

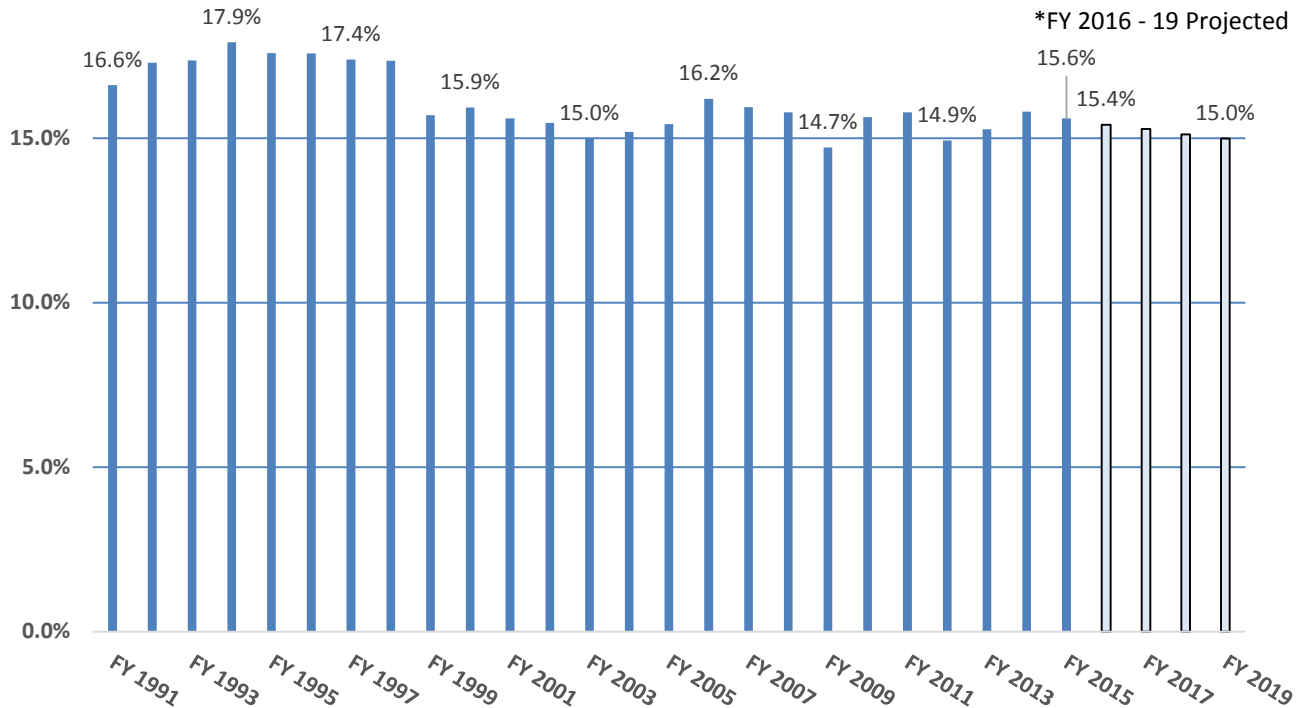
Price of Government

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 2016 it is projected at 15.4 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.4 cents will be paid to state, county, township, and school districts for services during that year.

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 2016	Percent of Total	Projected FY 2017	Percent of Total
State Revenues				
Tax Revenues	\$23,502		\$24,262	
Non-Tax Revenues	3,827		3,730	
<i>Total State Revenues</i>	<u>27,329</u>	63%	<u>27,922</u>	63%
Local Non-School Revenues				
Tax Revenues	6,168		6,406	
Non-Tax Revenues	6,637		6,777	
<i>Total Local Non-School Revenues</i>	<u>12,805</u>	30%	<u>13,183</u>	29%
School District Revenues				
Tax Revenues	2,457		2,628	
Non-Tax Revenues	796		809	
<i>Total School District Revenues</i>	<u>3,253</u>	7%	<u>3,438</u>	8%
Total Own Source Revenues	\$43,388		\$44,613	
Minnesota Personal Income	\$281,653		\$291,980	
Governmental Revenue as Percent of Personal Income	15.4%		15.3%	

In FY 2016, 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 37 percent of the total while non-school local governments will spend 36 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 2006 through FY 2019 shown by level of government.

**2016 February Forecast
Price of Government
State & Local Revenues
as a Percent of Personal Income
(\$ in Thousands)**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019
State Revenues														
<i>Tax Revenues:</i>														
Individual Income Tax	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,529,204	7,972,460	9,012,500	9,659,554	10,403,481	10,715,600	11,146,000	11,814,600	12,400,800
General Sales Tax	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,686,836	4,959,128	5,065,744	5,368,451	5,482,099	5,613,780	5,884,976	6,214,189	6,496,594
Corporate Income Tax	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	1,044,159	1,280,743	1,278,209	1,455,275	1,324,495	1,226,559	1,241,368	1,303,006
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	889,252	899,100	903,227	903,457	906,189
Motor Vehicle License Tax	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	652,951	687,115	722,550	754,450	785,350	810,550
Motor Vehicle Sales Tax	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	640,272	694,265	714,077	772,044	823,583	860,408
Statewide Property Tax	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	835,554	838,080	841,080	847,399	857,110	876,888
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	554,751	583,832	614,581	647,175	680,440
All Other Taxes	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,358,831	1,434,307	1,419,267	2,017,761	2,056,285	2,087,722	2,113,093	2,150,830	2,179,953
Subtotal - State Taxes	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,726,057	18,677,461	20,181,762	21,855,772	23,060,603	23,502,236	24,262,329	25,437,662	26,514,828
<i>Non-Tax Revenues:</i>														
Fees & Charges	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,285,126	1,205,344	1,222,131	1,180,866	1,138,905	1,185,585	1,109,355	1,139,198	1,139,446
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	93,588	100,215	114,341	134,957	158,677
Post-Secondary Tuition	1,061,327	1,150,022	1,221,500	1,307,918	1,447,977	1,598,637	1,630,000	1,674,300	1,678,700	1,629,700	1,641,300	1,641,300	1,641,300	1,641,300
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	175,399	170,747	162,336	160,252	158,910	157,740
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	920,233	737,275	704,921	681,531	671,428
Subtotal - State Non Tax Revenues	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,899,394	3,928,841	4,050,276	4,292,955	3,953,173	3,826,711	3,730,169	3,755,896	3,768,591
Subtotal - State Own Source Revenues	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,625,451	22,606,302	24,232,038	26,148,727	27,013,776	27,328,947	27,992,498	29,193,558	30,283,419
Federal Grants	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	9,756,757	8,486,104	8,808,041	9,409,547	10,564,728	11,854,123	12,239,896	12,640,700	13,033,709
TOTAL STATE REVENUES	26,012,942	26,882,133	27,734,320	27,952,916	29,500,069	31,382,208	31,092,406	33,040,079	35,558,274	37,578,504	39,183,070	40,232,394	41,834,258	43,317,128
Local Non-School Revenues														
<i>Tax Revenues:</i>														
Property Tax	3,691,559	3,977,679	4,303,124	4,643,104	4,875,947	4,973,156	5,057,424	5,300,123	5,367,186	5,447,952	5,575,149	5,801,858	6,024,148	6,266,328
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	346,540	361,334	368,128	380,697	400,520	420,799
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	220,892	224,753	223,831	229,581	243,495
Subtotal - Local Taxes	3,985,866	4,284,716	4,632,793	5,063,495	5,344,011	5,440,369	5,548,996	5,808,303	5,928,779	6,030,178	6,168,030	6,406,386	6,654,249	6,930,622
<i>Non-Tax Revenues:</i>														
Special Assessments	344,394	341,531	345,448	329,666	344,332	347,913	321,931	338,755	368,775	380,601	361,792	369,503	381,819	395,978
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	206,706	213,583	229,796	234,546	242,299	251,242
Charges for Services	1,075,780	1,089,702	1,166,288	1,105,485	1,122,285	1,091,618	1,101,390	1,200,528	1,321,625	1,346,207	1,270,603	1,293,327	1,331,212	1,375,048
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(48,374)	100,224	199,750	209,956	220,688	231,973
Selected Enterprise Revenues	2,943,018	3,214,027	3,294,338	3,425,271	3,468,110	3,432,935	3,586,765	3,819,575	3,786,805	3,900,262	4,047,959	4,129,397	4,264,610	4,420,983
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	471,922	521,709	527,543	539,894	558,289	579,122
Subtotal - Local Non Tax Revenues	5,285,976	5,729,749	6,006,862	5,851,812	5,880,351	5,686,154	5,873,634	6,150,639	6,107,459	6,462,586	6,637,443	6,776,623	6,998,916	7,254,345
Subtotal - Local Own Source Revenues	9,271,842	10,014,465	10,639,655	10,915,307	11,224,362	11,126,523	11,422,630	11,958,942	12,036,238	12,492,764	12,805,473	13,183,009	13,653,165	14,184,967
<i>Intergovernmental Revenue:</i>														
State Aid	2,570,258	2,701,489	2,765,824	2,494,934	2,587,881	2,498,658	2,541,924	2,499,281	2,541,940	2,696,874	2,942,607	2,955,213	2,974,947	2,995,140
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	409,895	384,705	395,185	395,185	395,185	395,185
Federal Aid	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,169,494	1,121,132	985,667	1,030,354	1,063,864	1,085,142	1,106,844	1,128,981
Subtotal - Intergovernmental Revenue	3,505,590	3,719,864	4,019,038	4,041,366	4,006,597	4,025,882	4,044,979	3,950,515	3,937,502	4,111,933	4,401,656	4,435,540	4,476,977	4,519,306
TOTAL LOCAL NON-SCHOOL REVENUES	12,777,432	13,734,329	14,658,693	14,956,673	15,230,959	15,152,405	15,467,609	15,909,457	15,973,740	16,604,697	17,207,129	17,618,549	18,130,141	18,704,273

**2016 February Forecast
Price of Government
State & Local Revenues
as a Percent of Personal Income
(\$ in Thousands)**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019
<u>School District Revenues</u>														
<i>Tax Revenues:</i>														
Property Tax	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,162,072	2,262,056	2,297,370	2,338,525	2,447,781	2,619,532	2,660,630	2,777,762
Taconite Production Tax	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	8,908	9,119	8,664	8,690	8,170
Subtotal - School District Tax Revenues	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,169,751	2,269,662	2,304,627	2,347,433	2,456,900	2,628,196	2,669,320	2,785,932
<i>Non-Tax Revenues:</i>														
Fee Revenue	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,486	517,519	528,987	539,567	550,358	561,366
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	262,765	267,249	269,922	272,621	275,347
Subtotal - School District Non Tax Revenues	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	780,284	796,236	809,489	822,979	836,713
Subtotal - School Dist Own Source Revenue:	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,940,706	3,034,841	3,096,016	3,127,717	3,253,136	3,437,685	3,492,299	3,622,645
<i>Intergovernmental Revenue:</i>														
State Aid	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,007,915	7,285,035	7,527,881	8,124,869	8,400,438	8,670,333	8,829,870	8,996,735
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,161	10,239	10,239
Market Value Homestead Credit	60,880	59,743	56,302	53,475	53,994	57,165	60,934	132	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,279	5,134	5,021	8,801	8,839	8,839	8,839
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	51,394	53,073	53,073	53,073	53,073
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	689,862	706,263	713,325	720,459	727,663
Subtotal - Intergovernmental Revenue	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,880,807	9,178,359	9,455,731	9,622,480	9,796,549
TOTAL SCHOOL DISTRICT REVENUES	9,110,471	9,572,287	10,106,167	10,331,083	11,049,483	10,772,718	10,863,210	11,088,074	11,381,452	12,008,524	12,431,495	12,893,416	13,114,779	13,419,194
<u>Total State, Local & School District Revenues</u>														
<i>Tax Revenues</i>	22,048,660	22,992,969	23,944,410	23,312,762	23,465,518	25,297,830	26,396,208	28,259,727	30,089,178	31,438,214	32,127,166	33,296,911	34,761,231	36,231,382
<i>Non-Tax Revenues</i>	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,340,483	10,573,430	10,966,094	11,191,803	11,196,043	11,260,390	11,316,281	11,577,791	11,859,649
<i>Intergovernmental Revenue</i>	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,018	20,453,587	20,811,789	21,632,485	23,557,468	25,434,138	26,131,167	26,740,157	27,349,564
TOTAL ALL REVENUES	47,900,845	50,188,749	52,499,180	53,240,672	55,780,511	57,307,331	57,423,225	60,037,610	62,913,466	66,191,725	68,821,694	70,744,359	73,079,178	75,440,595
Less: Intergovernmental Revenues	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,557,468)	(25,434,138)	(26,131,167)	(26,740,157)	(27,349,564)
Total Own Source Revenues	31,403,187	32,817,022	34,219,471	33,563,107	33,818,467	35,638,313	36,969,638	39,225,821	41,280,981	42,634,257	43,387,556	44,613,192	46,339,022	48,091,031
Minnesota Personal Income	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	247,630,000	256,846,000	261,232,000	273,325,000	281,653,000	291,980,000	306,610,000	320,968,000
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	14.9%	15.3%	15.8%	15.6%	15.4%	15.3%	15.1%	15.0%