

Price of Government

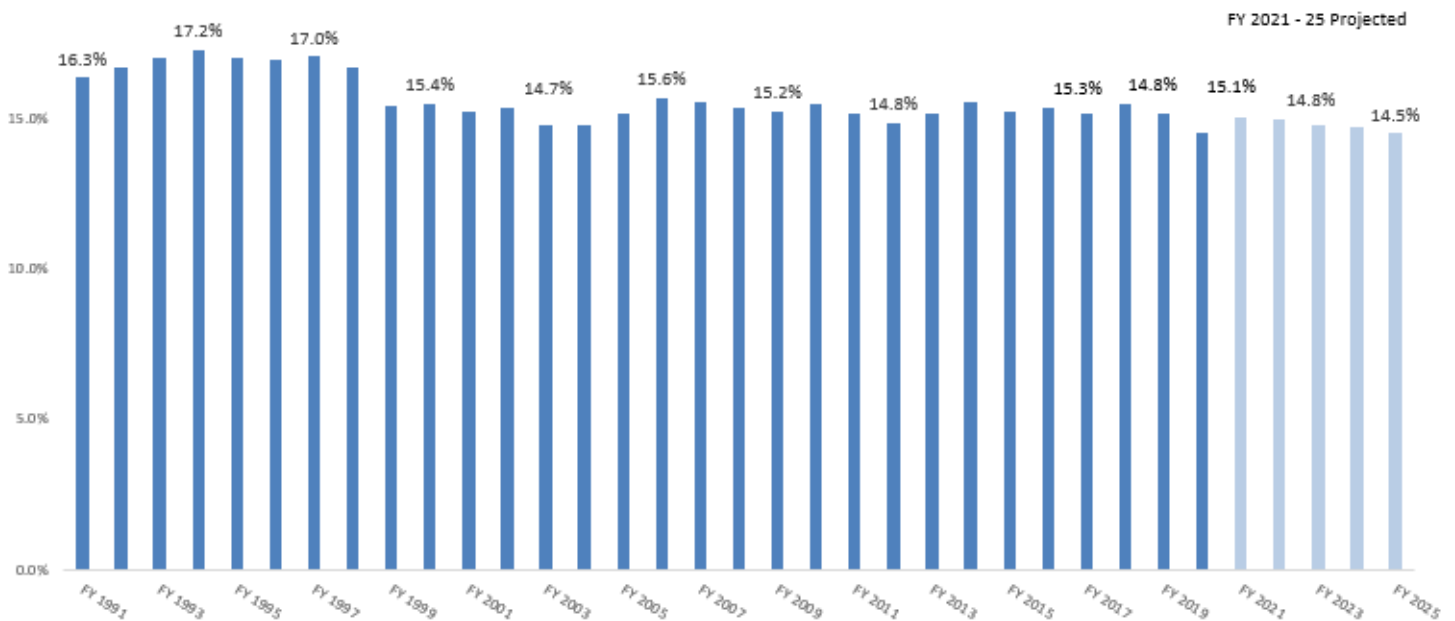
State and Local Government Revenues

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 2021, it is projected at 15 percent.

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.

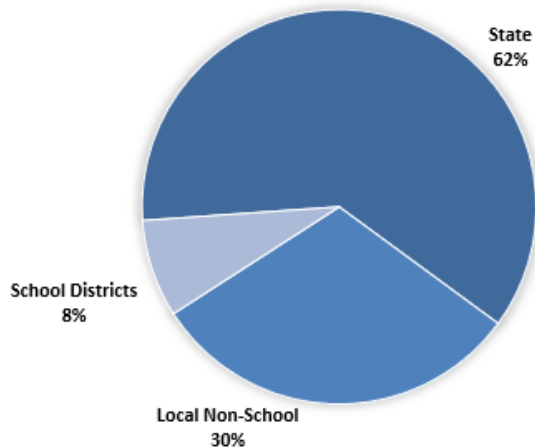
Own Source Revenues

(\$ in millions)

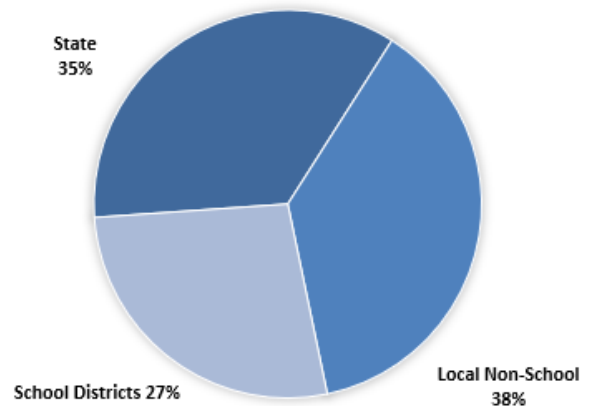
	Actual FY 2020	Percent of Total	Projected FY 2021	Percent of Total
State Revenues				
Tax Revenues	\$26,225		\$26,957	
Non-Tax Revenues	4,202		4,712	
<i>Total State Revenues</i>	<u>30,427</u>	61%	<u>31,669</u>	61%
Local Non-School Revenues				
Tax Revenues	7,674		7,955	
Non-Tax Revenues	7,794		7,997	
<i>Total Local Non-School Revenues</i>	<u>15,468</u>	31%	<u>15,953</u>	31%
School District Revenues				
Tax Revenues	3,090		3,291	
Non-Tax Revenues	836		849	
<i>Total School District Revenues</i>	<u>3,926</u>	8%	<u>4,141</u>	8%
Total Own Source Revenues	\$49,821		\$51,762	
Minnesota Personal Income	\$343,425		\$344,218	
Governmental Revenue as Percent of Personal Income	14.5%		15.0%	

In FY 2021, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 62 percent. Counties, cities, and townships will collect about 30 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 35 percent of the total while non-school local governments will spend 38 percent, and school districts will spend 27 percent.

WHO COLLECTS?



WHO SPENDS?



A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2010 through FY 2025 shown by level of government.

Personal income data is obtained from the Bureau of Economic Analysis. Minnesota Personal income is the income that Minnesota residents get from paychecks, employer-provided supplements such as insurance, business ownership, rental property, Social Security and other government benefits, interest, and dividends.

Price of Government

State & Local Revenues
as a Percent of Personal Income
November 2020 Forecast

(\$ in Thousands)	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
State Revenues																
<i>Tax Revenues:</i>																
Individual Income Tax	6,530,958	7,529,204	7,972,460	9,012,500	9,659,554	10,403,481	10,738,906	10,931,165	11,783,500	12,405,417	12,094,129	12,669,409	13,029,035	13,542,065	14,137,470	14,640,898
General Sales Tax	4,430,792	4,686,836	4,959,128	5,065,744	5,368,451	5,482,099	5,597,268	5,787,027	5,943,479	6,273,252	6,359,516	6,359,566	6,743,119	7,036,536	7,281,047	7,556,816
Corporate Income Tax	663,505	924,613	1,044,159	1,280,743	1,278,209	1,455,275	1,473,097	1,205,379	1,314,525	1,660,015	1,580,275	1,493,612	1,445,899	1,498,649	1,601,489	1,645,292
Gasoline & Special Fuels Taxes	826,753	849,534	845,177	857,362	877,702	889,252	900,382	911,548	926,730	937,793	877,793	858,415	924,000	914,500	905,449	896,487
Motor Vehicle License Tax	531,551	557,175	580,240	623,210	652,951	687,115	702,306	752,889	781,868	803,633	812,738	854,913	897,662	933,980	961,980	990,310
Motor Vehicle Sales Tax	453,563	506,035	558,379	597,785	640,272	694,265	714,496	754,284	772,358	809,852	810,040	881,200	912,800	943,000	991,100	1,048,800
Statewide Property Tax	766,831	766,926	799,333	811,388	835,554	838,080	853,780	858,389	811,376	810,627	753,318	800,723	772,462	767,776	767,957	767,970
Health Care Taxes	525,153	546,903	484,278	513,763	525,318	554,751	584,236	613,550	644,876	675,936	682,734	651,078	681,932	711,649	743,650	777,327
All Other Taxes	1,327,011	1,358,831	1,434,307	1,419,267	2,017,761	2,056,285	2,118,984	2,151,116	2,206,831	2,298,724	2,254,049	2,388,376	2,413,386	2,474,655	2,541,204	2,629,761
Subtotal - State Taxes	16,056,117	17,726,057	18,677,461	20,181,762	21,855,772	23,060,603	23,683,455	23,965,347	25,185,543	26,675,249	26,224,592	26,957,292	27,820,295	28,822,810	29,931,346	30,953,661
<i>Non-Tax Revenues:</i>																
Fees & Charges	1,265,434	1,285,126	1,205,344	1,222,131	1,180,866	1,138,905	1,169,798	1,233,836	1,210,996	1,168,979	1,233,620	1,169,115	1,181,769	1,156,056	1,154,244	1,154,081
Investment Earnings	75,683	68,572	72,194	77,114	84,431	93,588	123,734	158,871	209,640	333,780	297,892	195,350	188,749	186,803	183,355	181,722
Post-Secondary Tuition	1,447,977	1,598,637	1,630,000	1,674,300	1,678,700	1,629,700	1,640,893	1,655,173	1,681,092	1,697,717	1,725,551	1,688,300	1,688,300	1,688,300	1,688,300	1,688,300
Tobacco Settlements	168,297	169,375	166,861	170,060	175,399	170,747	171,238	168,226	166,931	162,765	152,282	153,817	150,939	148,180	145,371	142,665
All Other Resources	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,221,815	2,140,268	882,107	793,134	1,505,091	774,845	787,293	783,181	784,760
Subtotal - State Non Tax Revenues	3,718,346	3,899,394	3,928,841	4,050,276	4,292,955	3,953,173	4,413,549	4,437,921	5,408,927	4,245,348	4,202,479	4,711,673	3,984,602	3,966,632	3,954,451	3,951,528
Subtotal - State Own Source Revenues	19,774,463	21,625,451	22,606,302	24,232,038	26,148,727	27,013,776	28,097,004	28,403,268	30,594,470	30,920,597	30,427,071	31,668,965	31,804,897	32,789,442	33,885,797	34,905,189
<i>Federal Grants</i>	9,725,606	9,756,757	8,486,104	8,808,041	9,409,547	10,564,728	10,930,643	10,987,402	11,976,329	11,825,013	14,821,726	15,476,926	15,559,544	15,332,578	15,666,280	16,126,032
TOTAL STATE REVENUES	29,500,069	31,382,208	31,092,406	33,040,079	35,558,274	37,578,504	39,027,647	39,390,670	42,570,799	42,745,610	45,248,797	47,145,891	47,364,441	48,122,020	49,552,077	51,031,221

Price of Government

State & Local Revenues
as a Percent of Personal Income
November 2020 Forecast

(\$ in Thousands)	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Local Non-School Revenues																
<i>Tax Revenues:</i>																
Property Tax	4,875,947	4,973,156	5,057,424	5,300,123	5,367,186	5,447,952	5,575,309	5,800,945	6,037,866	6,349,542	6,664,735	7,004,602	7,136,527	7,441,541	7,808,317	8,186,646
Sales Tax	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	509,592	643,382	692,602	617,855	679,186	706,326	733,331	760,056
Other Taxes	186,593	172,002	175,355	176,652	215,053	261,453	264,258	278,865	278,249	297,457	316,291	332,906	333,246	336,270	347,028	363,346
Subtotal - Local Taxes	5,344,011	5,440,369	5,548,996	5,808,303	5,928,779	6,082,318	6,261,224	6,550,492	6,825,707	7,290,381	7,673,628	7,955,363	8,148,959	8,484,137	8,888,676	9,310,048
<i>Non-Tax Revenues:</i>																
Special Assessments	344,332	347,913	321,931	338,755	368,775	355,259	351,391	356,065	341,020	330,645	341,409	350,473	362,837	376,961	391,851	407,097
Licenses and Permits	151,194	157,641	170,119	189,936	206,706	227,075	236,008	244,242	264,833	267,354	275,699	283,551	294,182	306,311	319,109	332,238
Charges for Services	1,122,285	1,091,618	1,101,390	1,200,528	1,278,007	1,294,978	1,353,293	1,424,662	1,513,347	1,526,930	1,569,057	1,606,614	1,658,069	1,716,907	1,778,906	1,842,346
Investment Earnings	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,694	147,112	189,205	188,298	186,415	184,551	193,779	203,467	213,641
Selected Enterprise Revenues	3,468,110	3,432,935	3,586,765	3,819,575	3,786,805	3,981,481	4,192,176	4,339,168	4,626,712	4,718,088	4,866,102	5,000,069	5,183,499	5,393,224	5,613,942	5,839,811
Miscellaneous Revenues	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	446,054	535,306	553,799	570,109	591,545	615,782	641,072	667,041
Subtotal - Local Non Tax Revenues	5,880,351	5,686,154	5,873,634	6,150,639	6,081,288	6,555,480	6,735,854	6,975,892	7,339,078	7,567,528	7,794,364	7,997,231	8,274,683	8,602,964	8,948,347	9,302,174
Subtotal - Local Own Source Revenues	11,224,362	11,126,523	11,422,630	11,958,942	12,010,067	12,637,798	12,997,077	13,526,383	14,164,785	14,857,909	15,467,992	15,952,594	16,423,642	17,087,101	17,837,023	18,612,222
<i>Intergovernmental Revenue:</i>																
State Aid	2,587,881	2,498,658	2,541,924	2,499,281	2,541,940	2,836,470	2,980,783	3,090,735	3,033,383	3,359,138	3,474,958	3,560,377	3,552,332	3,616,324	3,656,695	3,712,112
Local Aid	340,912	308,779	333,561	330,102	409,895	391,775	375,941	378,636	527,604	331,366	385,409	385,409	385,409	385,409	385,409	385,409
Federal Aid	1,077,804	1,218,445	1,169,494	1,121,132	985,667	1,035,303	1,012,298	994,062	1,002,852	1,061,055	1,118,947	2,015,424	1,202,331	1,238,401	1,275,553	1,313,820
Subtotal - Intergovernmental Revenue	4,006,597	4,025,882	4,044,979	3,950,515	3,937,502	4,263,548	4,369,022	4,463,432	4,563,839	4,751,559	4,979,314	5,961,210	5,140,072	5,240,134	5,317,657	5,411,341
TOTAL LOCAL NON-SCHOOL REVENUES	15,230,959	15,152,405	15,467,609	15,909,457	15,947,569	16,901,346	17,366,099	17,989,815	18,728,624	19,609,468	20,447,306	21,913,804	21,563,714	22,327,235	23,154,680	24,023,563

Price of Government

State & Local Revenues
as a Percent of Personal Income
November 2020 Forecast

(\$ in Thousands)	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
School District Revenues																
<i>Tax Revenues:</i>																
Property Tax	2,056,723	2,122,599	2,162,072	2,262,056	2,297,370	2,339,265	2,448,645	2,619,632	2,682,117	2,862,966	3,082,235	3,282,425	3,353,579	3,510,890	3,673,989	3,812,713
Taconite Production Tax	8,667	8,805	7,679	7,606	7,257	8,908	9,119	8,664	8,598	8,088	7,851	8,995	10,219	9,665	9,765	9,865
Subtotal - School District Tax Revenues	2,065,390	2,131,404	2,169,751	2,269,662	2,304,627	2,348,173	2,457,764	2,628,296	2,690,715	2,871,054	3,090,086	3,291,420	3,363,798	3,520,555	3,683,754	3,822,578
<i>Non-Tax Revenues:</i>																
Fee Revenue	487,304	493,927	509,731	516,350	526,486	518,615	545,579	567,228	586,260	609,841	495,575	505,487	515,596	525,908	536,427	547,155
Other Miscellaneous Revenue	266,948	261,008	261,224	248,829	264,903	264,603	304,628	295,130	315,310	353,881	340,469	343,874	347,313	350,786	354,294	357,837
Subtotal - School District Non Tax Revenues	754,252	754,935	770,955	765,179	791,389	783,218	850,207	862,358	901,570	963,722	836,044	849,361	862,909	876,694	890,721	904,992
Subtotal - School Dist Own Source Revenues	2,819,642	2,886,339	2,940,706	3,034,841	3,096,016	3,131,391	3,307,971	3,490,654	3,592,285	3,834,776	3,926,130	4,140,781	4,226,707	4,397,249	4,574,475	4,727,570
<i>Intergovernmental Revenue:</i>																
State Aid	6,755,240	6,868,597	7,007,915	7,285,035	7,527,881	8,124,733	8,401,294	8,756,732	9,081,450	9,377,205	9,648,155	9,896,941	10,032,563	10,255,567	10,428,789	10,577,941
State Paid Tax Credits	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,545	10,528	12,563	12,626	12,146	12,207	12,273
Education Homestead Credit	0	0	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	0	0
Market Value Homestead Credit	53,994	57,165	60,934	132	0	0	0	0	0	0	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,624	5,470	5,345	5,279	5,134	5,021	8,801	9,101	8,667	8,544	8,683	8,410	8,096	8,096	8,096	8,096
Ag School Bond Credit						0	0	0	0	36,033	38,055	57,040	63,685	69,933	84,200	86,811
Local Aid	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,215	50,412	50,245	50,709	50,709	50,709	50,709	50,709	50,709
Federal Aid	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	744,012	749,207	775,769	825,004	1,219,362	799,275	807,268	815,341	823,494
Subtotal - Intergovernmental Revenue	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,890,724	9,184,821	9,570,731	9,900,189	10,258,341	10,581,134	11,245,025	10,966,954	11,203,719	11,399,342	11,559,324
TOTAL SCHOOL DISTRICT REVENUES	11,049,483	10,772,718	10,863,210	11,088,074	11,381,452	12,022,115	12,492,792	13,061,385	13,492,474	14,093,117	14,507,264	15,385,806	15,193,661	15,600,968	15,973,817	16,286,894

Price of Government

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November 2020 Forecast

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Total State, Local & School District Revenues																
<i>Tax Revenues</i>	23,465,518	25,297,830	26,396,208	28,259,727	30,089,178	31,491,094	32,402,442	33,144,135	34,701,965	36,836,684	36,988,306	38,204,075	39,333,052	40,827,502	42,503,776	44,086,287
<i>Non-Tax Revenues</i>	10,352,949	10,340,483	10,573,430	10,966,094	11,165,632	11,291,871	11,999,610	12,276,170	13,649,575	12,776,598	12,832,887	13,558,265	13,122,194	13,446,290	13,793,519	14,158,694
<i>Intergovernmental Revenue</i>	21,962,044	21,669,018	20,453,587	20,811,789	21,632,485	23,719,001	24,484,486	25,021,565	26,440,357	26,834,913	30,382,174	32,683,161	31,666,570	31,776,431	32,383,279	33,096,697
TOTAL ALL REVENUES	55,780,511	57,307,331	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,441,870	74,791,897	76,448,195	80,203,367	84,445,501	84,121,816	86,050,223	88,680,574	91,341,678
Less: Intergovernmental Revenues	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,001)	(24,484,486)	(25,021,565)	(26,440,357)	(26,834,913)	(30,382,174)	(32,683,161)	(31,666,570)	(31,776,431)	(32,383,279)	(33,096,697)
Total Own Source Revenues	33,818,467	35,638,313	36,969,638	39,225,821	41,254,810	42,782,964	44,402,052	45,420,305	48,351,540	49,613,282	49,821,193	51,762,340	52,455,246	54,273,792	56,297,295	58,244,981
Minnesota Personal Income	219,236,748	235,749,813	249,438,151	258,699,388	265,615,524	281,757,631	289,644,428	299,902,370	313,037,772	327,319,507	343,424,885	344,217,500	350,750,000	367,200,000	383,450,000	402,360,000
Revenue as Percent of Personal Income	15.4%	15.1%	14.8%	15.2%	15.5%	15.2%	15.3%	15.1%	15.4%	15.2%	14.5%	15.0%	15.0%	14.8%	14.7%	14.5%