

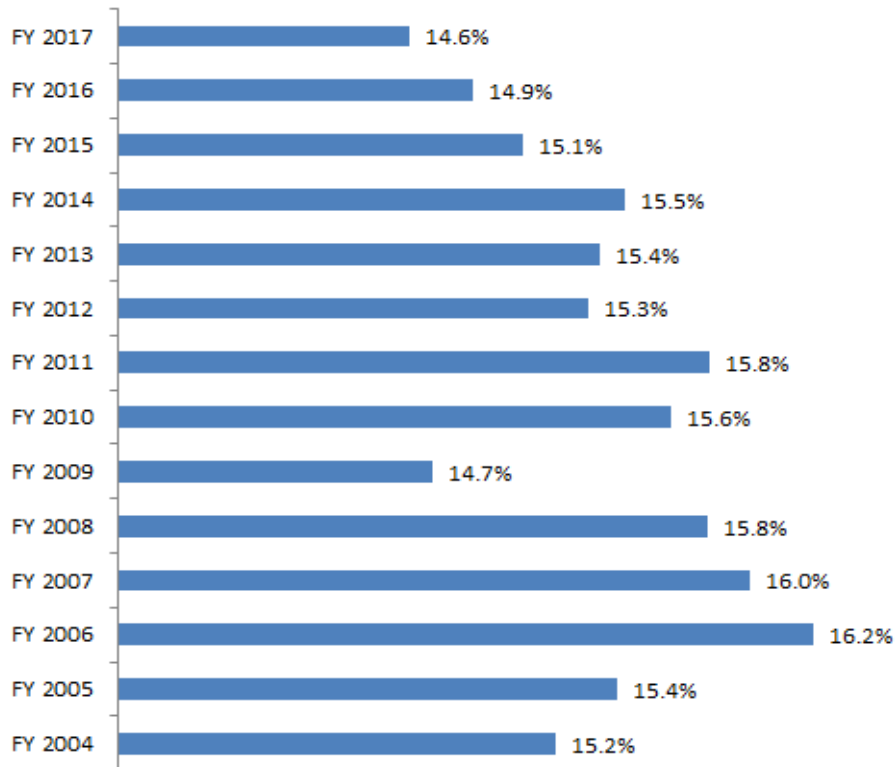
Price of Government

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 Revenues				
(\$ in millions)				
	<u>FY 2012</u>	<u>Percent of Total</u>	<u>FY 2013</u>	<u>Percent 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%
Total Own Source Revenues	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 FY 2004	CY 2004 FY 2005	CY 2005 FY 2006	CY 2006 FY 2007	CY 2007 FY 2008	CY 2008 FY 2009	CY 2009 FY 2010	CY 2010 FY 2011	CY 2011 FY 2012	CY 2012 FY 2013	CY 2013 FY 2014	CY 2014 FY 2015	CY 2015 FY 2016	CY 2016 FY 2017
School District Revenues														
<i>Tax Revenues:</i>														
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
<i>Non-Tax Revenues:</i>														
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
<i>Intergovernmental Revenue:</i>														
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Market Value Homestead Credit	68,406	64,239	60,880	59,743	56,302	53,475	53,994	57,165	56,240	0	0	0	0	0
Homestead Agric Land MV Credit	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,470	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

Total State, Local & School District Revenues

<i>Tax Revenues</i>	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
<i>Non-Tax Revenues</i>	7,960,461	8,506,805	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,360,167	10,661,964	10,891,845	10,835,367	11,056,177	11,273,840	11,534,913
<i>Intergovernmental Revenue</i>	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 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%