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 14.6 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)

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2018</th>
<th>Percent of Total</th>
<th>Projected FY 2019</th>
<th>Percent of Total</th>
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<tbody>
<tr>
<td><strong>State Revenues</strong></td>
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<tr>
<td>Tax Revenues</td>
<td>$25,186</td>
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<td>$26,199</td>
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<tr>
<td>Non-Tax Revenues</td>
<td>5,407</td>
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<td>4,051</td>
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<td><strong>Total State Revenues</strong></td>
<td>$30,593</td>
<td>63%</td>
<td>$30,250</td>
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<td><strong>Local Non-School Revenues</strong></td>
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<tr>
<td>Tax Revenues</td>
<td>6,831</td>
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<td>7,232</td>
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<tr>
<td>Non-Tax Revenues</td>
<td>7,239</td>
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<td>7,554</td>
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<td><strong>Total Local Non-School Revenues</strong></td>
<td>$14,070</td>
<td>30%</td>
<td>$14,786</td>
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<tr>
<td><strong>School District Revenues</strong></td>
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<tr>
<td>Tax Revenues</td>
<td>2,691</td>
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<td>2,871</td>
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<tr>
<td>Non-Tax Revenues</td>
<td>877</td>
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<td>891</td>
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<tr>
<td><strong>Total School District Revenues</strong></td>
<td>$3,568</td>
<td>7%</td>
<td>$3,762</td>
<td>8%</td>
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<tr>
<td><strong>Total Own Source Revenues</strong></td>
<td>$48,231</td>
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<td>$48,798</td>
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<tr>
<td><strong>Minnesota Personal Income</strong></td>
<td>$315,609</td>
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<td>$333,143</td>
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<tr>
<td><strong>Governmental Revenue as Percent of Personal Income</strong></td>
<td>15.3%</td>
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<td>14.6%</td>
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</table>
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.
### 2018 November Forecast

#### Price of Government

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

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<tr>
<th>State Revenues</th>
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#### Tax Revenues:

- **Individual Income Tax**: 6,308,908
- **General Sales Tax**: 4,430,792
- **Corporate Income Tax**: 603,505
- **Gasoline & Special Fuels Taxes**: 806,753
- **Motor Vehicle License Tax**: 531,551
- **Motor Vehicle Sales Tax**: 435,593
- **Statewide Property Tax**: 706,831
- **Health Care Taxes**: 525,535
- **Other Taxes**: 1,027,651

#### Subtotal - State Taxes:

- **18,056,117**

#### Non-Tax Revenues:

- **Fees & Charges**: 1,065,634
- **Investment Earnings**: 35,693
- **Post-Secondary Tuition**: 1,547,977
- **Tobacco Settlements**: 1,068,297
- **Other Resources**: 760,905

#### Subtotal - State Non-Tax Revenues:

- **3,718,596**

#### Subtotal - State Own Source Revenues:

- **19,774,713**

#### Federal Grants

- **7,925,605**

#### Federal Aid

- **168,226**

#### Local Aid

- **3,432,935**

#### State Aid

- **2,980,781**

#### State Revenues

- **3,786,805**

#### Total Local Revenues

- **29,500,069**

#### TOTAL STATE REVENUES

- **29,500,069**

#### Local Non-School Revenues

- **22,082,208**

#### As a Percent of Personal Income

- **16.47%**

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**Minnesota Management and Budget November 2018 Forecast**

**TOTAL LOCAL NON-SCHOOL REVENUES**

- **15,230,059**

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**(as a Percent of Personal Income ($ in Thousands))**
## School District Revenues

### Tax Revenues:
- **Property Tax**: 2,056,723
- **Sales and Use Tax**: 2,819,642
- **Intergovernmental Revenue**: 1,269,012
- **Subtotal - School District Tax Revenues**: 2,505,580

### Non-Tax Revenues:
- **Tax Revenue**: 487,304
- **Other Miscellaneous Revenue**: 206,948
- **Subtotal - School District Non-Tax Revenues**: 754,252

### Subtotal - School District Own Source Revenues:
2,819,642

### Intergovernmental Revenue:
- **State Aid**: 6,779,240
- **Education Agricultural Credit**: 5,624
- **Market Value Homestead Credit**: 53,094
- **Ag School Bond Credit**: 43,389
- **Local Aid Federal Aid**: 1,362,002
- **Subtotal - Intergovernmental Revenues**: 8,229,841

### Subtotal - Total School District Revenues:
11,049,483

## Total State, Local & School District Revenues

### Tax Revenues:
- **State Aid**: 23,903,518
- **Non-Tax Revenues**: 10,352,949
- **Intergovernmental Revenue**: 21,862,094
- **TOTAL ALL REVENUES**: 55,760,511

### Less: Intergovernmental Revenues:
- **Subtotal - Intergovernmental Revenues**: 8,229,841
- **Total Own Source Revenues**: 33,818,667

### Minnesota Personal Income
- **Revenue as Percent of Personal Income**: 15.6%

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Note: The table above provides a detailed breakdown of state and local revenues for various fiscal years, including tax and non-tax revenues. The data reflects the importance of homestead and other credits in supporting education funding. The revenue as a percent of personal income is consistently high, indicating a strong reliance on personal income for state and local finances.