

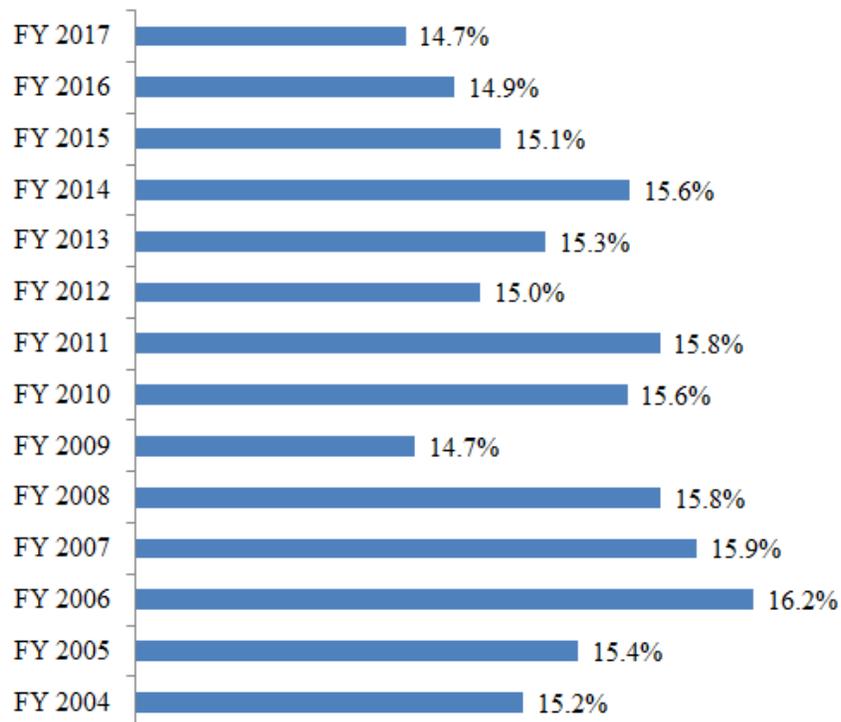
Price of Government

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 statewide personal income. For calendar year 2013, fiscal year 2014, it is estimated at 15.6 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.6 cents will be paid to state, county, township, and school districts for services during that year.

Minnesota Price of Government (Historical & Projected)
State and Local Revenues as % of MN Personal Income





Since 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)				
	FY 2014	Percent of Total	FY 2015	Percent of Total
State Revenues				
Tax Revenues	\$21,670		\$22,367	
Non-Tax Revenues	4,374		3,687	
<i>Total State Revenues</i>	<u>26,044</u>	63%	<u>26,054</u>	63%
Local Non-School Revenues				
Tax Revenues	5,919		5,989	
Non-Tax Revenues	6,113		6,301	
<i>Total Local Non-School Revenues</i>	<u>12,032</u>	29%	<u>12,290</u>	30%
School District Revenues				
Tax Revenues	2,305		2,346	
Non-Tax Revenues	778		791	
<i>Total School District Revenues</i>	<u>3,083</u>	8%	<u>3,137</u>	7%
Total Own Source Revenues	\$41,159		\$41,481	
Minnesota Personal Income	\$263,178		\$275,218	
Governmental Revenue as Percent of Person Income	15.6%		15.1%	

In FY 2014, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 63 percent. Counties, cities, and townships will collect about 29 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 39 percent of the total while non-school local governments will spend 35 percent, and school districts will spend 26 percent.

A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2004 through FY 2017 shown by level of government.

**End of 2014 Legislative Session
Price of Government
State & Local Revenues, CY 2003-2016
as a Percent of Personal Income
(\$ in Thousands)**

	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
State Revenues														
<i>Tax Revenues:</i>														
Individual Income Tax	5,709,584	6,341,164	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,529,204	7,972,460	9,012,500	9,465,530	9,860,175	10,632,520	11,198,835
General Sales Tax	4,119,075	4,258,183	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,686,836	4,959,128	5,065,746	5,324,588	5,470,498	5,635,862	5,929,420
Corporate Income Tax	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	1,044,159	1,280,743	1,337,318	1,371,599	1,342,835	1,380,351
Gasoline & Special Fuels Taxes	653,626	656,580	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	869,355	861,079	860,614	859,952
Motor Vehicle License Tax	492,339	496,299	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	653,647	683,649	714,057	742,811
Motor Vehicle Sales Tax	593,855	557,678	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	643,836	680,496	716,539	749,372
Statewide Property Tax	599,622	610,874	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	832,057	833,304	845,459	864,755
Health Care Taxes	266,804	410,014	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	531,050	560,006	595,379	636,137
All Other Taxes	1,330,247	1,274,399	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,358,831	1,434,308	1,419,267	2,012,199	2,046,567	2,055,400	2,086,014
Subtotal - State Taxes	14,393,200	15,531,065	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,726,057	18,677,462	20,181,764	21,669,580	22,367,373	23,398,665	24,447,647
<i>Non-Tax Revenues:</i>														
Fees & Charges	861,625	892,486	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,285,126	1,205,342	1,222,129	1,066,032	1,052,360	1,076,558	1,067,764
Investment Earnings	86,107	97,660	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,112	81,784	85,156	109,342	145,126
Post-Secondary Tuition	876,000	952,785	1,061,327	1,150,022	1,221,500	1,307,918	1,447,977	1,598,637	1,630,000	1,674,300	1,653,800	1,637,800	1,637,800	1,637,800
Tobacco Settlements	168,467	175,488	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	164,529	163,016	162,352	161,934
All Other Resources	484,192	480,689	569,495	474,762	533,964	701,676	760,955	777,684	854,439	906,666	1,408,462	747,818	703,985	687,987
Subtotal - State Non Tax Revenues	2,476,391	2,599,108	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,899,394	3,928,836	4,050,267	4,374,607	3,686,150	3,690,037	3,700,611
Subtotal - State Own Source Revenues	16,869,591	18,130,173	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,625,451	22,606,299	24,232,031	26,044,187	26,053,523	27,088,702	28,148,258
Federal Grants	5,934,455	6,037,741	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	9,756,757	8,486,103	8,808,040	9,849,502	10,938,004	11,693,691	11,858,234
TOTAL STATE REVENUES	22,804,046	24,167,914	26,012,942	26,882,133	27,734,320	27,952,916	29,500,069	31,382,208	31,092,402	33,040,071	35,893,689	36,991,527	38,782,393	40,006,492
Local Non-School Revenues														
<i>Tax Revenues:</i>														
Property Tax	3,265,406	3,466,417	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	5,414,386	5,548,190	5,705,029
Sales Tax	109,805	124,986	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	347,620	366,039	382,930	403,310
Other Taxes	139,909	138,270	161,507	164,632	148,454	186,030	186,593	172,002	175,355	180,434	204,514	208,531	213,348	221,328
Subtotal - Local Taxes	3,515,120	3,729,673	3,985,866	4,284,716	4,632,793	5,063,495	5,344,011	5,440,369	5,548,995	5,812,084	5,919,320	5,988,956	6,144,468	6,329,667
<i>Non-Tax Revenues:</i>														
Special Assessments	326,123	337,068	344,394	341,531	345,448	329,666	344,332	347,913	321,931	328,698	333,729	342,553	353,068	364,772
Licenses and Permits	175,918	193,546	199,330	197,952	180,199	168,677	151,194	157,641	170,119	174,540	177,115	181,738	187,267	193,430
Charges for Services	1,055,651	1,192,728	1,075,780	1,089,702	1,166,288	1,105,485	1,122,285	1,091,618	1,101,390	1,125,039	1,138,648	1,164,308	1,195,215	1,229,733
Investment Earnings	152,660	162,378	224,633	380,413	489,121	359,674	178,693	143,817	189,380	198,125	217,937	233,193	249,516	266,983
Selected Enterprise Revenues	2,695,742	2,838,441	2,943,018	3,214,027	3,294,338	3,425,271	3,468,110	3,432,935	3,586,765	3,672,126	3,722,373	3,816,420	3,929,572	4,055,895
Miscellaneous Revenues	464,994	492,958	498,821	506,124	531,468	463,039	615,737	512,230	503,424	515,792	523,549	562,740	581,512	600,082
Subtotal - Local Non Tax Revenues	4,871,088	5,217,119	5,285,976	5,729,749	6,006,862	5,851,812	5,880,351	5,686,154	5,873,009	6,014,320	6,113,351	6,300,952	6,496,150	6,710,895
Subtotal - Local Own Source Revenues	8,386,208	8,946,792	9,271,842	10,014,465	10,639,655	10,915,307	11,224,362	11,126,523	11,422,004	11,826,404	12,032,671	12,289,908	12,640,618	13,040,562
<i>Intergovernmental Revenue:</i>														
State Aid	2,632,590	2,475,904	2,570,258	2,701,489	2,765,824	2,494,934	2,587,881	2,498,658	2,540,600	2,416,328	2,454,284	2,612,278	2,642,371	2,659,931
Local Aid	178,908	214,384	203,588	239,302	457,236	541,921	340,912	308,779	333,561	331,267	331,267	331,267	331,267	331,267
Federal Aid	675,464	667,368	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,169,494	1,196,051	1,225,952	1,244,341	1,281,671	1,288,080
Subtotal - Intergovernmental Revenue	3,486,962	3,357,656	3,505,590	3,719,864	4,019,038	4,041,366	4,006,597	4,025,882	4,043,654	3,943,646	4,011,503	4,187,886	4,255,309	4,279,278
TOTAL LOCAL NON-SCHOOL REVENUES	11,873,170	12,304,448	12,777,432	13,734,329	14,658,693	14,956,673	15,230,959	15,152,405	15,465,658	15,770,049	16,044,174	16,477,794	16,895,927	17,319,840

**End of 2014 Legislative Session
Price of Government**

**State & Local Revenues, CY 2003-2016
as a Percent of Personal Income
(\$ in Thousands)**

	CY 2003 FY 2004	CY 2004 FY 2005	CY 2005 FY 2006	CY 2006 FY 2007	CY 2007 FY 2008	CY 2008 FY 2009	CY 2009 FY 2010	CY 2010 FY 2011	CY 2011 FY 2012	CY 2012 FY 2013	CY 2013 FY 2014	CY 2014 FY 2015	CY 2015 FY 2016	CY 2016 FY 2017
School District Revenues														
<i>Tax Revenues:</i>														
Property Tax	1,180,578	1,277,288	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,162,072	2,262,056	2,297,366	2,337,383	2,477,388	2,571,980
Taconite Production Tax	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	8,908	9,119	9,300
Subtotal - School District Tax Revenues	1,188,609	1,285,271	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,169,751	2,269,662	2,304,623	2,346,291	2,486,507	2,581,280
<i>Non-Tax Revenues:</i>														
Fee Revenue	400,204	417,551	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,677	537,211	547,955	558,914
Other Miscellaneous Revenue	212,778	273,027	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	251,317	253,830	256,369	258,932
Subtotal - School District Non Tax Revenues	612,982	690,578	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	777,994	791,041	804,324	817,846
Subtotal - School Dist Own Source Revenues	1,801,591	1,975,849	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,940,706	3,034,841	3,082,617	3,137,332	3,290,831	3,399,126
<i>Intergovernmental Revenue:</i>														
State Aid	6,053,242	6,002,391	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,007,915	7,285,412	7,563,519	8,140,485	8,269,732	8,404,991
State Paid Tax Credits	10,411	9,593	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,924	9,767	9,786	9,786	9,786
Education Homestead Credit	239	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	68,406	64,239	60,880	59,743	56,302	53,475	53,994	57,165	60,934	132	0	0	0	0
Homestead Agric Land MV Credit	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,279	5,134	4,874	4,874	4,874
Local Aid	28,342	29,008	30,643	30,576	36,389	38,738	43,389	40,314	40,927	42,709	41,954	41,954	41,954	41,954
Federal Aid	541,432	568,689	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	716,598	723,764	731,002	738,312
Subtotal - Intergovernmental Revenue	6,707,951	6,679,129	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,922,504	8,052,959	8,336,972	8,920,863	9,057,348	9,199,917
TOTAL SCHOOL DISTRICT REVENUES	8,509,542	8,654,978	9,110,471	9,572,287	10,106,167	10,331,083	11,049,483	10,772,718	10,863,211	11,087,800	11,419,589	12,058,195	12,348,179	12,599,043

Total State, Local & School District Revenues

<i>Tax Revenues</i>	19,096,929	20,546,009	22,048,660	22,992,969	23,944,410	23,312,762	23,465,518	25,297,830	26,396,209	28,263,510	29,893,523	30,702,620	32,029,640	33,358,594
<i>Non-Tax Revenues</i>	7,960,461	8,506,805	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,340,483	10,572,800	10,829,766	11,265,952	10,778,143	10,990,511	11,229,352
<i>Intergovernmental Revenue</i>	16,129,368	16,074,526	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,018	20,452,261	20,804,645	22,197,977	24,046,753	25,006,348	25,337,429
TOTAL ALL REVENUES	43,186,758	45,127,341	47,900,845	50,188,749	52,499,180	53,240,672	55,780,511	57,307,331	57,421,271	59,897,920	63,357,452	65,527,516	68,026,499	69,925,375
Less: Intergovernmental Revenues	(16,129,368)	(16,074,526)	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,018)	(20,452,261)	(20,804,645)	(22,197,977)	(24,046,753)	(25,006,348)	(25,337,429)

Total Own Source Revenues	27,057,390	29,052,814	31,403,187	32,817,022	34,219,471	33,563,107	33,818,467	35,638,313	36,969,009	39,093,276	41,159,475	41,480,763	43,020,151	44,587,946
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Minnesota Personal Income	178,146,750	188,330,000	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	246,517,000	255,782,000	263,178,000	275,218,000	289,285,000	304,145,000
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Revenue as Percent of Personal Income	15.2%	15.4%	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	15.0%	15.3%	15.6%	15.1%	14.9%	14.7%
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