

Price of Government

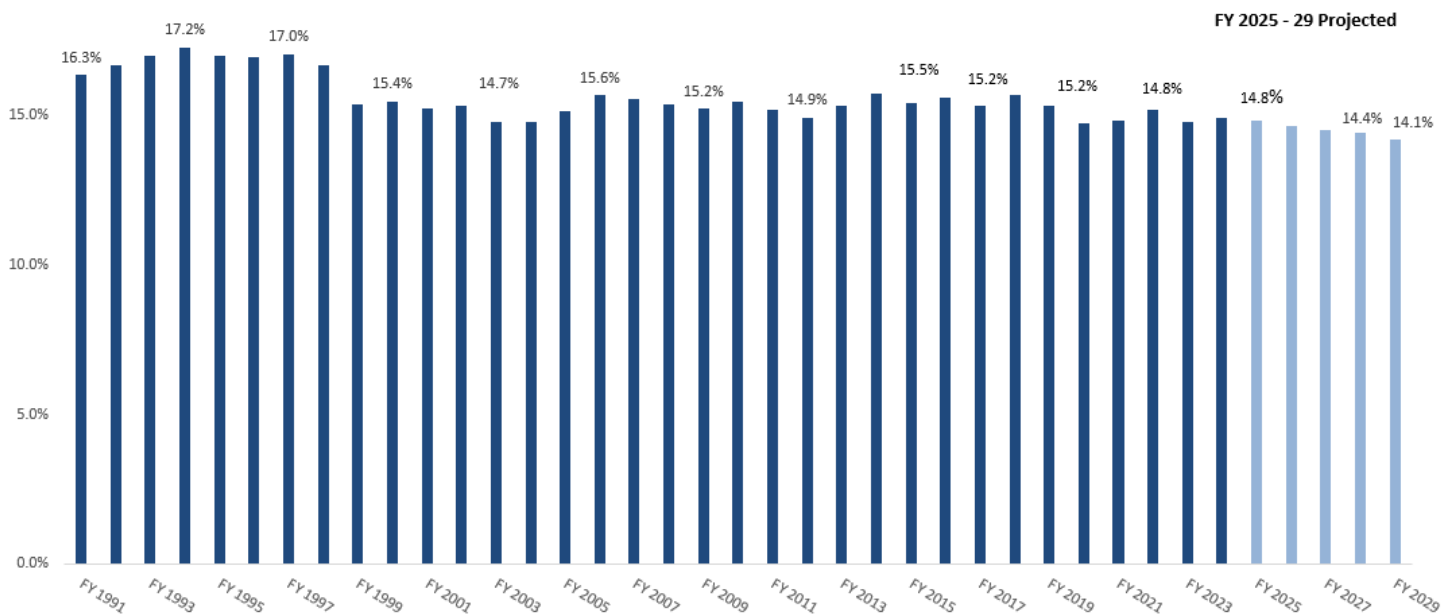
State and Local Government Revenues

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 2026, it is projected at 14.6 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.

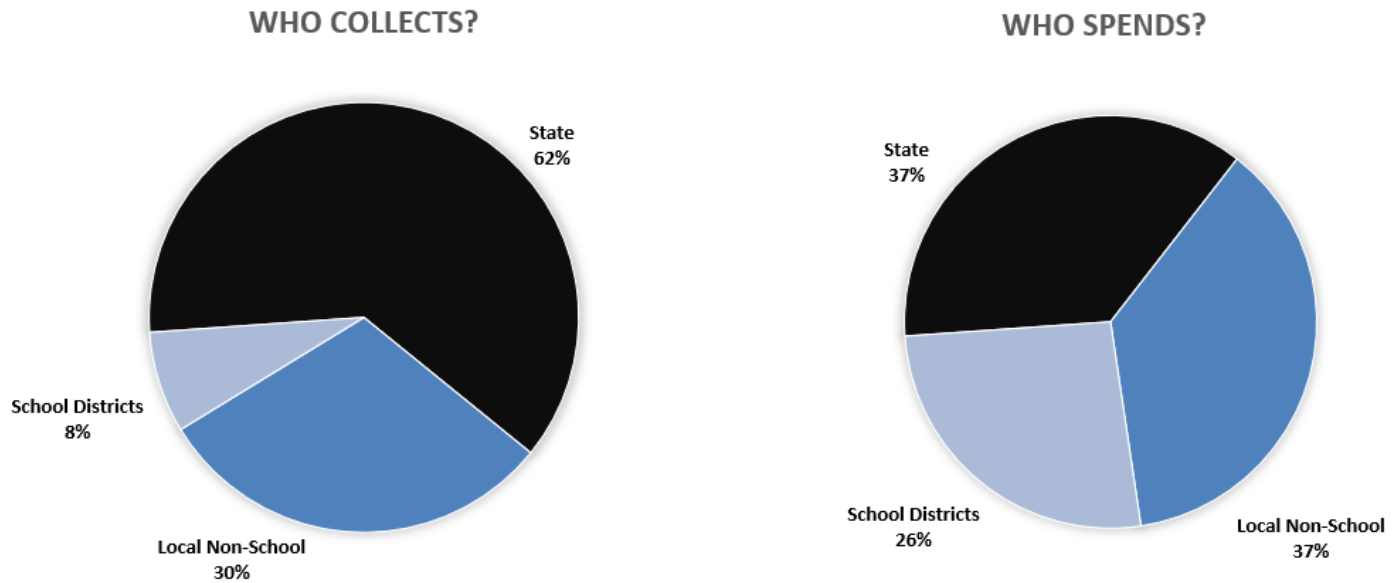
The following table shows the revenues collected at each level of government, excluding federal grants, and excluding intergovernmental revenues such as state aid to school districts, cities, and counties. The results are called “own source” revenues and represent the taxes, fees, and charges at each level of government.

Own Source Revenues

(\$ in millions)

	Projected FY 2026	Percent of Total	Projected FY 2027	Percent of Total
State Revenues				
Tax Revenues	\$36,738		\$38,518	
Non-Tax Revenues	5,329		5,190	
<i>Total State Revenues</i>	<u>42,066</u>	62%	<u>43,708</u>	62%
Local Non-School Revenues				
Tax Revenues	10,859		11,529	
Non-Tax Revenues	9,803		10,268	
<i>Total Local Non-School Revenues</i>	<u>18,357</u>	30%	<u>19,624</u>	31%
School District Revenues				
Tax Revenues	3,991		4,171	
Non-Tax Revenues	1,181		1,198	
<i>Total School District Revenues</i>	<u>5,172</u>	8%	<u>5,370</u>	8%
Total Own Source Revenues	\$67,901		\$70,875	
Minnesota Personal Income	\$464,260		\$488,560	
Governmental Revenue as Percent of Personal Income	14.6%		14.5%	

In FY 2026, 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 37 percent of the total, while non-school local governments will spend 37 percent, and school districts will spend 26 percent.



A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2012 through FY 2029 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
End of 2025 Legislative Session

(\$ in Thousands)	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	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
State Revenues																		
<i>Tax Revenues:</i>																		
Individual Income Tax	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	14,873,007	15,552,979	16,331,771	16,665,933	17,532,722	18,203,750
General Sales Tax	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	8,454,518	8,614,479	9,014,630	9,402,069	9,655,649	9,934,121
Corporate Income Tax	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	3,171,237	3,304,391	3,162,046	3,173,099	3,197,872	3,278,659
Gasoline & Special Fuels Taxes	845,177	857,362	877,702	889,252	900,382	911,548	926,730	937,793	877,793	844,604	894,977	882,012	886,582	934,132	1,001,578	1,007,489	1,013,340	1,028,241
Motor Vehicle License Tax	580,240	623,210	652,951	687,115	702,306	752,889	781,868	803,633	812,738	853,998	823,069	824,455	903,271	1,048,202	1,160,452	1,229,361	1,277,592	1,330,324
Motor Vehicle Sales Tax	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	1,128,640	1,148,130	1,246,850	1,317,020	1,384,820	1,454,440
Statewide Property Tax	799,333	811,388	835,554	838,080	853,780	858,389	811,376	810,627	753,318	803,134	774,121	765,246	717,866	744,389	746,604	745,029	745,138	745,170
Health Care Taxes	484,278	513,763	525,318	554,751	584,236	613,550	644,876	675,936	682,734	635,367	747,824	738,680	869,686	946,230	855,790	916,220	964,620	1,009,420
All Other Taxes	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	2,581,395	2,743,787	3,217,786	4,062,110	4,185,918	4,306,616
Subtotal - State Taxes	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	33,586,202	35,036,719	36,737,507	38,518,330	39,957,671	41,290,741
<i>Non-Tax Revenues:</i>																		
Fees & Charges	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	1,351,721	1,403,601	1,475,519	1,512,552	1,781,723	1,523,974
Investment Earnings	72,194	77,114	84,431	93,588	123,734	158,871	209,640	333,780	297,892	148,315	184,192	846,247	1,366,991	1,164,308	917,196	721,354	559,079	270,438
Post-Secondary Tuition	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	1,714,806	1,801,339	1,929,288	1,929,288	1,929,288	1,929,288
Tobacco Settlements	166,861	170,060	175,399	170,747	171,238	168,226	166,931	162,765	152,282	254,190	192,965	197,247	169,801	170,424	164,704	214,801	149,396	143,046
All Other Resources	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	1,773,270	1,156,573	842,201	811,645	809,605	799,874
Subtotal - State Non Tax Revenues	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	6,376,589	5,696,245	5,328,908	5,189,640	5,229,091	4,666,620
Subtotal - State Own Source Revenues	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	39,962,791	40,732,964	42,066,415	43,707,970	45,186,762	45,957,361
Federal Grants	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	18,676,018	23,248,916	24,075,017	22,617,850	23,921,283	23,974,309
TOTAL STATE REVENUES	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	58,638,809	63,981,880	66,141,432	66,325,820	69,108,045	69,931,670
Local Non-School Revenues																		
<i>Tax Revenues:</i>																		
Property Tax	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	8,417,556	8,957,278	9,547,596	10,156,258	10,810,835
Sales Tax	316,217	331,528	346,540	372,913	421,657	470,681	509,592	643,382	692,577	628,888	724,300	851,559	992,212	1,426,790	1,517,300	1,583,200	1,637,000	1,685,700
Other Taxes	175,355	176,652	215,053	261,453	264,258	278,865	278,249	297,457	308,983	329,740	338,732	349,914	356,547	376,022	384,471	398,149	408,950	421,029
Subtotal - Local Taxes	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	8,661,846	9,238,926	10,220,368	10,859,049	11,528,946	12,202,207	12,917,564
<i>Non-Tax Revenues:</i>																		
Special Assessments	321,931	338,755	368,775	355,259	351,391	356,065	341,020	330,645	335,367	342,274	374,687	348,589	355,302	366,819	382,219	400,187	418,628	438,347
Licenses and Permits	170,119	189,936	206,706	227,075	236,008	244,242	264,833	267,354	285,703	265,548	293,343	320,445	326,459	337,310	351,829	368,777	386,184	404,807
Charges for Services	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	1,721,077	1,754,297	1,810,720	1,884,595	1,970,028	2,057,677	2,151,125
Investment Earnings	189,380	118,811	(48,374)	197,075	101,746	107,694	147,112	189,205	413,142	268,347	9,708	(379,256)	236,585	248,414	260,835	273,876	287,570	301,949
Selected Enterprise Revenues	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	5,585,347	5,685,138	5,871,458	6,122,565	6,416,309	6,717,580	7,039,813
Miscellaneous Revenues	504,049	483,034	489,369	499,612	501,240	504,062	446,054	535,306	692,458	686,811	671,025	730,465	743,993	768,490	801,115	839,109	878,101	919,767
Subtotal - Local Non Tax Revenues	5,873,634	6,150,639	6,081,288	6,555,480	6,735,854	6,975,892	7,339,078	7,567,528	8,029,595	7,947,434	8,219,962	8,326,667	9,101,774	9,403,211	9,803,157	10,268,286	10,745,740	11,255,807
Subtotal - Local Own Source Revenues	11,422,630	11,958,942	12,010,067	12,637,798	12,997,077	13,526,383	14,164,785	14,857,909	15,695,890	15,910,663	16,433,030	16,988,513	18,340,700	19,623,579	20,662,206	21,797,231	22,947,948	24,173,372
<i>Intergovernmental Revenue:</i>																		
State Aid	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	3,747,845	4,992,109	4,620,824	4,536,773	4,573,972	4,613,735	4,659,207
Local Aid	333,561	330,102	409,895	391,775	375,941	378,636	527,604	331,366	371,811	399,990	401,890	487,403	409,864	409,864	409,864	409,864	409,864	409,864
Federal Aid	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	2,092,636	1,955,938	1,160,484	1,172,088	1,183,809	1,195,716	1,207,743
Subtotal - Intergovernmental Revenue	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	6,327,884	7,357,911	6,191,172	6,118,726	6,167,646	6,219,315	6,276,814
TOTAL LOCAL NON-SCHOOL REVENUES	15,467,609	15,909,457	15,947,569	16,901,346	17,366,099	17,989,815	18,728,624	19,609,468	20,650,865	22,302,096	21,993,944	23,316,397	25,698,611	25,814,750	26,780,931	27,964,877	29,167,263	30,450,186

Price of Government

State & Local Revenues
as a Percent of Personal Income
End of 2025 Legislative Session

(\$ in Thousands)	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	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
School District Revenues																		
<i>Tax Revenues:</i>																		
Property Tax	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	3,345,638	3,362,032	3,698,641	3,966,332	3,982,653	4,163,045	4,271,940	4,367,203
Taconite Production Tax	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	8,405	8,358	8,358	8,358
Subtotal - School District Tax Revenues	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	3,355,856	3,370,384	3,707,036	3,974,605	3,991,058	4,171,403	4,280,298	4,375,561
<i>Non-Tax Revenues:</i>																		
Fee Revenue	509,731	516,350	526,486	518,615	545,579	567,228	586,260	609,841	509,976	287,311	440,878	628,354	528,553	539,124	549,907	560,905	572,123	583,565
Other Miscellaneous Revenue	261,224	248,829	264,903	264,603	304,628	295,130	315,310	353,881	340,552	249,881	305,856	485,490	618,668	624,855	631,103	637,414	643,788	650,226
Subtotal - School District Non Tax Revenues	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	1,147,221	1,163,979	1,181,010	1,198,319	1,215,911	1,233,792
Subtotal - School Dist Own Source Revenues	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	4,102,591	4,484,228	4,854,257	5,138,584	5,172,068	5,369,722	5,496,209	5,609,353
<i>Intergovernmental Revenue:</i>																		
State Aid	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	11,670,755	12,127,190	12,632,792	13,012,575	13,248,300	13,604,264
State Paid Tax Credits	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,545	10,528	12,320	11,703	11,265	10,678	10,637	10,878	10,512	10,730	10,512
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	60,934	132	0	0	0	0	0	0	0	21	28	11	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,345	5,279	5,134	5,021	8,801	9,101	8,667	8,544	8,683	8,410	7,376	7,631	7,310	7,565	7,271	7,271	7,271	7,271
Ag School Bond Credit				0	0	0	0	36,033	38,055	57,040	62,672	70,867	87,662	109,489	119,713	120,120	119,942	120,080
Local Aid	40,927	43,350	47,235	52,039	51,359	50,215	50,412	50,245	48,760	51,118	74,795	73,525	74,284	73,805	73,805	73,805	73,805	73,805
Federal Aid	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	1,502,154	718,759	733,134	747,797	762,753	778,008
Subtotal - Intergovernmental Revenue	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	11,873,233	11,885,105	13,352,843	13,047,445	13,577,593	13,972,080	14,222,801	14,593,940
TOTAL SCHOOL DISTRICT REVENUES	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	18,207,100	18,186,030	18,749,661	19,341,802	19,719,010	20,203,292
Total State, Local & School District Revenues																		
Tax Revenues	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	45,460,496	45,792,530	46,532,164	49,231,693	51,587,614	54,218,679	56,440,176	58,583,866
Non-Tax Revenues	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	13,486,009	13,230,555	14,595,497	16,625,584	16,263,434	16,313,075	16,656,245	17,190,743	17,156,219
Intergovernmental Revenue	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	38,895,066	38,002,457	39,386,772	42,487,533	43,771,336	42,757,576	44,363,399	44,845,063
TOTAL ALL REVENUES	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	89,195,835	97,586,117	98,390,484	102,544,520	107,982,660	111,672,024	113,632,499	117,994,318	120,585,148
Less: Intergovernmental Revenues	(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)	(38,895,066)	(38,002,457)	(39,386,772)	(42,487,533)	(43,771,336)	(42,757,576)	(44,363,399)	(44,845,063)
Total Own Source Revenues	36,969,638	39,225,821	41,254,810	42,782,964	44,402,052	45,172,759	48,351,540	49,613,282	50,069,476	54,701,945	58,691,051	60,388,027	63,157,748	65,495,127	67,900,688	70,874,923	73,630,919	75,740,085
Minnesota Personal Income	248,148,561	256,807,271	262,615,380	277,951,024	285,384,394	295,626,794	308,532,101	324,404,854	340,830,127	370,030,159	387,391,448	409,100,623	424,344,620	442,007,219	464,260,000	488,560,000	511,632,500	535,345,000
Revenue as Percent of Personal Income	14.9%	15.3%	15.7%	15.4%	15.6%	15.3%	15.7%	15.3%	14.7%	14.8%	15.2%	14.8%	14.9%	14.8%	14.6%	14.5%	14.4%	14.1%