

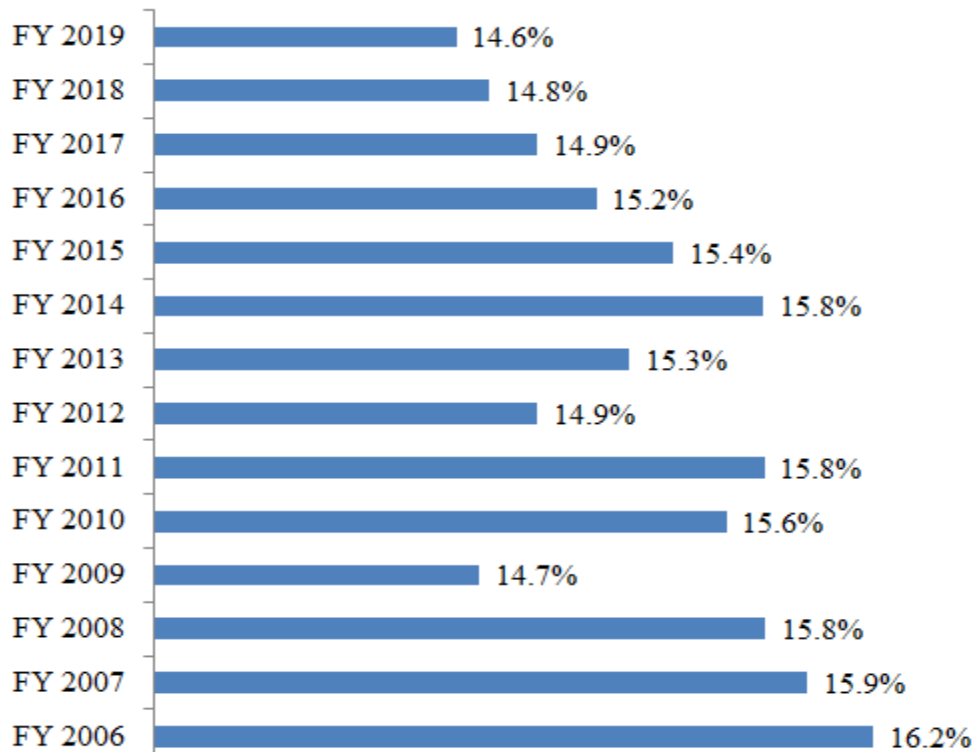
Price of Government

State and Local Government Revenues

The state general fund forecast represents only a portion of public sector revenues and spending in Minnesota. In broad terms, the “Price of Government” is a measure of the cost of all general government services statewide. It answers the question: *How much do Minnesotans pay to state and local governments in total?* It is comprehensive and includes nearly all revenues generated by state and local units of government as well as public school districts. All state taxes, property taxes, special assessments, fees and charges are included. Federal taxes are not included. The measure serves as a financial index for the cost of public services in Minnesota.

The annual receipts collected by each unit of government are considered to represent the aggregate cost that Minnesota taxpayers pay for public services. The “Price of Government” measures that cost for each fiscal year relative to Minnesota Personal Income. The result is stated as a percentage of statewide personal income. For calendar year 2014, fiscal year 2015, it is estimated at 15.4 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.4 cents will be paid to state, county, township, and school districts for services during that year.

Minnesota Price of Government (Historical & Projected)
State and Local Revenues as % of MN Personal Income



Since the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

The following table shows the revenues collected at each level of government, excluding federal grants and excluding intergovernmental revenues such as state aid to school districts, cities and counties. The results are called “own source” revenues and represent the taxes, fees and charges at each level of government.

Own Source Revenues (\$ in millions)				
	FY 2014	Percent of Total	FY 2015	Percent of Total
State Revenues				
Tax Revenues	\$21,856		\$22,538	
Non-Tax Revenues	4,293		4,028	
<i>Total State Revenues</i>	<u>26,149</u>	63%	<u>26,566</u>	63%
Local Non-School Revenues				
Tax Revenues	5,931		6,031	
Non-Tax Revenues	6,032		6,339	
<i>Total Local Non-School Revenues</i>	<u>11,963</u>	29%	<u>12,469</u>	30%
School District Revenues				
Tax Revenues	2,305		2,348	
Non-Tax Revenues	791		805	
<i>Total School District Revenues</i>	<u>3,096</u>	8%	<u>3,153</u>	7%
Total Own Source Revenues	\$41,208		\$42,088	
Minnesota Personal Income	\$261,232		\$272,655	
Governmental Revenue as Percent of Personal Income	15.8%		15.4%	

In FY 2015, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 63 percent. Counties, cities, and townships will collect about 30 percent, while school districts will collect about 7 percent. However, once intergovernmental aids are considered, the state will spend only 38 percent of the total while non-school local governments will spend 36 percent, and school districts will spend 27 percent.

A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2006 through FY 2019 shown by level of government.

February 2015 Forecast
Price of Government
State & Local Revenues, CY 2005-2018
as a Percent of Personal Income
(\$ in Thousands)

	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<u>State Revenues</u>														
<i>Tax Revenues:</i>														
Individual Income Tax	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,529,204	7,972,460	9,012,500	9,659,554	10,045,497	10,730,668	11,326,149	12,127,695	12,806,953
General Sales Tax	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,686,836	4,959,128	5,065,744	5,368,451	5,523,594	5,695,652	5,994,457	6,249,123	6,479,396
Corporate Income Tax	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	1,044,159	1,280,743	1,278,209	1,317,112	1,298,850	1,276,715	1,197,423	1,252,789
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	882,563	885,770	882,680	880,692	881,706
Motor Vehicle License Tax	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	652,951	690,050	723,750	756,650	786,650	810,450
Motor Vehicle Sales Tax	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	640,272	699,180	740,420	788,200	833,550	853,310
Statewide Property Tax	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	835,554	824,287	841,883	856,696	874,881	900,187
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	561,468	597,703	632,847	668,232	702,259
All Other Taxes	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,358,831	1,434,307	1,419,267	2,017,761	1,994,344	2,025,668	2,064,554	2,096,894	2,130,873
Subtotal - State Taxes	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,726,057	18,677,461	20,181,762	21,855,772	22,538,095	23,540,364	24,578,948	25,715,140	26,817,923
<i>Non-Tax Revenues:</i>														
Fees & Charges	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,285,126	1,205,344	1,222,131	1,180,866	1,277,291	1,164,988	1,111,556	1,108,242	1,140,297
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	82,413	95,162	125,996	158,702	160,574
Post-Secondary Tuition	1,061,327	1,150,022	1,221,500	1,307,918	1,447,977	1,598,637	1,630,000	1,674,300	1,678,700	1,637,800	1,637,800	1,637,800	1,637,800	1,637,800
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	175,399	162,823	162,370	161,957	161,022	160,379
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	867,231	689,504	670,557	653,309	651,344
Subtotal - State Non Tax Revenues	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,899,394	3,928,841	4,050,276	4,292,955	4,027,558	3,749,824	3,707,866	3,719,075	3,750,394
Subtotal - State Own Source Revenues	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,625,451	22,606,302	24,232,038	26,148,727	26,565,653	27,290,188	28,286,814	29,434,215	30,568,317
Federal Grants	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	9,756,757	8,486,104	8,808,041	9,409,547	10,939,050	11,787,109	12,034,509	12,425,568	12,843,930
TOTAL STATE REVENUES	26,012,942	26,882,133	27,734,320	27,952,916	29,500,069	31,382,208	31,092,406	33,040,079	35,558,274	37,504,703	39,077,297	40,321,323	41,859,783	43,412,247
<u>Local Non-School Revenues</u>														
<i>Tax Revenues:</i>														
Property Tax	3,691,559	3,977,679	4,303,124	4,643,104	4,875,947	4,973,156	5,057,424	5,300,123	5,367,186	5,447,711	5,574,530	5,784,488	6,023,785	6,292,401
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	348,616	363,358	373,375	389,031	407,485	423,600
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	219,684	221,715	227,448	233,523	239,773
Subtotal - Local Taxes	3,985,866	4,284,716	4,632,793	5,063,495	5,344,011	5,440,369	5,548,996	5,808,303	5,930,855	6,030,753	6,169,620	6,400,967	6,664,793	6,955,774
<i>Non-Tax Revenues:</i>														
Special Assessments	344,394	341,531	345,448	329,666	344,332	347,913	321,931	338,755	367,358	375,846	383,522	396,239	411,455	428,105
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	205,689	210,333	214,494	221,546	230,021	239,307
Charges for Services	1,075,780	1,089,702	1,166,288	1,105,485	1,122,285	1,091,618	1,101,390	1,200,528	1,238,105	1,262,762	1,284,714	1,322,605	1,368,307	1,418,418
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(19,224)	119,012	127,343	136,257	145,795	156,000
Selected Enterprise Revenues	2,943,018	3,214,027	3,294,338	3,425,271	3,468,110	3,432,935	3,586,765	3,819,575	3,723,279	3,806,328	3,880,363	4,007,708	4,161,216	4,329,519
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	517,018	564,293	575,620	595,293	618,381	643,449
Subtotal - Local Non Tax Revenues	5,285,976	5,729,749	6,006,862	5,851,812	5,880,351	5,686,154	5,873,634	6,150,639	6,032,225	6,338,574	6,466,056	6,679,648	6,935,175	7,214,798
Subtotal - Local Own Source Revenues	9,271,842	10,014,465	10,639,655	10,915,307	11,224,362	11,126,523	11,422,630	11,958,942	11,963,080	12,369,327	12,635,676	13,080,615	13,599,968	14,170,572
<i>Intergovernmental Revenue:</i>														
State Aid	2,570,258	2,701,489	2,765,824	2,494,934	2,587,881	2,498,658	2,541,924	2,499,281	2,491,517	2,640,090	2,686,264	2,705,100	2,724,146	2,744,015
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	346,585	346,585	346,585	346,585	346,585	346,585
Federal Aid	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,169,494	1,121,132	1,100,962	1,128,486	1,151,055	1,174,077	1,197,558	1,221,509
Subtotal - Intergovernmental Revenue	3,505,590	3,719,864	4,019,038	4,041,366	4,006,597	4,025,882	4,044,979	3,950,515	3,939,064	4,115,161	4,183,904	4,225,762	4,268,289	4,312,109
TOTAL LOCAL NON-SCHOOL REVENUES	12,777,432	13,734,329	14,658,693	14,956,673	15,230,959	15,152,405	15,467,609	15,909,457	15,902,144	16,484,488	16,819,580	17,306,377	17,868,257	18,482,681

February 2015 Forecast
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State & Local Revenues, CY 2005-2018
as a Percent of Personal Income
(\$ in Thousands)

	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<u>School District Revenues</u>														
<i>Tax Revenues:</i>														
Property Tax	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,162,072	2,262,056	2,297,370	2,339,269	2,451,275	2,545,578	2,615,211	2,679,987
Taconite Production Tax	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	8,908	9,119	8,920	9,135	9,249
Subtotal - School District Tax Revenues	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,169,751	2,269,662	2,304,627	2,348,177	2,460,394	2,554,498	2,624,346	2,689,236
<i>Non-Tax Revenues:</i>														
Fee Revenue	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,486	537,016	547,756	558,711	569,885	581,283
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	267,552	270,228	272,930	275,659	278,416
Subtotal - School District Non Tax Revenues	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	804,568	817,984	831,641	845,544	859,699
Subtotal - School Dist Own Source Revenue:	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,940,706	3,034,841	3,096,016	3,152,745	3,278,378	3,386,139	3,469,890	3,548,935
<i>Intergovernmental Revenue:</i>														
State Aid	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,007,915	7,285,035	7,527,881	8,118,115	8,205,922	8,283,337	8,396,703	8,512,451
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,660	10,049	10,049	10,049	10,049
Education Homestead Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education Agricultural Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Market Value Homestead Credit	60,880	59,743	56,302	53,475	53,994	57,165	60,934	132	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,279	5,134	5,021	8,767	8,767	8,767	8,767
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	47,859	47,859	47,859	47,859	47,859
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	702,374	709,398	716,492	723,657	730,893
Subtotal - Intergovernmental Revenue	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,883,029	8,981,995	9,066,504	9,187,035	9,310,019
TOTAL SCHOOL DISTRICT REVENUES	9,110,471	9,572,287	10,106,167	10,331,083	11,049,483	10,772,718	10,863,210	11,088,074	11,381,452	12,035,774	12,260,373	12,452,643	12,656,925	12,858,954
<u>Total State, Local & School District Revenues</u>														
<i>Tax Revenues</i>	22,048,660	22,992,969	23,944,410	23,312,762	23,465,518	25,297,830	26,396,208	28,259,727	30,091,254	30,917,025	32,170,378	33,534,413	35,004,279	36,462,933
<i>Non-Tax Revenues</i>	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,340,483	10,573,430	10,966,094	11,116,569	11,170,700	11,033,864	11,219,155	11,499,794	11,824,891
<i>Intergovernmental Revenue</i>	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,018	20,453,587	20,811,789	21,634,047	23,937,240	24,953,008	25,326,775	25,880,892	26,466,058
TOTAL ALL REVENUES	47,900,845	50,188,749	52,499,180	53,240,672	55,780,511	57,307,331	57,423,225	60,037,610	62,841,870	66,024,965	68,157,250	70,080,343	72,384,965	74,753,882
Less: Intergovernmental Revenues	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,634,047)	(23,937,240)	(24,953,008)	(25,326,775)	(25,880,892)	(26,466,058)
Total Own Source Revenues	31,403,187	32,817,022	34,219,471	33,563,107	33,818,467	35,638,313	36,969,638	39,225,821	41,207,823	42,087,725	43,204,242	44,753,568	46,504,073	48,287,824
Minnesota Personal Income	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	247,630,000	256,846,000	261,232,000	272,655,000	285,138,000	299,735,000	315,190,000	330,078,000
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	14.9%	15.3%	15.8%	15.4%	15.2%	14.9%	14.8%	14.6%