

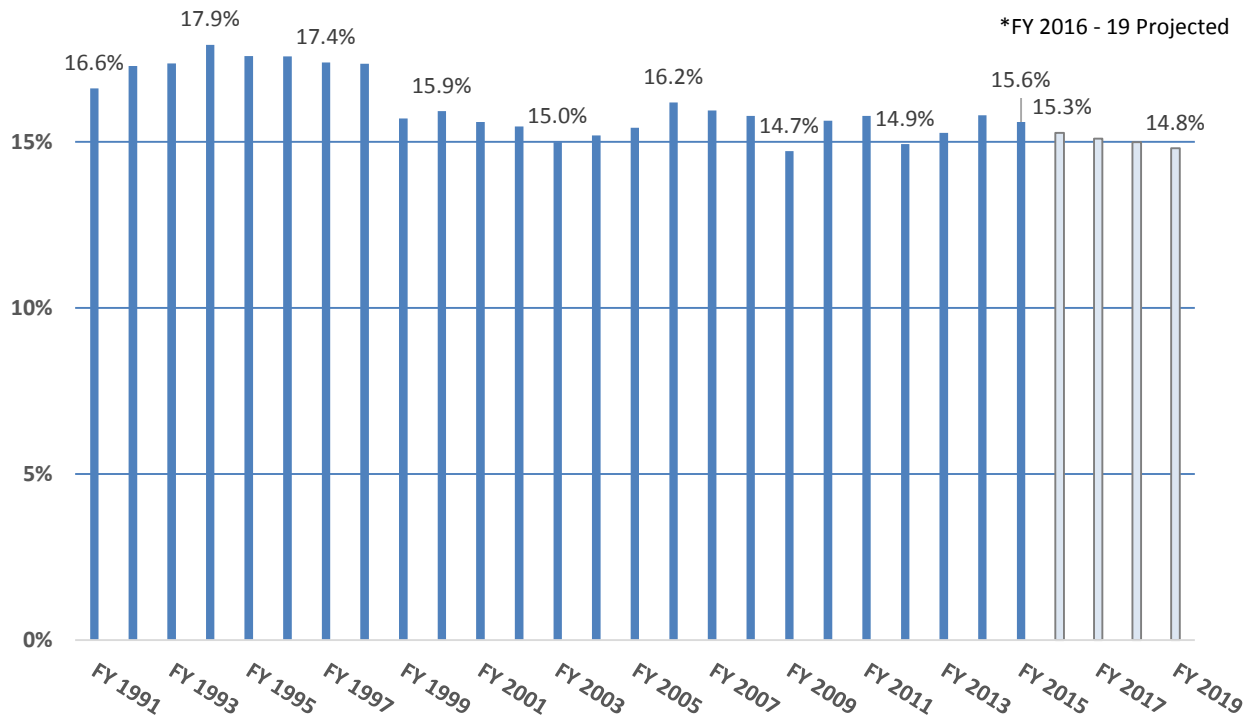
Price of Government

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 15.3 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.3 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	\$23,617		\$24,671	
Non-Tax Revenues	3,821		3,722	
<i>Total State Revenues</i>	<u>27,438</u>	63%	<u>28,393</u>	63%
Local Non-School Revenues				
Tax Revenues	6,170		6,418	
Non-Tax Revenues	6,545		6,739	
<i>Total Local Non-School Revenues</i>	<u>12,715</u>	29%	<u>13,157</u>	29%
School District Revenues				
Tax Revenues	2,429		2,602	
Non-Tax Revenues	793		806	
<i>Total School District Revenues</i>	<u>3,222</u>	8%	<u>3,408</u>	8%
Total Own Source Revenues	\$43,375		\$44,958	
Minnesota Personal Income	\$283,975		\$297,798	
Governmental Revenue as Percent of Personal Income	15.3%		15.1%	

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 29 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 36 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 2006 through FY 2019 shown by level of government.

2015 November 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	10,678,200	11,278,400	12,053,700	12,678,800
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	5,757,676	6,076,536	6,375,807	6,635,455
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	1,339,544	1,304,936	1,317,160	1,349,785
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	889,252	900,300	903,414	898,230	901,749
Motor Vehicle License Tax	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	652,951	687,115	720,668	759,950	793,650	821,050
Motor Vehicle Sales Tax	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	640,272	694,265	726,314	782,823	839,017	873,722
Statewide Property Tax	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	835,554	838,080	837,881	851,453	866,634	888,866
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	554,751	587,423	617,777	650,397	684,950
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	2,068,564	2,096,203	2,136,767	2,167,099
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	23,616,570	24,671,492	25,931,362	27,001,476
<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	1,205,410	1,120,945	1,151,354	1,153,016
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	93,588	98,039	119,847	148,926	163,367
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	168,297	166,861	170,060	175,399	170,747	162,370	161,957	161,022	160,379
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	920,234	713,892	677,544	662,241	657,827
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	3,953,174	3,821,011	3,721,593	3,764,843	3,775,889
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	27,013,777	27,437,581	28,393,085	29,696,205	30,777,365
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	11,850,784	12,238,115	12,638,848	13,031,376
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	37,578,505	39,288,365	40,631,200	42,335,053	43,808,741
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	5,801,634	6,034,649	6,294,372
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	346,540	361,334	372,878	391,754	412,215	430,822
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	220,892	221,992	224,612	230,646	244,065
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	6,170,019	6,418,000	6,677,510	6,969,259
<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	385,718	397,267	411,656	427,217
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	206,706	213,583	216,284	222,677	230,691	239,366
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	1,360,415	1,395,935	1,440,753	1,489,291
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(48,374)	100,224	107,240	114,746	122,779	131,373
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	3,946,995	4,062,455	4,207,952	4,365,513
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	471,922	521,709	528,795	545,423	565,615	587,295
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	6,545,447	6,738,503	6,979,446	7,240,055
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	12,715,466	13,156,503	13,656,956	14,209,314
<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	2,792,418	2,804,207	2,823,236	2,842,658
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	409,895	384,705	384,705	384,705	384,705	384,705
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	1,050,961	1,071,980	1,093,420	1,115,288
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	4,228,084	4,260,892	4,301,361	4,342,651
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	16,943,550	17,417,395	17,958,317	18,551,965

**2015 November 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
School District Revenues														
<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	2,419,452	2,592,949	2,716,670	2,803,501
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	8,740	8,231
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	2,428,571	2,601,613	2,725,410	2,811,732
<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	527,869	538,427	549,195	560,179
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	262,765	265,393	268,047	270,727	273,434
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	793,262	806,474	819,922	833,613
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	3,221,833	3,408,087	3,545,332	3,645,345
<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	8,384,843	8,672,482	8,839,788	9,000,547
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,661	9,794	9,918	9,930	9,930
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	8,803	8,938	8,938	8,938
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	51,394	52,429	52,429	52,429	52,429
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	689,862	696,761	703,728	710,766	717,873
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	9,152,630	9,447,495	9,621,851	9,789,717
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	12,374,463	12,855,582	13,167,183	13,435,062
Total State, Local & School District Revenues														
<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	32,215,160	33,691,105	35,334,282	36,782,467
<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	11,196,044	11,159,720	11,266,570	11,564,211	11,849,557
<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	25,231,498	25,946,502	26,562,060	27,163,744
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	66,191,726	68,606,378	70,904,177	73,460,553	75,795,768
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)	(25,231,498)	(25,946,502)	(26,562,060)	(27,163,744)
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	42,634,258	43,374,880	44,957,675	46,898,493	48,632,024
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	283,975,000	297,798,000	312,890,000	328,483,000
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%	15.3%	15.1%	15.0%	14.8%