

Price of Government

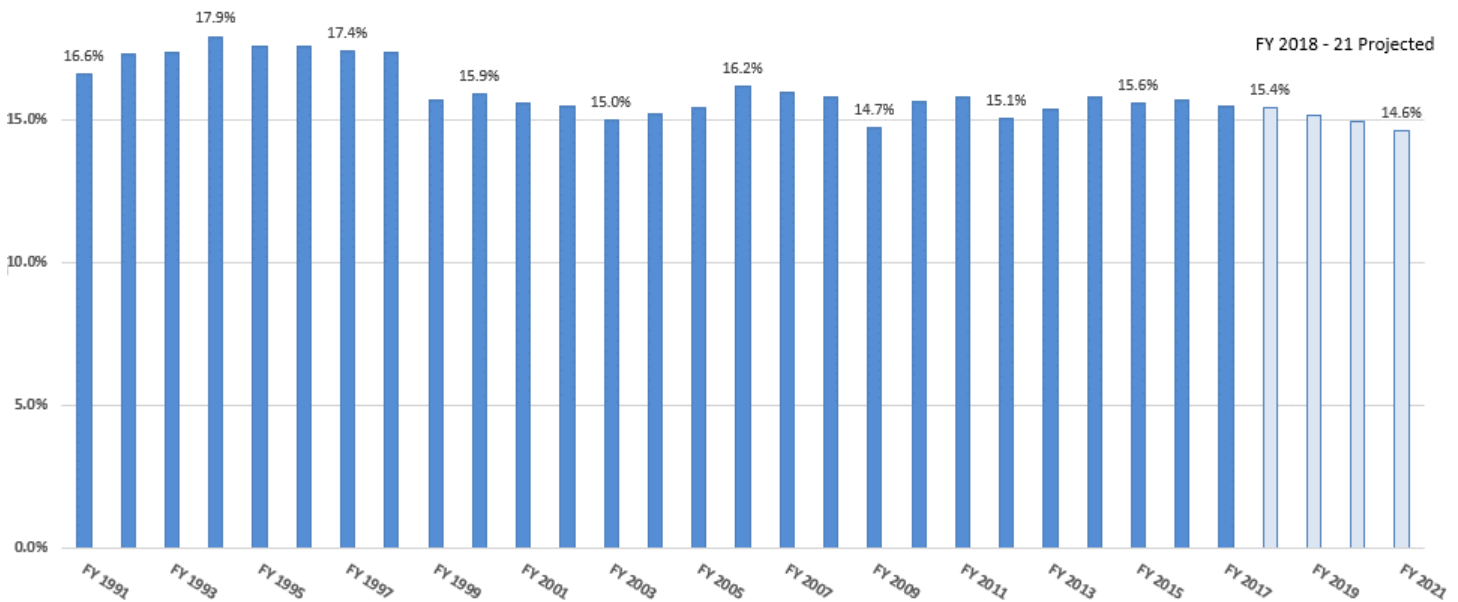
State and Local Government Revenues

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 2018 it is projected at 15.4 percent.

Minnesota Price of Government

State and Local Revenues as % of MN Personal Income



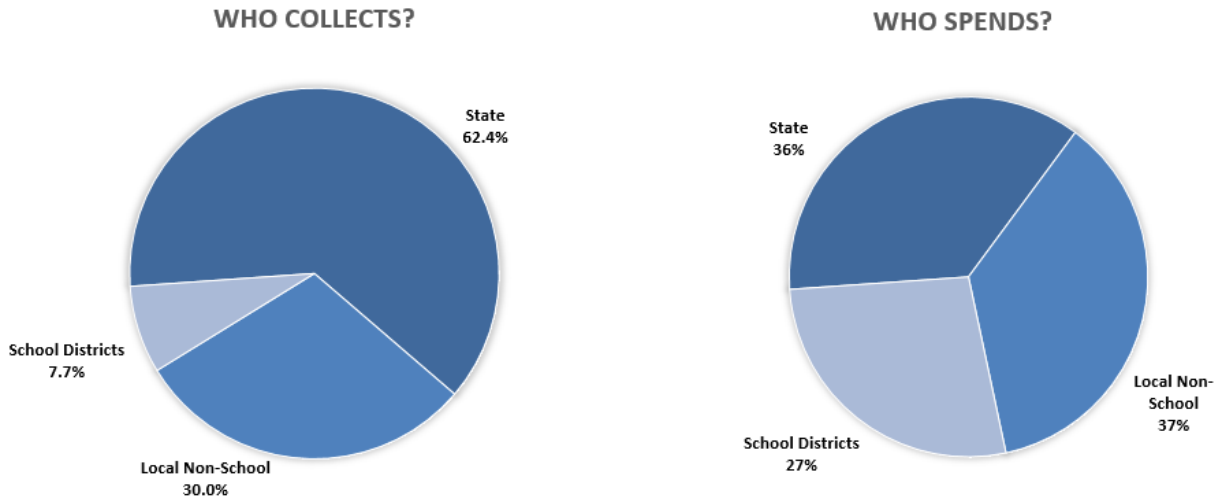
Because the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

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 2018	Percent of Total	Projected FY 2019	Percent of Total
State Revenues				
Tax Revenues	\$24,799		\$25,784	
Non-Tax Revenues	4,296		3,809	
<i>Total State Revenues</i>	<u>29,095</u>	62%	<u>29,593</u>	62%
Local Non-School Revenues				
Tax Revenues	6,805		7,227	
Non-Tax Revenues	7,164		7,407	
<i>Total Local Non-School Revenues</i>	<u>13,968</u>	30%	<u>14,634</u>	30%
School District Revenues				
Tax Revenues	2,691		2,844	
Non-Tax Revenues	878		893	
<i>Total School District Revenues</i>	<u>3,568</u>	8%	<u>3,737</u>	8%
Total Own Source Revenues	\$46,632		\$47,964	
Minnesota Personal Income	\$302,800		\$316,770	
Governmental Revenue as Percent of Personal Income	15.4%		15.1%	

In FY 2018, 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 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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**2017 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	Actual FY 2016	Actual 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	10,931,165	11,524,200	12,165,600	12,706,800	13,292,200
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	5,787,027	5,902,387	6,121,524	6,212,782	6,449,221
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	1,205,379	1,226,416	1,239,183	1,263,761	1,326,275
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	911,548	922,100	927,923	931,970	926,840
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	752,889	868,411	891,911	1,021,419	1,029,819
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	754,284	784,700	772,500	792,700	802,000
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	858,389	812,925	817,291	816,906	816,569
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	613,550	647,250	676,903	472,082	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	2,151,116	2,110,429	2,170,858	2,219,821	2,259,144
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	23,965,347	24,798,818	25,783,693	26,458,241	26,902,068
<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	1,233,836	1,125,250	1,129,048	1,133,400	1,130,877
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	93,588	123,734	159,109	153,480	166,754	197,968	204,579
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	1,640,893	1,655,173	1,673,066	1,673,066	1,673,066	1,673,066
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,600	175,999	170,747	171,238	168,226	154,296	152,052	149,436	146,724
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	1,221,576	1,189,746	688,315	689,067	687,617
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	4,413,549	4,437,920	4,295,838	3,809,235	3,842,937	3,842,863
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	28,097,004	28,403,267	29,094,656	29,592,928	30,301,178	30,744,931
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	10,987,402	12,338,501	12,646,046	12,839,785	13,306,811
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	39,027,647	39,390,669	41,433,157	42,238,974	43,140,963	44,051,742
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	5,575,309	5,800,945	6,044,053	6,351,979	6,631,345	6,903,142
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	498,381	600,259	615,985	632,720
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	261,453	264,258	264,237	262,148	274,897	290,134	298,104
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	6,082,318	6,261,224	6,535,863	6,804,582	7,227,135	7,537,464	7,833,966
<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	351,391	359,637	373,283	386,435	396,897	409,310
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	206,706	227,075	236,008	241,074	250,172	258,913	265,773	273,958
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	1,353,293	1,378,724	1,422,967	1,465,308	1,499,492	1,540,338
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,484	112,858	118,501	124,426	130,648
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	4,192,176	4,310,404	4,471,594	4,625,942	4,749,694	4,897,571
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	489,369	499,612	501,240	513,468	532,839	551,565	567,051	585,257
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	6,735,854	6,910,790	7,163,713	7,406,664	7,603,333	7,837,082
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	12,637,798	12,997,078	13,446,653	13,968,295	14,633,799	15,140,797	15,671,048
<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	2,980,783	2,927,231	3,044,705	3,148,138	3,183,648	3,218,814
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	409,895	391,775	375,941	377,353	377,353	377,353	377,353	377,353
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	1,012,298	1,027,980	1,038,259	1,048,642	1,059,128	1,069,720
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	4,369,022	4,332,564	4,460,317	4,574,133	4,620,129	4,665,886
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	16,901,346	17,366,100	17,779,216	18,428,612	19,207,932	19,760,926	20,336,934

**2017 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	Actual FY 2016	Actual 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	2,448,645	2,619,633	2,682,229	2,835,918	3,014,114	3,218,507
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	8,598	8,088	9,456	9,821
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	2,457,764	2,628,297	2,690,827	2,844,006	3,023,570	3,228,328
<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	545,579	556,491	567,620	578,973	590,552	602,363
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	264,603	304,628	307,674	310,751	313,859	316,997	320,167
Subtotal - School District Non Tax Revenue	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	783,218	850,207	864,165	878,371	892,832	907,549	922,530
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	3,131,391	3,307,971	3,492,462	3,569,198	3,736,838	3,931,119	4,150,858
<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	8,401,312	8,774,072	9,116,954	9,451,077	9,586,032	9,758,215
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	10,671	10,344	10,205	10,297	10,367
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	9,101	8,667	46,048	52,966	59,304
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,671	52,252	52,252	52,252	52,252
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	720,719	727,926	735,205	742,557	749,983
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	9,184,839	9,565,234	9,916,143	10,294,787	10,444,104	10,630,121
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	12,492,810	13,057,696	13,485,341	14,031,625	14,375,223	14,780,979
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	31,491,094	32,402,443	33,129,507	34,294,227	35,854,834	37,019,275	37,964,362
<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	11,999,610	12,212,875	12,337,922	12,108,731	12,353,819	12,602,475
<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	24,484,504	24,885,200	26,714,961	27,514,966	27,904,018	28,602,818
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	62,887,294	66,501,965	68,886,557	70,227,581	73,347,110	75,478,531	77,277,112	79,169,655
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)	(24,484,504)	(24,885,200)	(26,714,961)	(27,514,966)	(27,904,018)	(28,602,818)
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	42,782,965	44,402,053	45,342,382	46,632,149	47,963,565	49,373,094	50,566,837
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	282,523,020	292,687,000	302,800,000	316,770,000	331,023,000	346,300,000
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%	15.5%	15.4%	15.1%	14.9%	14.6%