

# **Price of Government**

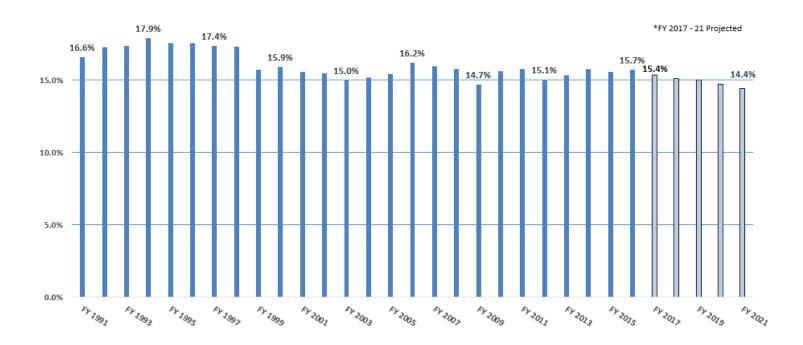
### **State and Local Government Revenues**

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 total statewide personal income. For fiscal year 2017 it is projected 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**

State and Local Revenues as % of MN Personal Income





Because 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.

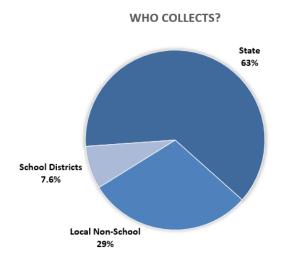
### **Own Source Revenues**

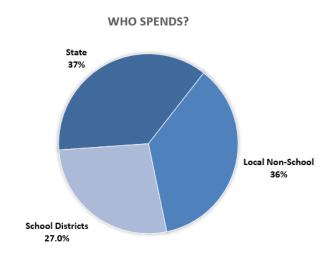
(\$ in millions)

	Actual FY 2016	Percent of Total	Projected FY 2017	Percent of Total
State Revenues				
Tax Revenues	\$23,683		\$24,030	
Non-Tax Revenues	4,414		4,258	
Total State Revenues	28,097	63%	28,288	63%
<b>Local Non-School Revenues</b>				
Tax Revenues	6,220		6,454	
Non-Tax Revenues	6,746		6,893	
Total Local Non-School Revenues	12,966	29%	13,346	30%
School District Revenues				
Tax Revenues	2,458		2,628	
Non-Tax Revenues	850		864	
Total School District Revenues	3,308	7%	3,492	8%
<b>Total Own Source Revenues</b>	\$44,371		\$45,127	
Minnesota Personal Income	\$282,523		\$293,575	
<b>Governmental Revenue as Percent of</b>				
Personal Income	15.7%		15.4%	



In FY 2017, 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 7.6 percent. However, once intergovernmental aids are considered, the state will spend only 37 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 2021 shown by level of government.

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## **Price of Government**

#### February 2017 Forecast Budget State & Local Revenues as a Percent of Personal Income

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
State Revenues																
Tax Revenues:																
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	10,403,481	10,738,906	11,187,700	11,838,600	12,562,700	13,056,100	13,800,900
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	5,482,099	5,597,268	5,746,618	6,009,886	6,314,544	6,567,456	6,825,995
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	1,455,275	1,473,097	1,142,224	1,280,260	1,342,367	1,339,907	1,320,636
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	889,252	900,382	912,000	923,061	936,014	940,288	933,651
Motor Vehicle License Tax Motor Vehicle Sales Tax	491,406 538,718	483,991 533,261	477,323 512,662	501,441 442,627	531,551 453,563	557,175 506,035	580,240 558,379	623,210 597,785	652,951 640,272	687,115 694,265	702,306 714,496	762,475 755,600	789,075 808,100	812,675 849,500	830,475 888,900	841,275 914,700
Statewide Property Tax	631,279	665.744	704.246	729,373	766,831	766.926	799.333	811.388	835.554	838.080	853,780	838,331	861.166	881.010	900.247	922,971
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	554,751	584,236	611,446	636,717	668,510	467,273	022,371
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	2,056,285	2,118,984	2,073,882	2,099,572	2,119,444	2,160,790	2,205,508
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	23,060,603	23,683,455	24,030,276	25,246,437	26,486,764	27,151,436	27,765,636
Non-Tax Revenues:																
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	1.138.905	1.169.798	1.129.924	1.107.549	1.107.547	1.113.698	1.108.712
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	93,588	123,734	143,597	152,522	172,514	198,014	200,591
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	1,629,700	1,640,893	1,637,900	1,637,900	1,637,900	1,637,900	1,637,900
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	175,399	170,747	171,238	158,453	154,296	152,052	149,436	146,724
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,188,278	697,950	668,377	671,881	669,040
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	3,953,173	4,413,549	4,258,152	3,750,217	3,738,390	3,770,929	3,762,967
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	27,013,776	28,097,004	28,288,428	28,996,654	30,225,154	30,922,365	31,528,603
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	10,564,728	10,930,643	11,405,999	12,101,725	12,312,934	12,690,424	13,156,522
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	37,578,504	39,027,647	39,694,427	41,098,379	42,538,088	43,612,789	44,685,125
Local Non-School Revenues																
Tax Revenues:																
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	5,447,952	5,575,309	5,800,945	6,044,708	6,314,062	6,578,385	6,835,625
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	346,540	372,913	421,657	430,457	445,055	466,494	487,608	507,130
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	223,850	222,893	222,117	217,988	227,916	238,469	244,850
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	5,928,779	6,044,715	6,219,859	6,453,519	6,707,751	7,008,472	7,304,462	7,587,605
Non-Tax Revenues:																
Special Assessments	344,394	341,531	345,448	329,666	344,332	347,913	321,931	338,755	368,775	355,259	345,430	353,169	365,286	377,619	387,349	398,172
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	206,706	227,075	234,231	239,356	247,504	255,789	262,248	269,449
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	1,278,007	1,294,978	1,324,846	1,349,174	1,388,697	1,428,811	1,461,039	1,496,996
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(48,374)	197,075	152,871	160,515	168,540	176,967	185,816	195,107
Selected Enterprise Revenues Miscellaneous Revenues	2,943,018 498,821	3,214,027 506,124	3,294,338 531,468	3,425,271 463,039	3,468,110 615,737	3,432,935 512,230	3,586,765 504,049	3,819,575 483,034	3,786,805 489,369	3,981,481 499,612	4,131,496 557,365	4,219,270 571,261	4,361,215 591,368	4,505,343 611,853	4,620,206 666,531	4,748,356 686,012
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	6,081,288	6,555,480	6,746,239	6,892,745	7,122,610	7,356,382	7,583,189	7,794,092
	9,271,842	10,014,465	10,639,655	10,915,307	11,224,362	11,126,523	11,422,630	11,958,942	12,010,067	12,600,195	12,966,098	13,346,264	13,830,361	14,364,854	14,887,651	15,381,697
Subtotal - Local Own Source Revenues	9,211,042	10,014,405	10,039,005	10,915,307	11,224,302	11,120,523	11,422,030	11,908,942	12,010,067	12,000,195	12,900,098	13,340,204	13,030,361	14,304,834	14,007,007	10,301,097
Intergovernmental Revenue:	0.570.050	0.704.400	0.705.004	0.404.004	0.507.004	2 400 052	0.544.004	2 400 224	0.544.040	0.000.470	2 007 000	0.004.004	2 004 017	2.040.440	2 042 004	2.054.254
State Aid Local Aid	2,570,258 203.588	2,701,489 239,302	2,765,824 457,236	2,494,934 541.921	2,587,881 340.912	2,498,658 308,779	2,541,924 333,561	2,499,281 330,102	2,541,940 409,895	2,836,470 391,775	2,987,900 387,299	2,961,664 387,299	2,991,617 387,299	3,018,449 387,299	3,042,981 387,299	3,054,351 387,299
Federal Aid	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,169,494	1,121,132	985,667	1,035,303	1,055,474	1,076,584	1,098,116	1,120,078	1,142,479	1,165,329
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	3,937,502	4,263,548	4,430,673	4,425,547	4,477,032	4,525,826	4,572,759	4,606,979
•																
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	15,947,569	16,863,743	17,396,771	17,771,811	18,307,393	18,890,680	19,460,410	19,988,676

## **Price of Government**

#### February 2017 Forecast Budget State & Local Revenues as a Percent of Personal Income

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
School District Revenues																
Tax Revenues:																
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	2,339,265	2,448,645	2,619,636	2,682,165	2,858,708	3,033,360	3,180,648
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	8,664	8,599	7,846	7,880	8,000
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	2,348,173	2,457,764	2,628,300	2,690,764	2,866,554	3,041,240	3,188,648
Non-Tax Revenues:																
Fee Revenue	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,486	518,615	545,579	556,491	567,620	578,973	590,552	602,363
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	264,603	304,628	307,674	310,751	313,859	316,997	320,167
Subtotal - School District Non Tax Revenues	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	783,218	850,207	864,165	878,371	892,832	907,549	922,530
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	3,096,016	3,131,391	3,307,971	3,492,465	3,569,135	3,759,386	3,948,789	4,111,178
Intergovernmental Revenue:																
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	8,124,733	8,400,398	8,750,737	8,911,008	9,093,887	9,244,051	9,405,159
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,204	10,254	10,323	10,393
Market Value Homestead Credit	60,880	59,743	56,302	53,475	53,994 5,624	57,165	60,934	132 5,279	0	0	0 8,801	0 9,101	0	0 8,761	0	0
Homestead Agric Land MV Credit Local Aid	5,300 30,643	5,597 30,576	5,768 36,389	5,777 38,738	43,389	5,470 40,314	5,345 40,927	43,350	5,134 47,235	5,021 52,039	51,359	53,252	8,761 53,252	53,252	8,761 53,252	8,761 53,252
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	720,719	727,926	735,205	742,557	749,983
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	8,890,724	9,183,925	9,544,480	9,711,151	9,901,359	10,058,944	10,227,548
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	12,022,115	12,491,896	13,036,945	13,280,286	13,660,745	14,007,733	14,338,726
Total State, Local & School District Revenues																
Tax Revenues	22.048.660	22.992.969	23.944.410	23.312.762	23.465.518	25.297.830	26.396.208	28.259.727	30.089.178	31.453.491	32.361.078	33.112.095	34.644.952	36.361.790	37.497.138	38.541.889
Non-Tax Revenues	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,340,483	10,573,430	10,966,094	11,165,632	11,291,871	12,009,995	, ,	11,751,198	11,987,604	12,261,667	12,479,589
Intergovernmental Revenue	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,018	20,453,587	20,811,789	21,632,485	23,719,000	24,545,241	25,376,026	26,289,908	26,740,119	27,322,127	27,991,049
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	62,887,295	66,464,362	68,916,314	70,503,183	72,686,058	75,089,513	77,080,932	79,012,527
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)	(21,632,485)	(23,719,000)	(24,545,241)	(25,376,026)	(26,289,908)	(26,740,119)	(27,322,127)	(27,991,049)
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	41,254,810	42,745,362	44,371,073	45,127,157	46,396,150	48,349,394	49,758,805	51,021,478
Minnesota Personal Income	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	245,619,674	255,579,645	261,211,895	274,461,491	282,523,020	293,575,000	306,725,000	322,300,000	337,877,500	353,320,000
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	15.1%	15.3%	15.8%	15.6%	15.7%	15.4%	15.1%	15.0%	14.7%	14.4%