

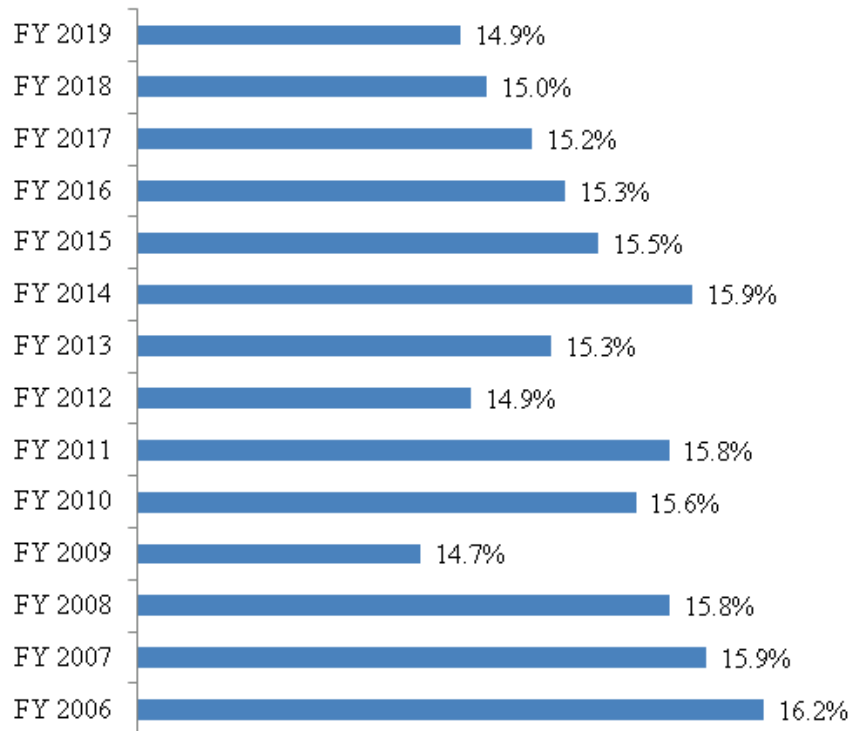
Price of Government

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 2013, fiscal year 2014, it is estimated at 15.9 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.9 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		\$22,450	
Non-Tax Revenues	<u>4,293</u>		<u>4,047</u>	
<i>Total State Revenues</i>	<i>26,149</i>	<i>63%</i>	<i>26,497</i>	<i>63%</i>
Local Non-School Revenues				
Tax Revenues	5,919		6,021	
Non-Tax Revenues	<u>6,299</u>		<u>6,480</u>	
<i>Total Local Non-School Revenues</i>	<i>12,218</i>	<i>29%</i>	<i>12,501</i>	<i>30%</i>
School District Revenues				
Tax Revenues	2,305		2,348	
Non-Tax Revenues	<u>791</u>		<u>805</u>	
<i>Total School District Revenues</i>	<i>3,096</i>	<i>8%</i>	<i>3,153</i>	<i>7%</i>
Total Own Source Revenues	\$41,463		\$42,151	
Minnesota Personal Income	\$261,050		\$272,308	
Governmental Revenue as Percent of Person Income	15.9%		15.5%	

In FY 2014, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 63 percent. Counties, cities, and townships will collect about 29 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 39 percent of the total while non-school local governments will spend 35 percent, and school districts will spend 26 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.

**January 2015 Governor's Budget
Price of Government**

**State & Local Revenues, CY 2003-2019
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	CY 2019
	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	
State Revenues															
<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	9,936,285	10,467,670	11,115,705	11,863,540	12,587,390	
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	5,516,330	5,642,811	5,918,419	6,166,728	6,367,708	
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	1,357,650	1,300,552	1,335,182	1,314,666	1,372,616	
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	871,363	1,194,309	1,338,205	1,329,848	1,324,353	
Motor Vehicle License Tax	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	652,951	689,350	763,425	840,008	892,916	967,535	
Motor Vehicle Sales Tax	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	640,273	697,080	738,470	787,700	832,330	860,650	
Statewide Property Tax	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	835,554	839,690	857,222	884,405	905,038	928,493	
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	554,063	586,567	619,195	651,986	684,814	
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	2,017,762	1,988,510	2,005,084	2,035,494	2,057,568	2,082,664	
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	21,855,774	22,450,321	23,556,110	24,874,313	26,014,620	27,176,223	
<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	1,282,815	1,200,638	1,152,851	1,146,101	1,177,555	
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	79,473	92,429	123,573	156,579	158,376	
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	1,678,700	1,678,700	1,678,700	1,678,700	1,678,700	
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	175,399	163,016	162,352	161,934	160,994	160,344	
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	842,742	693,010	674,661	658,587	655,490	
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	4,046,746	3,827,129	3,791,719	3,800,961	3,830,465	
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	26,148,729	26,497,067	27,383,239	28,666,032	29,815,581	31,006,688	
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	9,409,548	10,846,565	11,711,099	11,930,802	12,292,269	12,691,345	
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	35,558,277	37,343,632	39,094,338	40,596,834	42,107,850	43,698,033	
Local Non-School Revenues															
<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	5,447,700	5,565,968	5,736,868	5,931,929	6,154,444	
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	350,116	366,812	534,489	634,583	659,167	681,474	
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	202,142	206,615	211,622	216,994	222,365	227,790	
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	5,919,444	6,021,127	6,312,079	6,588,445	6,813,461	7,063,708	
<i>Non-Tax Revenues:</i>															
Special Assessments	344,394	341,531	345,448	329,666	344,332	347,913	321,931	338,755	347,947	356,375	367,136	379,350	393,260	408,359	
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	194,948	199,568	205,520	212,297	220,038	228,450	
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	1,225,087	1,250,731	1,284,031	1,322,041	1,365,552	1,412,868	
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	118,294	126,574	135,434	144,915	155,059	165,913	
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	3,916,410	4,008,457	4,127,781	4,263,913	4,419,685	4,589,064	
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	495,459	537,865	556,495	574,752	595,363	617,642	
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	6,298,145	6,479,570	6,676,397	6,897,268	7,148,957	7,422,296	
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	12,217,589	12,500,697	12,988,476	13,485,713	13,962,418	14,486,004	
<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	2,518,055	2,667,463	2,867,839	2,965,977	2,993,793	3,035,159	
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	335,314	335,314	335,314	335,314	335,314	335,314	
Federal Aid	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,169,494	1,121,132	1,142,301	1,170,858	1,194,275	1,218,161	1,242,524	1,267,374	
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	3,995,670	4,173,635	4,397,428	4,519,452	4,571,631	4,637,847	
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	16,213,259	16,674,332	17,385,904	18,005,165	18,534,049	19,123,851	

**January 2015 Governor's Budget
Price of Government**

**State & Local Revenues, CY 2003-2019
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
School District Revenues														
<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	2,339,293	2,456,111	2,535,146	2,620,726	2,687,864
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	9,070	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	2,348,201	2,465,230	2,544,216	2,629,861	2,697,113
<i>Non-Tax Revenues:</i>														
Fee Revenue	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,939	537,478	548,227	559,192	570,376	581,783
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,856	267,505	270,180	272,881	275,610	278,366
Subtotal - School District Non Tax Revenues	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,795	804,983	818,407	832,073	845,986	860,149
Subtotal - School Dist Own Source Revenues	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,940,706	3,034,841	3,096,422	3,153,184	3,283,637	3,376,289	3,475,847	3,557,262
<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	7,284,964	7,535,518	8,118,468	8,331,936	8,616,254	8,745,012	8,855,803
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,924	9,766	9,636	10,003	10,003	10,003	10,003
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	4,495	4,495	4,495	4,495
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,047	47,671	47,671	47,671	47,671	47,671
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	689,788	696,686	703,653	710,689	717,796	724,974
Subtotal - Intergovernmental Revenue	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,922,504	8,053,152	8,287,253	8,877,482	9,101,758	9,393,112	9,528,977	9,646,946
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	11,087,993	11,383,675	12,030,666	12,385,395	12,769,401	13,004,824	13,204,208
Total State, Local & School District Revenues														
<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	30,079,845	30,819,649	32,333,419	34,006,974	35,457,942	36,937,044
<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	11,382,895	11,331,299	11,321,933	11,521,060	11,795,904	12,112,910
<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	20,811,708	21,692,471	23,897,682	25,210,285	25,843,366	26,392,877	26,976,138
TOTAL ALL REVENUES	47,900,845	50,188,749	52,499,180	53,240,672	55,780,511	57,307,331	57,423,225	60,037,529	63,155,211	66,048,630	68,865,637	71,371,400	73,646,723	76,026,092
Less: Intergovernmental Revenues	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,708)	(21,692,471)	(23,897,682)	(25,210,285)	(25,843,366)	(26,392,877)	(26,976,138)
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	41,462,740	42,150,948	43,655,352	45,528,034	47,253,846	49,049,954
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	261,050,000	272,308,000	284,645,000	299,690,000	315,115,000	329,558,000
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	14.9%	15.3%	15.9%	15.5%	15.3%	15.2%	15.0%	14.9%