

# Price of Government

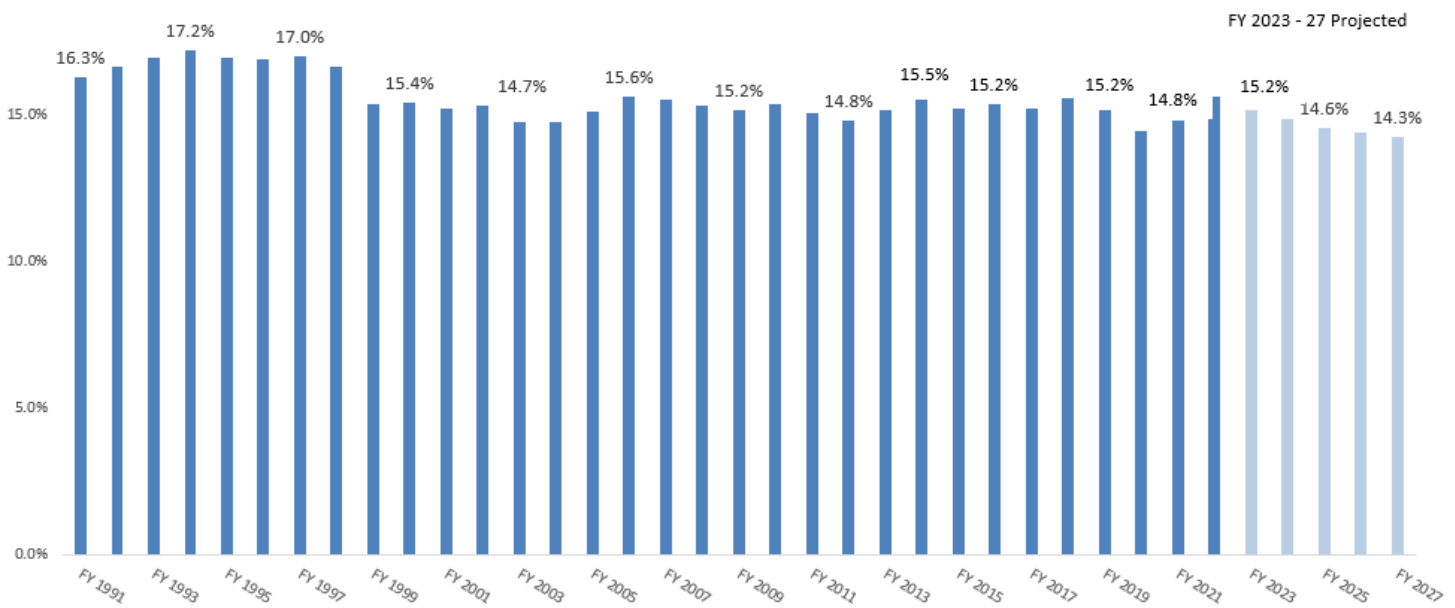
## State and Local Government Revenues

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 2023, it is projected at 15.2 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.

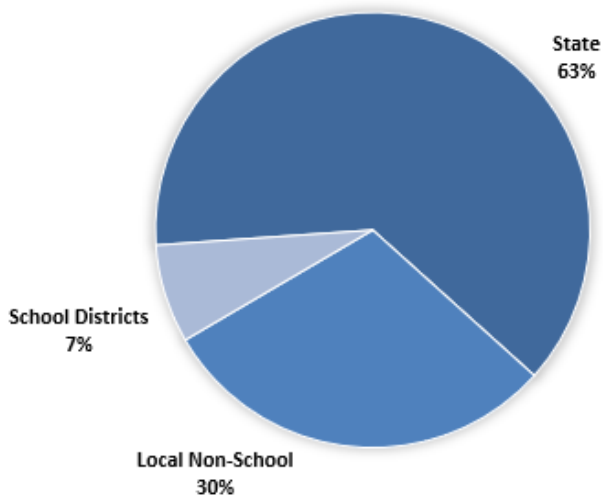
## Own Source Revenues

(\$ in millions)

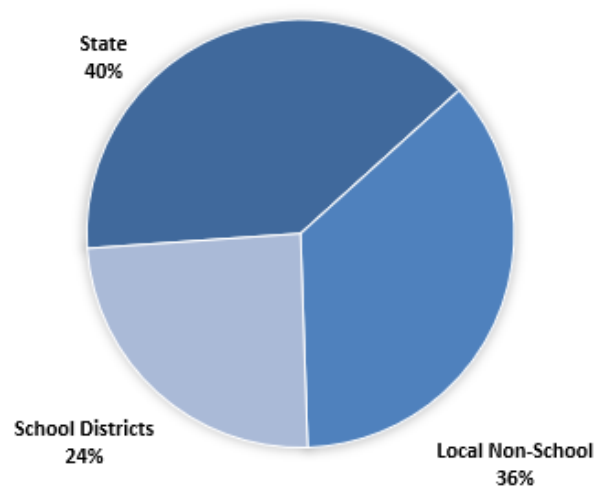
	Actuals FY 2022	Percent of Total	Projected FY 2023	Percent of Total
<b>State Revenues</b>				
Tax Revenues	\$33,892		\$33,187	
Non-Tax Revenues	4,264		4,662	
<i>Total State Revenues</i>	<u>38,155</u>	65%	<u>37,848</u>	63%
<b>Local Non-School Revenues</b>				
Tax Revenues	8,213		8,640	
Non-Tax Revenues	8,437		9,055	
<i>Total Local Non-School Revenues</i>	<u>16,651</u>	28%	<u>17,694</u>	30%
<b>School District Revenues</b>				
Tax Revenues	3,356		3,372	
Non-Tax Revenues	762		969	
<i>Total School District Revenues</i>	<u>4,118</u>	7%	<u>4,341</u>	7%
<b>Total Own Source Revenues</b>	<b>\$58,924</b>		<b>\$59,884</b>	
<b>Minnesota Personal Income</b>	<b>\$377,242</b>		<b>\$395,186</b>	
<b>Governmental Revenue as Percent of Personal Income</b>	<b>15.6%</b>		<b>15.2%</b>	

In FY 2023, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 63 percent. Counties, cities, and townships will collect about 30 percent, while school districts will collect about 7 percent. However, once intergovernmental aids are considered, the state will spend only 40 percent of the total, while non-school local governments will spend 36 percent, and school districts will spend 24 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 2023 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	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
<b>State Revenues</b>																		
<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	15,494,219	15,979,418	16,681,430	17,561,188	18,389,091
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	8,106,991	8,138,811	8,402,808	8,660,924	8,905,433
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	2,764,021	2,317,986	2,256,815	2,321,015	2,385,674
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	898,144	913,412	901,538	889,818	878,250
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	825,786	875,314	910,314	937,614	956,359
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	996,590	988,400	1,000,890	1,036,690	1,075,710
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	757,362	747,132	745,279	745,283	745,287
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	731,268	739,193	828,353	862,357	896,748
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	2,669,810	2,612,415	2,611,846	2,707,163	2,781,342	2,888,907
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	33,186,796	33,311,512	34,434,590	35,796,231	37,121,459
<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	1,231,172	1,211,559	1,217,708	1,230,551	1,244,703
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	672,082	888,107	477,422	316,545	295,840
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	1,669,349	1,669,349	1,669,349	1,669,349	1,669,349
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	170,985	169,151	167,680	166,820	165,612
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	1,640,090	974,269	918,110	771,442	773,636	766,447	761,917
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	4,202,608	5,001,383	4,263,858	4,661,698	4,709,608	4,305,795	4,149,712	4,137,421
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	30,427,200	34,962,428	38,155,429	37,848,494	38,021,120	38,740,385	39,945,943	41,258,880
Federal Grants	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	23,698,752	21,091,066	20,332,975	20,245,603	20,590,273
<b>TOTAL STATE REVENUES</b>	<b>29,500,069</b>	<b>31,382,208</b>	<b>31,092,406</b>	<b>33,040,079</b>	<b>35,558,274</b>	<b>37,578,504</b>	<b>39,027,647</b>	<b>39,390,670</b>	<b>42,570,799</b>	<b>42,745,610</b>	<b>45,248,926</b>	<b>51,802,303</b>	<b>59,616,349</b>	<b>61,547,246</b>	<b>59,112,186</b>	<b>59,073,360</b>	<b>60,191,546</b>	<b>61,849,153</b>

# Price of Government

## State & Local Revenues as a Percent of Personal Income

February 2023 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	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
<b>Local Non-School Revenues</b>																		
<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	7,150,035	7,460,779	7,876,945	8,291,240	8,712,028	9,148,688
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	725,048	819,649	865,560	880,159	905,612	932,288
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	338,357	359,106	367,306	380,945	377,191	378,976
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	8,213,440	8,639,534	9,109,811	9,552,344	9,994,831	10,459,952
<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	369,152	406,515	428,310	447,486	467,527	488,242
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	292,773	323,201	341,128	356,941	373,487	390,611
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	1,537,481	1,680,995	1,766,442	1,841,914	1,920,617	2,001,827
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	271,474	232,112	236,754	248,592	261,021	274,072
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	5,245,988	5,652,250	5,959,216	6,227,309	6,507,265	6,796,289
Miscellaneous Revenues	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	446,054	535,306	692,459	686,811	720,403	759,525	799,836	835,391	872,519	910,876
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	8,029,595	7,947,435	8,437,271	9,054,598	9,531,686	9,957,633	10,402,436	10,861,917
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	15,695,890	15,910,664	16,650,711	17,694,132	18,641,497	19,509,977	20,397,267	21,321,869
<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	3,785,947	3,686,680	3,764,518	3,804,029	3,856,220	3,912,383
Local Aid	340,912	308,779	333,561	330,102	409,895	391,775	375,941	378,636	409,895	331,366	371,811	399,990	389,800	389,800	389,800	389,800	389,800	389,800
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	2,128,651	2,161,891	1,131,751	1,165,704	1,200,675	1,236,695
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	6,304,398	6,238,371	5,286,069	5,359,533	5,446,695	5,538,878
<b>TOTAL LOCAL NON-SCHOOL REVENUES</b>	<b>15,230,959</b>	<b>15,152,405</b>	<b>15,467,609</b>	<b>15,909,457</b>	<b>15,947,569</b>	<b>16,901,346</b>	<b>17,366,099</b>	<b>17,989,815</b>	<b>18,728,624</b>	<b>19,609,468</b>	<b>20,650,865</b>	<b>22,302,098</b>	<b>22,955,109</b>	<b>23,932,503</b>	<b>23,927,566</b>	<b>24,869,510</b>	<b>25,843,962</b>	<b>26,860,747</b>

# Price of Government

## State & Local Revenues as a Percent of Personal Income

February 2023 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	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
<b>School District Revenues</b>																		
<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	3,345,631	3,363,113	3,546,342	3,757,764	3,805,159	3,991,007
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	8,922	8,395	9,897	9,946	10,012
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	3,355,850	3,372,035	3,554,737	3,767,661	3,815,105	4,001,019
<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	455,931	660,111	673,314	686,780	700,516	714,526
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	308,915	312,004	315,124	318,275	321,458
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	761,787	969,026	985,318	1,001,904	1,018,791	1,035,984
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	4,117,637	4,341,061	4,540,055	4,769,565	4,833,896	5,037,003
<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	9,762,352	10,084,852	10,481,424	10,506,653	10,559,108	10,649,695
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	11,437	11,265	11,075	11,147	11,240	11,337
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	15	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	7,726	7,631	7,283	7,283	7,283	7,283
Ag School Bond Credit						0	0	0	0	36,033	38,055	57,040	62,672	70,864	87,977	99,169	104,665	107,426
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	74,109	74,109	74,109	74,109	74,109
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	850,613	859,119	867,710	876,387	885,151
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	11,879,934	11,099,334	11,520,987	11,566,071	11,632,792	11,735,001
<b>TOTAL SCHOOL DISTRICT REVENUES</b>	<b>11,049,483</b>	<b>10,772,718</b>	<b>10,863,210</b>	<b>11,088,074</b>	<b>11,381,452</b>	<b>12,022,115</b>	<b>12,492,792</b>	<b>13,061,385</b>	<b>13,492,474</b>	<b>14,093,117</b>	<b>14,486,673</b>	<b>15,091,435</b>	<b>15,997,571</b>	<b>15,440,395</b>	<b>16,061,042</b>	<b>16,335,636</b>	<b>16,466,688</b>	<b>16,772,004</b>

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State & Local Revenues  
as a Percent of Personal Income  
February 2023 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	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
<b>Total State, Local &amp; School District Revenues</b>																		
Tax Revenues	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	45,460,861	45,198,365	45,976,060	47,754,595	49,606,167	51,582,430
Non-Tax Revenues	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	13,082,731	13,486,010	13,462,916	14,685,322	15,226,612	15,265,332	15,570,939	16,035,322
Intergovernmental Revenue	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	39,645,252	41,036,457	37,898,122	37,258,579	37,325,090	37,864,152
<b>TOTAL ALL REVENUES</b>	<b>55,780,511</b>	<b>57,307,331</b>	<b>57,423,225</b>	<b>60,037,610</b>	<b>62,887,294</b>	<b>66,501,965</b>	<b>68,886,538</b>	<b>70,441,870</b>	<b>74,791,897</b>	<b>76,448,195</b>	<b>80,386,465</b>	<b>89,195,837</b>	<b>98,569,029</b>	<b>100,920,144</b>	<b>99,100,794</b>	<b>100,278,506</b>	<b>102,502,196</b>	<b>105,481,904</b>
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)	(39,645,252)	(41,036,457)	(37,898,122)	(37,258,579)	(37,325,090)	(37,864,152)
<b>Total Own Source Revenues</b>	<b>33,818,467</b>	<b>35,638,313</b>	<b>36,969,638</b>	<b>39,225,821</b>	<b>41,254,810</b>	<b>42,782,964</b>	<b>44,402,052</b>	<b>45,420,305</b>	<b>48,351,540</b>	<b>49,613,282</b>	<b>50,069,476</b>	<b>54,701,946</b>	<b>58,923,777</b>	<b>59,883,687</b>	<b>61,202,672</b>	<b>63,019,927</b>	<b>65,177,106</b>	<b>67,617,752</b>
<b>Minnesota Personal Income</b>	<b>219,734,189</b>	<b>236,165,285</b>	<b>249,324,070</b>	<b>258,876,028</b>	<b>265,454,680</b>	<b>281,310,700</b>	<b>288,878,472</b>	<b>298,518,473</b>	<b>310,647,129</b>	<b>326,720,668</b>	<b>346,130,671</b>	<b>368,974,603</b>	<b>377,242,450</b>	<b>395,186,268</b>	<b>411,460,000</b>	<b>432,512,500</b>	<b>453,027,500</b>	<b>473,555,000</b>
<b>Revenue as Percent of Personal Income</b>	<b>15.4%</b>	<b>15.1%</b>	<b>14.8%</b>	<b>15.2%</b>	<b>15.5%</b>	<b>15.2%</b>	<b>15.4%</b>	<b>15.2%</b>	<b>15.6%</b>	<b>15.2%</b>	<b>14.5%</b>	<b>14.8%</b>	<b>15.6%</b>	<b>15.2%</b>	<b>14.9%</b>	<b>14.6%</b>	<b>14.4%</b>	<b>14.3%</b>