



FAQs – Revenue Estimates, Fiscal Notes, and Local Impact Notes

January 2025

What is a revenue estimate?

Estimates by the Minnesota Department of Revenue (DOR - not the Legislative Budget Office) that provide analysis about how tax bill language would change state tax collections or state expenditures for property tax, aids, and credits. Revenue estimates are prepared for all bills scheduled for a hearing in either the House or Senate tax committees.

Estimates provide an explanation of the methodology used, including comments on interpretation of the statutory language. Other noteworthy components about the revenue estimate:

- Based on the latest economic forecast (which reflects current law) and other relevant data available; may need to be updated following forecast revisions
- Static analysis – no credit for general stimulus to the economy
- Behavioral responses are sometimes considered (example: cigarette tax)
- Assumes 100% compliance

How is a fiscal note different from a revenue estimate?

A fiscal note is produced by the Legislative Budget Office (LBO). State agencies that would be impacted by proposed legislation provide data regarding their estimates of the fiscal impact. The LBO reviews and compiles these estimates to ensure they are reasonable, accurate, and objective. Fiscal notes are different from revenue estimates because they do not examine state tax collections or expenditures related to property tax, aids, and/or credits.

How are revenue estimates generally requested?

Contact a House Fiscal Analyst to request an official revenue estimate. Revenue estimates may be requested by email, by phone, or via a caucus researcher to a House Fiscal Analyst assigned to the Tax Committee.

How many different types of revenue estimates and fiscal notes are there?

There are two kinds of revenue estimates and fiscal notes: (1) public and (2) confidential.

DOR sends completed estimates of publicly introduced tax bills to the chief bill author via e-mail. Completed estimates are also posted on the [DOR website](#). DOR sends completed estimates of confidential tax bill proposals to the House Fiscal Analyst to send to the requesting member. Confidential revenue estimates are not publicly posted.

What is the turn-around time after a revenue estimate is requested?

Timing of completion depends on department staff workload, but revenue estimates are often available only the day before (or day of) a hearing. Estimates may be requested for bills with no scheduled hearing, but these are given much lower priority.

What if the revenue estimate or fiscal note is wrong?

If a revenue estimate or fiscal note does not match the intent of the bill, contact a House Fiscal Analyst. The House Fiscal Analyst will review language and estimate assumptions with the member and will consult with DOR staff.

Can revenue estimates be requested on amended bill language?

If the bill author intends to amend a bill during committee – in a way that may change the revenue estimate – please contact a House Fiscal Analyst as soon as possible. An official revenue estimate may be requested for the bill “as amended by the author.”

Do revenue estimates include administrative costs?

Most revenue estimates do not estimate how the bill language would affect state agency or local government administrative costs (but if costs are likely to be significant, that is generally noted). Fiscal notes can detail state agency costs, while a local impact note estimates the impact on local governments.

What is a local impact note?

An estimate of the local government or school district fiscal impact of proposed legislation or rule. If the proposal meets certain criteria, a local impact note can be requested.

Local impact notes are coordinated by the Legislative Budget Office (LBO) with input from local officials. A local impact note may take several weeks to complete depending on complexity and response from local officials. Once completed, local impact notes are available on the LBO’s website.

How are local impact notes requested?

They can be requested only by the Chair or the ranking minority member of the House and Senate Tax, Finance, or Ways and Means Committees. The LBO is required to inform the bill's author(s) that a local impact note has been requested.