

# Minnesota House of Representatives - House Fiscal Analysis Department

## 2023 House Tax Committee: Change Items Only for HF 1938 - Governor's Tax Policy Recommendations

November 2022 Forecast (Nov-22) - Estimated General Fund Fiscal Impact

Updated 2/23/2023

All Numbers in Thousands

Note : On the revenue side of the spreadsheet, positive numbers represent revenue gains, negative numbers or numbers in parenthesis represent revenue losses.

	Column A	Column B	Column C	Column D	Column E	Column F	Column G
	Effective Date for Changes	Gov	Gov	Gov	Gov	Gov	Gov
		FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
<b>1 Non Dedicated Tax Revenue</b>							
<b>2</b>							
<b>3</b> Total - Current Law, Tax Revenues As Adjusted by MMB *		28,457,458	29,360,276	57,817,734	30,704,782	32,118,219	62,823,001
<b>4</b> Total - Net Changes, Tax Revenues		(4,677,760)	(775,320)	(5,453,080)	(720,900)	(697,100)	(1,418,000)
<b>5 Total - Non Dedicated Tax Revenue (line 3+4)</b>		23,779,698	28,584,956	52,364,654	29,983,882	31,421,119	61,405,001
<b>6</b>							
<b>7 Individual Income Tax</b>							
<b>8 Changes - Subtotal</b>		<b>(4,496,100)</b>	<b>(683,820)</b>	<b>(5,179,920)</b>	<b>(699,350)</b>	<b>(668,460)</b>	<b>(1,367,810)</b>
<b>9</b> New - Capital Gains and Dividends Income Surtax; 1.4% & 4%	TY23	352,200	309,200	661,400	299,900	306,400	606,300
<b>10</b> Fed. Conformity: ARPA Act, Extend Limitation on Excess Business Losses	TY26	-	-	-	20,700	48,300	69,000
<b>11</b> Fed. Conformity: IRA Act, Extend Limitation on Excess Business Losses	TY27-28					21,400	21,400
<b>12</b> Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1)	Various	4,400	(700)	3,700	(1,000)	(1,400)	(2,400)
<b>13</b> New - Direct Pymt - Refundable, Advanced Pymts (\$150K- MJ Filer Limit)	TY23	(3,902,000)	-	(3,902,000)	-	-	-
<b>14</b> New - Child Tax Credit (\$1,000/per child, \$50K - MJ Filer)	TY23-30	(547,600)	(577,900)	(1,125,500)	(594,900)	(610,000)	(1,204,900)
<b>15</b> Modify Child & Dependent Care Credit with Great Start Child Care Credit	TY23^^	(263,400)	(265,500)	(528,900)	(267,600)	(269,800)	(537,400)
<b>16</b> Interaction, Expand Eligibility, Newborn Credit to Non-Married Joint Filers		(17,700)	(17,900)	(35,600)	(18,000)	(18,200)	(36,200)
<b>17</b> Interaction, Addition for Dependent Care Expenses		12,900	13,000	25,900	13,100	13,200	26,300
<b>18</b> Net Change		(268,200)	(270,400)	(538,600)	(272,500)	(274,800)	(547,300)
<b>19</b> Modify K-12 Education Credit	TY23	(10,900)	(11,400)	(22,300)	(11,800)	(12,000)	(23,800)
<b>20</b> Interaction with K-12 Education Credit: K-12 Education Subtraction		900	900	1,800	900	1,000	1,900
<b>21</b> Net Change		(10,000)	(10,500)	(20,500)	(10,900)	(11,000)	(21,900)
<b>22</b> Modify Working Family Credit	TY23	(9,800)	(10,000)	(19,800)	(10,200)	(10,400)	(20,600)
<b>23</b> Modify Military Tax Credit	TY23	(200)	-	(200)	-	-	-
<b>24</b> Modify Social Security Subtraction	TY 23	(104,900)	(113,800)	(218,700)	(121,300)	(127,900)	(249,200)
<b>25</b> Reinstate Angel Tax Credit	TY23-30	(10,000)	(10,000)	(20,000)	(10,000)	(10,000)	(20,000)
<b>26</b> Interactions with Property Tax, Aids and Credits (see appendix ^)		-	280	280	850	940	1,790
<b>27 Corporate Franchise Tax</b>							
<b>28 Changes - Subtotal</b>		<b>(7,600)</b>	<b>(12,980)</b>	<b>(20,580)</b>	<b>(20,060)</b>	<b>(27,150)</b>	<b>(47,210)</b>
<b>29</b> Reinstate the Historic Rehabilitation Tax Credit	FY22-FY30	(7,600)	(13,300)	(20,900)	(20,300)	(27,300)	(47,600)
<b>30</b> Interactions with Property Tax, Aids and Credits (see appendix ^)		-	320	320	240	150	390
<b>31 Sales and Use Tax **</b>							
<b>32 Changes - Subtotal</b>		<b>(172,560)</b>	<b>(77,020)</b>	<b>(249,580)</b>	<b>10</b>	<b>10</b>	<b>20</b>
<b>33</b> Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023	10	10	20	10	10	20
<b>34</b> New - Temp. Construction Mats. Exemption - Local Gov'ts & Nonprofits	7/1/21 to 12/31/24	(172,570)	(77,030)	(249,600)	-	-	-

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Updated 2/23/2023

**All Numbers in Thousands**

*Note : On the revenue side of the spreadsheet, positive numbers represent revenue gains, negative numbers or numbers in parenthesis represent revenue losses.*

	Column A	Column B	Column C	Column D	Column E	Column F	Column G
	Effective Date for Changes	Gov	Gov	Gov	Gov	Gov	Gov
		FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
35 <u>Other Net Tax Revenue</u>							
36 <b>Changes - Subtotal</b>		<b>(1,500)</b>	<b>(1,500)</b>	<b>(3,000)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(3,000)</b>
37     Repeal \$50 Payment Agreement Fee	Day Following Enactment	(1,500)	(1,500)	(3,000)	(1,500)	(1,500)	(3,000)
38							

- Notes:
- \* MMB Adjustments to the November Forecast include: (1) Less Chapter 1 (federal conformity); (2) Corrections of errors in legislative and Secretary of State Line Items.
  - \*\* See Appendix A for non general fund fiscal impact
  - ^ See Appendix B for fiscal impact of property tax interactions
  - ^^ Great Start Child Care: Increased amounts for eligible child care expenses are effective for TY23-30 only.
- Federal Conformity Act Acronyms: American Rescue Plan (ARPA), and Inflation Reduction Act (IRA).



**APPENDIX B - Interactions with Property Tax \***  
**November 2022 Forecast (Nov-22) - Estimated General Fund Fiscal Impact**

All Numbers in Thousands

Note: On the revenue side of the spreadsheet, positive numbers represent revenue gains, negative numbers or numbers in parenthesis represent revenue losses.

	Gov	Gov	Gov	Gov	Gov	Gov
	FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
<b>Interactions with Property Taxes</b>						
All Interactions - Subtotal	-	600	600	1,090	1,090	2,180
Individual Income Tax	-	280	280	850	940	1,790
Corporate Franchise Tax	-	320	320	240	150	390
<b>Individual Income Tax - Subtotal</b>	-	280	280	850	940	1,790
Modify Local Government Aid & County Program Aid	-	280	280	280	280	560
Modify Agriculture Building Bond Credit	-	-	-	570	660	1,230
			-			-
			-			-
			-			-
			-			-
<b>Corporate Franchise Tax - subtotal</b>	-	320	320	240	150	390
Modify Local Government Aid & County Program Aid	-	320	320	320	320	640
Modify Agriculture Building Bond Credit	-	-	-	(80)	(170)	(250)
			-			-
			-			-
			-			-
			-			-
			-			-
			-			-

\* 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.

Minnesota House of Representatives - House Fiscal Analysis Department

2023 Legislature - HF 1938 Governor's January 2023 Budget Recommendations  
 Change Items for Tax Refunds, Aids & Credits vs November 2022 Forecast  
 All Numbers in Thousands

As of 2.23.2023

Note: Positive numbers are program expenditures; negative numbers are cost savings.

Change Item Description	Governor Jan 2023		Governor Jan 2023			Governor Jan 2023			Agency Chg page
	FY2023	FY2022-23	FY2024	FY2025	FY 2024-25	FY2026	FY2027	FY 2026-27	
<b>GENERAL FUND SUMMARY</b>									
November 2022 forecast	\$2,595,688	\$4,648,600	\$2,209,988	\$2,262,607	\$4,472,595	\$2,285,568	\$2,305,972	\$4,591,540	
Gov's Jan 2023 Rec's - Total GF Changes Tax Aids & Credits	<u>\$2,589</u>	<u>2,589</u>	<u>332,085</u>	<u>121,068</u>	<u>453,153</u>	<u>89,875</u>	<u>96,272</u>	<u>186,147</u>	
Governor's January 2023 Budget Recs + Nov 2022									
Total General Fund Property Tax Aids & Credits		\$4,651,189	2,542,073	\$2,383,675	\$4,925,748	2,375,443	\$2,402,244	\$4,777,687	
<b>GENERAL FUND - DETAIL</b>									
<b>1 Homestead Credit State Refund (PTR)</b>									
Chg Item: Expand Homestead Benefits Allow ITIN			0	2,000	2,000	2,000	2,000	4,000	p 31-32
Chg Item: LGA interactions			0	(820)	(820)	(820)	(820)	(1,640)	p 29
Chg Item: CPA interactions			0	(820)	(820)	(820)	(820)	(1,640)	p 29
Chg Item: SBB Agr Credit interaction			0	0	0	420	860	1,280	
Chg Item Subtotal: Renter PTR			0	360	360	780	1,220	2,000	
<b>2 Local Government Aid</b>									
Chg Item: Local Government Aid to cities				30,000	30,000	30,000	30,000	60,000	p 29
PTR interaction (see below)									
<b>3 County Program Aid</b>									
Chg Item: County Program Aid to counties			0	30,000	30,000	30,000	30,000	60,000	p 29
PTR interaction (see below)									
<b>4 Public Safety Aid to Local Governments</b>									
Chg Item: Public Safety Aid to counties, cities, tribes			300,000	0	300,000	0	0	0	p 29
70% to cities with law enforcement based on population, 30% to counties based on population less cities with law enforcement									
PTR interaction?									
<b>5 Soil Water Conservation District Aid</b>									
Chg Item: Soil Water Conservation District Aid			12,000	12,000	24,000	12,000	12,000	24,000	p 55
See PTR, income interactions; Clean Water Fund reduction									
<b>6 Mahnomens Aid</b>									
Chg Item: Mahnomens City and Mahnomens County aid increases			0	160	160	160	160	320	p 55
<b>7 School Building Bond Agricultural Credit</b>									
Chg Item: Increase to 80%, effective Pay 25			0	0	0	16,600	22,700	39,300	p 31-32
<b>8 Tribal Nations Housing and Homeless Aid</b>									
Chg Item: one-time grant			0	44,000	44,000	0	0	0	p 38
<b>9 Department of Revenue - administration</b>									
Chg Item: Governor's 2023 Tax bill administration	2,589	2,589	20,085	4,548	24,633	335	192	527	p 41
<b>Governor's January 2023 Recommendations -</b>									
<b>Total General Fund Changes Property Tax Aids &amp; Credits</b>	<b>\$2,589</b>	<b>\$2,589</b>	<b>\$332,085</b>	<b>\$121,068</b>	<b>\$453,153</b>	<b>\$89,875</b>	<b>\$96,272</b>	<b>\$186,147</b>	
<b>NET LOAN ACTIVITY</b>									
10 <b>Senior Property Tax Deferral</b> - Lower residency from 15 to 5 yr, Increase Income threshold from \$60K to \$75K. Effect Pay 24			0	210	210	520	520	1,040	p 31-32 Also p 4 GF ss
<b>Governor's January 2023 Recommendations -</b>									
<b>Total General Fund + Net Loan Activity Changes</b>	<b>\$2,589</b>	<b>\$2,589</b>	<b>\$332,085</b>	<b>\$121,278</b>	<b>\$453,363</b>	<b>\$90,395</b>	<b>\$96,792</b>	<b>\$187,187</b>	

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	Effective Date for Changes	Nov Forecast FY2022-23	Nov Forecast FY 2024-25	Nov Forecast FY2026-27	Gov FY 2024	Gov FY 2025	Gov FY2024-25	Biennial Change FY 2024-25 Comparison: Gov v Nov 22	Gov FY2026	Gov FY2027	Gov FY2026-27	Biennial Change FY 2026-27 Comparison: Gov to Nov22
<b>1</b>												
<b>2</b>												
<b>3</b>			57,714,254	62,822,231	28,457,458	29,360,276	57,817,734	(5,453,080)	30,704,782	32,118,219	62,823,001	(1,418,000)
<b>4</b>			-	-	(4,677,760)	(775,320)	(5,453,080)	(5,453,080)	(720,900)	(697,100)	(1,418,000)	(1,418,000)
<b>5</b>			57,817,734	62,823,001	23,779,698	28,584,956	52,364,654	(5,453,080)	29,983,882	31,421,119	61,405,001	(1,418,000)
<b>6</b>												
<b>7</b>												
<b>8</b>			31,959,009	32,165,000	15,811,700	16,353,300	32,165,000	-	17,318,600	18,321,300	35,639,900	-
<b>9</b>			37,022,811	36,942,100	18,094,700	18,847,400	36,942,100	-	19,847,700	20,316,100	40,163,800	-
<b>10</b>			(5,063,802)	(4,777,100)	(2,283,000)	(2,494,100)	(4,777,100)	-	(2,529,100)	(1,994,800)	(4,523,900)	-
<b>11</b>					(4,496,100)	(683,820)	(5,179,920)	(5,179,920)	(699,350)	(668,460)	(1,367,810)	(1,367,810)
<b>12</b>					352,200	309,200	661,400	661,400	299,900	306,400	606,300	606,300
<b>13</b>									20,700	48,300	69,000	69,000
<b>14</b>										21,400	21,400	21,400
<b>15</b>					4,400	(700)	3,700	3,700	(1,000)	(1,400)	(2,400)	(2,400)
<b>16</b>					(3,902,000)	-	(3,902,000)	(3,902,000)	-	-	-	-
<b>17</b>					(547,600)	(577,900)	(1,125,500)	(1,125,500)	(594,900)	(610,000)	(1,204,900)	(1,204,900)
<b>18</b>					(263,400)	(265,500)	(528,900)	(528,900)	(267,600)	(269,800)	(537,400)	(537,400)
<b>19</b>					(17,700)	(17,900)	(35,600)	(35,600)	(18,000)	(18,200)	(36,200)	(36,200)
<b>20</b>					12,900	13,000	25,900	25,900	13,100	13,200	26,300	26,300
<b>21</b>					(268,200)	(270,400)	(538,600)	(538,600)	(272,500)	(274,800)	(547,300)	(547,300)
<b>22</b>												

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	Effective Date for Changes	Nov Forecast	Nov Forecast	Nov Forecast	Gov	Gov	Gov	Biennial Change FY 2024-25 Comparison: Gov v Nov 22	Gov	Gov	Gov	Biennial Change FY 2026-27 Comparison: Gov to Nov 22
		FY2022-23	FY 2024-25	FY2026-27	FY 2024	FY 2025	FY2024-25		FY2026	FY2027	FY2026-27	
23	TY23				(10,900)	(11,400)	(22,300)	(22,300)	(11,800)	(12,000)	(23,800)	(23,800)
24	TY23				900	900	1,800	1,800	900	1,000	1,900	1,900
25	TY23				(10,000)	(10,500)	(20,500)	(20,500)	(10,900)	(11,000)	(21,900)	(21,900)
26	TY23				(9,800)	(10,000)	(19,800)	(19,800)	(10,200)	(10,400)	(20,600)	(20,600)
27	TY23				(200)	-	(200)	(200)	-	-	-	-
28	TY 23				(104,900)	(113,800)	(218,700)	(218,700)	(121,300)	(127,900)	(249,200)	(249,200)
29	TY23-30				(10,000)	(10,000)	(20,000)	(20,000)	(10,000)	(10,000)	(20,000)	(20,000)
30					-	280	280	280	850	940	1,790	1,790
31					<b>11,315,600</b>	<b>15,669,480</b>	<b>26,985,080</b>	<b>(5,179,920)</b>	<b>16,619,250</b>	<b>17,652,840</b>	<b>34,272,090</b>	<b>(1,367,810)</b>
32												
33												
34					2,232,407	2,253,528	4,485,935	-	2,297,852	2,347,069	4,644,921	-
35					2,412,952	2,424,695	4,837,647	-	2,460,157	2,513,253	4,973,410	-
36					(180,545)	(171,167)	(351,712)	-	(162,305)	(166,184)	(328,489)	-
37					(7,600)	(12,980)	(20,580)	(20,580)	(20,060)	(27,150)	(47,210)	(47,210)
38					(7,600)	(13,300)	(20,900)	(20,900)	(20,300)	(27,300)	(47,600)	(47,600)
39					-	320	320	320	240	150	390	390
40					<b>2,224,807</b>	<b>2,240,548</b>	<b>4,465,355</b>	<b>(20,580)</b>	<b>2,277,792</b>	<b>2,319,919</b>	<b>4,597,711</b>	<b>(47,210)</b>
41												
42												
43					7,446,568	7,708,685	15,155,253	-	7,970,324	8,235,456	16,205,780	-
44					7,643,422	7,865,871	15,509,293	-	8,127,099	8,391,827	16,518,926	-

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45	Refunds	(348,162)	(369,600)	(329,602)	(204,799)	(164,801)	(369,600)	-	(164,801)	(164,801)	(329,602)	-
46	Indian Sales Tax Refunds	(28,531)	(28,900)	(30,100)	(14,300)	(14,600)	(28,900)	-	(14,900)	(15,200)	(30,100)	-
47	MPLS Sales Tax to MSFA	524	344	1,597	217	127	344	-	615	982	1,597	-
48	MPLS Sales Tax Repayment for NFL Stadium	42,919	44,116	44,959	22,028	22,088	44,116	-	22,311	22,648	44,959	-
49	Changes - Subtotal	-	-	-	(172,560)	(77,020)	(249,580)	(249,580)	10	10	20	20
50	Remove Exemption for Edible Cannabinoid Products, Exempt Entities				10	10	20	20	10	10	20	20
51	New - Temp. Construction Mats. Exemption - Local Gov'ts & Nonprofits				(172,570)	(77,030)	(249,600)	(249,600)	-	-	-	-
52	<b>TOTAL: Sales and Use Tax **</b>	<b>14,091,819</b>	<b>15,155,253</b>	<b>16,205,780</b>	<b>7,274,008</b>	<b>7,631,665</b>	<b>14,905,673</b>	<b>(249,580)</b>	<b>7,970,334</b>	<b>8,235,466</b>	<b>16,205,800</b>	<b>20</b>
53	<b>Estate Tax</b>											
54	Current Law - Subtotal	479,889	488,900	557,300	235,600	253,300	488,900	-	270,200	287,100	557,300	-
55	Receipts	497,118	506,800	576,900	244,600	262,200	506,800	-	279,700	297,200	576,900	-
56	Refunds	(17,229)	(17,900)	(19,600)	(9,000)	(8,900)	(17,900)	-	(9,500)	(10,100)	(19,600)	-
57	<b>TOTAL: Estate Tax</b>	<b>479,889</b>	<b>488,900</b>	<b>557,300</b>	<b>235,600</b>	<b>253,300</b>	<b>488,900</b>	-	<b>270,200</b>	<b>287,100</b>	<b>557,300</b>	-
58	<b>Statewide Property Tax</b>											
59	Current Law - Subtotal	1,533,837	1,492,411	1,490,570	747,132	745,279	1,492,411	-	745,283	745,287	1,490,570	-
60	Receipts	1,533,837	1,492,411	1,490,570	747,132	745,279	1,492,411	-	745,283	745,287	1,490,570	-
61	Refunds	-	-	-	-	-	-	-	-	-	-	-
62	<b>TOTAL: Statewide Property Tax</b>	<b>1,533,837</b>	<b>1,492,411</b>	<b>1,490,570</b>	<b>747,132</b>	<b>745,279</b>	<b>1,492,411</b>	-	<b>745,283</b>	<b>745,287</b>	<b>1,490,570</b>	-
63	<b>Cigarette &amp; Tobacco Products Tax</b>											



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	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
	Effective Date for Changes	Nov Forecast	Nov Forecast	Nov Forecast	Gov FY 2024	Gov FY 2025	Gov FY 2024-25	Biennial Change FY 2024-25 Comparison: Gov v Nov 22	Gov FY 2026	Gov FY 2027	Gov FY 2026-27	Biennial Change FY 2026-27 Comparison: Gov to Nov 22
64		1,137,010	1,118,700	1,117,640	559,560	559,140	1,118,700	-	558,870	558,770	1,117,640	-
65		1,156,118	1,137,700	1,136,640	569,060	568,640	1,137,700	-	568,370	568,270	1,136,640	-
66		(19,108)	(19,000)	(19,000)	(9,500)	(9,500)	(19,000)	-	(9,500)	(9,500)	(19,000)	-
67		<b>1,137,010</b>	<b>1,118,700</b>	<b>1,117,640</b>	<b>559,560</b>	<b>559,140</b>	<b>1,118,700</b>	-	<b>558,870</b>	<b>558,770</b>	<b>1,117,640</b>	-
68												
69		211,854	222,330	232,270	109,960	112,370	222,330	-	114,860	117,410	232,270	-
70		215,160	224,420	234,370	111,000	113,420	224,420	-	115,910	118,460	234,370	-
71		(3,306)	(2,090)	(2,100)	(1,040)	(1,050)	(2,090)	-	(1,050)	(1,050)	(2,100)	-
72		<b>211,854</b>	<b>222,330</b>	<b>232,270</b>	<b>109,960</b>	<b>112,370</b>	<b>222,330</b>	-	<b>114,860</b>	<b>117,410</b>	<b>232,270</b>	-
73												
74		379,519	434,500	465,400	211,950	222,550	434,500	-	229,250	236,150	465,400	-
75		380,423	435,000	465,900	212,200	222,800	435,000	-	229,500	236,400	465,900	-
76		(904)	(500)	(500)	(250)	(250)	(500)	-	(250)	(250)	(500)	-
77		[73,800]	[73,800]	[73,800]	[36,900]	[36,900]	[73,800]	-	[36,900]	[36,900]	[73,800]	-
78		[305,719]	[360,700]	[391,600]	[175,050]	[185,650]	[360,700]	-	[192,350]	[199,250]	[391,600]	-
79		<b>379,519</b>	<b>434,500</b>	<b>465,400</b>	<b>211,950</b>	<b>222,550</b>	<b>434,500</b>	-	<b>229,250</b>	<b>236,150</b>	<b>465,400</b>	-

**2023 Legislature: HF 1938 - Governor's Tax Policy Recommendations**  
 November 2022 Forecast (Nov-22) - Estimated General Fund Fiscal Impact

**All Numbers in Thousands**

**Note :** On the revenue side of the spreadsheet, positive numbers represent revenue gains, negative numbers or numbers in parenthesis represent revenue losses

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
	Effective Date for Changes	Nov Forecast	Nov Forecast	Nov Forecast	Gov	Gov	Gov	Biennial Change FY 2024-25 Comparison: Gov v Nov 22	Gov	Gov	Gov	Biennial Change FY 2026-27 Comparison: Gov to Nov 22
		FY2022-23	FY 2024-25	FY2026-27	FY 2024	FY 2025	FY2024-25		FY2026	FY2027	FY2026-27	
80												
	<b>Insurance Gross Earning &amp; Fire Marshall Tax - Total</b>											
81	Current Law - Subtotal	956,902	971,704	997,777	480,915	490,789	971,704	-	493,096	504,681	997,777	-
82	Receipts	961,103	976,704	1,002,777	483,415	493,289	976,704	-	495,596	507,181	1,002,777	-
83	Refunds	(4,201)	(5,000)	(5,000)	(2,500)	(2,500)	(5,000)	-	(2,500)	(2,500)	(5,000)	-
84	<b>TOTAL: Insurance Gross Earning &amp; Fire Marshall Tax</b>	<b>956,902</b>	<b>971,704</b>	<b>997,777</b>	<b>480,915</b>	<b>490,789</b>	<b>971,704</b>	-	<b>493,096</b>	<b>504,681</b>	<b>997,777</b>	-
85	<b>Other Net Tax Revenue</b>											
86	Current Law Receipts:	1,370,137	1,283,001	1,471,443	621,666	661,335	1,283,001	-	706,447	764,996	1,471,443	-
87	Taconite Occupation Tax	114,751	72,800	50,000	44,100	28,700	72,800	-	25,000	25,000	50,000	-
88	Mortgage Registry Tax	327,489	268,564	329,627	125,361	143,203	268,564	-	157,567	172,060	329,627	-
89	Deed Transfer Tax	354,356	308,760	406,183	141,699	167,061	308,760	-	188,248	217,935	406,183	-
90	Controlled Substance Tax	5	10	10	5	5	10	-	5	5	10	-
91	Other Gross Earnings	105	100	100	50	50	100	-	50	50	100	-
92	Medical Assistance Surcharges	584,495	643,471	696,227	315,803	327,668	643,471	-	340,929	355,298	696,227	-
93	Other Tax Refunds	(11,064)	(10,704)	(10,704)	(5,352)	(5,352)	(10,704)	-	(5,352)	(5,352)	(10,704)	-
94	Other Net Tax Revenue - Total		1,283,001	1,471,443	(1,500)	(1,500)	1,283,001	-	(1,500)	(1,500)	1,471,443	-
95	Repeal \$50 Payment Agreement Fee				(1,500)	(1,500)	(3,000)	(3,000)	(1,500)	(1,500)	(3,000)	(3,000)
96												
97												
98	<b>TOTAL: Other Net Tax Revenue</b>		<b>620,166</b>	<b>659,835</b>	<b>620,166</b>	<b>659,835</b>	<b>1,280,001</b>		<b>704,947</b>	<b>763,496</b>	<b>1,468,443</b>	<b>1,468,443</b>

**Notes:**

\* MMB Adjustments to the November Forecast include: (1) Enactment of Chapter 1 (federal conformity); (2) Corrections of errors in legislative and Secretary of State Line Items.

\*\* Non general fund revenue impacts in Appendix A

^ Interactions with Property Taxes; Fiscal Impact in Appendix B

^^ Great Start Child Care: Increased amounts for eligible child care expenses are effective for TY23-30.

^^^ Federal Conformity Act Acronyms: American Rescue Plan (ARPA), and Inflation Reduction Act (IRA).

**APPENDIX A - NON GENERAL FUND**

November 2022 Forecast (Nov-22)

**All Numbers in Thousands**

*Note : Positive numbers represent revenue gains , negative numbers or numbers in parenthesis represent revenue losses.*

	Effective Date	Gov		Gov		Gov	
		FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
1 <b>NON GENERAL FUND</b>							
2 Current Law - Subtotal		9,960	4,440	14,400	-	-	-
3 Legacy Fund Tax		9,960	4,440	14,400	-	-	-
4		-	-	-	-	-	-
5 <b>Legacy Fund Tax - Subtotal</b>		9,960	4,440	14,400	-	-	-
6 Remove Exemption for Edible Cannabinoid Products, Exempt Entities	7/1/2023	negli.	negli.	negli.	negli.	negli.	negli.
7 Temporary Construction Materials Exemption - Local Gov'ts & Nonprofits	Retro 7/1/19 to 12/31/24	9,960	4,440	14,400	-	-	-
8		-	-	-	-	-	-
9		-	-	-	-	-	-
10		-	-	-	-	-	-
11 <b>Other - subtotal</b>		-	-	-	-	-	-
12		-	-	-	-	-	-
13		-	-	-	-	-	-
14		-	-	-	-	-	-
15		-	-	-	-	-	-
16		-	-	-	-	-	-
17		-	-	-	-	-	-
18		-	-	-	-	-	-
19		-	-	-	-	-	-
20		-	-	-	-	-	-

**APPENDIX B - PROPERTY TAX INTERACTIONS \***

November 2022 Forecast (Nov-22) - Estimated General Fund Fiscal Impact

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

	Gov	Gov	Gov	Gov	Gov	Gov
	FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
1	<b>Interactions with Property Taxes</b>					
2						
3	-	600	600	1,090	1,090	2,180
4	-	280	280	850	940	1,790
5	-	320	320	240	150	390
6	-	280	280	850	940	1,790
7	-	280	280	280	280	560
8	-	-	-	570	660	1,230
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	320	320	240	150	390
12	-	320	320	320	320	640
13	-	-	-	(80)	(170)	(250)
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	-	-	-	-	-	-

\* 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.

House of Representatives - House Fiscal Analysis Department

2023 Legislature - HF 1938 Governor's January 2023 Budget Recommendations

Updated 2.23.2023

Tax Refunds, Aids & Credits - November 2022 Forecast

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.

	Gov Jan 2023		Governor January 2023			Governor January 2023		
	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
<b>General Fund Expenditures</b>								
<b>REFUNDS</b>	\$ 886,380	\$ 1,711,259	\$ 960,970	\$ 998,610	\$ 1,959,580	\$ 1,016,530	\$ 1,029,100	\$ 2,045,630
Homestead Credit State Refund (PTR)	616,700	1,187,971	675,200	711,800	1,387,000	726,500	736,700	1,463,200
<i>Chg Item: Expand Homestead Benefits Allow ITIN</i>			0	2,000	2,000	2,000	2,000	4,000
<i>Chg Item: LGA interactions</i>			0	(820)	(820)	(820)	(820)	(1,640)
<i>Chg Item: CPA interactions</i>			0	(820)	(820)	(820)	(820)	(1,640)
<i>Chg Item: SBB Agr Credit interaction</i>			0	0	0	420	860	1,280
<i>Chg item Subtotal HCSR</i>			0	360	360	780	1,220	2,000
Renters property tax refund	232,200	453,014	238,000	247,500	485,500	250,500	250,600	501,100
Targeting property tax refund	7,360	10,508	17,400	7,500	24,900	7,000	7,700	14,700
Forest Land Credits (SFIA)	13,770	26,890	14,320	14,900	29,220	15,500	16,130	31,630
Subtotal - Property Tax Refunds	870,030	1,678,383	944,920	982,060	1,926,980	1,000,280	1,012,350	2,012,630
Political Contribution Refund	3,400	5,868	3,000	3,400	6,400	3,000	3,400	6,400
Tax Refund Interest	12,950	27,008	13,050	13,150	26,200	13,250	13,350	26,600
<b>LOCAL AIDS</b>	923,424	1,840,838	943,988	1,004,042	1,948,030	1,001,068	1,001,294	2,002,362
Local Government Aid (LGA)	564,398	1,128,645	564,398	564,398	1,128,796	564,398	564,398	1,128,796
21, SS1,CH 14, Local Government Aid one-time supplement	5,516	5,516	0	0	-	0	0	-
<i>Chg Item: Local Government Aid to cities</i>				30,000	30,000	30,000	30,000	60,000
Subtotal- Local Government Aid (LGA)	569,914	1,134,161	564,398	594,398	1,158,796	594,398	594,398	1,188,796
County Program Aid	264,012	527,983	264,374	264,154	528,528	260,954	260,954	521,908
<i>Chg Item: County Program Aid to counties</i>				30,000	30,000	30,000	30,000	60,000
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)	264,012	527,983	265,088	294,868	559,956	291,668	291,668	583,336
Township Aid	10,000	20,000	9,612	9,500	19,112	9,500	9,500	19,000
Payment in Lieu of Taxes (PILT) for DNR Owned Lands	36,488	72,846	40,927	41,152	82,079	41,377	41,602	82,979
Aquatic Invasive Species Prevention Aid	10,000	20,000	10,000	10,000	20,000	10,000	10,000	20,000
Riparian Protection Aid to BWSR	745	\$1,490	745	745	\$1,490	745	745	\$1,490
Riparian Protection Aid to Counties	7,255	14,510	7,255	7,255	14,510	7,255	7,255	14,510
Subtotal- Riparian Protection Aid	8,000	\$16,000	8,000	8,000	\$16,000	8,000	8,000	\$16,000
Indian Family Out-of-Home Placement Aid	4,054	\$8,391	5,000	5,000	\$10,000	5,000	5,000	\$10,000
Casino Aid to Counties	1,614	2,785	1,614	1,614	3,228	1,614	1,614	3,228
Local Homeless Prevention Aid			20,000	20,000	40,000	20,000	20,000	40,000
Production Property Transition Aid	0	0	0	0	0	0	0	0
Utility Transition Aid (cities and towns)	9	20	16	17	33	18	19	37
DRA School	8,023	16,053	8,023	8,023	16,046	8,023	8,023	16,046
DRA Non-School	10,110	20,199	10,110	10,110	20,220	10,110	10,110	20,220
Disparity Reduction Aid (DRA)	18,133	36,252	18,133	18,133	36,266	18,133	18,133	36,266
Mahnomen City Reimbursement Aid	160	320	160	160	320	160	160	320
<i>Chg Item: Mahnomen City aid increase</i>			0	160	160	160	160	320
Mahnomen County Aid	900	1,800	900	900	1,800	900	900	1,800
Mahnomen ISD #432 Aid	140	280	140	140	280	140	140	280
Mahnomen Reimbursement Aid	1,200	2,400	1,200	1,360	2,560	1,360	1,360	2,720
<b>PROPERTY TAX CREDITS</b>	121,108	233,662	134,846	145,205	280,051	164,717	172,918	337,635
Agr MVC School	7,641	14,953	7,321	7,286	14,607	7,286	7,286	14,572
Agr MVC Non-School	28,826	57,654	27,524	27,524	55,048	27,524	27,524	55,048
Agricultural Market Value Credit	36,467	72,607	34,845	34,810	69,655	34,810	34,810	69,620
School Building Bond Agricultural Credit	70,050	\$132,232	86,302	96,275	\$182,577	98,766	100,428	199,194
<i>Chg Item: Increase to 80%, effective Pay 25</i>			0	0	0	16,600	22,700	39,300
School Building Bond Agricultural Credit			86,302	96,275	182,577	115,366	123,128	238,494
Agriculture Preservation Credit -School (w/o State Con Fnd)	0	-	9	10	19	10	10	20
Agriculture Preservtn Credit -NonSchool (w/o State Con Fnd)	0	53	40	40	80	40	40	80

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Tax Refunds, Aids & Credits - November 2022 Forecast

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.

	Gov Jan 2023		Governor January 2023			Governor January 2023			
	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27	
61									
62	Border City Disparity -School	3,185	6,421	2,983	3,055	6,038	3,149	3,247	6,396
63	Border City Disparity -Non-School	11,331	22,179	10,665	11,015	21,680	11,342	11,683	23,025
64	<b>Border City Disparity Credit</b>	14,516	28,600	13,648	14,070	27,718	14,491	14,930	29,421
65									
66	Prior Year Credit -School	17	43	2	0	2	0	0	-
67	Prior Year Credit- Non-School	58	127	0	0	-	0	0	-
68	<b>Prior Year Credits</b>	75	170	2	-	2	-	-	-
69									
70	<b>TACONITE TAX RELIEF AREA AIDS &amp; CREDITS</b>	13,580	27,333	13,551	13,531	27,082	13,461	13,584	27,045
71	State Taconite Aid to IRRR (Non-School)	3,599	7,287	3,654	3,666	7,320	3,643	3,766	7,409
72	State Taconite Aid Local Distribution	3,966	8,062	3,827	3,740	7,567	3,638	3,582	7,220
73	<b>Subtotal State Taconite Aid</b>	7,565	15,349	7,481	7,406	14,887	7,281	7,348	14,629
74	Taconite Reimbursement (School)	561	1,122	561	561	1,122	561	561	1,122
75	Supplemental Taconite Homestead Credit (Non-School)	5,454	10,862	5,509	5,564	11,073	5,619	5,675	11,294
76									
77									
78	<b>LOCAL PENSION AIDS</b>	150,226	292,928	155,533	160,905	316,438	166,502	172,324	338,826
79									
80	Police Aid (includes only local; DNR & DPS aid in State Gov	86,799	168,980	90,750	94,830	185,580	99,100	103,560	202,660
81	Fire Aid	36,931	71,122	38,090	39,210	77,300	40,360	41,540	81,900
82	Fire Insurance Surcharge Aid	5,566	10,970	5,733	5,905	11,638	6,082	6,264	12,346
83	Police & Fire Retirement Aid Supplement	15,500	30,996	15,500	15,500	31,000	15,500	15,500	31,000
84									
85	Police/Fire Amortization Aid (Open)	2,729	5,458	2,729	2,729	5,458	2,729	2,729	5,458
86	Redirected Amortization Aid - St Paul + TRFA	2,094	4,188	2,094	2,094	4,188	2,094	2,094	4,188
87	Firefighters Supplemental Benefits Reimbursements	607	1,214	637	637	1,274	637	637	1,274
88									
89	Public Employees Retirement Assoc. (PERA) Aid	0	-	0	0	-	0	0	-
90									
91									
92	<b>OTHER AIDS &amp; ONE-TIME APPROPRIATIONS</b>	503,559	545,169	333,185	61,382	394,567	13,165	13,024	26,189
93	Disaster Credit -School	47	416	91	38	129	31	31	62
94	Disaster Credit- Non-School	10	1,537	304	94	398	94	94	188
95	<b>Disaster Credit</b>	57	1,953	395	132	527	125	125	250
96									
97	Local Option Disaster Credits		-			-			-
98	Local Option Disaster Abatement reimb (school)	73	111	31	25	56	25	25	50
99	Local Option Disaster Abatement reimb (non school)	243	247	75	75	150	75	75	150
100	<b>Local Option Disaster Abatement Reimbursement</b>	316	358	106	100	206	100	100	200
101									
102	Border City Reimbursement	83	115	83	83	166	83	83	166
103	Performance Measurement Reimbursement	514	1,011	516	519	1,035	522	524	1,046
104	City of Minneapolis Library debt service	0	3,374	0	0	-	0	0	-
105	Local Government grants (19 SS1 CH 6, and 21 SS1 CH 14	0	6,414	0	0	-	0	0	-
106	21 SS1, CH 14 Local gov't assist to counties- one time		29,355						
107	22 CH 50 - Frontline Worker Aid	500,000	500,000	0	0	-	0	0	-
108									
109	Chg Item: Public Safety Aid to Local Governments			300,000	0	300,000	0	0	-
110	Chg Item: Soil & Water Conservation District Aid			12,000	12,000	24,000	12,000	12,000	24,000
111	Chg Item Tribal Nations Housing and Homeless Aid			0	44,000	44,000	0	0	-
112	Chg Item Department of Revenue - 2023 Tax bill admin	2,589	2,589	20,085	4,548	24,633	335	192	527
113									
114	<b>Property Tax Aids and Credits, GF TOTAL</b>	2,598,277	4,651,189	2,542,073	2,383,675	4,925,748	2,375,443	2,402,244	4,777,687
115	<b>Plus Senior Deferral changes (net)</b>	439	978	478	728	1,206	998	1,038	2,036
116	<b>Property Tax Aids and Credits with Senior Deferral</b>	\$2,598,716	\$4,652,167	\$2,542,551	\$2,384,403	\$4,926,954	\$2,376,441	\$2,403,282	\$4,779,723
117									

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Tax Refunds, Aids & Credits - November 2022 Forecast

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.

	Gov Jan 2023		Governor January 2023			Governor January 2023		
	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
118 <b>Other Fund Expenditures</b>								
119								
120 <b>State Conservation Fund (SR)</b> Agriculture Preservation Credit	340	678	340	340	680	340	340	680
121 <b>State Conservation Fund (GF)</b> Agriculture Preservation Credit (lines 46 & 47)	0	53	49	50	99	50	50	100
122 <b>Total State Conservation Fund</b>	340	731	389	390	779	390	390	780
123								
124 <b>Net Loan activity</b>								
125 Senior Deferral loan receipts (REV)	[-1375]	[-2576]	[-1375]	[-1375]	[-2576]	[-1375]	[-1375]	[-2576]
126 Senior Deferral loans issuances (Reimbursements to Counties)	[1814]	[2418]	[1853]	[1893]	[2418]	[1853]	[1893]	[2418]
127 Chg item Lower residency to 5 yr, incrs incm to \$75,000	[0]	[0]	[0]	[210]	[210]	[520]	[520]	[1040]
128 <b>Total Senior Deferral (net)</b>	439	978	478	728	1,206	998	1,038	2,036
129								