

2025 SESSION - House Offer

FEBRUARY 2025 FORECAST BASELINE

Dollars in Thousands

Tax Revenues, and Non-General Fund Total: Negative #s = Revenue Reduction

Property Tax, Aids & Credits, General Fund Total and Target: Negative #s = Spending Reduction

		Forecast	GOVERNOR (March 25)				HOUSE		
LINE	ITEM	FY 2024-25	FY 2025	FY 2026-27	FY 2028-29	FY 2025	FY 2026-27	FY 2028-29	
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¹ Based on the February 2025 Forecast

*\$3.764 million in FY 2025 total included in FY 2026-27 biennial subtotal

All Dollars in Thousands									
Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses									
Row	A	B	C	D	E	F	G	H	I
		GOV (March 25)	GOV (March 25)	HOUSE			HOUSE		
	Effective Date	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
1	Summary								
2	Total - Current Law - Tax Revenues	61,794,511	65,943,938	30,526,966	31,267,545	61,794,511	32,451,374	33,492,564	65,943,938
3	Total - Net Changes - Tax Revenues	160,211	252,132	29,446	65,967	95,413	76,950	93,830	170,780
4	Total - Net, Non Dedicated Tax Revenue	61,954,722	66,196,070	30,556,412	31,333,512	61,889,924	32,528,324	33,586,394	66,114,718
5	Individual Income Tax								
6	Change Items								
7	Income Tax, Child Tax Credit, Add 'l \$100, Qualifying Child Born in Tax Year	TY 28				-	-	(2,400)	(2,400)
8	Beginning Farmer Tax Credit Modified, Timing/Allocation Changes	1/1/2025		-	-	-	-	-	-
9	Subtraction, Student Loan Ed. Assistance Pymts - Critical Access Dental	1/1/2026		-	(70)	(70)	(70)	(70)	(140)
10	Discharged Debt Subtraction, Coerced Debt	1/1/2025		(Negl)	(Negl.)	(Negl.)	(Negl)	(Negl.)	(Negl.)
11	Repeal K-12 Education Credit Assignment	TY 26	Unknown	-	Unknown	Unknown	Unknown	Unknown	Unknown
12	Certificate of Rent Paid, Landlord Penalty Fee Changes	1/1/2026	-	120	-	-	60	60	120
13	Expand Research & Development Tax Credit	TY 25	(600)	(600)					
14	Establish Pass Through Audit Unit	7/1/2025	1,141	7,392					
15	Interaction: Reduce Payment in Lieu of Taxes (PILT)		(170)	(340)		-			-
16	Interaction: Low-Income Housing, Personal Property Tax Exemption		30	2,370		-			-
17	Interaction: Aquatic Invasive Species Aid Reduction		(50)	(100)	-	-	(30)	(30)	(60)
18	Subtotal: Change Items		351	8,842	-	(70)	(70)	(40)	(2,480)
	Corporate Franchise Tax								
	Change Items								
19	Expand Research and Development Tax Credit	TY 25	(44,900)	(39,000)		-			-
20	R&D Tax Credit Modifications, To Be Determined	TBD			(20,000)	(20,000)	(40,000)	(20,000)	(40,000)
21	Sustainable Aviation Fuel Tax Credit	TY 25	(10,600)	(4,200)		-			-
22	Subtotal: Change Items		(55,500)	(43,200)	(20,000)	(20,000)	(40,000)	(20,000)	(40,000)
23	Sales and Use Tax								
24	Change Items					-			-
25	Definition of Land Clearing Expanded	7/1/2025			(400)	(450)	(850)	(470)	(950)
26	Detachable Units for Landscaping Subject To Tax	7/1/2025			300	330	630	330	660
27	Construction Materials Exemption, City of Woodbury, Water Treatment/Tower	2/1/24-12/1/27			(370)	(370)	(740)	(370)	(370)
28	Rate Change, Broaden Base to Professional Services	10/1/2025	348,200	443,900					
29	Rate Change, Reduce the Rate to 6.425 percent	10/1/2025	(158,000)	(201,000)					
30	Data Centers, Repeal Electricity Exemption	7/1/2025			23,930	32,320	56,250	38,130	82,700
31	Interaction of Rate & Base Changes		(3,900)	(5,200)		-			-
32	Interaction: Sales Tax Transfer (Leases)		1,760	2,260		-			-

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Row									
	A	B	C	D	E	F	G	H	I
		GOV (March 25)	GOV (March 25)	HOUSE			HOUSE		
	Effective Date	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
33	Interaction: Sales Tax Transfer (Auto parts)	3,600	5,630			-			-
34	Interaction: Lottery Tickets In Lieu	-	-			-	-	-	-
35	Interaction: Cigarette Sales Tax	-	-			-	-	-	-
36	Subtotal: Change Items	186,300	237,700	23,460	31,830	55,290	37,620	44,420	82,040
		-	-						
37	Cigarette & Tobacco Products Tax								
38	Change Items					-			-
39	June Acceleration, Cigarette & Tobacco, Increased from 84.5% to XX%	Jun-27		-	3,110	3,110	(20)	(20)	(40)
40	Out-of-State, Upfront Exemption, Premium Cigars	1/1/2026		(100)	-	(100)	-	-	-
41	Subtotal: Change Items	-	-	(100)	3,110	3,010	(20)	(20)	(40)
42	Liquor, Wine and Beer Tax								
43	Change Items								
44	June Acceleration, Alcohol, Increased from 84.5% to XX%	Jun-27			3,107	3,107	(20)	(20)	(40)
45	Subtotal: Change Items	-	-	-	3,107	3,107	(20)	(20)	(40)
46	Cannabis Gross Receipts Tax								
47	Change Items								
48	Increase Rate from 10% to 15%	7/1/2025		17,800	33,200	51,000	42,000	49,700	91,700
49	Repeal, 20% Dedication of Cannabis Gross Receipt Tax for Local Aid	7/1/2025	23,700	8,900	14,800	23,700	18,700	22,200	40,900
50	Subtotal: Change Items	23,700	40,900	26,700	48,000	74,700	60,700	71,900	132,600
51	Other Net Tax Revenue								
	Change Items								
52	Repeal Illegal Cannabis and Controlled Substance Tax	8/1/2025	-	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
53	SW Mgmt. Tax, FY26 & FY28 Dedication, Resource Mgmt. Account (Score Grants)	7/1/2025, 7/1/27		(604)	-	(604)	(1,280)	-	(1,280)
54	SW Mgmt. Tax, Modify Tax Rate, 501(c)3 organizations	7/1/2025	-	(10)	(10)	(20)	(10)	(10)	(20)
	Subtotal: Current Law	-	-	(614)	(10)	(624)	(1,290)	(10)	(1,300)
Feb 25 is February 2025, General Fund Balance Analysis									
MSFA is Minnesota Sports Facilities Authority									
SEIU is Service Employees International Union									
SW is Solid Waste									
TBD is to be determined									
End of General Fund Tax Revenue Tracking Sheet									

All Dollars in Thousands																
Note: Positive numbers represent expenditures, negative numbers represent cost savings.																
Row		A	B	C	D	E		F	G	H	I	J	K	L	M	N
		Effective Date	Feb 25	Feb 25	Feb 25	Gov 25		Gov 25	House				House			
			FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29	
1	Summary															
2	Total - Current Law - Property Tax, Aids, and Credits		5,556,139	4,753,249	4,941,000	2,735,905	4,753,249	4,941,000	2,735,905	2,328,998	2,424,251	4,753,249	2,451,843	2,489,157	4,941,000	
3	Total - Net Changes - Property Tax, Aids, and Credits		-	-	-	(5,000)	(32,906)	(59,726)	(3,764)	(9,833)	(8,990)	(18,823)	(9,850)	(9,370)	(19,220)	
4	Total - Property Tax, Aids, and Credits		5,556,139	4,753,249	4,941,000	2,730,905	4,720,343	4,881,274	2,732,141	2,319,165	2,415,261	4,734,426	2,441,993	2,479,787	4,921,780	
5	Percent Change from Prior Year or Biennium					-3.17%	-15.04%	2.69%		-15.23%	3.70%	-14.79%	0.73%	1.14%	3.55%	
6	Property Tax Refunds															
7	Change Items															
8	Property Tax Exemption - Elect. Coop. Distribution Lines	AY 2025				-	-	-	-	-	-	-	-	-	-	
9	Interaction - Property Tax Refund						40	80		-	-	40	40	40	80	
10	Pers. Prop. Tax Exemption - Low-Income Housing Tenants	AY 2025				-	-	-								
11	Interaction - Property Tax Refund					-	10	120								
12	Reduction - Sustainable Forest Incentive Payments	Pay 2026				-	(5,240)	(11,290)								
13	Eliminate Political Contribution Refund	4/16/2026				-	(4,300)	(8,600)								
14	Property Tax Modifications - Alliance Housing	Pay 2026							-	-	-	-	-	-	-	
15	Interaction - Property Tax Refund								-	-	10	10	10	10	20	
16	Property Tax Exemption - Leech Lake Nation	AY 2026							-	-	-	-	-	-	-	
17	Interaction - Property Tax Refund								-	-	-	-	10	10	20	
18	Property Tax Exemption - Grand Portage Band	AY 2026							-	-	-	-	-	-	-	
19	Interaction - Property Tax Refund								-	-	-	-	Negl.	Negl.	Negl.	
20	School Building Bond Credit								-	-	-	-	(Negl.)	(Negl.)	(Negl.)	
21	Property Tax Exemption - Mille Lacs Band	AY 2026							-	-	-	-	-	-	-	
22	Interaction - Property Tax Refund								-	-	-	-	Negl.	Negl.	Negl.	
23	Property Tax Exemption - Retroactive - Red Lake Nation	DFE							-	122	-	122	-	-	-	
24	Property Tax Exemption - Airport Property Modification	Pay 2026							-	-	-	-	-	-	-	
25	Interaction - Property Tax Refund								-	-	30	30	30	30	60	
26	Property Tax Exemption - Bloomington Port Authority	Upon Local							-	-	-	-	-	-	-	
27	Interaction - Property Tax Refund	Approval							-	-	20	20	20	20	40	
28	Land Bank Property Tax Abatement	DFE							-	-	-	-	-	-	-	
29	Interaction - Property Tax Refund								-	-	10	10	10	20	30	
30	Class 4d Modifications - Community Land Trust	AY 2025							-	-	-	-	-	-	-	
31	Interaction - Property Tax Refund								-	-	(210)	(210)	(210)	(210)	(420)	
32	Market Value Exclusion - Disabled Veteran Households	AY 2025							-	-	-	-	-	-	-	
33	Interaction - Property Tax Refund Veteran Homesteads								-	-	(1,000)	(1,000)	(1,050)	(1,100)	(2,150)	
34	Interaction - Property Tax Refund Other Homesteads								-	-	400	400	410	430	840	
35	Discharged Debt Subtraction	Pay 2026							-	-	-	-	-	-	-	
36	Interaction - Property Tax Refund								-	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	

All Dollars in Thousands																
Note: Positive numbers represent expenditures, negative numbers represent cost savings.																
Row		A	B	C	D	E		F	G	H	I	J	K	L	M	N
		Effective Date	Feb 25	Feb 25	Feb 25	Gov 25		Gov 25	House				House			
			FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29	
37	Land Value Taxation Districts - Pilot Program	Pay 2026								-	-	-	-	-	-	-
38	Interaction - Property Tax Refund									-	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
39	Political Contribution Refund Electronic Requirements	1/1/2027								-	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
40	SFIA Payments 4-Year Cap at Property Tax Liability	DFE								-	(8,300)	(8,300)	(16,600)	(4,300)	(4,300)	(8,600)
41	Subtotal: Change Items		-	-	-	-	(9,490)	(19,690)		-	(8,178)	(9,000)	(17,178)	(5,030)	(5,050)	(10,080)
42	Local Aids															
43	Change Items															
44	Reduction - PILT	CY 2026				-	(17,160)	(35,210)								
45	Interaction - Property Tax Refund					-	500	1,030								
46	Reduction - Aquatic Invasive Species Prevention Aid	Aids Pay 2026				-	(5,000)	(10,000)	-	-	-	-	-	(2,940)	(2,940)	(5,880)
47	Interaction - Property Tax Refund					-	140	280	-	-	-	-	-	90	90	180
48	LGA Penalty Forgiveness - Cities of Alpha, Odin, Trosky	DFE							18	-	-	-	-	-	-	-
49	LGA Penalty Forgiveness - City of Stewart	DFE							88	-	-	-	-	-	-	-
50	LGA - Base Aid for the City of Baldwin	Aids Pay 2026							-	-	-	-	-	-	-	-
51	SWCD Aid - Reduction	Aids Pay 2027							-	-	-	-	-	(2,000)	(2,000)	(4,000)
52	Browerville Public Schools - Grant	7/1/2025							-	520	-	520	-	-	-	-
53	Emerald Ash Borer Aid - Grant - City of Minneapolis	7/1/2025							-	400	-	400	-	-	-	-
54	Extension - Grant to City of Minneapolis & PFA	7/1/2025							(10,000)	-	-	-	-	-	-	-
55	Extension - Grant to City of Minneapolis & PFA	7/1/2025							10,000	-	-	-	-	-	-	-
56	Subtotal: Change Items		-	-	-	-	(21,520)	(43,900)	106	920	-	920	(4,850)	(4,850)	(9,700)	
57	Other															
58	Change Items															
59	DOR Admin - R&D Credit Expansion	DFE				-	100	-								
60	DOR Admin - Sales Tax Rate Change & Expansion	7/1/2025				-	922	1,000								
61	DOR Admin - Pass Through Entity Audit Unit	7/1/2025				-	2,124	2,864								
62	TR-IN: Special Revenue Cannabis Aid Carryforward	DFE				-	(5,042)	-	-	(5,042)	-	(5,042)	-	-	-	-
63	TR-IN: Repeal Tax Filing Modernization Account	DFE				(5,000)	-	-								
64	TR-OUT: Tax Filing Modernization Account	7/1/2025							-	2,397	-	2,397	-	-	-	-
65	TR-IN: Service and Recovery Special Revenue Fund	7/1/2025							-	-	-	-	-	-	-	-
66	Taxpayer Assistance Grants	7/1/2025							-	-	-	-	-	-	250	250
67	Tax Credit Outreach Grants	7/1/2025							-	-	-	-	-	-	250	250
68	Local Sales Tax Task Force	7/1/2025							-	70	-	70	-	-	-	-
69	DOR - Report on Strategies to Reduce Property Taxes	8/1/2025							-	-	-	-	-	-	-	-
70	DOR Cannabis Base FY25 Appropriation - Onetime Cancellation								(3,870)	-	-	-	-	-	-	-
71	Subtotal: Change Items		-	-	-	(5,000)	(1,896)	3,864	(3,870)	(2,575)	-	(2,575)	-	500	500	
72	TOTAL: Property Tax, Aids, and Credits		5,556,139	4,753,249	4,941,000	2,730,905	4,720,343	4,881,274	2,732,141	2,319,165	2,415,251	4,734,416	2,441,963	2,479,757	4,921,720	

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		Effective Date	Feb 25	Feb 25	Feb 25	Gov 25		Gov 25	House				House		
			FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
73	General Fund - Net Loan Activity														
74	Senior Property Tax Deferral														
75	Change Items														
76	Income Qualifications Modifications	Pay 2026							-	-	10	10	30	30	60
77	Subtotal: Change Items		-	-	-	-	-	-	-	-	10	10	30	30	60
78	TOTAL: Property Tax, Aids, and Credits + SR Deferral		5,556,569	4,754,762	4,943,428	2,731,201	4,721,856	4,883,702	2,732,437	2,319,807	2,416,132	4,735,939	2,443,093	2,481,115	4,924,208
Feb 25 is February 2025, General Fund Balance Analysis															
Gov 25 is Governor's Recommendations, March 2025															
LGA is Local Government Aid															
PILT is Payment in Lieu of Taxes															
SFIA is Sustainable Forest Incentive Act															
PFA is the Public Facilities Authority															
DOR is the Department of Revenue															
TR-IN is Transfer In															
TR-Out is Transfer Out															
AY is Assessment Year															
CY is Calendar Year															
Pay is Property Taxes Payable Year															
Aids Pay is Aids Payable Year															
DFE is Day Following Enactment															
End of General Fund Property Tax, Aids, and Credits Tracking Sheet															