

Amounts in thousands 000's

Full Social Security Subtraction

General Fund Impact	FY 2024	FY 2025	FY 2026	FY 2027	FY 26-27	FY 2028	FY 2029	FY 28-29
100% Social Security Subtraction , Effective Tax Year 2025 (1)			(390,700)	(415,700)	(806,400)	(437,300)	(456,000)	(893,300)
Total General Fund Tax Revenue Reduction			(390,700)	(415,700)	(806,400)	(437,300)	(456,000)	(893,300)

Motor Fuels Excise Tax Indexing Cap at 31.8 cents General Fund Tax Interactions

General Fund Savings	FY 2024	FY 2025	FY 2026	FY 2027	FY 26-27	FY 2028	FY 2029	FY 28-29
Payments to Counties with Casinos			-	10	10	10	20	30
Tribal Tax Agreements			70	200	270	390	520	910
Total General Fund Tax Interactions - Savings			70	210	280	400	540	940
Total Net General Fund Impact			(390,630)	(415,490)	(806,120)	(436,900)	(455,460)	(892,360)

Transportation Advancement Account Current Law Base Allocation

	FY 2024	FY 2025	FY 2026	FY 2027	FY 26-27	FY 2028	FY 2029	FY 28-29
Revenues								
Delivery Fee		35,000	45,000	55,000	100,000	55,000	55,000	110,000
Sales Tax on Auto Parts	11,256	16,039	19,883	28,090	47,973	56,377	86,548	142,925
Total Revenue	11,256	51,039	64,883	83,090	147,973	111,377	141,548	252,925
Expenditures / Transfers out								
Seven TC Metro Counties	36%	4,052	18,374	23,358	53,270	40,096	50,957	91,053
Small Cities	27%	3,039	13,781	17,518	39,952	30,072	38,218	68,290
Larger Cities	15%	1,688	7,656	9,732	22,196	16,707	21,232	37,939
Town Road	11%	1,238	5,614	7,137	16,277	12,251	15,570	27,821
County State Aid Highway	10%	1,126	5,104	6,488	14,797	11,138	14,155	25,293
Food Delivery Support	1%	113	510	649	1,480	1,114	1,415	2,529

Proposed Change - Delivery Fee Elimination, Rental Tax Addition & Formula Change

	FY 2024	FY 2025	FY 2026	FY 2027	FY 26-27	FY 2028	FY 2029	FY 28-29
Revenues								
Delivery Fee Eliminated end of June 2025								
Delivery Fee (2)		35,000	4,588	-	4,588	-	-	-
Sales Tax on Auto Parts	11,256	16,039	19,883	28,090	47,973	56,377	86,548	142,925
Rental Tax 9.2%			36,630	38,160	74,790	39,681	41,321	81,002
Total Revenue	11,256	51,039	61,101	66,250	127,351	96,058	127,869	223,927
Expenditures / Transfers out								
Seven TC Metro Counties	0%	4,052	18,374	-	-	-	-	-
Small Cities	34%	3,039	13,781	20,774	43,299	32,660	43,475	76,135
Larger Cities	23%	1,688	7,656	14,053	29,291	22,093	29,410	51,503
Town Road	15%	1,238	5,614	9,165	19,103	14,409	19,180	33,589
County State Aid Highway	28%	1,126	5,104	17,108	35,658	26,896	35,803	62,699
Food Delivery Support	0%	113	510	-	-	-	-	-

HUTD Impact Capping Gas Tax Inflater at 31.8 cents & Rental Tax Reallocation

	FY 2024	FY 2025	FY 2026	FY 2027	FY 26-27	FY 2028	FY 2029	FY 28-29
Gas Tax Rate Capped at 31.8 cents			-9,600	-26,300	-35,900	-39,800	-62,800	-102,600
Gas Tax Cap Tax Interaction - Service Station Credit			30	100	130	210	280	490
Rental Tax 9.2%			-36,630	-38,160	-74,790	-39,681	-41,321	-81,002
Total HUTD Reduction from Forecast			-46,200	-64,360	-110,560	-79,271	-103,841	-183,112
Net Impact TAA & HUTD Change - See Below for Metro Counties								
Trunk Highway Fund			(27,212)	(37,908)	(65,120)	(46,691)	(61,162)	(107,853)
CSAH			(2,108)	(7,490)	(9,598)	(6,081)	(6,960)	(13,041)
MSAS			371	(2,729)	(2,358)	(1,392)	(700)	(2,092)
Net Townships (road & bridge)			953	(698)	255	315	1,195	1,510
Turnbacks			(1,236)	(1,722)	(2,958)	(2,120)	(2,778)	(4,898)

	0.75% Seven County Metro Sales and Use Tax								
		FY 2024	FY 2025	FY 2026	FY 2027	FY 26-27	FY 2028	FY 2029	FY 28-29
Current Distribution									
Total		318,478	502,900	521,900	540,700	1,062,600	560,200	580,400	1,140,600
Metropolitan Council	83%	264,337	417,407	433,177	448,781	881,958	464,966	481,732	946,698
Metro Counites	17%	54,141	85,493	88,723	91,919	180,642	95,234	98,668	193,902
Proposed Distribution									
Metropolitan Council	74%	264,337	417,407	386,206	400,118	786,324	414,548	429,496	844,044
Metro Counites	26%	54,141	85,493	135,694	140,582	276,276	145,652	150,904	296,556
Change Metro Counties	-	-	-	46,971	48,663	95,634	50,418	52,236	102,654
Change Metropolitan Council	-	-	-	(46,971)	(48,663)	(95,634)	(50,418)	(52,236)	(102,654)
Estimated Metro Counties Reduction from HUTD (3)				(446)	(1,586)	(2,032)	(1,288)	(1,474)	(2,762)
Net Metro Counties TAA & Sales Tax				23,167	17,165	40,332	9,034	(195)	8,839

Notes: Data from DOR Revenue Note, Nov 2024 Transportation Funds Forecast, MnDOT Construction Cost Index Estimates

(1) Estimate based on the House Income Tax Simulation Model 7.5 by the MN Department of Revenue, January 2025

(2) The Delivery Fee is proposed to be repealed July 1 2025, but June revenue would still be recognized in July 2026 (FY 2026)

(3) Result of CSAH reduction from forecast with gas tax indexing cap, assumes metro counties are 21.1% of CSAH total.

Abbreviations: HUTD - Highway User Tax Distribution Fund, CSAH - County State Aid Highway, MSAS - Municipal State Aid Streets

TAA - Transportation Advancement Account