

Price of Government

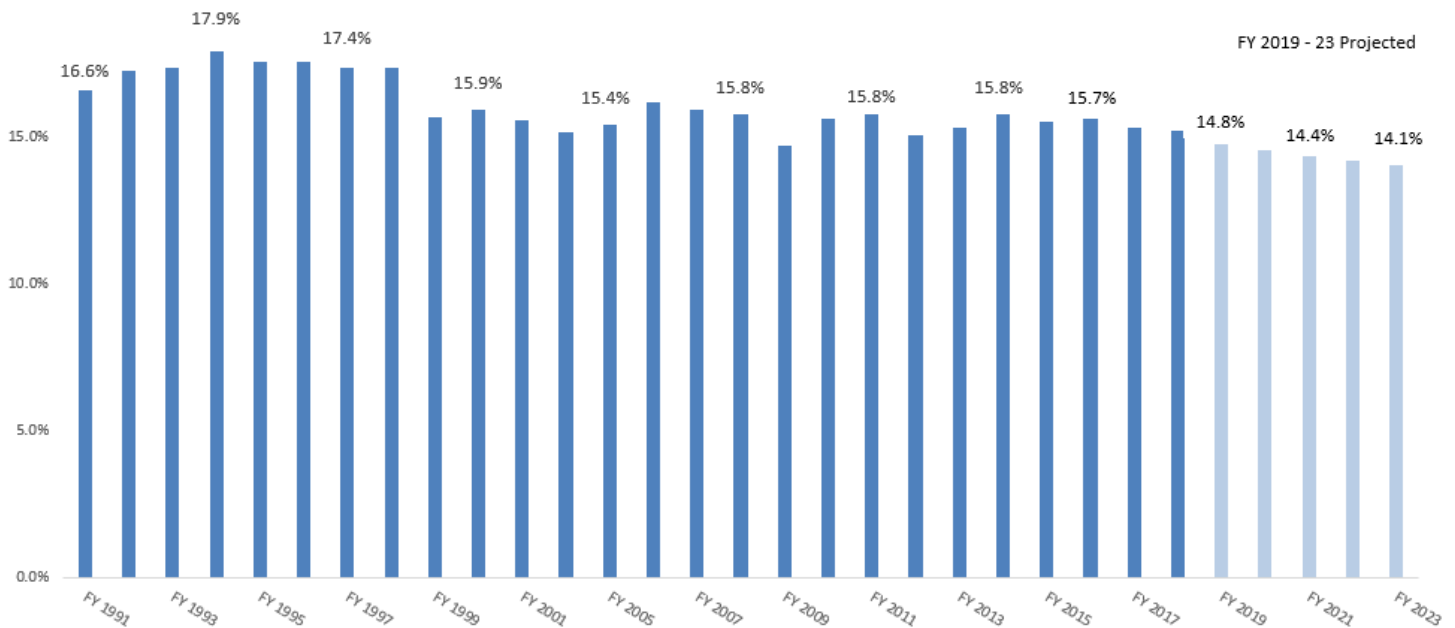
State and Local Government Revenues

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 2019, it is projected at 14.8 percent.

Minnesota Price of Government

State and Local Revenues as % of MN Personal Income



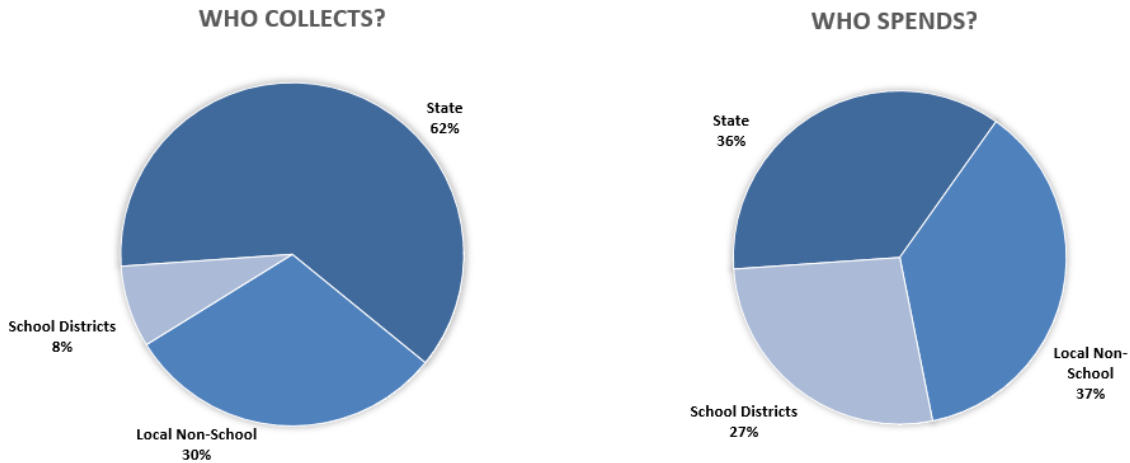
Because the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

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)

	Actual FY 2018	Percent of Total	Projected FY 2019	Percent of Total
State Revenues				
Tax Revenues	\$25,186		\$25,966	
Non-Tax Revenues	5,408		4,142	
<i>Total State Revenues</i>	<u>30,594</u>	63%	<u>30,108</u>	62%
Local Non-School Revenues				
Tax Revenues	6,840		7,248	
Non-Tax Revenues	7,214		7,532	
<i>Total Local Non-School Revenues</i>	<u>14,054</u>	29%	<u>14,780</u>	30%
School District Revenues				
Tax Revenues	2,691		2,871	
Non-Tax Revenues	902		916	
<i>Total School District Revenues</i>	<u>3,593</u>	8%	<u>3,787</u>	8%
Total Own Source Revenues	\$48,241		\$48,675	
Minnesota Personal Income	\$316,779		\$329,142	
Governmental Revenue as Percent of Personal Income	15.2%		14.8%	

In FY 2019, 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 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 2010 through FY 2023 shown by level of government.

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**2019 February Forecast
Price of Government
State & Local Revenues
as a Percent of Personal Income**

(\$ 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	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
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	11,947,200	12,522,700	13,182,300	13,431,000	13,763,900
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	6,175,627	6,443,497	6,707,952	6,955,435	7,148,718
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	1,518,876	1,479,169	1,433,214	1,425,857	1,448,914
Gasoline & Special Fuels Taxes	826,753	849,534	845,177	857,362	877,702	889,252	900,382	911,548	926,730	941,200	948,026	952,454	953,586	952,219
Motor Vehicle License Tax	531,551	557,175	580,240	623,210	652,951	687,115	702,306	752,889	781,868	806,149	822,765	832,716	837,591	840,278
Motor Vehicle Sales Tax	453,563	506,035	558,379	597,785	640,272	694,265	714,496	754,284	772,358	816,600	859,200	914,100	956,900	993,900
Statewide Property Tax	766,831	766,926	799,333	811,388	835,554	838,080	853,780	858,389	811,376	809,108	820,843	817,214	817,157	817,172
Health Care Taxes	525,153	546,903	484,278	513,763	525,318	554,751	584,236	613,550	644,876	671,830	462,677	0	0	0
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	2,207,541	2,279,074	2,301,118	2,354,972	2,408,042	2,471,481
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	25,186,253	25,965,664	26,659,995	27,194,922	27,785,568	28,436,582
<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	1,184,102	1,186,205	1,182,697	1,179,307	1,161,257
Investment Earnings	75,683	68,572	72,194	77,114	84,431	93,588	123,734	158,871	209,640	249,717	265,226	261,853	246,018	246,510
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	1,690,350	1,690,350	1,690,350	1,690,350	1,690,350
Tobacco Settlements	168,297	169,375	166,861	170,060	175,399	170,747	171,238	168,226	166,931	160,161	157,111	154,004	141,662	139,007
All Other Resources	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,221,815	2,139,558	857,801	721,212	758,086	773,321	767,593
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	5,408,217	4,142,131	4,020,104	4,046,990	4,030,658	4,004,717
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	30,107,795	30,680,099	31,241,912	31,816,226	32,441,299
<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	12,558,353	13,338,890	13,163,289	14,150,863	14,474,098
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	42,666,148	44,018,989	44,405,201	45,967,089	46,915,397
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	6,044,157	6,333,006	6,640,573	6,954,148	7,256,873	7,593,012
Sales Tax	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	509,592	611,993	631,429	652,343	678,317	700,605
Other Taxes	186,593	172,002	175,355	176,652	215,053	261,453	264,258	278,865	285,924	303,233	323,863	340,233	345,042	353,842
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	6,839,673	7,248,232	7,595,865	7,946,724	8,280,233	8,647,459
<i>Non-Tax Revenues:</i>														
Special Assessments	344,332	347,913	321,931	338,755	368,775	355,259	351,391	356,065	337,556	352,451	366,311	381,082	396,988	413,812
Licenses and Permits	151,194	157,641	170,119	189,936	206,706	227,075	236,008	244,242	265,350	277,328	288,467	300,344	313,141	326,683
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	1,481,019	1,539,772	1,594,230	1,652,292	1,714,827	1,781,013
Investment Earnings *	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,694	122,686	128,820	135,261	142,024	149,125	156,582
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	4,535,890	4,741,169	4,931,558	5,134,553	5,353,327	5,584,780
Miscellaneous Revenues *	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	471,479	492,532	512,257	533,258	555,842	579,718
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	7,213,980	7,532,072	7,828,085	8,143,552	8,483,250	8,842,588
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	14,053,653	14,780,304	15,423,950	16,090,276	16,763,483	17,490,047
<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	3,141,598	3,224,476	3,265,125	3,314,323	3,365,986	3,417,234
Local Aid	340,912	308,779	333,561	330,102	409,895	371,775	375,941	378,636	390,996	371,494	371,494	371,494	371,494	371,494
Federal Aid	1,077,804	1,218,445	1,169,494	1,121,132	985,667	1,035,303	1,012,298	994,062	996,916	1,006,885	1,016,954	1,027,124	1,037,395	1,047,769
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	4,529,510	4,602,855	4,653,572	4,712,940	4,774,875	4,836,497
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	18,583,162	19,383,159	20,077,522	20,803,216	21,538,358	22,326,544

*When originally published, FY 2018-23 data for local non-school investment earnings, selected enterprise revenues and miscellaneous revenues was misaligned. This has been corrected and a revised version was posted on June 21, 2019. The data correction did not change total POG revenues.

**2019 February Forecast
Price of Government
State & Local Revenues
as a Percent of Personal Income**

(\$ 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	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
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	2,682,112	2,862,968	3,081,972	3,258,981	3,415,674	3,578,719
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	7,773	7,843	7,943
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	2,690,710	2,871,056	3,089,823	3,266,754	3,423,517	3,586,662
<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	597,985	609,945	622,144	634,587	647,278
Other Miscellaneous Revenue	266,948	261,008	261,224	248,829	264,903	264,603	304,628	295,130	315,310	318,463	321,648	324,864	328,113	331,394
Subtotal - School District Non Tax Revenues	754,252	754,935	770,955	765,179	791,389	783,218	850,207	862,358	901,570	916,448	931,593	947,008	962,699	978,672
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	3,592,280	3,787,504	4,021,416	4,213,761	4,386,216	4,565,334
<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	8,756,749	9,084,715	9,420,760	9,542,019	9,709,801	9,893,893	10,061,098
State Paid Tax Credits	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,549	10,833	10,919	10,980	11,047
Education Homestead Credit	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
Market Value Homestead Credit	53,994	57,165	60,934	132	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	8,673	8,541	8,747	8,747	8,747	8,747
Ag School Bond Credit										36,033	39,551	40,961	42,313	43,664
Local Aid	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,215	50,412	51,723	51,723	51,723	51,723	51,723
Federal Aid	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	744,012	749,207	756,699	764,266	771,909	779,628	787,424
Subtotal - Intergovernmental Revenue	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,890,724	9,184,821	9,570,747	9,903,460	10,284,304	10,417,139	10,594,059	10,787,283	10,963,703
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	13,061,401	13,495,740	14,071,809	14,438,555	14,807,821	15,173,499	15,529,037
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	34,716,636	36,084,952	37,345,683	38,408,399	39,489,317	40,670,703
<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	13,523,767	12,590,651	12,779,781	13,137,550	13,476,608	13,825,977
<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	25,021,582	26,409,298	27,445,513	28,409,601	28,470,288	29,713,021	30,274,298
TOTAL ALL REVENUES	55,780,511	57,307,331	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,441,887	74,649,701	76,121,116	78,535,066	80,016,238	82,678,946	84,770,978
Less: Intergovernmental Revenues	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,001)	(24,484,486)	(25,021,582)	(26,409,298)	(27,445,513)	(28,409,601)	(28,470,288)	(29,713,021)	(30,274,298)
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	48,240,403	48,675,603	50,125,465	51,545,949	52,965,925	54,496,680
Minnesota Personal Income	216,267,000	225,853,000	245,620,000	255,580,000	261,395,000	275,383,000	283,565,000	296,775,375	316,779,232	329,142,500	343,815,000	358,915,000	373,475,000	387,707,500
Revenue as Percent of Personal Income	15.6%	15.8%	15.1%	15.3%	15.8%	15.5%	15.7%	15.3%	15.2%	14.8%	14.6%	14.4%	14.2%	14.1%