

Price of Government

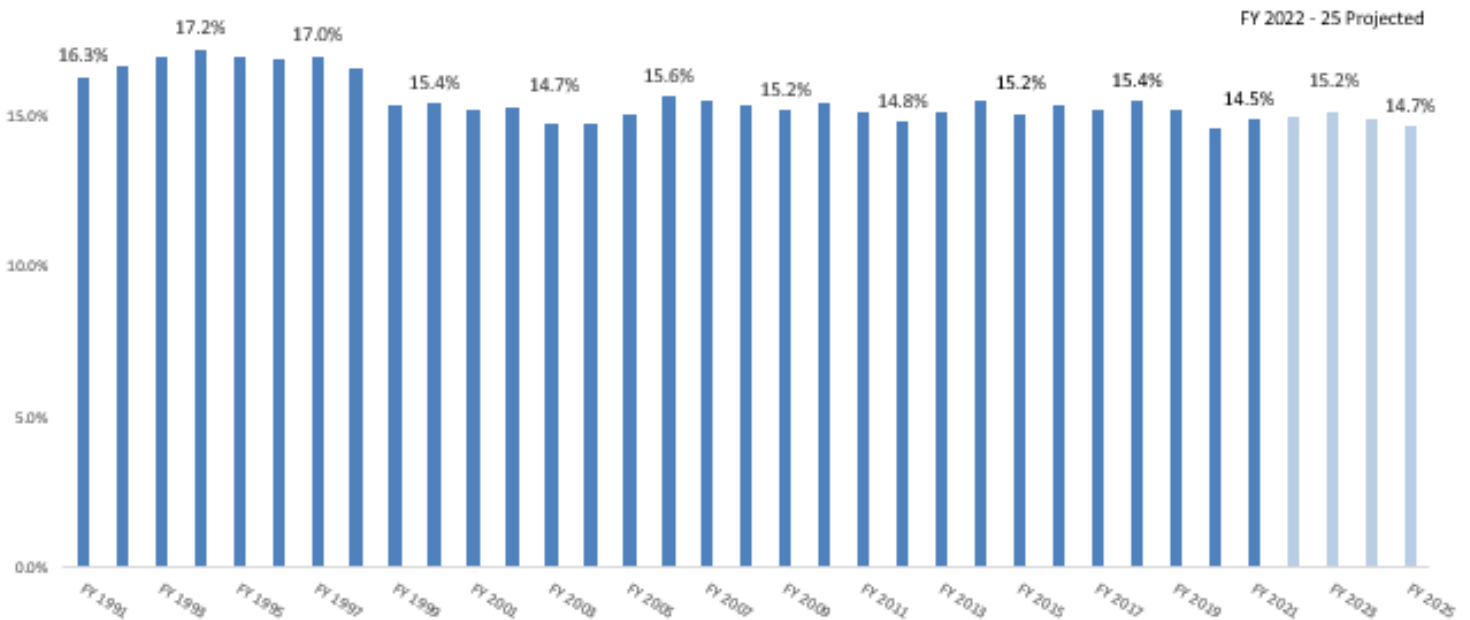
State and Local Government Revenues

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 2022, it is projected at 15 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.

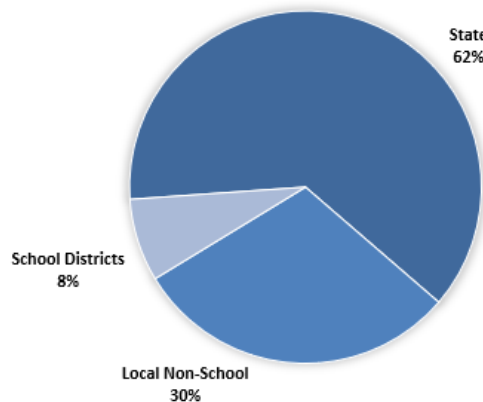
Own Source Revenues

(\$ in millions)

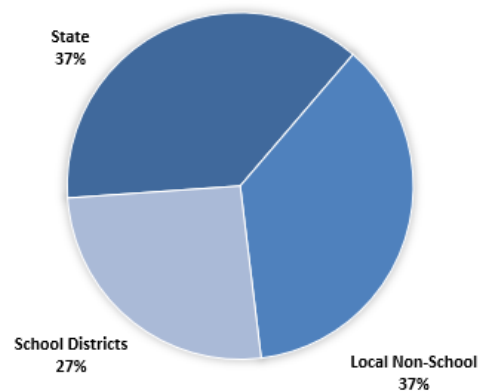
	Projected FY 2022	Percent of Total	Projected FY 2023	Percent of Total
State Revenues				
Tax Revenues	\$30,349		\$32,296	
Non-Tax Revenues	4,008		4,009	
<i>Total State Revenues</i>	<u>34,357</u>	62%	<u>36,305</u>	62%
Local Non-School Revenues				
Tax Revenues	8,171		8,568	
Non-Tax Revenues	8,326		8,737	
<i>Total Local Non-School Revenues</i>	<u>16,497</u>	30%	<u>17,305</u>	30%
School District Revenues				
Tax Revenues	3,355		3,483	
Non-Tax Revenues	819		1,011	
<i>Total School District Revenues</i>	<u>4,174</u>	8%	<u>4,494</u>	8%
Total Own Source Revenues	\$55,028		\$58,104	
Minnesota Personal Income	\$367,510		\$383,120	
Governmental Revenue as Percent of Personal Income	15.0%		15.2%	

In FY 2022, 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 27 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 2025 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

November 2021 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	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
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	12,405,417	12,094,129	14,103,661	14,005,600	15,443,900	16,289,300	16,826,600
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	7,526,013	7,806,452	8,046,913	8,345,153
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	1,944,260	2,027,620	1,816,049	1,773,788
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	916,000	918,600	921,300	924,500
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	881,592	907,965	935,203	963,259
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	1,017,580	1,071,680	1,068,830	1,100,130
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	774,232	764,171	748,456	748,637
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	673,116	703,790	735,128	769,187
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	2,610,953	2,652,197	2,707,124	2,775,205
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	30,349,346	32,296,375	33,268,303	34,226,459
<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	1,177,242	1,209,779	1,219,125	1,220,415
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	171,010	174,860	178,824	196,629
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	1,686,300	1,663,383	1,663,383	1,663,383	1,663,383
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	164,109	163,637	161,613	159,875
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	831,779	797,234	804,413	806,032
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	4,997,583	4,007,523	4,008,893	4,027,358	4,046,334
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	34,958,628	34,356,869	36,305,268	37,295,661	38,272,793
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	23,642,708	16,421,377	15,876,394	16,354,157
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	42,745,610	45,248,926	51,798,503	57,999,577	52,726,645	53,172,055	54,626,950

Price of Government

State & Local Revenues

as a Percent of Personal Income

November 2021 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	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
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	6,037,866	6,349,542	6,664,735	7,004,601	7,150,035	7,480,643	7,862,298	8,251,107
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	689,982	750,041	775,884	801,650
Other Taxes	186,593	172,002	175,355	176,652	215,053	261,453	264,258	278,865	278,249	297,457	309,633	326,349	331,235	337,810	350,299	368,528
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	7,666,945	7,959,838	8,171,251	8,568,494	8,988,481	9,421,285
<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	330,882	346,938	367,843	387,977	407,947	429,235
Licenses and Permits	151,194	157,641	170,119	189,936	206,706	227,075	236,008	244,242	264,833	267,354	285,987	295,803	312,652	328,540	343,965	360,192
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	1,541,125	1,598,847	1,677,705	1,751,766	1,823,413	1,898,712
Investment Earnings	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,694	147,112	189,205	304,504	274,223	279,835	293,826	308,518	323,944
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	4,881,602	4,866,110	5,142,872	5,402,905	5,654,556	5,919,063
Miscellaneous Revenues	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	446,054	535,306	519,453	516,005	544,704	571,849	598,260	626,018
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	7,863,553	7,897,926	8,325,611	8,736,863	9,136,658	9,557,164
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	15,530,498	15,857,764	16,496,863	17,305,357	18,125,139	18,978,449
<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	3,562,550	3,601,654	3,735,051	3,631,292	3,678,100	3,731,400
Local Aid	340,912	308,779	333,561	330,102	409,895	391,775	375,941	378,636	527,604	331,366	413,119	361,802	361,802	361,802	361,802	361,802
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	1,096,376	1,950,739	2,191,440	2,225,206	1,194,072	1,229,894
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	4,751,559	5,072,045	5,914,195	6,288,293	6,218,299	5,233,973	5,323,096
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	18,728,624	19,609,468	20,602,543	21,771,959	22,785,155	23,523,656	23,359,112	24,301,545

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State & Local Revenues

as a Percent of Personal Income

November 2021 Forecast

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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	2,682,117	2,862,966	3,082,235	3,283,555	3,345,170	3,474,390	3,609,889	3,735,102
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	8,353	9,732	9,832
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	3,090,086	3,292,550	3,355,388	3,482,742	3,619,621	3,744,935
<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	471,307	660,111	673,314	686,780
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	347,397	350,871	354,379	357,923
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	818,704	1,010,982	1,027,693	1,044,703
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	3,940,614	3,829,742	4,174,092	4,493,725	4,647,314	4,789,638
<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	9,608,760	9,740,822	10,016,059	10,329,808	10,446,913	10,506,015
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	11,432	11,894	11,478	11,621	11,732
Education Homestead Credit	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
Market Value Homestead Credit	53,994	57,165	60,934	132	0	0	0	0	0	0	0	21	15	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	7,376	7,376	7,376
Ag School Bond Credit						0	0	0	0	36,033	38,055	57,040	62,672	73,445	95,850	98,941
Local Aid	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,215	50,412	50,245	48,760	51,097	50,709	50,709	50,709	50,709
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	2,364,191	850,613	859,119	867,710
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	10,540,383	11,316,163	12,513,266	11,323,429	11,471,588	11,542,483
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	13,061,385	13,492,474	14,093,117	14,480,997	15,145,905	16,687,358	15,817,154	16,118,902	16,332,121

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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	34,701,965	36,836,684	36,981,623	41,213,433	41,875,986	44,347,612	45,876,405	47,392,679
<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	13,649,575	12,776,598	12,916,689	13,432,701	13,151,838	13,756,738	14,191,709	14,648,201
<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	25,021,565	26,440,357	26,834,913	30,434,154	34,070,232	42,444,267	33,963,106	32,581,954	33,219,736
TOTAL ALL REVENUES	55,780,511	57,307,331	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,441,870	74,791,897	76,448,195	80,332,466	88,716,366	97,472,091	92,067,455	92,650,068	95,260,615
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)	(26,834,913)	(30,434,154)	(34,070,232)	(42,444,267)	(33,963,106)	(32,581,954)	(33,219,736)
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	48,351,540	49,613,282	49,898,312	54,646,134	55,027,824	58,104,349	60,068,114	62,040,880
Minnesota Personal Income	219,236,748	235,749,813	249,438,151	258,699,388	265,615,524	283,995,546	289,217,836	297,593,388	311,773,607	325,425,109	342,207,748	363,249,250	367,510,000	383,120,000	402,452,500	422,442,500
Revenue as Percent of Personal Income	15.4%	15.1%	14.8%	15.2%	15.5%	15.1%	15.4%	15.3%	15.5%	15.2%	14.6%	15.0%	15.0%	15.2%	14.9%	14.7%