

Price of Government

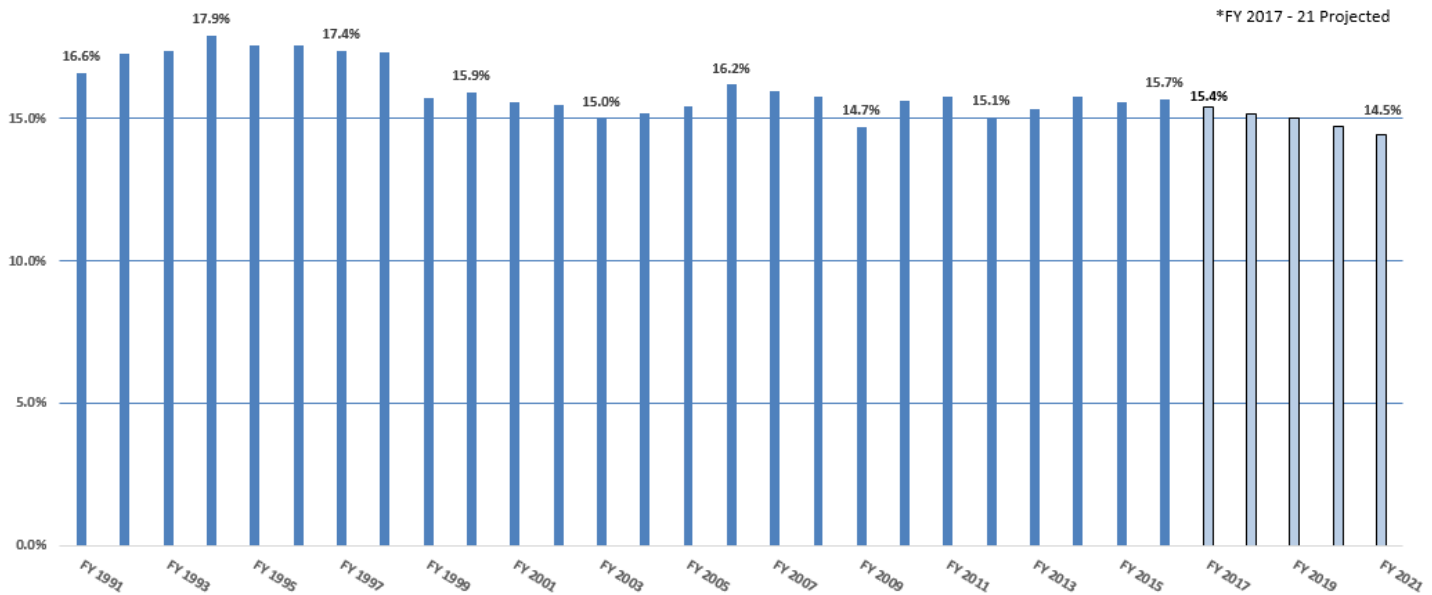
State and Local Government Revenues

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 2017 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)

	Actual FY 2016	Percent of Total	Projected FY 2017	Percent of Total
State Revenues				
Tax Revenues	\$23,683		\$23,976	
Non-Tax Revenues	4,415		4,243	
<i>Total State Revenues</i>	<u>28,098</u>	63%	<u>28,219</u>	63%
Local Non-School Revenues				
Tax Revenues	6,222		6,457	
Non-Tax Revenues	6,697		6,845	
<i>Total Local Non-School Revenues</i>	<u>12,919</u>	29%	<u>13,302</u>	30%
School District Revenues				
Tax Revenues	2,458		2,628	
Non-Tax Revenues	796		809	
<i>Total School District Revenues</i>	<u>3,254</u>	7%	<u>3,438</u>	8%
Total Own Source Revenues	\$44,271		\$44,959	
Minnesota Personal Income	\$282,142		\$291,840	
Governmental Revenue as Percent of Personal Income	15.7%		15.4%	

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 7.6 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 2021 shown by level of government.

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Price of Government

November 2016 Forecast Budget State & Local Revenues as a Percent of Personal Income

	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	Actual FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
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	10,738,906	11,083,000	11,753,600	12,365,900	12,756,600	13,456,000
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	5,597,268	5,778,363	6,020,622	6,248,646	6,459,316	6,694,247
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	1,473,097	1,132,086	1,228,390	1,311,679	1,320,224	1,327,183
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	889,252	900,382	906,500	911,261	917,614	919,988	912,951
Motor Vehicle License Tax	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	652,951	687,115	702,306	744,350	772,450	796,650	815,475	826,675
Motor Vehicle Sales Tax	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	640,272	694,265	714,496	744,720	798,940	844,890	882,270	899,730
Statewide Property Tax	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	835,554	838,080	853,780	840,088	861,404	883,103	904,612	928,083
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	554,751	584,236	616,763	645,831	678,217	473,680	0
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	2,118,984	2,129,915	2,134,821	2,157,853	2,191,249	2,225,984
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	23,683,455	23,975,785	25,127,319	26,204,552	26,723,414	27,270,853
<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	1,169,798	1,132,840	1,112,571	1,109,502	1,119,137	1,114,940
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	93,588	123,734	134,899	146,727	166,001	190,836	193,229
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	1,642,093	1,637,900	1,637,900	1,637,900	1,637,900	1,637,900
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	175,399	170,747	171,238	160,252	158,910	157,740	156,438	155,344
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,177,564	703,572	674,435	678,314	675,941
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	4,414,749	4,243,455	3,759,680	3,745,578	3,782,625	3,777,354
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	28,098,204	28,219,240	28,886,999	29,950,130	30,506,039	31,048,207
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	10,930,643	11,485,037	12,098,692	12,269,479	12,768,064	13,250,804
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	39,028,847	39,704,277	40,985,691	42,219,609	43,274,103	44,299,011
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	5,801,028	6,038,983	6,272,788	6,517,845	6,770,034
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	346,540	372,913	421,657	431,730	446,837	464,557	481,094	498,129
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	223,850	224,988	224,273	221,615	231,501	241,897	249,363
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	6,044,715	6,221,794	6,457,031	6,707,435	6,968,846	7,240,836	7,517,526
<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	355,259	358,548	366,619	379,820	393,793	404,227	415,377
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	206,706	227,075	230,195	235,253	243,661	252,561	259,128	266,151
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	1,278,007	1,294,978	1,308,507	1,332,585	1,373,570	1,416,946	1,449,836	1,485,017
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(48,374)	197,075	205,627	215,908	226,704	238,039	249,941	262,438
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	3,981,481	4,053,157	4,139,584	4,285,982	4,440,935	4,557,578	4,682,341
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	489,369	499,612	541,125	554,702	575,030	596,435	651,315	670,178
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	6,081,288	6,555,480	6,697,159	6,844,651	7,084,767	7,338,709	7,572,025	7,781,502
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	12,010,067	12,600,195	12,918,953	13,301,682	13,792,202	14,307,555	14,812,861	15,299,028
<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	2,836,470	2,916,518	2,930,257	2,958,163	2,981,263	3,002,038	3,009,580
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	409,895	391,775	392,046	392,046	392,046	392,046	392,046	392,046
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	1,035,303	1,054,229	1,075,313	1,096,820	1,118,756	1,141,131	1,163,954
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	4,263,548	4,362,793	4,397,616	4,447,029	4,492,065	4,535,215	4,565,580
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	15,947,569	16,863,743	17,281,746	17,699,298	18,239,231	18,799,620	19,348,076	19,864,608

Price of Government

November 2016 Forecast Budget State & Local Revenues as a Percent of Personal Income

	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	Actual FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
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	2,339,265	2,448,642	2,619,666	2,703,593	2,822,578	2,981,547	3,110,033
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	8,599	8,100	8,100	8,300
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	2,348,173	2,457,761	2,628,330	2,712,192	2,830,678	2,989,647	3,118,333
<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	518,615	528,987	539,567	550,358	561,366	572,593	584,045
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	264,603	267,249	269,922	272,621	275,347	278,100	280,881
Subtotal - School District Non Tax Revenues	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	783,218	796,236	809,489	822,979	836,713	850,693	864,926
Subtotal - School Dist Own Source Revenues	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	3,131,391	3,253,997	3,437,819	3,535,171	3,667,391	3,840,340	3,983,259
<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	8,124,733	8,396,897	8,723,900	8,857,284	9,048,700	9,183,364	9,326,501
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,661	9,781	10,650	10,760	10,856	10,943	11,033
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	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	9,085	9,104	9,104	9,104	
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	52,039	53,073	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	699,270	706,263	713,325	720,459	727,663	734,940	
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	8,890,724	9,174,815	9,510,033	9,650,680	9,849,396	9,991,424	10,142,000
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	12,022,115	12,428,812	12,947,852	13,185,851	13,516,787	13,831,764	14,125,259
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	31,453,491	32,363,010	33,061,146	34,546,946	36,004,076	36,953,897	37,906,712
<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	11,165,632	11,291,871	11,908,144	11,897,595	11,667,426	11,921,000	12,205,343	12,423,782
<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	23,719,000	24,468,251	25,392,686	26,196,401	26,610,940	27,294,703	27,958,384
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	62,887,295	66,464,362	68,739,405	70,351,427	72,410,773	74,536,016	76,453,943	78,288,878
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)	(23,719,000)	(24,468,251)	(25,392,686)	(26,196,401)	(26,610,940)	(27,294,703)	(27,958,384)
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	41,254,810	42,745,362	44,271,154	44,958,741	46,214,372	47,925,076	49,159,240	50,330,494
Minnesota Personal Income	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	245,619,674	255,579,645	261,211,895	274,461,491	282,141,639	291,840,000	304,545,000	318,837,500	333,352,500	348,225,000
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	15.1%	15.3%	15.8%	15.6%	15.7%	15.4%	15.2%	15.0%	14.7%	14.5%