

Tax Conference Committee
Wednesday, May 18, 2005
Room 15 Capitol
Chair, Representative Philip Krinkie

Senate Conferees

Pogemiller
Belanger
Betzold
Moua
Skoe

House Conferees

Krinkie, Chair
Abrams
Lanning
Lenczewski
Simpson

Representative Krinkie called the meeting to order at 7:55 p.m.

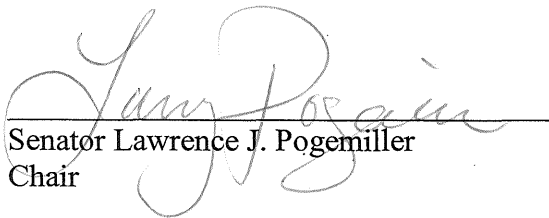
A quorum was present.

Agenda Item #1: HF 785 Omnibus Tax Bill

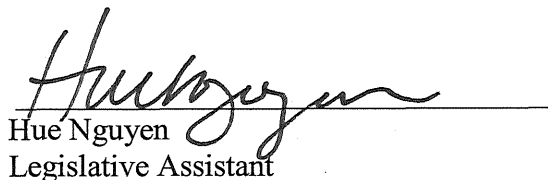
1. Overview of fiscal spreadsheets, updated on 5/18/05 by:
 - a. Anita Neumann, Senate Fiscal Analyst
 - b. Paul Wilson, House Fiscal Analyst
 - c. Marie Zimmerman, House Fiscal Analyst
2. Side by side overview by Karen Baker, House Counsel and JoAnne Sellner, Senate Counsel
 - a. SF 1209, Articles 1-4, Senate provision
 - b. Article 1, House provision, Taxpayer Satisfaction Survey
 - c. Articles 8 and 22, Senate provision, Property Taxes
 - i. Article 2, House provision

Representative Krinkie adjourned the meeting at 10:45 p.m.

Respectfully Submitted:



Senator Lawrence J. Pogemiller
Chair



Hue Nguyen
Legislative Assistant

				HF 785			HF 785 Unofficial Engrssment										
Line	Changes to General Fund Tax Revenue (dollars in thousands)			House FY2006	House FY2007	House FY2006-07	Change from Base FY2006-07	House FY2008-09	Change from Base FY2008-09	Senete FY2006	Senete FY2007	Senete FY2006-07	Change from Base FY2006-07	Senete FY2008-09	Change from Base FY2008-09	GOV FY2006-07	
TAX REVENUE																	
Income Tax																	
Income tax provisions with interactions																	
1	Tax rates -- Raise third rate to 8% & add new 10.65% bracket									564,200	480,300	1,044,500	1,044,500	1,042,400	1,042,400		
2	AMT exemptions & phaseouts -- House: increase exemption to \$42K in 2005, \$45K in 2006, \$50K in 2007, then index for inflation; Senate: increase exemption to \$66.3K and start of exemption phaseout to \$248.6K eff. 2005, index both for inflation starting 2007			(4,500)	(10,500)	(15,000)	(15,000)	(39,800)	(39,800)	(20,600)	(24,400)	(45,000)	(45,000)	(60,500)	(60,500)		
3	0711	Abrams	0461 Rest														
4	AMT -- Dependent exemption									(10,800)	(12,300)	(23,100)	(23,100)	(29,700)	(29,700)		
5	AMT full deduction for charitable contributions -- House: eff. 2006; Senate: eff. 2005			0	(3,300)	(3,300)	(3,300)	(8,100)	(8,100)	(3,000)	(3,300)	(6,300)	(6,300)	(8,100)	(8,100)		
6	Interaction effects (Senate includes interaction with increase in married joint standard deduction)			0	1,100	1,100	1,100	4,100	4,100	(10,200)	(8,300)	(18,500)	(18,500)	(13,900)	(13,900)		
7																	
8	Other income tax provisions																
9	Subtract expenses related to organ donation (up to \$10,000) -- Only House allows subtraction for a dependent's lost wages			(104)	(109)	(213)	(213)	(235)	(235)	(102)	(107)	(209)	(209)	(230)	(230)		
10	0020	Paulsen	0322 Scheid														
11	Exempt National Guard pay for active service in Minnesota			(42)	(42)	(84)	(84)	(84)	(84)	(42)	(42)	(84)	(84)	(84)	(84)	(84)	
12	2004 tax bill																
13	Military pay -- Subtract active duty military service out of state			(960)	(970)	(1,930)	(1,930)	(1,970)	(1,970)	(960)	(970)	(1,930)	(1,930)	(1,970)	(1,970)		
14	1098	Clark	254 Berglin														
15	2305	Eken	2182 Skoc							\$2,000	\$2,100	\$4,100	\$4,100	\$4,600	\$4,600		
16	K-12 Credit -- House: Starting 2005 repeal family cap & repeal need to allocate costs to specific child; starting in 2006, start phaseout at 185% of median family income; Senate: Repeal family cap (2006)			(695)	(2,750)	(3,445)	(3,445)	(6,100)	(6,100)	0	(450)	(450)	(450)	(960)	(960)		
17	0389	Vanderveer	0700 Bachmann														
18	1054	Knoblach	0558 Orman														
19	Working family credit -- subtract earned income of lower-earning spouse in calculating phaseout (eff. 1/1/06)			0	(5,800)	(5,800)	(5,800)	(12,500)	(12,500)								
20	2361	Knoblach															
21	Dependent care credit -- subtract earned income of lower-earning spouse in calculating phaseout (eff. 1/1/06)			0	(3,300)	(3,300)	(3,300)	(6,000)	(6,000)								
22	2361	Knoblach															
23	Long-term care insurance credit -- eliminate deduction offset			(300)	(330)	(630)	(630)	(760)	(760)							(630)	
24	0719	Urdahl	0516 Sams							0	(2,900)	(2,900)	(2,900)	(7,500)	(7,500)	(2,900)	
25	1369	Thissen	1932 Anderson							0	(10,000)	(10,000)	(10,000)	0	0	(10,000)	
26	1640	Magnus	1564 Bakk							(1,640)	(2,200)	(3,840)	(3,840)	(5,520)	(5,520)		
27	1731	Lanning	1659 Pogemiller							13,200	850	14,050	14,050	1,950	1,950	14,050	
28	10% investment credit for dairy farms -- House & Senate have different annual caps on total credit			(900)	(1,000)	(1,900)	(1,900)	(2,000)	(2,000)	2,000	2,000	4,000	4,000	4,000	4,000	4,000	
29	25% investment credit for regional angel investment funds																
30	10% income tax credit for historic structures rehabilitation																
31	Require quarterly withholding for nonres partnerships & S-corps			13,200	850	14,050	14,050	1,950	1,950								
32	Require 2% withholding on payments to self-employed construction subcontractors									2,000	2,000	4,000	4,000	4,000	4,000	4,000	
33	Federal Conformity (income tax and corporate franchise tax)																
34	0682	Severson	0734 Vickerman														
35	0943	Lanning	1008 Wergin							(680)	(330)	(1,010)	(1,010)	(690)	(690)	(1,010)	
36	0002	Bradley	0376 Fischbach														
37	0009	Wilkin	0099 LeClair							(5,200)	(3,000)	(8,200)	(8,200)	(7,000)	(7,000)	(8,200)	
38	0135	Knoblach	0194 Reiter														
39	Medicare Act of 2003 -- Exclude fed subsidies to employers															(9,700)	
40	Working Families Tax Relief Act of 2004 -- Conform to higher federal standard deduction for married joint (House: 2005 & 2006 only; Senate: all years)			(45,400)	(11,000)	(56,400)	(56,400)	0	0	(45,400)	(19,800)	(65,200)	(65,200)	(22,400)	(22,400)		
41	1789	Abrams															
42	1906	Simon															
43	0770	Abeler	0456 Jungbauer														
44	0780	Rund	0397 Kelley							(3,980)	(70)	(4,050)	(4,050)	(245)	(245)	(4,050)	
45	Working Families Tax Relief Act of 2005 -- Deduction for \$250 teacher expenses (and all other items)			(3,980)	(70)	(4,050)	(4,050)	(245)	(245)								
46	American Job Creation Act of 2004 (selected items)			8,580	12,185	20,765	20,765	37,085	37,085	8,580	12,185	20,765	20,765	37,085	37,085	20,765	
47	Public Law 109-7 -- Exempt disaster mitigation grants			(15)	(15)	(30)	(30)	(35)	(35)								
48	Subtotal: Federal Conformity			(46,695)	(2,230)	(48,925)	(48,925)	29,115	29,115	(41,480)	(8,015)	(49,495)	(49,495)	13,750	13,750	(2,195)	

HF	House Author	SF	Senate Author	Line #	Changes to General Fund Tax Revenue (dollars in thousands)	House		Change from	Senate		Change from	Senate	Change from	GOV	
						FY2006	FY2007	FY2006-07	FY2006-07	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006-07	
				32	Income Tax Impact of Changes in Property Tax Levies										
				33	Change in income tax revenue due to state rate freeze and local property tax freeze: <u>Senate only</u> . (Updated 5-17-05)										
0872	Sykora			34	Change in income tax revenue due to property tax increases (House: K-12 bill property tax change)	0	(4,880)	(4,880)	(4,880)	(15,850)	(15,850)				
				35	Corporate Franchise Tax										
0705	Lenczewski	0645	Rest	36	Phase in single sales apportionment over 3 years (78% in 2007, 95% in 2008, 100% in 2009 and after)	0	(2,300)	(2,300)	(2,300)	(72,000)	(72,000)			(2,300)	
1387	Hornstein	1082	Pogemiller	37	FOC definition change, limit deemed dividend deduction, repeal royalty subtraction. (Governor: FOC definition only)										
2305	Eken	2182	Skoc												
0429	Adkins	0983	Marty	38	Disallow deduction for corporate fines and fees										
				39	Replace transit pass credit with refunds (to include nonprofits)										
1774	Hornstein	1229	Dibble	40	Car sharing expense credit										
	GOV			41	Credit for corporate contributions to K-12 scholarship funds									(3,500)	
				42											
				43	SUBTOTAL: Income and Corporate Franchise Taxes	(40,996)	(35,561)	(76,557)	(76,557)	(130,234)	(130,234)	624,451	506,251	1,130,702	1,130,702
				44											
				45	Sales and Use Tax										
GOV				46	Require up-front payment of sales tax on leased vehicles (10/1/05)	18,921	19,749	38,670	38,670	6,224	6,224	18,921	19,749	38,670	38,670
GOV				47	Rental vehicles tax rate -- Repeal 12/31/05 expiration date for special 12.7% sales tax rate	4,790	13,800	18,590	18,590	29,700	29,700	4,790	13,800	18,590	18,590
GOV				48	Collect cigarette sales tax at wholesale level -- payment shift	5,400	0	5,400	5,400	0	0	5,800	0	5,800	5,800
				49	-- compliance impact	2,250	2,700	4,950	4,950	5,400	5,400	2,250	2,700	4,950	4,950
GOV				49	Require state vendors to collect sales tax	680	2,730	3,410	3,410	8,710	8,710	680	2,730	3,410	3,410
GOV				50	Define industrial production to exclude gas pipelines	1,600	3,200	4,800	4,800	6,400	6,400	1,600	3,200	4,800	4,800
1807	Nelson, P.	1735	Tomassoni	51	Provide up front capital equipment exemption for small manufacturers (eff 1/1/08) 7/1/06	(2,640)	(2,300)	(4,940)	(4,940)	(2,690)	(2,690)	0	0	0	0
1392	Nelson, P.	1571	Rest	52	Ready-to-eat meats & seafood -- Repeal 12/31/05 expiration date for exemption	(325)	(795)	(1,120)	(1,120)	(1,655)	(1,655)	(325)	(795)	(1,120)	(1,655)
0406	Gumber	1576	Hottinger	53	Exempt artistic events at MNSCU & private colleges	(68)	(69)	(137)	(137)	(142)	(142)	0	0	0	0
1713	Krinkie	1601	Moua	54	Exempt certain solar energy systems (eff 8/1/05)	(40)	(50)	(90)	(90)	(65)	(65)	(40)	(50)	(90)	(65)
1743	Blaine	1670	Lourey	55	Exempt milk sold in vending machines	(124)	(140)	(264)	(264)	(280)	(280)	0	0	0	0
1286	Peterson, A	1921	Kubly	56	Exempt geothermal equipment							(950)	(1,050)	(2,000)	(2,300)
0804	Cornish	0775	Rosen	57	Exempt biomass stoves							(610)	(700)	(1,310)	(1,520)
				58	Reverse Sprint case: tax telecom. wire, fiber, poles, conduit							1,500	1,560	3,060	3,310
				59	Tax event souvenir clothing							850	850	1,700	1,700
				60	Exempt certain inputs for movie & TV production							(450)	(490)	(940)	(940)
				61	Exempt state & local government fuel-efficient vehicles							(16)	(18)	(34)	(20)
0498	Knoblach	0529	Kleis	62	Exempt inputs for public safety radio systems (capped total)							(4,800)	0	(4,800)	0
				63	Exempt diesel fuel for commuter rail							(20)	0	(20)	0
				64	Catholic Charities food service exemption							(58)	(8)	(66)	(66)
				65	Construction materials exemptions										
1173	Olson	0117	Solon	66	Personal Rapid Transit (PRT)	0	0	0	0	(200)	(200)	0	0	0	(200)
2323	Bernardy	0268	Betzold	67	Commuter rail							(4,300)	(4,300)	(8,600)	0
0843	Demmer	0719	Kiscaden	68	Waste recovery facilities							0	(745)	(745)	(745)
				69	Olmstead County							0	(70)	(70)	(70)
				70	Red Wing							0	(70)	(70)	(13)
				71	Minneapolis							(70)	(190)	(260)	0
0693	Jaros	671	Bakk	72	St. Mary's Hospital (Duluth)							(138)	0	(138)	0
1691	Westrom	1465	Kubly	73	Turkey litter biomass facility							(800)	0	(800)	0
1206	Rukavina	1190	Tomassoni	74	Laurentian Energy biomass facility							(134)	(300)	(434)	0

Line #	HF	House Author	SF	Senate Author	Changes to General Fund Tax Revenue (dollars in thousands)	House FY2006	House FY2007	House FY2006-07	Change from Base FY2006-07	House FY2008-09	Change from Base FY2008-09	Senate FY2006	Senate FY2007	Senate FY2006-07	Change from Base FY2006-07	Senate FY2008-09	Change from Base FY2008-09	GOV FY2006-07	
					Sales Tax construction materials exemptions (cont'd)														
75					Thief River Falls arena (retroactive)							(350)	0	(350)	(350)	0	0		
2413	Ellison	2163	Pogemiller	76	Crown Hydro (Minneapolis)							(145)	(20)	(165)	(165)	0	0		
0807	Davids	0848	Kierlin	77	Chatfield wastewater treatment plant							(160)	0	(160)	(160)	0	0		
2488	Abrams	2260	Rest	78	Streamlined Sales Tax provisions														
				79	Exempt all nonprescription drugs	(7,320)	(8,250)	(15,570)	(15,570)	(17,300)	(17,300)	(7,320)	(8,250)	(15,570)	(15,570)	(17,300)	(17,300)		
				80	Exempt all mobility enhancing medical devices ; exempt	7,590	8,670	16,260	16,260	18,530	18,530	7,590	8,670	16,260	16,260	18,530	18,530		
				81	all other durable medical equipment only if for home use														
				82	Increased tax revenue from voluntary payments	9,530	31,100	40,630	40,630	110,410	110,410	9,530	31,100	40,630	40,630	110,410	110,410		
				83	Subtotal: Streamlined Sales Tax provisions	9,800	31,520	41,320	41,320	111,640	111,640	9,800	31,520	41,320	41,320	111,640	111,640		
				84															
				85	SUBTOTAL: Sales Tax	40,244	70,345	110,589	110,589	163,042	163,042	32,825	67,373	100,198	100,198	165,924	165,924	76,220	
				86	Other General Fund Taxes														
	GOV			87	Alcoholic beverages -- Enact 2.5% gross receipts tax (eff. 1/1/06, when sales tax rate on alcohol falls from 9% to 6.5%)	23,650	60,300	83,950	83,950	125,100	125,100	23,650	60,300	83,950	83,950	125,100	125,100	83,950	
0044	Abrams	0401	Moua	88	Life insurance -- Reduce premiums tax to 1.5% (House: eff. 1/1/08; Senate: eff. 1/1/06; GOV: phase in over 4 years)	0	0	0	0	(12,600)	(12,600)	(3,300)	(8,400)	(11,700)	(11,700)	(17,700)	(17,700)	(4,500)	
0044	Abrams	0401	Moua	89	Insurance -- 1.26% rate if sell both property & casualty (CUNA)							90	240	330	330	500	500		
	GOV			90	Insurance -- Subject stop-loss policies to premiums tax eff. 1/1/06	1,400	3,700	5,100	5,100	9,900	9,900	1,400	3,700	5,100	5,100	9,900	9,900	5,100	
				91	Statewide property tax -- Freeze tax rate at (higher) 2002 rate on C/1							63,200	133,500	196,700	196,700	377,000	377,000		
1954	Hausman	1002	Anderson	92	Statewide property tax -- Abatement (Great River School, St. Paul)	(15)	0	(15)	(15)	0	0	(15)	0	(15)	(15)	0	0		
				93	Statewide property tax -- Delays 1st half payment for seasonal rec							(900)	(25)	(925)	(925)	925	925		
	2004 tax bill			94	Estate tax--Qualified Terminal Investment Plans (QTIP) (eff 1/1/07)	0	0	0	0	(14,500)	(14,500)								
	GOV			95	Allow liquor tax quarterly or annually payment if liability is small	(25)	0	(25)	(25)	0	0	(25)	0	(25)	(25)	0	0	(25)	
	GOV			96	Base fair tax quarterly payments on actual quarterly revenues	(25)	0	(25)	(25)	0	0	(25)	0	(25)	(25)	0	0	(25)	
1127	Brod	1024	Rosen	97	Bioscience Zone -- allow carryover of 2004-05 unspent balance	(100)	0	(100)	(100)	0	0							(1,000)	
1357	Peppin																		
1640	Magnus	1560	Bakk	98	IOBZ -- Exempt airplanes & aerial camera equip. from sales tax	(340)	(330)	(670)	(670)	(160)	(160)								
2406	Seifert	2162	Frederickson																
0946	Abrams		Rest	99	International Trade Zone (*in Public Finance bill)	0	0	0	0	(2,800)	(2,800)	0	(700)	(700)	(700)	(2,100)	(2,100)	(700)	
				100															
				101	SUBTOTAL: Other Tax Provisions	24,545	63,670	88,215	88,215	104,940	104,940	84,075	188,615	272,690	272,690	493,625	493,625	82,800	
				102															
				103	GENERAL FUND TAX REVENUE	23,793	98,454	122,247	122,247	137,748	137,748	741,351	762,239	1,503,590	1,503,590	1,822,415	1,822,415	158,561	
				104															
				105	NON-TAX REVENUE														
2130	Lenzewski			106	Card club franchise fee (15% of gross revenue)	4,200	4,240	8,440	8,440	8,620	8,620								
				107	Tax Shelter Compliance	36,370	3,870	40,240	40,240	9,440	9,440	60,520	2,040	62,560	62,560	6,990	6,990		
				108	Transfer Tax Relief Account balance to General Fund	3,408	0	3,408	3,408	0	0								
				109	GENERAL FUND NON-TAX REVENUE	43,978	8,110	52,088	52,088	18,060	18,060	60,520	2,040	62,560	62,560	6,990	6,990	0	
				110															
				111	GENERAL FUND TOTAL REVENUE (Tax & Non-Tax)	67,771	106,564	174,335	174,335	155,808	155,808	801,871	764,279	1,566,150	1,566,150	1,829,405	1,829,405	158,561	
				112	<i>Amount by which tax revenue increase is above (below) Governor (ignoring casino)</i>			15,774		1,589				1,407,589		1,675,186			

Negative numbers represent a cost to the state and positive numbers represent a gain to the general fund

HF	House Author	SF	Senate Author	Line #	Changes to General Fund Expenditures (dollars in thousands)	House		Change from	Senate		Change from	Senate	Change from	GOV				
						FY2006	FY2007	Base FY2006-07	FY2006	FY2007	Base FY2006-07		FY2008-09		FY2008-09			
				113	(base in regular font, change items in italics)													
				114	REFUNDS													
				114	<i>Regular Homeowner Refund (base)</i>	\$168,000	\$182,000	\$350,000	50	\$404,000	50	\$168,000	\$182,000	\$350,000	50	\$404,000	50	\$350,000
0413	Fritz	0315	Day	115	<i>Utility personal property tax exemption - Faribault</i>	0	0	0	0	26	26	0	0	0	0	26	26	26
0578	Dempsy	1784	Murphy	116	<i>Utility personal property tax exemption - Cannon Falls</i>	0	0	0	0	160	160	0	0	0	0	160	160	160
0600	Beard	0634	Robling	117	<i>Utility personal property tax exemption - Shakopee</i>	0	0	0	0	70	70	0	0	0	0	70	70	70
1691	Westrom	1465	Kubly	118	<i>Utility personal property tax exemption poultry litter biomass facility - Benson (extension)</i>	0	0	0	0	30	30	0	0	0	0	30	30	30
				119	<i>Utility personal property tax exemption biomass facility - Mpls</i>	0	0	0	0	0	0	0	0	0	0	15	15	15
1499	Simpson	1476	Sams	120	<i>LMV for small resorts 1c. House: 30% of '03 value or 40% of difference between '03 & '05 value. Senate: 15%, 25%</i>	0	9	9	9	18	18	0	120	120	120	240	240	240
0972	Howes	0779	Skoe	121	<i>Class 1c resorts. House: reduces 1st tier class rate to .55% up to \$300k, next \$1.5 mil is 1%. Senate: reduces 1st tier class rate to .55% up to \$600k, up to \$1.6 mil at 1% (both eliminate box)</i>	0	31	31	31	62	62	0	42	42	42	84	84	84
1908	Vandevcer	2196	Belanger	122	<i>Ad. House: reduces class rate to 1.0%. Senate: reduces class rate to .55% and market value based on restricted use</i>	0	420	420	420	870	870	0	0	0	0	2,720	2,720	2,720
1514	Heidgerken	1931	Fischbach	123	<i>Sauk River Watershed Levy. House: \$100k increase (*Public Finance bill). Senate: 0.01% of market value increase</i>	0	negligible	0	0	0	0	0	7	7	7	20	20	20
2407	Abrams	1366	Pogemiller	124	<i>Met Council Bus Bonds - \$64 mil (*Public Finance bill)</i>	0	0	0	0	131	131	0	0	0	0	131	131	131
0169	Rukavina	0417	Murphy	125	<i>Property tax exclusion for disabled veterans or spouse (up to \$200,000 of market value is excluded from taxation)</i>	0	(1,020)	(1,020)	(1,020)	(2,200)	(2,200)	0	0	0	0	0	0	0
2284	Normes	2258	Larson	126	<i>Increases the first tier of market value from \$32,000 to \$50,000 for disabled homesteads (class 1b)</i>	0	(16)	(16)	(16)	(32)	(32)	0	0	0	0	0	0	0
1640	Magnus	1564	Bakk	127	<i>Repeals property tax exemption for Biotech Zones</i>	0	(14)	(14)	(14)	(110)	(110)	0	0	0	0	0	0	0
0872	Sykora			128	<i>Education Finance Bill increase in K-12 levies - PTR increase</i>	0	2,800	2,800	2,800	9,100	9,100	0	0	0	0	0	0	0
2320	Dorman	2214	Skoe	129	<i>Increases first tier of market value for Ag land to \$750,000</i>	0	225	225	225	450	450	0	0	0	0	0	0	0
0785	Krinkie	0318	Pogemiller	130	<i>Property Tax Levy Freeze (beginning in pay 07 & after)</i>	0	0	0	0	0	0	0	0	0	0	(59,210)	(59,210)	(59,210)
				131	<i>Regular Renter Refund (base)</i>	149,700	152,400	302,100	0	308,100	0	149,700	152,400	302,100	0	308,100	0	302,100
				132	<i>Percent of Rent based on actual property taxes</i>	0	(66,400)	(66,400)	(66,400)	(123,800)	(123,800)	0	0	0	0	0	0	(30,400)
				133	<i>Targeting Refund</i>	4,950	8,910	13,860	0	23,980	0	4,950	8,910	13,860	0	23,980	0	13,860
				134	<i>Sustainable Forest Land Credits</i>	1,987	2,086	4,073	0	4,172	0	1,987	2,086	4,073	0	4,172	0	4,073
				135	Subtotal - Property Tax Refunds	324,637	281,431	606,068	(63,965)	625,027	(115,225)	324,637	345,565	670,202	169	684,538	(55,714)	643,328
				136														
0890	Vandevcer			137	<i>Limited Market Value(LMV). House: all property incl., delays sunset 2 yrs. Senate: Makes LMV permanent at 2005 level (&1c)</i>	0	(31)	(31)	(31)	(7,803)	(7,803)	0	29	29	29	(7,743)	(7,743)	(7,743)
				138														
0660	GOV			139	<i>Repeals Political Contribution Refund</i>	500	0	500	(10,500)	0	(9,900)	4,500	6,500	11,000	0	9,900	0	500
				140	<i>Tax Refund Interest</i>	15,000	15,000	30,000	0	30,000	0	15,000	15,000	30,000	0	30,000	0	30,000
				141														
				142	LOCAL AIDS													
				143	<i>Local Government Aid (LGA base)</i>	436,718	436,558	873,276	0	873,116	0	436,718	436,558	873,276	0	873,116	0	873,276
				144	<i>LGA. House: About 90% unmet for all cities; 1/2 cent sales tax authority for 1st class cities offset in LGA formula. Senate: White Bear Lake in FY06, increases LGA funding in FY07 & after</i>	0	(17,500)	(17,500)	(17,500)	0	0	105	86,000	86,105	86,105	188,000	188,000	188,000
				145	<i>County Program Aid (CPA base)</i>	204,786	204,786	409,572	0	409,572	0	204,786	204,786	409,572	0	409,572	0	409,572
	Vandevcer		Betzold	146	<i>Transfer to County Aid from Courts (Washington & Anoka)</i>	66	133	199	199	266	266	66	133	199	199	266	266	266
	Vandevcer		Betzold	147	<i>Reduction to Supreme Court base budget</i>	(66)	(133)	(199)	(199)	(266)	(266)	(66)	(133)	(199)	(199)	(266)	(266)	(266)
				148	<i>Appropriation to County Chemical Dependency Treatment Fund (CDTF) for County MOE Reduction - (DHS)</i>							1,287	1,933	3,220	3,220	5,689	5,689	5,689
				149	<i>Restores County Criminal Justice Aid for FY06-07 only</i>							15,000	15,000	30,000	30,000	0	0	0

Line #	HF House Author	SF Senate Author	Changes to General Fund Expenditures (dollars in thousands)	House		Change from	House	Change from	Senate			Change from	Senate	Change from	GOV	
				FY2006	FY2007	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006	FY2007	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006-07
LOCAL AIDS (continued)																
150			County Transition Aid	1,392	928	2,320	0	464	0	1,392	928	2,320	0	464	0	2,320
151			Public Defender Cost	500	500	1,000	0	1,000	0	500	500	1,000	0	1,000	0	1,000
152			Local Impact Note Cost (DOF, MDE)	214	214	428	0	428	0	214	214	428	0	428	0	428
153			Court Takeover Aid	3,135	0	3,135	0	0	0	3,135	0	3,135	0	0	0	3,135
154			Court MOE Aid	1,506	0	1,506	0	0	0	1,506	0	1,506	0	0	0	1,506
155																
156			Disparity Reduction Aid (DRA) School	8,654	8,736	17,390	0	17,472	0	8,654	8,736	17,390	0	17,472	0	17,390
157			Disparity Reduction Aid (DRA) Non-School	10,981	10,981	21,962	0	21,962	0	10,981	10,981	21,962	0	21,962	0	21,962
158			Subtotal - DRA	19,635	19,717	39,352	0	39,434	0	19,635	19,717	39,352	0	39,434	0	39,352
159																
160			Indian Casino Aid	685	685	1,370	0	1,370	0	685	685	1,370	0	1,370	0	1,370
1640 Magnus	1564	Bakk	161 Repeals JOBZ Aid	0	0	0	0	0	(215)	0	0	0	0	215	0	0
162																
163			PROPERTY TAX CREDITS													
164			Homestead Market Value Credit School	60,793	58,772	119,565	0	112,182	0	60,793	58,772	119,565	0	112,182	0	119,565
165			Homestead Market Value Credit Non-School (base)	242,947	236,773	479,720	0	451,452	0	242,947	236,773	479,720	0	451,452	0	479,720
0660 GOV			166 Extends reductions to MV credit for cities in FY06-07	(17,800)	(17,500)	(35,300)	(35,300)	0	0	(17,800)	(17,500)	(35,300)	(35,300)	0	0	(35,300)
0660 GOV			167 Change MV credit calculation for fractional hmsds	0	(500)	(500)	(500)	(1,000)	(1,000)	0	(500)	(500)	(500)	(1,000)	(1,000)	(500)
			168 Market Value Credit Savings from 7 Eff. Tax Rate (ETR)	0	0	0	0	0	0	0	0	0	0	(2,880)	(2,880)	0
169			Subtotal - Hmstd Market Value Credit	285,940	277,545	563,485	(35,800)	562,634	(1,000)	285,940	277,545	563,485	(35,800)	559,754	(3,880)	563,485
170																
171			Agricultural Market Value Credit School	5,052	5,023	10,075	0	10,046	0	5,052	5,023	10,075	0	10,046	0	10,075
172			Agricultural Market Value Credit Non-School	18,691	18,691	37,382	0	37,382	0	18,691	18,691	37,382	0	37,382	0	37,382
173			Subtotal - Agricultural Market Value Credit	23,743	23,714	47,457	0	47,428	0	23,743	23,714	47,457	0	47,428	0	47,457
174																
175			Border City Disparity Credit School	686	711	1,397	0	1,530	0	686	711	1,397	0	1,530	0	1,397
176			Border City Disparity Credit Non-School	4,491	4,716	9,207	0	10,150	0	4,491	4,716	9,207	0	10,150	0	9,207
177			Subtotal - Border City Disparity Credit Total	5,177	5,427	10,604	0	11,680	0	5,177	5,427	10,604	0	11,680	0	10,604
178																
181			Prior Year Credits	403	403	806	0	806	0	403	403	806	0	806	0	806
182			Wetlands Reimbursement Credit	1	1	2	0	2	0	1	1	2	0	2	0	2
183			Senior Property Tax Deferral Reimbursement (base)	237	296	533	0	833	0	237	296	533	0	833	0	533
0657 GOV/DOR			184 Include special assessments & charges for Senior Deferral	0	19	19	19	57	57	0	19	19	19	57	57	19
185																
186			TACONITE TAX RELIEF AREA (TRA) AIDS & CREDITS													
187			Taconite Reimbursement (School)	561	561	1,122	0	1,122	0	561	561	1,122	0	1,122	0	1,122
188			Supplemental Taconite Homestead Credit (Non-School)	5,003	5,003	10,006	0	10,006	0	5,003	5,003	10,006	0	10,006	0	10,006
189			Taconite Replacement Aid (Non-School)	8,200	8,300	16,500	0	16,600	0	8,200	8,300	16,500	0	16,600	0	16,500
190																
191			LOCAL PENSION AIDS													
192			Aid to Police & Fire	84,642	91,228	175,870	0	205,560	0	84,642	91,228	175,870	0	205,560	0	175,870
193			Additional Amortization Aid	8,579	8,579	17,158	0	17,158	0	8,579	8,579	17,158	0	17,158	0	17,158
194			Local Police/Fire Amortization Aid	1,927	1,927	3,854	0	3,854	0	1,927	1,927	3,854	0	3,854	0	3,854
195			Redistributed Amort. Aid - TRFA	1,436	1,436	2,872	0	2,872	0	1,436	1,436	2,872	0	2,872	0	2,872
196			Local Police/Fire Supplemental Amort. Aid	750	750	1,500	0	1,500	0	750	750	1,500	0	1,500	0	1,500
197			Firefighters Relief Reimbursements	535	535	1,070	0	1,070	0	535	535	1,070	0	1,070	0	1,070
198			Public Employees Retirement Assoc. (PERA) Aid	14,584	14,584	29,168	0	29,168	0	14,584	14,584	29,168	0	29,168	0	29,168

Line #	HF	House Author	SF	Senate Author	Changes to General Fund Expenditures (dollars in thousands)	House		Change from Base	House		Senate			Change from Base	Senate	Change from Base	GOV	
						FY2006	FY2007	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006	FY2007	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006-07
199					OTHER EXPENDITURES													
200					PILT to DNR Owned Lands (Moved to DNR budget)												16	
201					PILT to DOT Owned Lands	7	9	16	0	18	0	7	9	16	0	18	0	
2169	Walker	1216	Rest		Taxpayer Assistance Grants	125	125	250	250	0	125	125	250	250	400	400		
0551	Anderson, I	0468	Saxhaug		Increases PILT payments for LUP lands. House: \$0.75/acre. Senate: \$3/acre.	41	42	83	83	87	0	295	295	295	614	614		
1041	Lanning	0955	Langseth		Border Cities: Allocates money to Western border city enterprise zones; cities can limit to tax reduction or a shorter duration.	1,500	0	1,500	1,500	0	1,500	0	1,500	1,500	0	0		
1511	Nelson	1495	Nienow		Border Cities: Authorizes Taylors Falls border city zone powers, allocates \$100k to zone (referendum)	30	35	65	65	35	0	0	0	0	0	0		
					School Debt Service Levies (on alternative ANTC)						0	4,752	4,752	4,752	7,662	7,662		
					Deferred Maintenance Aid @\$13.25 ppu for FY06-07						10,574	10,416	20,990	20,990	0	0		
					Appropriation for Buy-Back of Education aid payment shift - (DOF)						0	0	0	0	25,000	25,000		
					Appropriation to Education Reserve Account						24,961	0	24,961	24,961	475,800	475,800		
					One-time Rochester appropriation for the Rochester higher education development account - (HESO)						2,000	0	2,000	2,000	0	0		
					One-time Duluth appropriation for environmental clean-up of Lake Superior & long-term community health care - (DTED)						320	0	320	320	0	0		
					Appropriation to Clean Water Legacy Account in the Environmental Fund						31,500	3,000	34,500	34,500	120,000	120,000		
213																		
214					Property Tax Aids and Credits, General Fund Total	\$1,452,129	\$1,382,807	\$2,834,936	(\$125,879)	\$2,885,098	(\$133,964)	\$1,541,805	\$1,592,320	\$3,134,125	\$173,310	\$3,774,947	\$755,885	\$2,887,829
215					Expenditures above or (below) the Governor													
					Negative numbers represent expenditure reductions (budget savings) and positive numbers represent expenditure increases													

Line #	HF	House Author	SF	Senate Author	NON-GENERAL FUND CHANGES IN REVENUE (dollars in thousands)	House		Change from Base	House		Senate			Change from Base	Senate	Change from Base	GOV	
						FY2006	FY2007	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006	FY2007	FY2006-07	FY2006-07	FY2008-09	FY2008-09	FY2006-07
216					HEALTH CARE ACCESS FUND													
217	GOV				Subject stop-loss policies to insurance premiums tax	800	2,300	3,100	3,100	6,000	6,000	800	2,300	3,100	3,100	6,000	6,000	3,100
218	GOV				Exempt TRICARE payments from MnCare Provider Tax	(1,730)	(1,410)	(3,140)	(3,140)	(3,080)	(3,080)	0	0	0	0	0	0	(3,140)
219					Total Health Care Access Fund	(930)	890	(40)	(40)	2,920	2,920	800	2,300	3,100	3,100	6,000	6,000	(40)
222																		
223					HIGHWAY USERS TAX DISTRIBUTION FUND													
224					Exempt state & local govt fuel-efficient vehicles from MVST							(10)	(11)	(21)	(21)	(12)	(12)	
225					Require up-front payment of sales tax on leased vehicles (10/1/05)	0	0	0	0	(84)	(84)	0	0	0	0	(84)	(84)	
226					Total HUTDF	0	0	0	0	(84)	(84)	(10)	(11)	(21)	(21)	(96)	(96)	
227																		
228					METRO AREA TRANSIT FUND													
229					Exempt state & local govt fuel-efficient vehicles from MVST							(7)	(8)	(15)	(15)	(9)	(9)	
230					Require up-front payment of sales tax on leased vehicles (10/1/05)	0	0	0	0	(60)	(60)	0	0	0	0	(60)	(60)	
231					Total Metro Area Transit Fund	0	0	0	0	(60)	(60)	(7)	(8)	(15)	(15)	(69)	(69)	
232																		
233					GREATER MN TRANSIT FUND													
234					Exempt state & local govt fuel-efficient vehicles from MVST							(1)	(1)	(2)	(2)	(1)	(1)	
235					Require up-front payment of sales tax on leased vehicles (10/1/05)	0	0	0	0	(4)	(4)	0	0	0	0	(4)	(4)	
236					Greater MN Transit Fund	0	0	0	0	(4)	(4)	(1)	(1)	(2)	(2)	(5)	(5)	
237																		
238					STATE AIRPORTS FUND													
DOR					Exempt aviation fuel for air ambulances							(15)	(15)	(30)	(30)	(30)	(30)	
239																		
					Negative numbers represent a cost to the fund and positive numbers represent a gain to the fund													

HF	House Author	SF	Senate Author	Line #	Changes to General Fund Tax Revenue (dollars in thousands)	House		Change from	House	Change from	Senate			GOV	
						FY2006	FY2007	Base FY2006-07	FY2008-09	Base FY2008-09	FY2006	FY2007	FY2006-07	Base FY2006-07	FY2008-09
				240	SPECIAL REVENUE FUNDS (income tax checkoffs)										
1175	Zellers	0092	Kleis	241	Account for Veterans of the War on Terrorism						280	310	590	590	690
0229	Newnan	0946	Dille	242	Military Families Relief Account	unknown		unknown	unknown	unknown					
0526	Davids	1236	Bachmann	243	Public Safety Officer Survivor and Memorial Account	unknown		unknown	unknown	unknown					
0887	Vandevort														
0919	Cox	1195	Neuville	244	K-12 Education Account	unknown		unknown	unknown	unknown					
0919	Cox	1195	Neuville	245	Higher Education Account	unknown		unknown	unknown	unknown					
0919	Cox	1195	Neuville	246	Transportation Account	unknown		unknown	unknown	unknown					
0919	Cox	1195	Neuville	247	Health Care Account	unknown		unknown	unknown	unknown					
0919	Cox	1195	Neuville	248	Nursing Home Assistance Account	unknown		unknown	unknown	unknown					
0919	Cox	1195	Neuville	249	Environmental Clean Water Account	unknown		unknown	unknown	unknown					
0919	Cox	1195	Neuville	250	Wastewater Infrastructure Account	unknown		unknown	unknown	unknown					