

2025 OMNIBUS TAXES BILL - SENATE OFFER #2

FEBRUARY 2025 FORECAST BASELINE | GENERAL FUND EFFECTS ONLY | ADOPTED PROVISION MARKED WITH ASTERISK

\$\$\$ in thousands | Tax Revenues: Negative # = Revenue Reduction | Property Tax, Aids & Credits (and other) Expenditures: Negative # = Spending Reduction

LINE	ITEM	EFFECTIVE DATE	SENATE OFFER #2 (5/27 12:00PM)							
			FY 2025	FY2026	FY2027	FY25-27	FY2028	FY2029	FY28-29	FY25-29
	TOTAL GENERAL FUND EFFECT									
1	Tax Revenues		-	50,630	80,320	130,950	98,830	116,470	215,300	346,250
2	Property Tax Aids & Credits (and other) Expenditures		228	(5,042)	110	(4,704)	160	170	330	(4,374)
4	NET GENERAL FUND EFFECT (EXPENDITURES - REVENUES)		228	(55,672)	(80,210)	(135,654)	(98,670)	(116,300)	(214,970)	(350,624)
TARGET:						(118,000)			(190,000)	(308,000)
DIFFERENCE (POSITIVE = OVER TARGET):						(17,654)			(24,970)	(42,624)
	GENERAL FUND TAX REVENUES									
	INDIVIDUAL INCOME TAX									
11	*Education Credit Assignability Modifications	TY26	-	unknown	unknown	unknown	unknown	unknown	unknown	unknown
12	Discharged/Coerced Debt Subtraction	TY25	-	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)
13	Short Line Railroad Infrastructure Modernization Credit Transferrability	TY24 (retro)	-	-	-	-	-	-	-	-
14	SEIU MN Stipend Payment Subtraction	DFE	-	-	-	-	-	-	-	-
15	*Correction for Annuity Contributions	DFE	-	-	-	-	-	-	-	-
16	SUBTOTAL: INDIVIDUAL INCOME TAX		-	-	-	-	-	-	-	-
	SALES AND USE TAX									
28	*Data Centers Exemption - Repeal Exemption for Electricity	7/1/25	-	23,930	32,320	56,250	38,130	44,570	82,700	138,950
29	*Brewers Sales Tax Remittance Modifications	1/1/26	-	-	-	-	-	-	-	-
30	Short Line Railroad Infrastructure Modernization Credit Transferrability	TY24 (retro)	-	-	-	-	-	-	-	-
31	*Interaction - Cannabis Gross Receipts Tax Rate Increase	7/1/25	-	(700)	(1,100)	(1,800)	(1,400)	(1,800)	(3,200)	(5,000)
32	SUBTOTAL: SALES AND USE TAX		-	23,230	31,220	54,450	36,730	42,770	79,500	133,950
	CANNABIS GROSS RECEIPTS TAX									
35	*Increase Cannabis Gross Receipts Tax from 10% to 15%	7/1/25	-	18,500	34,300	52,800	43,400	51,500	94,900	147,700
36	*Repeal Local Government Cannabis Aid (Redirection to General Fund)	Various	-	8,900	14,800	23,700	18,700	22,200	40,900	64,600
37	SUBTOTAL: CANNABIS GROSS RECEIPTS TAX		-	27,400	49,100	76,500	62,100	73,700	135,800	212,300
	OTHER TAXES									
40	*Illegal Controlled Substances Tax - Repeal	8/1/25	-	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)
43	TOTAL TAX REVENUES		-	50,630	80,320	130,950	98,830	116,470	215,300	346,250

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			FY 2025	FY2026	FY2027	FY25-27	FY2028	FY2029	FY28-29	FY25-29
	PROPERTY TAX AIDS & CREDITS									
	HOMESTEAD PROPERTY TAX REFUNDS									
48	<i>Interaction - Attachments & Appurtenances Clarification</i>	AY25	-	-	40	40	40	40	80	120
49	<i>*Interaction - Land Bank Property Tax Abatement</i>	DFE	-	-	10	10	10	20	30	40
50	<i>Interaction - Tribal Property Tax Exemption (Minneapolis - Leech Lake Band of Ojibwe)</i>	AY26	-	-	-	-	10	10	20	20
51	<i>Interaction - Tribal Property Tax Exemption (Cook County - Grand Portage Band of Chippewa)</i>	AY26	-	-	-	-	negl.	negl.	negl.	negl.
52	<i>Interaction - Tribal Property Tax Exemption (Minneapolis - Mille Lacs Band of Ojibwe)</i>	AY26	-	-	-	-	negl.	negl.	negl.	negl.
53	<i>Interaction - Tribal Property Tax Exemption (Minneapolis - Red Lake Nation - Retroactive Payment)</i>	AY26	122	-	-	122	negl.	negl.	-	122
54	<i>Interaction - Homestead Resort Property Tier Limit Modifications</i>	AY26	-	-	-	-	40	40	80	80
55	<i>Interaction - Exemption for Airport Hangars Used for Manufacturing</i>	AY26	-	-	30	30	30	30	60	90
56	<i>Interaction - "Alliance Exemption"</i>	AY26	-	-	10	10	10	10	20	30
57	<i>Interaction - Valuation Reduction Allowed for Conservation Easements</i>	AY26	-	-	-	-	unknown	unknown	unknown	unknown
58	<i>*Interaction - Bloomington Port Authority Exemption Extended</i>	Pay26-31	-	-	20	20	20	20	40	60
59	SUBTOTAL: HOMESTEAD PROPERTY TAX REFUNDS		122	-	110	232	160	170	330	562
	LOCAL GOVERNMENT AIDS									
62	2023 LGA Penalty Forgiveness - City of Stewart (FY25 appropriation)	DFE	88	-	-	88	-	-	-	88
63	2023 LGA Penalty Forgiveness - City of Alpha (FY25 appropriation)	DFE	18	-	-	18	-	-	-	18
64	2024 LGA Penalty/Small City Assistance Forgiveness - City of Odin	DFE	-	-	-	-	-	-	-	-
65	2024 LGA Penalty/Small City Assistance Forgiveness - City of Trosky	DFE	-	-	-	-	-	-	-	-
66	LGA Base Aid Establishment for City of Baldwin	Pay26	-	-	-	-	-	-	-	-
67	Public Safety Aid Reporting Requirements	DFE	-	-	-	-	-	-	-	-
68	Township Aid Formula Modification	Pay26	-	-	-	-	-	-	-	-
69	SUBTOTAL: LOCAL GOVERNMENT AIDS		106	-	-	106	-	-	-	106
	OTHER PROPERTY TAX, AIDS & CREDITS CHANGES									
83	Fiscal Disparities Removal from Property Tax Notices and Statements	Pay26	-	-	-	-	-	-	-	-
84	Musical Entertainment Expenditure Limit Increase	DFE	-	-	-	-	-	-	-	-
85	Modifying Interest Rate Charged on Confessions of Judgements for Homesteads	DFE	-	-	-	-	-	-	-	-
86	Border Cities Modifications	DFE	-	-	-	-	-	-	-	-
87	4(d) Eligibility Clarification	AY26	-	-	-	-	-	-	-	-
88	SUBTOTAL: OTHER PROPERTY TAX, AIDS, & CREDITS CHANGES		-	-	-	-	-	-	-	-
91	TOTAL TAX AIDS AND CREDITS		228	-	110	338	160	170	330	668

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	<u>OTHER ITEMS</u>									
95	*Repeal Local Government Cannabis Aid (Transfer to General Fund)	DFE	-	(5,042)	-	(5,042)	-	-	-	(5,042)
96	*Political Contribution Refund Modifications	1/1/27	-	-	negl.	negl.	negl.	negl.	negl.	negl.
97	Tax Expenditure Review Commission Modifications (House Position)	DFE	-	-	-	-	-	-	-	-
98	Laws 2023, Chapter 64 \$10m Appropriation to Minneapolis - Extend Availability to 6/30/27	DFE	-	-	-	-	-	-	-	-
99	Fiscal Disparities Removal from Property Tax Notices and Statements	Pay26	-	-	-	-	-	-	-	-
100	Musical Entertainment Expenditure Limit Increase	DFE	-	-	-	-	-	-	-	-
101	Modifying Interest Rate Charged on Confessions of Judgements for Homesteads	DFE	-	-	-	-	-	-	-	-
102	*Department of Revenue Policy & Technical Changes	Various	-	-	-	-	-	-	-	-
103	State Fair Bonding Authority Increase (\$30m to \$50m)	7/1/25	-	-	-	-	-	-	-	-
104	Pharmacy Refund Timing Modifications (Has Effect on Health Care Access Fund)	1/1/26	-	-	-	-	-	-	-	-
105	Provider Tax Research Credit Rate Modification (House Provision)		-	-	-	-	-	-	-	-
106	*Public Finance Provisions		-	-	-	-	-	-	-	-
125	SUBTOTAL: OTHER ITEMS		-	(5,042)	-	(5,042)	-	-	-	(5,042)