

**OFFER COMPARISON**

5/14/23

7:00 PM

LINE	ITEM	House Offer (5/12/23)		Senate Offer (5/13/23)		House Offer (5/14/23)		Senate Offer (5/14/23)	
		FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27
1	<b>TAX POLICY ITEMS</b>								
2									
3	<b>Revenue Increases</b>								
4	Fed. Conformity: Limitation on Excess Business Losses (ARPA)	-	69,000	-	69,000	-	69,000	-	69,000
5	Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	-	21,400	-	21,400	-	21,400	-	21,400
6	Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1, 2023 Session)	3,700	(2,400)	3,700	(2,400)	3,700	(2,400)	3,700	(2,400)
7	Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan	-	-	-	-	-	-	-	-
8	Fed. Conformity: Secure Act 2.0 - Retirement Account Withdrawals Emergency Exp.	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)	(2,600)	(1,300)	(2,600)
9	Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
10	Fed. Conformity: Secure Act 2.0 - Distributions 529 Plans to a Roth IRAs	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)	(2,500)	(1,200)	(2,500)
11	Fed. Conformity: Secure Act 2.0 - Qualified Charitable Contrib. from IRA	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)	(2,200)	(1,500)	(2,200)
12	Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits	-	-	-	-	-	-	-	-
13	Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	(1,400)	-	(1,400)	-	(1,400)	-	(1,400)	-
14	Fed. Conformity: Secure Act 2.0 - Limit Deduction for Charitable Conserv. Easements	7,500	4,700	7,500	4,700	7,500	4,700	7,500	4,700
15	Income Tax, Reduced Fifth Tier: 10.85%, \$1.0 million - Married Joint					529,300	500,200		
16	Income Tax, Reduced Fifth Tier: \$1.0 million - Married Joint	198,418	491,004						
17	Corporate Tax, Worldwide Combined Unitary	438,100	693,700			-	-		
18	Federal Conformity - GILTI (Revised amounts from 5/13)			237,900	427,700	237,900	427,700	239,400	379,100
19	Standard/Itemized Deduction Phaseout Modifications (10% above \$300k)			354,300	385,400			354,300	385,400
20	Reduced Deductions for Dividends Received (50%/65%)			43,600	69,000	43,600	69,000	43,600	69,000
21	Net Investment Income Tax (.9% above \$1m, excl. ag land sale gains, effective TY25) - Senate 5/14 offer % TBD			-	157,100			-	160,835
22	Repeal Qualified Data Centers (effective starting in FY 2026)						186,800		
23	<b>TOTAL REVENUE INCREASES</b>	<b>642,118</b>	<b>1,269,904</b>	<b>641,400</b>	<b>1,124,400</b>	<b>816,400</b>	<b>1,268,900</b>	<b>642,900</b>	<b>1,079,535</b>
24									
25	<b>Individual Income Tax</b>								
26	Child Tax Credit, \$1,725 per dependent, phaseout at \$35,000/\$29,500					(804,000)	(804,000)		
27	Child Tax Credit & Working Family Credit, \$1,275/dependents, \$36K MJ phaseout, WFC equals 4% of first \$12,500 of earned income	(710,800)	(738,000)						
28	Child Tax Credit @ \$1,100/child under 6, \$900/child age 6-17, phaseout 10% at \$40k/\$20k/\$26.7k			(751,600)	(799,900)			(751,600)	(799,900)
29	Onetime Advance Refundable Credit (\$250 single, \$500 married, +\$250/child up to 3, max \$1,250)	(1,133,200)	-	(1,133,200)	-	(1,133,200)	-	(1,133,200)	-
30	Social Security Subtraction, 100% subtraction, FAGI below\$100K,\$120K phaseout	(409,200)	(478,700)			(409,200)	(478,700)		
31	Social Security Subtraction, 100% subtraction, FAGI below\$100K,\$140K phaseout			(496,200)	(576,800)			(496,200)	(576,800)
32	Public Pension Subtraction, \$25K Max. Subtraction for MJ Filer with FAGI below \$100K	(82,400)	(81,800)	(82,400)	(81,800)	(82,400)	(81,800)	(82,400)	(81,800)
33	-Interaction - Social Security & Public Pension	1,600	1,600			1,600	1,600		
34	-Interaction - Social Security & Public Pension			2,000	2,000			2,000	2,000
35	Renter's Income Tax Credit (NET of Credit and Repealed Refund)	(378,600)	(275,500)	(378,600)	(275,500)	(378,600)	(275,500)	(378,600)	(275,500)
36	Child and Dependent Care Credit - Newborn Credit for Unmarried Filers	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)

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		FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27
37	K-12 Education Credit Modifications (House position)	(31,700)	(33,600)						
38	K-12 Education Credit Modifications (Senate position)			(24,800)	(26,300)	(24,800)	(26,300)	(24,800)	(26,300)
39	-Interaction - K-12 Subtraction	2,500	2,600						
40	-Interaction - K-12 Subtraction			2,000	2,100	2,000	2,100	2,000	2,100
41	Angel Tax Credit Reinstatement			(20,000)	(20,000)			(10,000)	(10,000)
42	Working Family Credit expansion for ITIN filers	see WFC/child tax		(19,800)	(20,600)	(19,800)	(20,600)	(19,800)	(20,600)
43	Political Contribution Refund Increase (to \$75 single /\$150 married)	(2,100)	(4,900)	(2,100)	(4,900)	(2,100)	(4,900)	(2,100)	(4,900)
44	New Markets Tax Credit			-	(1,800)			-	(1,800)
45	Beginning Farmer Tax Credit (Senate allocation language only)	(12,000)	(12,000)						
46	Beginning Farmer Tax Credit (Senate allocation language with New Emerging Farmer Definition)					(8,000)	(8,000)		
47	Beginning Farmer Tax Credit			(8,000)	(8,000)			(8,000)	(8,000)
48	Short Line Railroad Construction Credit (\$3k/mile)			(2,800)	(2,800)			(2,800)	(2,800)
49	Manufactured Home Park Credit to cooperatives	(730)	(830)	(730)	(830)	(730)	(830)	(730)	(830)
50	Modify Film Production Credit	(18,600)	(25,700)	(18,600)	(25,700)	(18,600)	(25,700)	(18,600)	(25,700)
51	Modify Subtraction, Student Loan Credit	(20,000)	(30,000)						
52	Modify Student Loan Credit (House position)			(45,400)	(59,000)	(45,400)	(59,000)	(45,400)	(59,000)
53	Modify Definition of Resident Trust			-	(18,800)			-	(18,800)
54	Nonresident income modifications			-	(2,500)			-	(2,500)
55	Subtraction, Certain Sexual Harassment/Abuse Settlements	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
56	Modify Military Tax Credit	(200)	-	(200)	-	(200)	-	(200)	-
57	Modify Discharged Student Loan					-	(100)	-	(100)
58	Subtraction, Unemployment Compensation Received by Teenagers	(10)	-	(10)	-	(10)	-	(10)	-
59	Pass-through Entity Modification			(Unknown)	(Unknown)			(Unknown)	(Unknown)
64									
65	<b><u>Corporate Franchise Tax</u></b>								
66	Historic Rehabilitation Tax Credit Reinstatement			(3,800)	(22,800)			(3,800)	(22,800)
71									
72	<b><u>Sales Tax Exemptions - Local Government Construction Projects</u></b>								
73	Construction materials exemption mod. - Mazeppa fire-damaged building			(20)	-			(20)	-
74	Construction materials exemption mod. - North Metro Range	(290)	-	(290)	-	(290)	-	(290)	-
75	Construction materials exemption - Beltrami County			-	(1,940)			-	(1,940)
76	Construction materials exemption - City of Chanhassen	(260)	(520)	(260)	(520)	(260)	(520)	(260)	(520)
77	Construction materials exemption - Chisholm public schools	(840)	-	(840)	-	(840)	-	(840)	-
78	Construction materials exemption - Duluth public schools	(510)	-	(510)	-	(510)	-	(510)	-
79	Construction materials exemption - Edina Community Health and Safety Center	-	(910)	-	(910)	-	(910)	-	(910)
80	Construction materials exemption - Ely public schools	(360)	-	(360)	-	(360)	-	(360)	-
81	Construction materials exemption - Grand Rapids IRA Civic Center			(520)	-			-	-
82	Construction materials exemption - Hibbing public schools	(260)	-	(260)	-	(260)	-	(260)	-
83	Construction materials exemption - Itasca County			(300)	(150)			(300)	(150)

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		FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27
84	Construction materials exemption - MSP Airport	(17,230)	(2,490)	(17,230)	(2,490)	-	-	-	-
85	Construction materials exemption - MSP Airport (\$8 million cap)					(7,560)	-	(7,560)	-
86	Construction materials exemption - City of Moorhead	(240)	(480)	(240)	(480)	(240)	(480)	(240)	(480)
87	Construction materials exemption - Nashwauk-Keewatin public schools	(1,240)	-	(1,240)	-	(1,240)	-	(1,240)	-
88	Construction materials exemption - Northern Lights Academy	(320)	-	(320)	-	(320)	-	(320)	-
89	Construction materials exemption - Northland learning center	(380)	-	(380)	-	(380)	-	(380)	-
90	Construction materials exemption - City of Oakdale	(250)	(500)	(250)	(500)	(250)	(500)	(250)	(500)
91	Construction materials exemption - City of Ramsey	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
92	Construction materials exemption - Red Lake County School District	(400)	-	(400)	-	(400)	-	(400)	-
93	Construction materials exemption - Red Rock Central School District	(1,060)	-	(1,060)	-	(1,060)	-	(1,060)	-
94	Construction materials exemption - Rock Ridge Public Schools	(3,050)	-	(3,050)	-	(3,050)	-	(3,050)	-
95	Construction materials exemption - City of Spring Grove	(130)	-	(130)	-	(130)	-	(130)	-
96	Construction materials exemption - Springfield School District	(740)	-	(740)	-	(740)	-	(740)	-
97	Construction materials exemption - City of Wayzata	(1,080)	-	(1,080)	-	(1,080)	-	(1,080)	-
98	Construction materials exemption - Woodbury Central Park	(520)	(520)	(520)	(520)	(520)	(520)	(520)	(520)
99									
100	<b><u>Sales Tax Exemptions - Other Exemptions</u></b>								
101	Remove Exemption for Edible Cannabinoid Products	20	20						
102	County fair exemption expansion			(60)	(60)			(60)	(60)
103	Expanded exemption, baby products			(3,400)	(3,700)			-	-
104	Firearm storage units exemption			(40)	(40)			(40)	(40)
105	Fiber and conduit for broadband exemption			(4,400)	(4,650)			-	-
106	Exemption, Disregarded Single Member Entities	(1,470)	(1,670)	(1,470)	(1,670)	(1,470)	(1,670)	(1,470)	(1,670)
107	Exemption for amenities included with admission to athletic events			(1,010)	(730)			-	-
108	Exemption for sales to nonprofit blood centers	(1,700)	(600)	(1,700)	(600)	(1,700)	(600)	(1,700)	(600)
109	Snowmobile club exemption expansion			(110)	(120)			(110)	(120)
110	Retroactive and ongoing exemption for natural gas fees	(9,490)	(4,140)	(9,490)	(4,140)	(9,490)	(4,140)	(9,490)	(4,140)
111									
112	<b><u>Other Revenue Changes</u></b>								
113	Mortgage & Deed Tax, Dedication to Workforce Housing Dev. Account	(55,000)	(15,000)			(55,000)	(15,000)		
114	Combined Net Receipts (General Fund Impact)	(14,400)	(16,100)			(14,400)	(16,100)		
115	Repeal \$50 Fee for Payment Agreement Plan	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
116	Minerals Article Net Revenue (Gross Proceeds Tax)	-	1,400	-	1,400	-	1,400	-	1,400
117									
118	<b>SUBTOTAL: TAX POLICY ITEMS</b>	<b>(2,271,622)</b>	<b>(455,536)</b>	<b>(2,401,620)</b>	<b>(848,450)</b>	<b>(2,215,690)</b>	<b>(558,970)</b>	<b>(2,371,120)</b>	<b>(871,845)</b>
119									
120	<b><u>EXPENDITURE ITEMS</u></b>								
121									
122	<b><u>Aids</u></b>								

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		FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27	FY 2024-25	FY 2026-27
123	Onetime Public Safety Aid	50,000	-	300,000		100,000	-	300,000	
124	Onetime Tribal Aid for Homelessness			44,000				-	-
125	Tribal Nations Aid	75,000	150,000			75,000	150,000	25,000	50,000
126	LGA/CPA Increases (Senate: \$69.876m in Pay 24, \$74.841m in Pay 25, \$74.842m in Pay 26, interactions below)	192,580	422,610	139,752	299,366			136,852	293,566
127	LGA increase \$100M per year, no inflation, with interactions					96,290	192,580		
128	CPA increase, \$100M per year, no inflation, with interactions					96,290	192,580		
129									
130	Morton and Echo Aid Forgiveness (FY23 Appropriations)	125	-	125	-	125	-	125	-
131	Mahnomen Property Tax Reimbursement Aid	160	320	160	320	160	320	160	320
132	Grant for City of Spring Grove - fire recovery	250	-	250	-	250	-	250	-
133	City of St Paul streets	30,000				30,000			
134	City of Northfield	300				300			
135	Windom Relief			14,000	-			14,000	-
136	Town of Crane Lake Debt Service Relief			1,220	-			-	-
137									
138	Payment in lieu of Taxes Modifications (House Position)	8,960	20,410	8,960	20,410	8,960	20,410	8,960	20,410
139	SWCD Aid	30,000	24,000	32,000	32,000	30,000	24,000	30,000	24,000
140	Electric Utility Transition Aid	1,996	4,576	1,996	4,576	1,996	4,576	1,996	4,576
141	Repeal Utility Valuation Transition Aid	(17)	(37)	(17)	(37)	(17)	(37)	(17)	(37)
142									
143	Local Homeless Prevention Aid (\$20M in FY 24 & 25, \$14M in FY 26 & 27)	39,440	38,880			39,440	26,794		
144	Local Affordable Housing Aid \$90 M in FY 24-25, \$50M in FY 26-27 with interactions)	98,370	67,720			88,920	48,500		
145									
146	<b>Property Tax Refunds</b>								
147	Homestead eligibility/PTR expansion for ITIN filers	2,000	4,000	2,000	4,000	2,000	4,000	2,000	4,000
148	Homestead Credit State Refund Copays 5%	41,800	84,900			41,800	84,900		
149	One-time boost Homeowner PTR (% TBD)	92,300				92,300		58,324	
150	One-time boost Renter PTR (% TBD)	32,300				32,300		20,410	
151	Targeting PTR - One-time FY 24	23,300	-			23,300	-		
152	Targeting PTR - Reduce threshold from 12% to 10% incrs property tax, max refund increase from \$1,000 to \$2,000			1,900	4,700			1,900	4,700
153	Enhanced Taxpayer Assistance (VITA) including PTR , WFC	2,000	2,000			2,000	2,000	2,000	2,000
154									
155	<b>Property Tax Changes</b>								
156	Homestead Market Value Exclusion changes \$95,000 threshold, maximum exclusion \$38,000, maximum market value \$517,200	-	(12,160)	-	(12,160)	-	(12,160)	-	(12,160)
157	Community Land Trust 4d @ 0.75%		520				520		
158	Class 4d - PTR Interaction (net includes income tax interaction)			-	5,260			-	5,260
159	Class 4d Transition Aid			-	1,160			-	1,160
160	Saint Ann's senior residence exemption	10	20	10	20	10	20	10	20

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161	Indian tribal owned property p tax exemptn (incl. CI levy reduction)	10	Negligible	10	Negligible	10	Negligible	10	Negligible
162	Classification change for solar energy systems	(negligible)	(negligible)	-	(Negligible)	(negligible)	(negligible)	-	(Negligible)
163	Energy storage systems exemption			-	40			-	40
164	Green Acres deferment modification for certain property			-	Negligible	-	Negligible	-	Negligible
165	Spouses Disabled Vets' MVE application/reapply	30	80			30	80	30	80
166	Disabled veteran market value exclusion increase			(290)	(650)			(290)	(650)
167	Spousal benefit mod. for disabled veterans' homestead market value exclusion			(Negligible)	(Negligible)			-	-
168	Modifying definition of attachments and appurtenances for coop utility lines			-	60			-	60
169	Agricultural homesteads, first tier valuation increase			-	1,280			-	1,280
170	Class 1c homestead resorts tier limit incrs; <\$850K/ \$850K to \$3.1M/ >\$3.1M			-	20			-	20
171	Watershed Districts Levy Authority Interactions (PTR and income, net)			-	920			-	920
172									
173	<b>Other Changes</b>								
174	Score grants - Onetime Appropriation					21,674	-		
175	Solid Waste Tax Distribution to SCORE Grants (5% to 3%)	6,900	7,300					6,900	7,300
176	Solid Waste Tax Distribution to SCORE Grants (10% FY24, 20% FY25, 30% FY26 onward)			34,600	72,700			-	-
177	Local Election Expense Reimbursement			20,000	20,000			20,000	20,000
178	Disallow Revenue Recapture	402	402			402	402		
179	Free file	175				175			
180	Taxpayer receipt	191	94			191	94		
181	Problem Gambling	144	161			144	161		
182	Senior citizens' property tax deferral requirements: lower occupancy requirement to 5 years, increase HH	260	1,290	260	1,290	260	1,290	260	1,290
189									
190	<b>SUBTOTAL: EXPENDITURE ITEMS</b>	<b>728,986</b>	<b>817,086</b>	<b>600,936</b>	<b>455,275</b>	<b>784,310</b>	<b>741,030</b>	<b>628,880</b>	<b>428,155</b>
191									
201									
202	<b>TOTAL</b>	<b>(3,000,608)</b>	<b>(1,272,622)</b>	<b>(3,002,556)</b>	<b>(1,303,725)</b>	<b>(3,000,000)</b>	<b>(1,300,000)</b>	<b>(3,000,000)</b>	<b>(1,300,000)</b>

**NOTES**

General Fund Effects Only  
 \$'s in Thousands