

Timeline Comparison

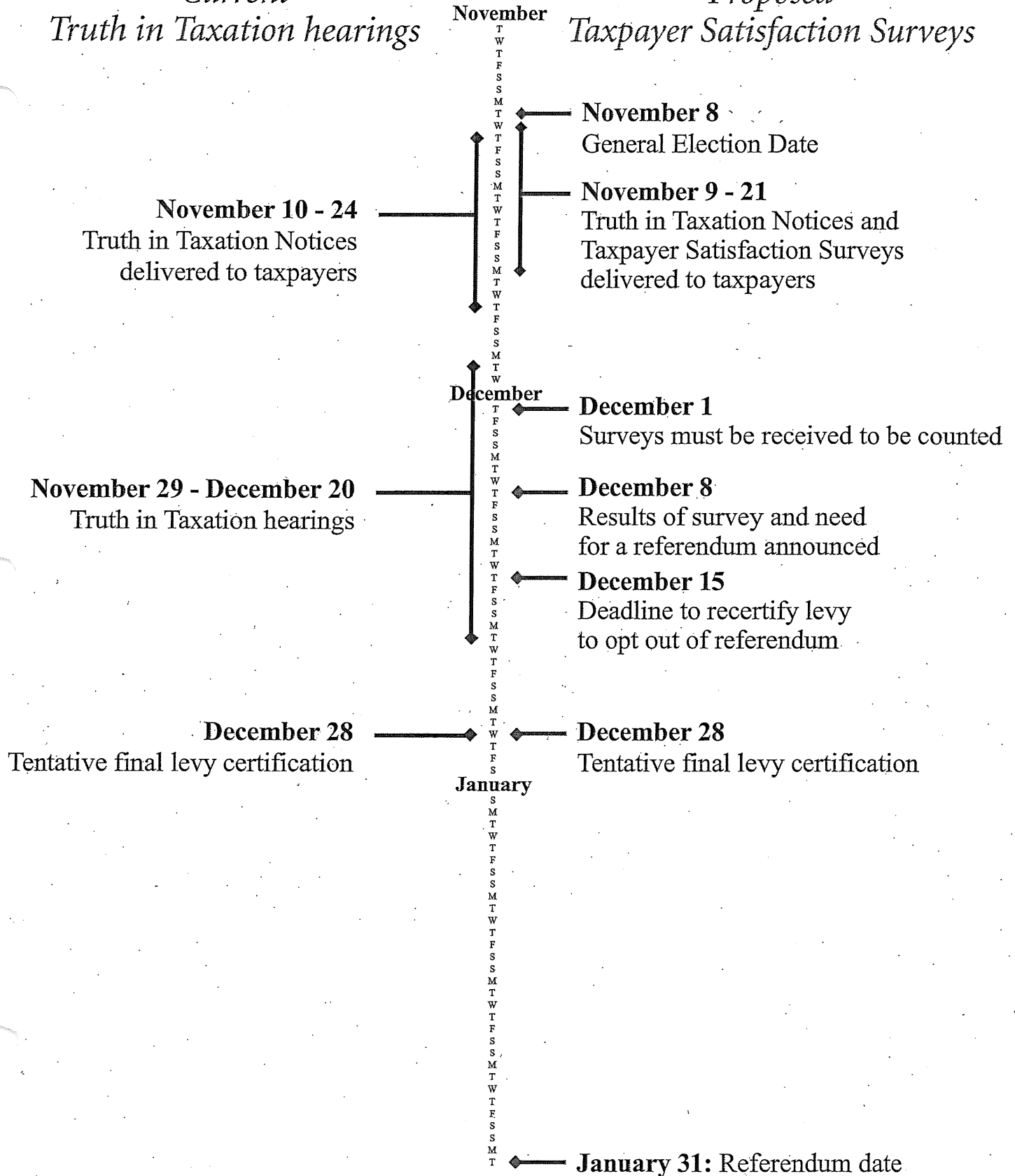
2005

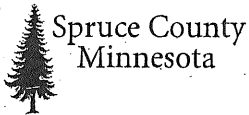
Current

Truth in Taxation hearings

Proposed

Taxpayer Satisfaction Surveys





Truth In Taxation Notice For Taxes Payable in 2006

#2

— This is Not a Bill • Do Not Pay —

Owner(s): John J. and Mary A. Johnson
123 Spruce Street
Spruceville, Minnesota 55555

Property ID: 12-345-67890
Legal description: Lot 1, Block 1, Spruce Acres Subd.

Property address:
123 Spruce Street
Spruceville, Minnesota 55555

	Taxes payable In 2005	Taxes Payable In 2006
Property classification:	Res. Hstd.	Res. Hstd.
Taxable market value:	\$100,000	\$110,000

Your taxable market value for property tax payable in 2006 was sent to you in the spring of 2005. The period to discuss possible changes has passed and changes can no longer be made to your property valuation. It is included here for your information only.

PART A: YOUR PROPOSED PROPERTY TAX FOR 2006

Part A of this notice estimates what your 2006 property taxes will be if your local jurisdictions approve the property tax levies they are now considering. These estimates account for changes in values and other factors that affect your taxes, but do not account for any upcoming referenda, legal judgments, natural disasters, or special assessments that could still change these amounts.

Estimated Taxes Under Proposed Levy	Actual 2005 Property Tax	Proposed 2006 Property Tax	Percent Change
Spruce County:	\$ 562.66	\$ 618.00	
City of Spruceville:	130.28	142.85	
State General Tax:	0.00	0.00	
School District 9999			
Voter-approved Levies:	188.94	207.46	
Other Local Levies:	190.90	209.61	
Special Taxing Districts:	31.56	34.68	
Tax Increment/Fiscal Disparity Tax:	0.00	0.00	
TOTAL excluding special assessments	\$ 1,104.34	\$ 1,212.60	9.8%
November Referendum Levies (if approved):		75.25	

November referendum levies are not included in the total tax or Voter-approved Levies above. If the levies were approved, this amount shows the additional tax that will be reflected on the tax statement.

PART B: TAXPAYER SATISFACTION SURVEY FOR 2006

Part B of this notice is a Taxpayer Satisfaction Survey that allows you to provide feedback on your satisfaction with the proposed county and city levies.

Proposed Budget and Levy Information	Actual 2005	Proposed 2006	% Change
Spruce County			
Budget /Spending Amount:	\$ 40,000,000	\$ 41,500,000	3.8%
Property tax levy subject to approval*	25,000,000	26,900,000	7.6%
City of Spruceville			
Budget /Spending Amount:	20,000,000	20,840,000	4.2%
Property tax levy subject to approval*	5,000,000	5,400,000	8.0%

* This is the total proposed levy excluding levies for debt payments and previously voter-approved levies.

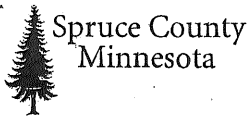
Please detach and return this stub in the enclosed envelope to participate in the survey.

Taxpayer Satisfaction Survey

Are you satisfied with the proposed property tax levy:	YES	NO
	(Fill in circle)	
Spruce County?	<input type="radio"/>	<input type="radio"/>
City of Spruceville?	<input type="radio"/>	<input type="radio"/>

Please return survey by December 1, 2005.

PLEASE DO NOT FOLD SURVEY RESPONSE



Truth In Taxation Notice For Taxes Payable in 2007

— This is Not a Bill • Do Not Pay —

Owner(s): John J. and Mary A. Johnson
123 Spruce Street
Spruceville, Minnesota 55555

Property ID: 12-345-67890
Legal description: Lot 1, Block 1, Spruce Acres Subd.

Property address:
123 Spruce Street
Spruceville, Minnesota 55555

	Taxes payable In 2006	Taxes Payable In 2007
Property classification:	Res. Hstd.	Res. Hstd.
Taxable market value:	\$100,000	\$110,000

Your taxable market value for property tax payable in 2007 was sent to you in the spring of 2006. The period to discuss possible changes has passed and changes can no longer be made to your property valuation. It is included here for your information only.

PART A: YOUR PROPOSED PROPERTY TAX FOR 2007

Part A of this notice estimates what your 2007 property taxes will be if your local jurisdictions approve the property tax levies they are now considering. These estimates account for changes in values and other factors that affect your taxes, but do not account for any upcoming referenda, legal judgments, natural disasters, or special assessments that could still change these amounts.

Estimated Taxes Under Proposed Levy	Actual 2006 Property Tax	Proposed 2007 Property Tax	Percent Change
Spruce County:	\$ 562.66	\$ 618.00	
City of Spruceville:	130.28	142.85	
State General Tax:	0.00	0.00	
School District 9999			
Voter-approved Levies:	188.94	207.46	
Other Local Levies:	190.90	209.61	
Special Taxing Districts:	31.56	34.68	
Tax Increment/Fiscal Disparity Tax:	0.00	0.00	
TOTAL excluding special assessments	\$ 1,104.34	\$ 1,212.60	9.8%
November Referendum Levies (if approved):		75.25	

November referendum levies are not included in the total tax or Voter-approved Levies above. If the levies were approved, this amount shows the additional tax that will be reflected on the tax statement.

PART B: TAXPAYER SATISFACTION SURVEY FOR 2007

Part B of this notice is a Taxpayer Satisfaction Survey that allows you to provide feedback on your satisfaction with the proposed county and city levies.

Proposed Budget and Levy Information	Actual 2006	Proposed 2007	% Change
Spruce County			
Budget /Spending Amount:	\$ 40,000,000	\$ 41,500,000	3.8%
Property tax levy subject to approval*	25,000,000	26,900,000	7.6%
City of Spruceville			
Budget /Spending Amount:	20,000,000	20,840,000	4.2%
Property tax levy subject to approval*	5,000,000	5,400,000	8.0%

* This is the total proposed levy excluding levies for debt payments and previously voter-approved levies.

Please detach and return this stub in the enclosed envelope to participate in the survey.

Property Identification

Taxpayer Satisfaction Survey

Are you satisfied with the proposed property tax levy:

YES **NO**
(Fill in circle)

Spruce County?

City of Spruceville?

NOTE: If the number of survey responses marked NO exceeds 20 percent of total parcels in the jurisdiction, state law requires voter approval in order for the proposed levy to exceed the prior year levy. If a referendum is held, voters will be asked to choose between the proposed levy for 2007 and the actual 2006 levy for these levies.

Surveys must be received by December 1, 2006 to be counted toward the calling of a referendum.

PLEASE DO NOT FOLD SURVEY RESPONSE

Your Proposed Property Tax for 2005 County of Spruce — This is Not a Bill • Do Not Pay —

Your local units of government have proposed the amount of property taxes that they will need for 2005. Column (1) below shows your actual 2004 property taxes. Column (2) below shows what your 2005 property taxes will be if your local jurisdictions approve the property tax amounts they are now considering. Any upcoming referendums, legal judgments, natural disasters, voter approved levy limit increases, or special assessments could change these amounts.

Your county commissioners, school board, city council (if your property is located in a city over 500 population), and metropolitan special taxing districts will soon be holding public meetings to discuss their proposed 2005 budgets and proposed 2005 property taxes. (The school board will discuss the 2004 budget). **You are invited to attend these meetings to express your opinion. The meeting places and times for these meetings are listed on the bottom of this notice.** Also shown are the addresses and telephone numbers for these local units of government if you have comments or questions concerning the proposed property tax amounts shown on this notice. No meeting is required if a local unit of government is not increasing its property taxes for 2005 or if its increase is not above the rate of inflation. There is also no public hearing on the state general tax.

Owner(s): John J. and Mary A. Johnson
123 Spruce Street
Spruceville, Minnesota 55555

Legal description: Lot 1, Block 1, Spruce Acres Subd.

Property address: 123 Spruce Street
Spruceville, Minnesota 55555

	Taxes payable in 2004	Taxes payable in 2005
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Your taxable market value for property tax payable in 2005 was sent to you in the spring of 2004. The period to discuss possible changes has passed and changes can no longer be made to your property valuation. It is included here for your information only.

Property classification:	Res. Hstd.	Res. Hstd.
Taxable market value:	\$100,000	\$110,000

	(1) Actual 2004 Property Tax	(2) Proposed 2005 Property Tax	Percent Change
TOTAL excluding special assessments	\$ 1,104.34	\$ 1,212.60	9.8%
County of Spruce:	\$ 562.66	\$ 618.00	
City of Spruceville:	130.28	142.85	
State General Tax:	0.00	0.00	
School District 999:			
Voter Approved Levies:	188.94	207.46	
Other Local Levies:	190.90	209.61	
Metro Special Taxing Districts:	27.56	30.19	
Other Special Taxing Districts:	4.00	4.49	
Tax Increment Tax:	0.00	0.00	
Fiscal Disparity Tax:	0.00	0.00	

Budget and Tax Hearings: Locations and Dates	Mailing Addresses and Telephone Numbers:
Spruce County Spruce County Courthouse December 2, 2004 – 7:00 p.m.	County of Spruce Attention: County Board 123 Spruce Street Spruceville, MN 55555 Tel.: (555) 123-4567
City of Spruceville Spruceville City Hall December 8, 2004 – 6:30 p.m.	City of Spruceville Mayor's Office 321 Spruce Street Spruceville, MN 55555 Tel.: (555) 123-9867
School District 999 High School Cafeteria December 3, 2004 – 7:00 p.m.	Attention: School Board of District #999 Spruce High School 150-1st Street North Spruceville, MN 55555 Tel.: (555) 123-5432
Metropolitan Special Taxing Districts Mears Park Centre December 1, 2004 – 7:30 p.m.	Metro Council Mears Park Centre 230 East Fifth Street St. Paul, MN 55101 Tel.: (555) 123-9182

Lawn and Garden Care, Tree and Bush Service, Landscaping

121

Sales Tax
Fact Sheet

Taxable services

Lawn and garden care, indoor plant services

Taxable services include:

- aerating
- dethatching
- diagnosing lawn condition by physical exam (when it results in the sale of a taxable service)
- fertilizing, both lawn and garden
- garden maintenance, both vegetable and flower
- garden seed planting
- garden tilling and soil preparation
- indoor plant care
- killing weeds, insects, rodents, or fungi
- lawn mowing and trimming
- picking up pet droppings
- raking (including power raking)
- reseeding lawns, not including the initial seeding
- spraying, both lawn and garden
- watering, both lawn and garden

Lawn means a tended area of ground covered with grass or other ground cover, such as in yards, parks and golf courses. Ditches and medians along roads, freeways, and railroad right-of-ways are usually not considered to be lawns.

Nontaxable services include:

- landscaping (see *Landscaping* on page three)
- installing sod
- planting trees, bushes, or other types of plants
- planting flower or vegetable plants
- cleaning or maintenance of an outdoor pond
- snow shoveling or snow plowing
- applying ice-melt or sand to driveways, sidewalks, or parking lots
- services by a person who is not in the business of providing these services. Being "in the business" includes but is not limited to soliciting sales, advertising, and entering into written contracts to provide services. For example: A person mows the grass for a next door neighbor for pay. Unless the person is employed by a business to perform this service or has established his or her own business, the charge is not taxable.

Tree, bush, and shrub services

Taxable services include:

- sprigging
- stump grinding
- tree, bush, shrub and stump removal
- tree, bush, and shrub trimming, pruning, bracing, spraying, and surgery

These services are taxable even if they are necessary as part of storm or disaster cleanup.

Beginning October 28, 2002, these services are taxable even if sold to a contractor and used by the contractor to complete a construction contract involving new construction, reconstruction, or remodeling of a building or residence. Prior to that date, the department took the position that tree or stump removal or stump grinding provided in connection with new construction, reconstruction, or remodeling of improvements to real property were not taxable.

Nontaxable services include:

- moving trees, shrubs, etc., from one location to another
- tree, bush, and shrub planting

See *Landscaping* on page three.

Utility lines

Charges for tree, brush, and shrub trimming, cutting and spraying services performed under utility lines are taxable, including separately stated labor, equipment or chemical charges.

Mowing or spraying to control or kill weeds under utility lines, in ditches along roads, freeways, and railroad right-of-ways is not taxable, unless the area is a lawn or garden.

Cemetery maintenance

Since July 1, 2000, all of the taxable services described on this page are exempt from tax if they are for maintenance of cemetery grounds for human burial.

SENATE TAX OFFER 6/24/05

- Agree to reduce Senate tax expenditures by \$100 million
- Accept Governor's cigarette tax at 75 cents (\$380m)
- Reduce corporate loopholes to \$187 million (total reduction from \$230 million to \$187 million is \$43 m)
- Reduce 4th tier income tax bracket to 8.9 (total reduction from 10.65 to 8.9 is approximately \$600 m)
- Single Sales with Throwback (approximately \$69 m in 06-07)

This offer assumes acceptance of Governor's E-12 spending level of \$867.4 million

#2

Structural Balance

All agreed to revenues and abusive shelters

E-12	\$867 m
Income tax	287.7 m
Statewide business tax-inflation	197.0 m
Cigarette tax	380.0 m

Tax bill expenditures and revenue reductions

Corporate fix	187.0 m
Income tax	150.0 m

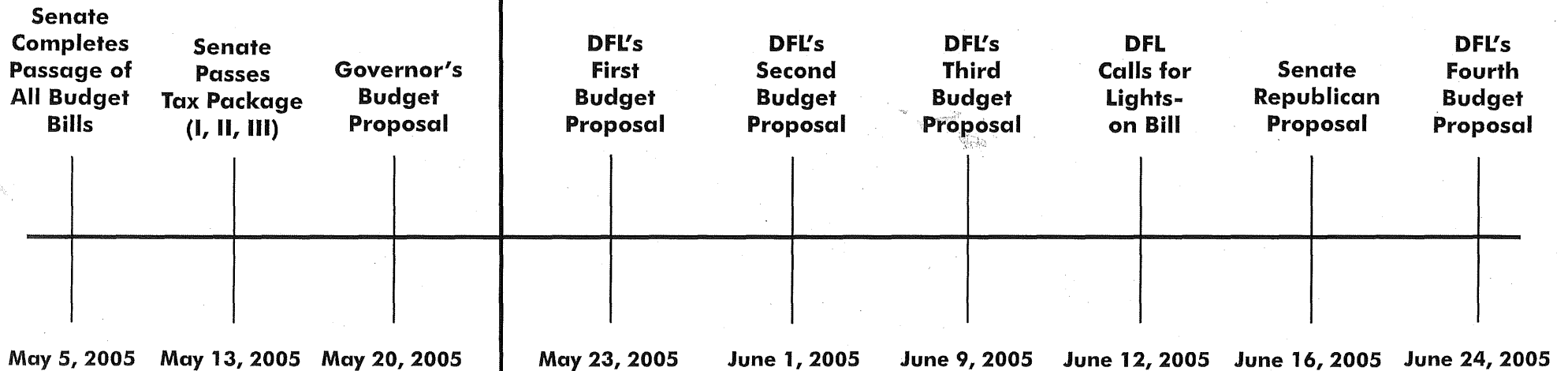
Senate Revenue Offer 6-24-05

	Gross Revenue 6/9 Offer	Based on Original Bill
	\$1,819.0	\$1,806.0
9.9 to 8.9 Top Rate Change	(\$344.0)	(\$602.3)
New FOC Package	(\$13.0)	(\$43.6)
Single Sales/Throwback	(\$68.6)	(\$68.6)
Cigs to 75 cents per pack	\$81.5	\$383.0
New Gross Revenues	\$1,474.9	\$1,474.5

Negotiation Timeline

REGULAR SESSION

SPECIAL SESSION



**END OF
REGULAR SESSION**