

Price of Government

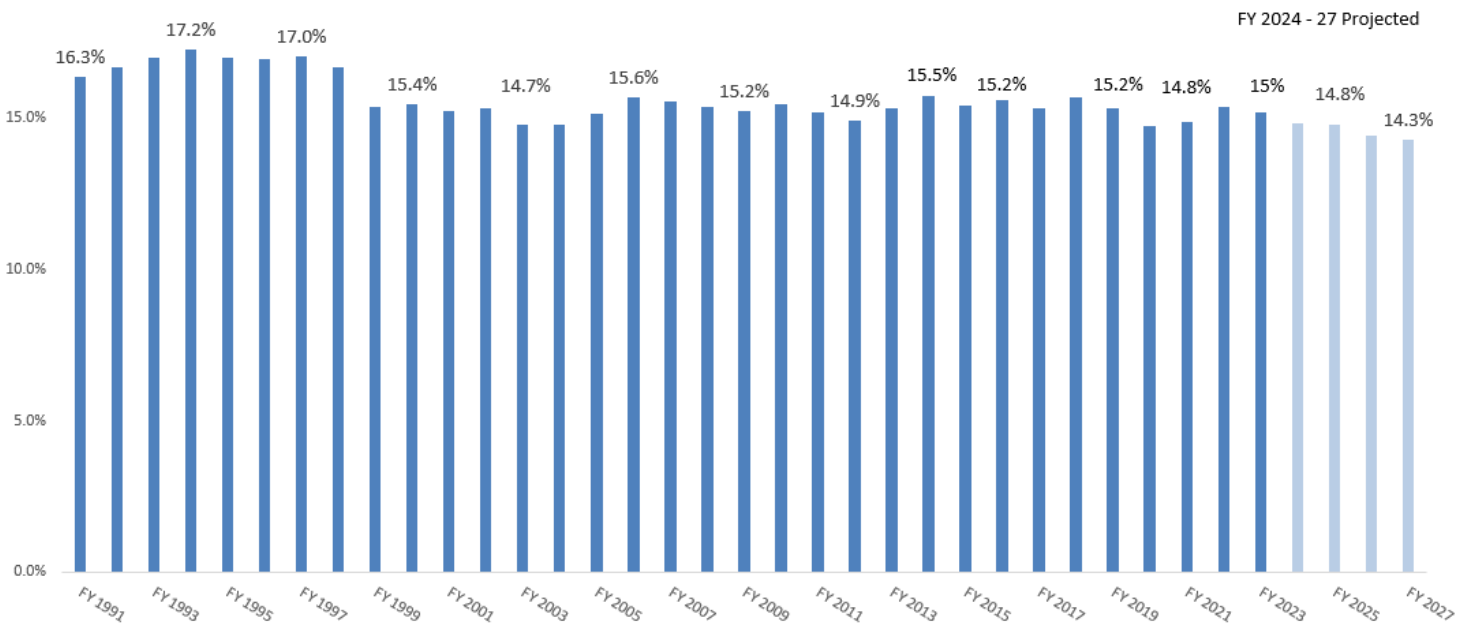
State and Local Government Revenues

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 2024, it is projected at 14.8 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.

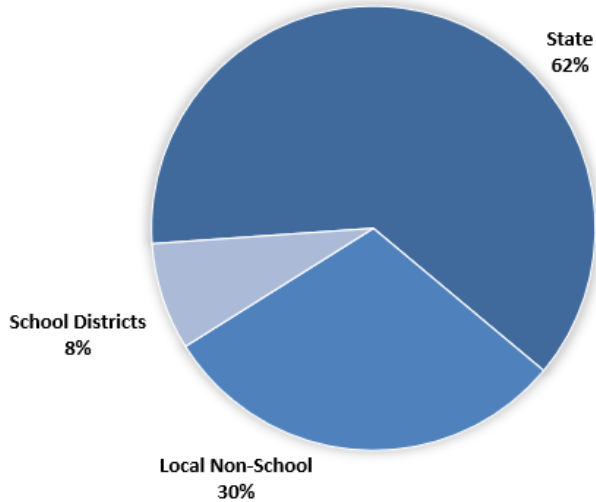
Own Source Revenues

(\$ in millions)

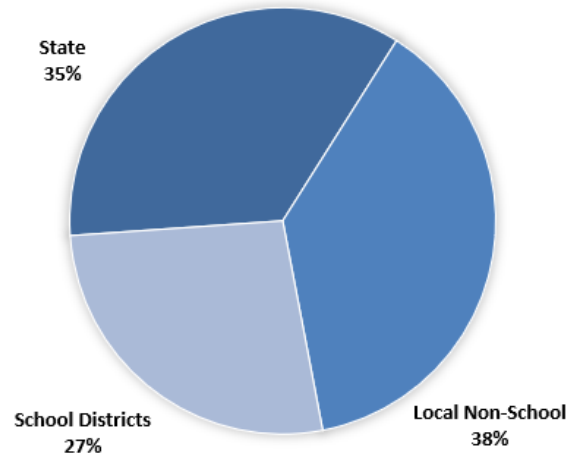
	Projected FY 2024	Percent of Total	Projected FY 2025	Percent of Total
State Revenues				
Tax Revenues	\$32,396		\$35,516	
Non-Tax Revenues	5,143		4,514	
<i>Total State Revenues</i>	38,538	62%	40,030	62%
Local Non-School Revenues				
Tax Revenues	9,280		10,279	
Non-Tax Revenues	9,319		9,671	
<i>Total Local Non-School Revenues</i>	18,599	30%	19,950	31%
School District Revenues				
Tax Revenues	3,707		3,882	
Non-Tax Revenues	1,131		1,149	
<i>Total School District Revenues</i>	4,838	8%	5,031	8%
Total Own Source Revenues	\$61,976		\$65,011	
Minnesota Personal Income	\$418,722		\$439,950	
Governmental Revenue as Percent of Personal Income	14.8%		14.8%	

In FY 2024, 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 2027 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
February 2024 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	Actual FY 2021	Actual FY 2022	Actual FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
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	14,103,661	16,872,708	15,777,561	14,810,000	15,986,000	16,427,500	17,234,500
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	6,791,570	7,300,143	8,179,886	8,489,328	8,895,751	9,194,488	9,539,074
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	2,387,370	2,822,875	2,928,921	2,999,946	3,162,265	3,137,382	3,149,155
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	844,604	894,977	882,012	874,000	905,219	964,822	974,964
Cannabis Gross Receipts Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,900	15,100	44,000	65,800
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	853,998	823,069	824,455	917,660	1,056,980	1,163,783	1,222,524
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	981,738	986,044	1,060,544	1,166,030	1,144,420	1,173,320	1,218,990
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	803,134	774,121	765,246	732,459	743,297	745,381	745,418
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	635,367	747,824	738,680	766,166	858,904	900,020	940,343
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	2,559,603	2,669,809	2,602,995	2,631,078	2,747,611	2,829,112	2,918,733
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	29,961,045	33,891,571	33,760,300	33,395,567	35,515,547	36,579,808	38,009,501
<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	1,268,688	1,242,606	1,173,088	1,306,498	1,301,253	1,312,003	1,325,947
Investment Earnings	75,683	68,572	72,194	77,114	84,431	93,588	123,734	158,871	209,640	333,780	297,892	148,315	184,192	846,247	1,059,207	543,424	354,279	305,263
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	1,725,680	1,690,100	1,669,826	1,677,399	1,703,481	1,703,481	1,703,481	1,703,481
Tobacco Settlements	168,297	169,375	166,861	170,060	175,399	170,747	171,238	168,226	166,931	162,765	152,282	254,190	192,965	197,247	175,163	174,721	173,860	172,652
All Other Resources	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	974,269	2,140,268	882,107	793,134	1,640,090	974,269	1,233,161	898,356	791,378	780,484	779,812
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	4,190,375	5,408,927	4,245,348	4,202,608	5,001,383	4,263,858	5,127,142	5,142,705	4,514,257	4,324,107	4,287,155
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	28,155,722	30,594,470	30,920,597	30,427,200	34,962,428	38,155,429	38,887,442	38,538,272	40,029,804	40,903,915	42,296,656
<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	16,839,875	21,460,920	19,980,239	21,887,276	20,945,016	20,470,164	20,743,507
TOTAL STATE REVENUES	29,500,069	31,382,208	31,092,406	33,040,079	35,558,274	37,578,504	39,027,647	39,143,124	42,570,799	42,745,610	45,248,926	51,802,303	59,616,349	58,867,681	60,425,548	60,974,820	61,374,079	63,040,163

Price of Government

State & Local Revenues
as a Percent of Personal Income
February 2024 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	Actual FY 2021	Actual FY 2022	Actual FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
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	7,004,601	7,150,037	7,460,373	7,890,167	8,403,806	8,880,329	9,342,048
Sales Tax	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	509,592	643,382	692,577	628,888	724,300	850,864	1,023,320	1,495,544	1,529,055	1,575,655
Other Taxes	186,593	172,002	175,355	176,652	215,053	261,453	264,258	278,865	278,249	297,457	308,983	329,740	338,732	356,817	366,344	379,676	376,937	380,198
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	7,666,295	7,963,229	8,213,069	8,668,054	9,279,831	10,279,026	10,786,321	11,297,901
<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	335,367	342,274	374,687	407,861	420,751	436,569	455,294	475,903
Licenses and Permits	151,194	157,641	170,119	189,936	206,706	227,075	236,008	244,242	264,833	267,354	285,703	265,548	293,343	321,284	332,397	346,440	363,210	381,996
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	1,578,810	1,427,088	1,614,623	1,749,304	1,801,672	1,866,762	1,943,128	2,026,785
Investment Earnings	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,694	147,112	189,205	413,142	268,347	9,708	230,922	235,540	247,317	259,683	272,667
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	4,724,114	4,957,367	5,256,576	5,615,631	5,786,756	6,004,398	6,263,220	6,548,452
Miscellaneous Revenues	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	446,054	535,306	692,458	686,811	671,025	719,914	742,057	769,849	802,647	838,683
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	8,029,594	7,947,435	8,219,962	9,044,916	9,319,173	9,671,335	10,087,182	10,544,486
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	15,695,889	15,910,664	16,433,031	17,712,970	18,599,004	19,950,361	20,873,503	21,842,387
<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	3,517,368	3,683,839	3,543,466	3,689,711	4,961,579	4,483,090	4,516,100	4,599,202
Local Aid	340,912	308,779	333,561	330,102	409,895	391,775	375,941	378,636	527,604	331,366	371,811	399,990	401,890	397,110	397,110	397,110	397,110	397,110
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	1,065,797	2,307,605	1,615,558	2,811,591	1,126,778	1,160,581	1,195,399	1,231,261
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	4,751,560	4,954,975	6,391,434	5,560,914	6,898,412	6,485,468	6,040,781	6,108,609	6,227,573
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	19,609,469	20,650,865	22,302,098	21,993,945	24,611,382	25,084,472	25,991,142	26,982,112	28,069,960

Price of Government

State & Local Revenues
as a Percent of Personal Income
February 2024 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	Actual FY 2021	Actual FY 2022	Actual FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
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	3,088,007	3,282,667	3,347,758	3,362,032	3,698,565	3,873,841	4,013,314	4,178,457
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	8,353	8,395	8,274	9,432	9,432
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	3,095,858	3,291,662	3,357,977	3,370,384	3,706,960	3,882,115	4,022,746	4,187,888
<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	509,976	287,311	440,878	628,354	640,921	653,740	666,814	680,151
Other Miscellaneous Revenue	266,948	261,008	261,224	248,829	264,903	264,603	304,628	295,130	315,310	353,881	340,552	249,881	305,856	485,490	490,345	495,248	500,201	505,203
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	850,528	537,192	746,734	1,113,844	1,131,266	1,148,988	1,167,015	1,185,353
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	3,946,386	3,828,854	4,104,711	4,484,228	4,838,226	5,031,103	5,189,761	5,373,242
<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	9,608,665	9,686,331	9,755,722	10,022,367	11,813,572	11,969,936	12,274,506	12,764,131
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	12,320	9,583	11,265	10,696	10,917	11,074	10,534
Education Homestead Credit	0	0	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	0	0
Market Value Homestead Credit	53,994	57,165	60,934	132	0	0	0	0	0	0	0	21	28	11	5	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	7,376	7,631	7,304	7,476	7,476	7,476
Ag School Bond Credit						0	0	0	0	36,033	38,055	57,040	62,672	70,867	87,673	108,334	116,765	122,415
Local Aid	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,215	50,412	50,245	48,760	51,118	74,795	73,525	73,161	73,161	73,161	73,161
Federal Aid	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	744,012	749,207	775,769	825,597	1,447,341	1,960,937	1,699,439	966,004	1,004,690	1,044,924	1,086,770
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	10,540,287	11,262,581	11,871,113	11,885,105	12,958,414	13,174,514	13,527,906	14,064,487
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	14,486,673	15,091,435	15,975,824	16,369,333	17,796,640	18,205,617	18,717,667	19,437,729

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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	36,986,745	41,215,936	45,462,617	45,798,738	46,382,358	49,676,688	51,388,875	53,495,290
<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	12,028,624	13,649,575	12,776,598	13,082,730	13,486,010	13,230,555	15,285,902	15,593,144	15,334,580	15,578,304	16,016,994
<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	26,834,914	30,316,989	34,493,890	38,892,947	38,763,756	41,331,158	40,160,311	40,106,679	41,035,567
TOTAL ALL REVENUES	55,780,511	57,307,331	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,194,324	74,791,897	76,448,195	80,386,464	89,195,836	97,586,118	99,848,396	103,306,660	105,171,579	107,073,858	110,547,851
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)	(26,834,914)	(30,316,989)	(34,493,890)	(38,892,947)	(38,763,756)	(41,331,158)	(40,160,311)	(40,106,679)	(41,035,567)
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	45,172,759	48,351,540	49,613,282	50,069,475	54,701,946	58,693,171	61,084,640	61,975,503	65,011,268	66,967,179	69,512,284
Minnesota Personal Income	218,936,983	235,096,020	248,148,561	256,807,271	262,615,380	277,951,024	285,384,394	295,626,794	308,532,101	324,243,062	340,609,063	368,022,862	382,681,768	403,311,315	418,721,904	439,950,000	464,527,500	487,700,000
Revenue as Percent of Personal Income	15.4%	15.2%	14.9%	15.3%	15.7%	15.4%	15.6%	15.3%	15.7%	15.3%	14.7%	14.9%	15.3%	15.1%	14.8%	14.8%	14.4%	14.3%