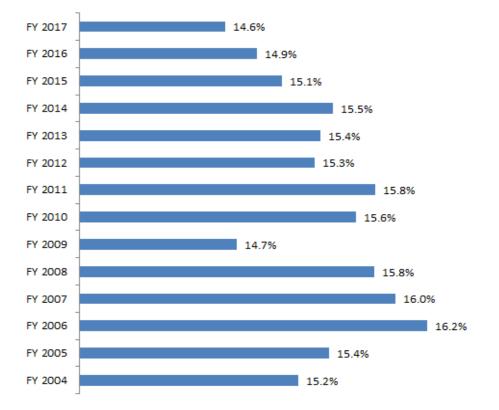
# **Price of Government**

## State and Local Government Revenues are Forecast Through 2017

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 2012, fiscal year 2013, 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 (History & 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 Reve	nues		
	(\$ in millions)			
		Percent		Percent
	<u>FY 2012</u>	<u>of Total</u>	<u>FY 2013</u>	<u>of Total</u>
State Revenues				
Tax Revenues	\$18,664		\$19,776	
Non-Tax Revenues	<u>3,953</u>		<u>3,981</u>	
Total State Revenues	22,617	61%	23,756	61%
Local Non-School Revenues				
Tax Revenues	5,570		5,834	
Non-Tax Revenues	<u>5,938</u>		<u>6,127</u>	
Total Local Non-School Rev	11,508	31%	11,962	31%
School District Revenues				
Tax Revenues	2,175		2,270	
Non-Tax Revenues	<u>771</u>		<u>784</u>	
Total School District Revenues	2,946	8%	3,054	8%
<b>Total Own Source Revenues</b>	37,071		38,772	
Minnesota Personal Income	\$241,826		\$252,230	
Governmental Revenue as Percent of Personal Income	15.3%		15.4%	

In FY 2013, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 61 percent. Counties, cities, and townships will collect about 31 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 36 percent of the total while non-school local governments will spend 37 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 2004 through FY 2017 shown by level of government.

## End of 2013 Legislative Session Price of Government

State & Local Revenues, CY 2001-2016

as a Percent of Personal Income

(\$ in Thousands)

	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
State Revenues														
Tax Revenues:														
Individual Income Tax	5,709,584	6,341,164	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,529,204	7,972,461	8,648,500	9,193,180	9,682,820	10,427,690	10,837,610
General Sales Tax	4,119,075	4,258,183	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,686,836	4,957,027	5,108,049	5,347,737	5,433,927	5,628,739	5,831,971
Corporate Income Tax	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	1,044,158	1,165,100	1,275,270	1,146,380	1,138,930	1,130,810
Gasoline & Special Fuels Taxes	653,626	656,580	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,927	851,671	843,692	841,380	841,366
Motor Vehicle License Tax	492,339	496,299	491,406	483,991	477,323	501,441	531,551	557,175	608,102	628,305	654,161	677,643	702,888	727,429
Motor Vehicle Sales Tax	593,855	557,678	538,718	533,261	512,662	442,627	453,563	506,035	558,379	598,209	622,855	658,342	698,452	736,913
Statewide Property Tax	599,622	610,874	631,279	665,744	704,246	729,373	766,831	766,926	799,333	816,701	834,521	850,781	867,967	886,963
Health Care Taxes	266,804	410,014	440,980	467,410	481,608	516,792	525,153	546,903	484,278	502,769	526,736	560,390	597,158	637,005
All Other Taxes	1,330,247	1,274,399	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,358,831	1,395,054	1,450,271	1,959,116	2,050,194	2,062,078	2,102,992
Subtotal - State Taxes	14,393,200	15,531,065	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,726,057	18,663,969	19,775,831	21,265,247	21,904,169	22,965,283	23,733,058
Non-Tax Revenues:														
Fees & Charges	861,625	892,486	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,285,126	1,248,064	1,234,156	1,073,796	1,063,660	1,061,097	1,048,303
Investment Earnings	86,107	97,660	185,763	264,747	253,303	171,748	75,683	68,572	76,899	84,562	79,679	85,547	100,059	135,015
Post-Secondary Tuition	876,000	952,785	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
Tobacco Settlements	168,467	175,488	180,790	183,911	184,411	179,854	168,297	169,375	166,861	165,144	163,042	162,197	161,336	160,673
All Other Resources	484,192	480,689	569,495	474,762	533,964	701,676	760,955	777,684	830,852	822,436	736,167	717,037	690,355	677,416
Subtotal - State Non Tax Revenues	2,476,391	2,599,108	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,899,394	3,952,675	3,980,598	3,731,384	3,707,141	3,691,548	3,700,108
Subtotal - State Own Source Revenues	16,869,591	18,130,173	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,625,451	22,616,644	23,756,429	24,996,630	25,611,310	26,656,830	27,433,166
Federal Grants	5,934,455	6,037,741	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	9,756,757	8,485,789	9,019,247	10,008,185	11,160,943	12,267,436	12,378,479
TOTAL STATE REVENUES	22,804,046	24,167,914	26,012,942	26,882,133	27,734,320	27,952,916	29,500,069	31,382,208	31,102,433	32,775,676	35,004,815	36,772,253	38,924,266	39,811,645
Local Non-School Revenues														
Tax Revenues:														
Property Tax	3,286,132	3,487,467	3,712,295	3,998,439	4,325,031	4,663,982	4,896,614	4,993,286	5,078,606	5,321,786	5,386,469	5,375,255	5,516,778	5,676,012
Sales Tax	109,805	124.986	132,799	142,405	181,214	234.312	281,459	294.897	315,752	330,117	342,078	353,105	363.790	374.069
Other Taxes	139,909	138,270	161,507	164,631	148,454	186,030	186,593	172,002	175,844	182,151	208,249	196,752	201,194	206,069
Subtotal - Local Taxes	3,535,846	3,750,723	4,006,601	4,305,475	4,654,699	5,084,324	5,364,666	5,460,185	5,570,202	5,834,053	5,936,796	5,925,112	6,081,762	6,256,150
Non-Tax Revenues:														
Special Assessments	326,123	337,068	344,394	341,531	345,448	329,666	344,332	347,810	364,395	376,233	387,489	400,196	413,566	428,224
Licenses and Permits	175,918	193.546	199,330	197,952	180,199	168.677	151,194	157.639	165,709	171,253	176,541	182.519	188.823	195.746
Charges for Services	1,055,651	1,192,728	1,075,780	1,089,702	1,166,288	1,105,485	1,122,285	1,110,473	1,133,313	1,165,252	1,195,346	1,229,525	1,265,479	1,305,013
Investment Earnings	152,660	162,378	224,633	380,413	489,121	359,674	178,693	143,816	146,092	153,396	161,066	172,341	184,404	197,313
Selected Enterprise Revenues	2,695,742	2,838,441	2,943,018	3,214,027	3,294,338	3,425,271	3,468,110	3,432,935	3,601,528	3,716,882	3,825,881	3,949,477	4,079,525	4,222,428
Miscellaneous Revenues	464,994	492,958	498,821	506,124	531,468	463,039	615,737	513,165	527,278	544,448	560,841	604,888	626,894	648,727
Subtotal - Local Non Tax Revenues	4,871,088	5,217,119	5,285,976	5,729,749	6,006,862	5,851,812	5,880,351	5,705,838	5,938,315	6,127,464	6,307,164	6,538,945	6,758,691	6,997,451
Subtotal - Local Own Source Revenues	8,406,934	8,967,842	9,292,577	10,035,224	10,661,561	10,936,136	11,245,017	11,166,023	11,508,517	11,961,517	12,243,960	12,464,057	12,840,453	13,253,600
Intergovernmental Revenue:														
State Aid	2,632,590	2,475,904	2,570,258	2,701,489	2,765,824	2,494,934	2,587,881	2,500,315	2,519,334	2,435,669	2,460,569	2,617,590	2,636,474	2,660,619
Local Aid	178,908	214,384	203,588	239,302	457,236	541,921	340,912	307,927	313,073	313,073	313,073	313,073	313,073	313,073
Federal Aid	675,464	667,368	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,194,054	1,195,735	1,187,009	1,179,955	1,179,955	1,179,955
Subtotal - Intergovernmental Revenue	3,486,962	3,357,656	3,505,590	3,719,864	4,019,038	4,041,366	4,006,597	4,026,687	4,026,461	3,944,477	3,960,650	4,110,618	4,129,502	4,153,647
TOTAL LOCAL NON-SCHOOL REVENUES	11,893,896	12,325,498	12,798,167	13,755,088	14,680,599	14,977,502	15,251,614	15,192,710	15,534,977	15,905,994	16,204,610	16,574,675	16,969,955	17,407,247

## End of 2013 Legislative Session Price of Government

State & Local Revenues, CY 2001-2016

as a Percent of Personal Income

(\$ in Thousands)

	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
School District Revenues														
Tax Revenues:														
Property Tax	1,180,578	1,277,288	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,167,684	2,262,261	2,296,888	2,321,219	2,403,132	2,473,222
Taconite Production Tax	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	7,253	6,921	6,917
Subtotal - School District Tax Revenues	1,188,609	1,285,271	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,175,363	2,269,867	2,304,145	2,328,472	2,410,053	2,480,139
Non-Tax Revenues:														
Fee Revenue	400,204	417,551	442,392	456,810	479,537	491,257	487,304	493,927	509,731	519,926	530,324	540,931	551,749	562,784
Other Miscellaneous Revenue	212,778	273,027	360,366	386,963	375,218	317,470	266,948	261,008	261,244	263,857	266,495	269,160	271,852	274,570
Subtotal - School District Non Tax Revenues	612,982	690,578	802,758	843,773	854,755	808,727	754,252	754,935	770,975	783,782	796,820	810,091	823,601	837,355
Subtotal - School Dist Own Source Revenues	1,801,591	1,975,849	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,946,338	3,053,649	3,100,964	3,138,563	3,233,654	3,317,493
Intergovernmental Revenue:														
State Aid	6,053,242	6,002,391	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,008,823	7,305,662	7,565,046	8,055,846	8,224,455	8,336,313
State Paid Tax Credits	10,411	9,593	8,706	9,440	9,489	9,425	9,592	9,567	9,074	9,746	9,856	9,658	9,658	9,658
Education Homestead Credit	239	0	0	0	0	0	0	0	0	0	0	0	0	0
Education Agricultural Credit Market Value Homestead Credit	0 68,406	0 64,239	0 60,880	0 59,743	0 56,302	0 53,475	0 53,994	0 57,165	0 56,240	0	0	0	0	0
Homestead Agric Land MV Credit	5,879	64,239 5,209	5,300	59,743	5,768	53,475	5,624	57,165	5,517	5,279	5,064	5,064	5,064	5,064
Local Aid	28,342	29,008	30,643	30,576	36,389	38,738	43,389	40,314	40,927	39,051	39,051	39,051	39,051	39,051
Federal Aid	541,432	568,689	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	703,421	710,455	717,560	724,735	731,983
Subtotal - Intergovernmental Revenue	6,707,951	6,679,129	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,917,780	8,063,159	8,329,472	8,827,179	9,002,963	9,122,069
TOTAL SCHOOL DISTRICT REVENUES	8,509,542	8,654,978	9,110,471	9,572,287	10,106,167	10,331,083	11,049,483	10,772,718	10,864,118	11,116,808	11,430,436	11,965,742	12,236,617	12,439,562
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Total State, Local & School District	Revenues													
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Tax Revenues	19,117,655	20,567,059	22,069,395	23,013,728	23,966,316	23,333,591	23,486,173	25,317,646	26,409,534	27,879,751	29,506,188	30,157,753	31,457,097	32,469,347
Non-Tax Revenues Intergovernmental Revenue	7,960,461 16,129,368	8,506,805 16,074,526	9,354,527 16,497,658	9,824,053 17,371,727	10,275,061 18,279,709	10,250,345 19,677,565	10,352,949 21,962,044	10,360,167 21,669,823	10,661,964 20,430,030	10,891,845 21,026,882	10,835,367 22,298,307	11,056,177 24,098,739	11,273,840 25,399,900	11,534,913 25,654,195

mergovernmental Revenue	10,129,300	16,074,526	10,497,030	17,371,727	16,279,709	19,077,505	21,902,044	21,009,023	20,430,030	21,020,002	22,290,307	24,096,739	25,399,900	25,054,195
TOTAL ALL REVENUES	43,207,484	45,148,390	47,921,580	50,209,508	52,521,086	53,261,501	55,801,166	57,347,636	57,501,528	59,798,478	62,639,862	65,312,670	68,130,838	69,658,454
Less: Intergovernmental Revenues	(16,129,368)	(16,074,526)	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,823)	(20,430,030)	(21,026,882)	(22,298,307)	(24,098,739)	(25,399,900)	(25,654,195)
Total Own Source Revenues	27,078,116	29,073,864	31,423,922	32,837,781	34,241,377	33,583,936	33,839,122	35,677,813	37,071,498	38,771,595	40,341,555	41,213,930	42,730,938	44,004,259
Minnesota Personal Income	178,146,750	188,330,000	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	241,825,500	252,230,000	260,920,000	273,632,500	287,297,500	300,885,000
Revenue as Percent of Personal Income	15.2%	15.4%	16.2%	16.0%	15.8%	14.7%	15.6%	15.8%	15.3%	15.4%	15.5%	15.1%	14.9%	14.6%