

**FY14-15 Preliminary Supplemental Budget--General Fund**

\$ in millions

	<u><b>2014-15</b></u>
<b>Framework</b>	
February Forecast Surplus	\$1,233
Tax Reductions	<u>(616)</u>
Balance Available for Budget Reserve	617
Essential Expenditures	<u>162</u>
Budget Reserve Increase	\$455

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## Tax Reductions

Middle Class Tax Cuts	\$301
<ul style="list-style-type: none"><li>• Eliminate marriage penalty for over a million married taxpayers</li><li>• Expand and increase the working family credit to more families</li><li>• Increase the child care credit and increase its income eligibility</li><li>• Provide benefits for employer-provided adoption and education assistance</li><li>• Relieve tax burden for people who suffered a foreclosure on their homes</li></ul>	
Reduce Taxes for Minnesota Businesses (B2B)	232
<ul style="list-style-type: none"><li>• Eliminate sales tax on warehousing</li><li>• Eliminate sales tax on repairing and maintaining certain business equipment</li><li>• Eliminate sales tax on repairing and maintaining certain farm equipment</li><li>• Eliminate sales tax on certain telecommunications equipment</li></ul>	
Eliminate Gift Tax	18
Simplify Estate Tax	25
<ul style="list-style-type: none"><li>• Reform rates</li><li>• Increase exemption amount</li></ul>	
Invest in Innovation and Jobs -- Angel Tax Credit	15
<ul style="list-style-type: none"><li>• Direct tax credit to those who invest in startups and hi-tech businesses</li></ul>	
Reduce Taxes for Local Governments	25
<ul style="list-style-type: none"><li>• Eliminate sales taxes for most purchases made by local government districts (i.e. watershed districts), and local joint powers entities that provide shared services for cities, counties, and townships</li></ul>	
<b>Subtotal</b>	<b>\$616</b>

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## Essential Expenditures

<u>Department of Commerce</u>	
• Additional Low-Income Home Energy Assistance Program (LIHEAP) Funding	\$20.0
<u>Department of Corrections</u>	
• Operating Increase to Retain Critical Staff	19.0
• Operating Increase for Prison Population Growth	11.1
<u>Minnesota Department of Education</u>	
• Post Secondary Enrollment Options (PSEO) Formula Corrections	(2.7)
• Fully Fund Reduced Price School Lunch	3.5
<u>Department of Employment and Economic Development</u>	
• Olmstead Implementation	0.5
<u>Department of Human Services</u>	
• Andrew Residence Rate Adjustment	0.7
• C.A.R.E. Deficiency Funding Request	2.0
• Coordination of Benefits Registry	(0.1)
• HCBS 4% Rate Increase for Providers, with Quality Component	64.3
• HCBS PPIP and Quality Add-On Correction	(0.1)
• Jensen Settlement Compliance	1.4
• MSOP Expert Review	3.0
• State Operated Services and MSOP Operating Increases	11.0
<u>Minnesota Management and Budget</u>	
• Additional Debt Service Costs for the Governor's Recommended Bonding Bill	3.0
<u>Department of Public Safety</u>	
• Capitol Security Task Force Recommendations	2.0
<u>Department of Revenue</u>	
• Tax Conformity Administration	1.1
<u>State Academies</u>	
• Operating Increase	0.3
<u>MN State Colleges and Universities</u>	
• Operating Increase	17.0
<u>University of Minnesota</u>	
• Operating Increase	5.0
<b><i>Subtotal</i></b>	<b><i>\$162.0</i></b>