022 | FY2023 | FY2022-23 | v Nov 21 | FY2024 | FY2025 | FY2024-25 | v Nov 21 | |
| | | | | | FY2022-23 | | | | FY2024-25 | |
| 98 | Border City Reimbursement | 97 | 32 | 32 | 64 | - | 32 | 32 | 64 | - |
| 99 | Performance Measuremt Reimbursement | 924 | 497 | 497 | 994 | - | 497 | 497 | 994 | - |
| 100 | City of Minneapolis Library debt service | 7,730 | 3,374 | 0 | 3,374 | - | 0 | 0 | - | - |
| 101 | Bloomington Infrastructure Projects | - | 0 | 0 | - | - | 0 | 0 | - | - |
| 102 | Wadena County Aid (2 years only) | 1,200 | - | - | 0 | - | - | - | \$0 | - |
| 103 | Local Government grants (19 SS1 CH 6, and 21 SS1 CH 14) | 4,447 | 6,414 | 0 | 6,414 | - | 0 | 0 | - | - |
| 104 | 20 CH 71 - Tribal Nations Grants | 11,000 | 0 | 0 | - | - | 0 | 0 | - | - |
| 105 | 20, SS7, CH 2 - Small Business Assistance to Bars, Restaurants, Breweries, Fitness Centers, etc. | - | 0 | 0 | - | - | 0 | 0 | - | - |
| 106 | 21 SS1, CH 14 Local gov't assistance to counties- one time | | 29,355 | | | - | | | | - |
| 107 | Chg Item: Direct Payments to Minnesotans | | 0 | 703,700 | 703,700 | 703,700 | 0 | 0 | - | - |
| 108 | Chg Item: Governor's 2022 Tax bill DOR administration | | 7,752 | 821 | 8,573 | 8,573 | 389 | 382 | 771 | 771 |
| 109 | | | | | | | | | | |
| 110 | Property Tax Aids and Credits, GF TOTAL | \$3,892,681 | \$2,087,492 | \$2,915,366 | \$5,002,858 | \$834,273 | \$2,287,771 | \$2,322,634 | \$4,610,405 | \$243,181 |
| 111 | <i>Plus Senior Deferral Chg Increase Income threshold</i> | | | | | - | 50 | 130 | 180 | 180 |
| 112 | Property Tax Aids and Credits with Senior Deferral | \$3,892,980 | \$2,087,492 | \$2,915,366 | \$5,002,858 | \$834,273 | \$2,287,821 | \$2,322,764 | \$4,610,585 | \$243,361 |

| | | | | | | | | | | |
|-----|--|------------|------------|------------|------------|--|------------|------------|--------------|-----|
| 113 | | | | | | | | | | |
| 114 | Other Fund Expenditures | | | | | | | | | |
| 115 | | | | | | | | | | |
| 116 | State Conservation Fund (SR) Agriculture Preservation Credit | 259 | 338 | 340 | 678 | | 340 | 340 | 680 | |
| 117 | State Conservation Fund (GF) Agriculture Preservation Credit (lines 46 & 47) | 451 | 5 | 0 | 5 | | 0 | 0 | 0 | |
| 118 | Total State Conservation Fund | 710 | 343 | 340 | 683 | | 340 | 340 | 680 | |
| 119 | | | | | | | | | | |
| 120 | Net Loan activity | | | | | | | | | |
| 121 | Senior Deferral loan receipts (REV) | [-1037] | [-1236] | [-1375] | [-2576] | | [-1375] | [-1375] | [-2576] | |
| 122 | Senior Deferral loans issuances (Reimbursements to Counties) | [1311] | [1775] | [1814] | [2418] | | [1853] | [1893] | [2418] | |
| 123 | Change item Senior Def Increase Income threshold chg | [0] | [0] | [0] | [0] | | [50] | [130] | [180] | |
| 124 | Total Senior Deferral (net) | 299 | 539 | 439 | 978 | | 528 | 648 | 1,176 | 180 |
| 130 | | | | | | | | | | |

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General Fund - Tax Refunds, Aids & Credits

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| | | Nov 21 fcast | Gov Jan 2022 | | | Gov Jan 22 v Nov 21 | Gov Jan 2022 | | | Gov Jan 22 v Nov 21 |
|-----|--|----------------|--------------|----------|-----------|------------------------|--------------|----------|-----------|------------------------|
| | | FY2020-21 | FY2022 | FY2023 | FY2022-23 | FY2022-23 | FY2024 | FY2025 | FY2024-25 | FY2024-25 |
| 131 | Coronavirus Relief (Federal) | | | | | | | | | |
| 132 | COVID-19 Aid to Local Governments - Counties | 467,254 | - | - | - | | - | - | - | |
| 133 | COVID-19 Aid to Local Governments - Cities and Towns | <u>370,475</u> | <u>0</u> | <u>0</u> | <u>0</u> | | <u>0</u> | <u>0</u> | <u>0</u> | |
| 134 | Total COVID-19 to Local Governments | 837,729 | 0 | 0 | - | | 0 | 0 | - | |

2022 Legislature - HF 3669 - Governor's Tax Policy Recommendations - Non General Fund Tax Revenue - November 2021 (Nov-21) Forecast

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

| | EFFECTIVE | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 | Nov-21 |
|---|--------------------|--------|---------|-----------|---------|---------|-----------|
| | | FY2022 | FY2023 | FY2022-23 | FY2024 | FY2025 | FY2024-25 |
| 1 Total Non General Fund | | - | (5,500) | (5,500) | (4,000) | (4,200) | (8,200) |
| 2 Total - Legacy Funds:1 | | - | (5,500) | (5,500) | (4,000) | (4,200) | (8,200) |
| 3 Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofits | Retroactive 7/1/21 | - | (5,500) | (5,500) | (4,000) | (4,200) | (8,200) |
| 4 Added to base, Adult-Use Cannabis ^^ | 1/1/2024 | | | | [300] | [1,100] | [1,400] |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |

(1) Amounts in the Legacy funds aggregate the revenue changes that affect these funds: outdoor heritage; arts and cultural heritage; clean water and parks and trails.

^^ The estimates are bracketed and are not included in the total. The estimates will be tracked by a committee other than the House Tax Committee and are intended for reference only.