

HOUSE OFFER

#1

Offer: Saturday June 26, 2005

	(\$1000s)	
	<u>2006-07</u>	<u>2008-09</u>
	<u>House</u>	<u>House</u>
All agreed revenue raisers	225,460	316,924
Other revenue raisers in both bills	71,355	51,925
Other revenue raisers in original House bill	11,848	8,620
Total Revenue Raisers in Original House Bill	308,663	377,469
FY 2005 revenues carried forward <i>(no longer included)</i>	0	0
Racino	210,000	250,000
Cigarette fee at 20 cents per pack (eff. 8/1/05)	114,000	115,000
<i>[\$100 mill for health care, \$8 mill for HSAs]</i>		
*** New Total Revenue Raisers ***	632,663	742,469

Revenue reductions in original House bill

All agreed upon revenue cuts	(19,869)	(24,564)
Other revenue cuts common to both bills	(65,893)	(23,415)
Other House bill revenue cuts	(43,686)	(153,432)
Total Revenue Reductions in Original House bill	(129,448)	(201,411)

Net Change in Revenue

All include 20 cent cig fee & Racino

If only include agreed-upon revenue reductions	612,794	717,905
If also include revenue reductions common to both bills	546,901	694,490
If include all revenue reductions in House bill	503,215	541,058

(+ represents increase in spending)

Property Tax Aids & Credits

HF 2228/2498 (enacted)	(369)	(506)
Agreed upon	1,500	0
Other items common to both bills	(35,050)	0
Other items	(91,960)	(133,458)
Total Expenditure Change Relative to Base in Original House Tax Bill	(125,879)	(133,964)

Education Funding

State Aid	410,000	907,000
Local option income tax to replace shifts (\$218 in FY06-07) and property tax levies (\$112 mill in FY06-07)	330,000	436,000
Total	740,000	1,343,000

SENATE OFFER

Offer: Friday June 25, 2005

	(\$1000s)	
	<u>2006-07</u>	<u>2008-09</u>
	<u>Senate</u>	<u>Senate</u>
All agreed-upon revenue raisers	225,460	316,924
Other revenue raisers common to both bills	71,355	51,925
Other revenue raisers in original Senate bill	1,509,300	1,631,635
Total Revenue Raisers in Original Senate Bill	1,806,115	2,000,484
Reduce new top tier rate from 10.65% to 8.9%	(602,300)	(601,200)
Reduce FOC revenue increase (new language)	(42,900)	(37,200)
75 cent per pack cigarette fee (for E-12) -- eff. 7/1/05	383,061	370,066
*** New total revenue raisers ***	1,543,976	1,732,150

Revenue reductions in original Senate bill

All agreed-upon revenue reductions	(19,869)	(24,564)
Other revenue reductions common to both bills	(65,893)	(23,415)
Other revenue reductions in original Senate bill	(146,943)	(151,770)
Total Revenue Reductions in Original Senate Bill	(232,705)	(199,749)

NEW proposal revenue reductions

Single sales factor (net of throwback)	(68,600)	(68,600)
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Net Change in Revenue*

(All include single sales net of throwback)

If only include agreed-upon revenue reductions	1,455,507	1,638,986
If also include revenue reductions common to both bills	1,389,614	1,615,571
If include all revenue reductions in Senate bill	1,242,671	1,463,801

(+ represents increase in spending)

Property Tax Aids & Credits*

HF 2228/2498 (enacted)	(369)	(506)
Agreed upon	1,500	-
Other items common to both bills	(35,050)	-
Other items	207,229	756,391
Total Expenditure Change Relative to Base in Original Senate Tax Bill	173,310	755,885

***Unspecified additional \$100 million cuts in "tax expenditures" are also included in the Senate offer.**

REVENUE INCREASES COMPARED TO BASE

(Provisions in original bills as passed the House and Senate)

-- or

provisions as agreed to by CC/Working Group

	(\$1000s)			
	<u>2006-07</u>		<u>2008-09</u>	
	<u>House</u>	<u>Senate</u>	<u>House</u>	<u>Senate</u>
Income Tax & Corporate Tax				
Tax rate increases	-	1,044,500	-	1,042,400
Tax certain deferred wages (Benda)	-	4,100	-	4,600
Withholding for nonres partners etc	14,050	14,050	1,950	1,950
Withholding construction sub-contractors	-	4,000	-	4,000
Fed conform (Amer Job Creation Act)	20,765	20,765	37,085	37,085
FOCs	-	230,600	-	199,500
Disallow ded for fines & fees	-	150	-	150
Subtotal: Income Tax	34,815	1,318,165	39,035	1,289,685
Sales Tax				
SSTP medical equipment*	16,260	16,260	18,530	18,530
SSTP voluntary payments*	40,630	40,630	110,410	110,410
Leased vehicles (Senate position)	38,670	38,670	6,224	6,224
Rental vehicles sales tax at 12.7%	18,590	18,590	29,700	29,700
Cig sales tax at wholesale	10,350	12,190	5,400	5,400
State vendors must collect tax	3,410	3,410	8,710	8,710
Gas pipelines	4,800	4,800	6,400	6,400
Reverse Sprint case	-	3,060	-	3,310
Tax souvenir clothing	-	1,700	-	1,700
Subtotal: Sales & Use Taxes	132,710	139,310	185,374	190,384
Other Taxes & Fees				
Gross receipts tax on alcohol	83,950	83,950	125,100	125,100
Insurance -- Stop loss policies	5,100	5,100	9,900	9,900
Insurance -- CUNA	-	330	-	500
State wide property tax	-	196,700	-	377,925
Card club franchise fee (@15%)	8,440	-	8,620	-
Tax shelter compliance	40,240	62,560	9,440	6,990
Transfer from Property Tax Relief Acct	3,408	-	-	-
Subtotal: Other Taxes & Fees	141,138	348,640	153,060	520,415
Total -- All Taxes & Fees	308,663	1,806,115	377,469	2,000,484
<i>Agreed-upon items</i>	225,460	225,460	316,924	316,924
<i>Other common to both original bills</i>	71,355	71,355	51,925	51,925
<i>Other House/Senate bill revenue raisers</i>	11,848	1,509,300	8,620	1,631,635

*Included in regular session bill HF 2228.

Shaded lines show provisions on which agreement has been reached.

Numbers exclude property tax interactions.

REVENUE REDUCTIONS COMPARED TO BASE

(Provisions in original bills as passed the House and Senate)

-- or provisions as agreed to by CC/Working Group

(\$1000s)

	2006-07		2008-09	
	House	Senate	House	Senate
Income Tax & Corporate Tax				
AMT	(17,200)	(92,900)	(43,800)	(112,200)
Joint standard deduction	(56,400)	(65,200)	-	(22,400)
Military income	(3,024)	(3,024)	(2,744)	(2,744)
\$250 teacher expenses, etc	(4,080)	(4,050)	(280)	(245)
Health savings accounts	(8,200)	-	(7,000)	-
Refundable credits (K-12, WFC, CDCC)	(12,545)	(450)	(24,600)	(960)
Tax credits (dairy, angel, historic rehab)	(1,900)	(16,740)	(2,000)	(13,020)
Other (organ donors, long term care, car sharing, transit passes)	(843)	(1,699)	(995)	(2,950)
Corporate single sales	(2,300)	-	(72,000)	-
Subtotal: Income Tax	(106,492)	(184,063)	(153,419)	(154,519)
Sales Tax				
Nonprescription drugs*	(15,570)	(15,570)	(17,300)	(17,300)
Ready-to-eat meat & seafood	(1,120)	(1,120)	(1,655)	(1,655)
Certain solar energy systems	(90)	(90)	(65)	(65)
Small manuf upfront cap equip exemption	(4,940)	-	(2,690)	-
Commuter rail	-	(8,600)	-	-
Public safety radio	-	(3,050)	-	(1,750)
Geothermal equipment	-	(2,000)	-	(2,300)
Other	(401)	(4,822)	(622)	(2,360)
Subtotal: Sales & Use Taxes	(22,121)	(35,252)	(22,332)	(25,430)
Other Taxes & Fees				
International trade zone	-	-	(2,800)	(2,800)
Life Insurance	-	(11,700)	(12,600)	(17,700)
Estate tax	-	-	(10,100)	-
Other in regular session bill*	(65)	(65)	-	-
Other	(770)	(1,625)	(160)	700
Subtotal: Other Taxes & Fees	(835)	(13,390)	(25,660)	(19,800)
Total -- All Taxes & Fees	(129,448)	(232,705)	(201,411)	(199,749)
<i>Agreed-upon items</i>	(19,869)	(19,869)	(24,564)	(24,564)
<i>Other common to both original bills</i>	(65,893)	(65,893)	(23,415)	(23,415)
<i>Other House/Senate bill revenue raisers</i>	(43,686)	(146,943)	(153,432)	(151,770)

*Included in regular session bill HF 2228.

Shaded lines show provisions on which agreement has been reached.

Numbers exclude property tax interactions.

#2

ST. PAUL

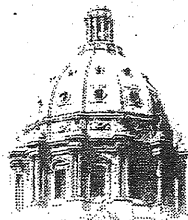
School board studies candidate Carter's potential departure, 3B

North suburban officials worried by lack of I-35W traffic plan, 3B

Como boys hockey team shows off Rice Street Cup, 8D

TUESDAY, JANUARY 25, 2005 | WWW.TWINCITIES.COM

PIONEER PRESS



A&E LIVE



"CAT WOMAN" LEADS PACK FOR BIGGEST DISHONOR, 9A

TREASURE HUNT

Clue No. 3, Page 1B



MINNESOTA'S FIRST NEWSPAPER

25 CENTS

Budget plan bumps property tax

Change in school payments would mean 23 percent increase

PLAN UNVEILED TODAY

Minnesota Gov. Tim Pawlenty will announce his budget proposal at a news conference today. The proposal will answer how the Republican governor will solve a \$700 million shortfall in the state's budget.



Check out www.twincities.com for details this afternoon.

In Session, Page 7A: The Minnesota Senate approves a \$1 billion construction program, but that amount is likely to be reduced.

BY PATRICK SWEENEY
Pioneer Press

Property taxes for schools would increase an estimated 23 percent next year under the budget that Gov. Tim Pawlenty is scheduled to recommend to legislators today.

In each of the two years after that, the portion of property

taxes homeowners pay for schools would rise about 9 percent annually, the Education Department predicts.

Changes that Pawlenty is urging in the way school districts pay for their operations would accelerate a trend — in place since the recession of 2001 — toward property taxes paying an increasing share of school

expenses. The property tax increases have come as lawmakers and Pawlenty struggled to cope with a series of state budget deficits, the most recent of which is a \$700 million shortfall predicted for the next two years.

The result is that a huge property tax cut that homeowners and businesses received under former Gov. Jesse Ventura

is gradually being eaten away by tax increases approved in school district referendums across the state.

When Pawlenty announced major elements of his school funding plans two weeks ago, he talked a lot about the 2 percent annual increases he wants the

BUDGET PLAN, 7A

MOUNDS VIEW

District

A suspicious fire at a cheese-making farm near Nerstrand, Minn., left many animals dead and others fatally wounded or struggling for life.

CONFLICT IN IRAQ

Extra

man, who called the Senate bill too expensive, couldn't resist quipping, "I almost think (Langseth) had to go to different states to get that many projects."

for the proposed Cedar Avenue Bus Rapid Transit line from Lakeville to Minneapolis, for which Pawlenty had requested \$10 million.

The Minnesota Zoo would get \$12 million for improvements, or

the Senate would fund several cultural amenities that aren't in Pawlenty's capital budget. For instance, the Senate allocated \$24 million to construct a planetarium in downtown Minneapolis, \$10 million to renovate

those three projects would survive, "and I don't know which one," he said.

Bill Salisbury can be reached at bsalisbury@pioneerpress.com or 651-228-5538.

an Church, 302 Olona Avenue in Willmar. The funeral service will be at the same church at 3 p.m. on Friday. The burial will be at First Highland Lutheran Church, in rural Lanesboro, at 1:30 p.m. on Saturday.

CONTINUED FROM PAGE 1A

Budget plan

(continued)

state to make in the basic school funding formula and about teacher merit pay systems he wants school boards to adopt. He did not talk in detail about the property tax implications of his proposals.

But the 23 percent property tax increase, which homeowners would begin paying in the spring of 2006, is predicted in documents the Education Department gave the Pioneer Press.

In recent interviews, Republican legislators and a top Education Department official said the trend toward higher property taxes for schools, including the 23 percent jump, is acceptable because voters can accept or reject most of the increases.

"It's up to the local voters to decide if that's a good trend or not," said Chas Anderson, deputy education commissioner who helped develop Pawlenty's budget recommendations.

Democratic-Farmer-Labor lawmakers said the property tax increases are unacceptable and result from Pawlenty's 2002

campaign promise to veto any increase in state sales or income tax rates.

"We're going to fight like hell to have something better," said Rep. Mindy Greiling of Roseville, the lead Democrat on the House Education Finance Committee.

And some school leaders say they never supported Ventura's insistence on school property tax cuts and view property tax increases as their best hope for stable school funding.

"Yes, it's going to increase property taxes, but we have to have revenue from somewhere," said Lori Grivna, a Mounds View School Board member who chairs an organization of 26 metro-area school districts.

The 23 percent school property tax increases predicted next year and the two 9 percent increases predicted for succeeding years are not a certainty.

Rather, they are estimates by the Education Department of how school boards and school district voters would react if all the budget changes proposed by Pawlenty were enacted into law. The estimates are based on assumptions about rising property values and the likelihood of

school boards seeking tax increases and local voters approving those increases in levy referendums.

The assumptions do not include a prediction about the possible effect of Pawlenty's proposal to allow taxpayers to mail in postcards to demand referendums on property tax increases proposed by cities, counties and school districts.

The assumptions "are our best guess," Anderson said. Part of the increases, including tax increases resulting from assessment growth, would occur regardless of what Pawlenty recommends, she said.

The Education Department estimates that Pawlenty's recommendations represent about half the projected 23 percent increase.

At present, school taxes make up about one-fourth of all property taxes. The effect of a 23 percent increase in the school share of property taxes would vary widely across the state. But it would represent an average increase of about \$122 for homeowners, based on estimates by the nonpartisan House Research staff.

Major school funding changes

that Pawlenty is recommending on property taxes include:

- Letting school districts significantly increase the tax levies they ask voters to authorize.

- Permitting school boards to impose a new special education tax that would not have to be approved by voters and allowing many boards to impose new taxes, subject to voter review, to pay for deferred maintenance.

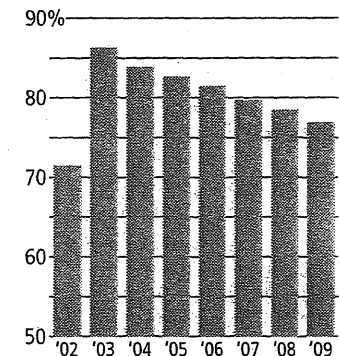
- Encouraging boards to raise property taxes \$70 per pupil to go with new state money of \$155 per pupil if the boards successfully negotiate performance-pay contracts with their teachers.

Rep. Barb Sykora, R-Excelsior, the chairwoman of the House Finance Committee, said Monday that Pawlenty's school-funding proposals were acceptable to her because of the multiple opportunities for local voters to reject parts of the property tax increases.

"Is there an increase in taxes?" Sykora asked rhetorically. "Yes, if they choose to do it. ... I can vote for that kind of budget because I think there is local control."

Sykora predicted that a growing economy eventually

State share of local and state education spending to decline



Source: Minnesota Department of Education PIONEER PRESS

will allow the state to put more state money into schools and to reverse the trend toward property taxes paying more of the cost for schools.

Sen. Ann Rest of New Hope, the assistant leader of the Senate's DFL majority, said Pawlenty's budget would renege on a commitment legislators made to keep funding schools with the income and sales taxes when they voted to significantly cut school property taxes in 2001.

More property taxes go to schools

Fiscal year	Property taxes	Change	Percent change
'00	\$1.84 billion		
'01	\$1.79 billion	-\$46 million	-2%
'02	\$1.92 billion	\$129 million	7%
'03	\$984 million	-\$939 million	-49%
'04	\$1.18 billion	\$197 million	20%
'05	\$1.27 billion	\$92 million	8%
'06	\$1.37 billion	\$101 million	8%
'07	\$1.69 billion	\$313 million	23%
'08	\$1.83 billion	\$147 million	9%
'09	\$2.00 billion	\$164 million	9%

Note: Property tax increases are based on Department of Education assumptions about assessment growth, about how many districts will seek tax increases and how many districts will persuade voters to approve increases through referendums.

Source: Minnesota Department of Education PIONEER PRESS

"It looks like we're going to, by the back door, start relying on the property tax some more," Rest said.

Patrick Sweeney covers state government and its effect on Minnesotans. He can be reached at psweeney@pioneerpress.com or 651-228-5253.

St. Paul casino

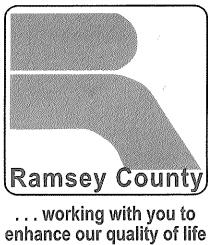
the part of the mayor." Flaherty said Monday. "Certainly, we would evaluate that opportunity when the time comes,

In fact, Kimberly added, "I have been told by people in the hospitality industry that casinos and convention center ... not necessarily a good mix."

an opposition helped stop a proposal to put a casino at the defunct dog racing track in Hudson, Wis.

Nonetheless, the idea does seem to

Lantry, who serves on the Port Authority's governing board, said that body hadn't discussed the matter. And though she wasn't interested in a casino,



**24-hour
information
online, at:**

www.co.ramsey.mn.us

To pay property taxes,

- Go to **Property Information**, and click on "Property Info (RRInfo)"

To work for Ramsey County,


- Go to **Jobs/Employment**, and click on "Work for Ramsey County" for up-to-date job opportunities

To find a great golf course,

- Go to **Recreation**, and click on "Golf Info"

To adopt a child,

- Go to **Help for People**, click on "Adoption"

For more information, call
Ramsey County General Info Line at 651-266-8500
or check the telephone listings of
County services on opposite side 

Need help? Call...

Listed below are some of the services
Ramsey County taxes provide for citizens.

Birth & Death Records	651-266-1333
Detox Center	651-266-4009
Community Human Services (General Information, Children's Services, Elderly Services, Public Assistance)	651-266-4444
Courts - Information	651-266-8266
Arrestments	651-266-8180
Divorce/Family Court	651-266-2842
Domestic Abuse (Court Orders)	651-266-5130
Traffic Violations Bureau	651-266-9202
Child Support Collection Services	651-266-3344
Elections & Voter Registration	651-266-2171
Household Hazardous Waste	651-773-4488
Job Listing Hotline	651-266-2666
Job Training Services	651-779-5666
Jury Information	651-266-8200
Libraries	
Arden Hills	651-628-6831
Maplewood	651-704-2033
Mounds View	763-717-3272
North St. Paul	651-747-2700
Roseville	651-628-6803
Shoreview	651-486-2300
White Bear Lake	651-407-5302
Marriage Licenses	651-266-1333
Mental Health Crisis Line-Adults	651-266-7900
Mental Health Crisis Line-Children	651-774-7000
Parks, Golf Courses, Beaches, Ice Arenas	651-748-2500
Passports	651-266-1333
Property Tax Information	651-266-2000
Road Work/Snow Plows	651-266-7100
Recycling & Solid Waste Hotline	651-633-3279
Sheriff's Patrol Station	651-266-7300
Law Enforcement Center	651-266-9350
Tamarack Nature Center	651-407-5350
Veterans Services	651-266-8489
Yard Waste Information Line	651-773-4455
Ramsey County General Info Line	651-266-8500
Ramsey County Board of Commissioners	651-266-8350
Ramsey County Manager	651-266-8000

or go to: www.co.ramsey.mn.us

Rising Market Values and Property Taxes

The limited market value shown on the enclosed Truth in Taxation notice
may be different
from the limited market value notice you received last spring.

The 1999 Legislature changed the law regarding the cap
on market value increases. The prior law allowed
market value increases of up to 10% (for taxing purposes).

The new law reduces the cap to 8.5%.
This 8.5% is reflected on the enclosed Truth in Taxation notice.

Because of the healthy economy, most Ramsey County
homestead properties are experiencing an increase in market value.

The new 8.5% cap means that less of your home's market value increase
will be included in the tax base.

If you have questions...

A public hearing on the proposed property taxes is scheduled for 6:00 p.m.,
Tuesday, December 14, at Arlington High School, St. Paul.
(See meeting notice on reverse side.)

Ramsey County property appraisers will be available
for individual market value consultations beginning at 5:30 p.m.

Notice of
Proposed Property Taxes

**The City of Saint Paul,
Ramsey County, and
Saint Paul Public Schools - District 625**

will hold a public hearing on the amount of property taxes that each governmental unit is proposing to collect to pay for the costs of services that the City and County will provide in 2000, and the School District will provide in the 2000-2001 school year.

Attend the Public Hearing

All City of Saint Paul and suburban Ramsey County residents are invited to attend the joint public hearing to express their opinions on the proposed amount of property taxes and the budgets:

**Tuesday, December 14, 1999, at 6:00 p.m.
Arlington High School Great Room
1495 Rice Street, St. Paul, MN 55117
Free parking in school lots**

Ramsey County property appraisers will be available for individual market value consultations in adjacent rooms beginning at 5:30 p.m.

Interpreters will be available for deaf/hard-of-hearing, and also for Spanish and Hmong speaking participants. Handicapped accessibility will be provided.

Habr a int rpretes de espa ol para traducir la informaci n y el programa de impuestos de propiedad, Dic. 14, a las 6:00 de la tarde, en el Arlington High School Cafeteria, 1495 Rice Street, St. Paul.

Muaj neeg Hmoob yuav txhais lus rau sawvdaws thiab txhais cov lus piav txog txoj kev them se rau tej vaj tse. Lub 12 hlis ntuj, hnub tim 14, thaum 6 moo yav tsaus ntuj, nyob rau hauv lub tsev Arlington High School Cafeteria, 1495 Rice Street, St. Paul.

Notice of
Proposed Property Taxes

TNT 1998

The City of Saint Paul
Ramsey County
Saint Paul Public Schools - District 625

will hold a public hearing on the amount of property taxes that each governmental unit is proposing to collect to pay for the costs of services that the city and county will provide in 1999, and the school district will provide in the 1999-2000 school year.

Attend the Public Hearing

All City of Saint Paul and suburban Ramsey County residents are invited to attend the joint public hearing to express their opinions on the proposed amount of property taxes and the budgets:

Tuesday, December 8, 1998 at 6:00 p.m.
Arlington High School Great Room
1495 Rice Street, St. Paul, MN 55117
Free parking in school lots

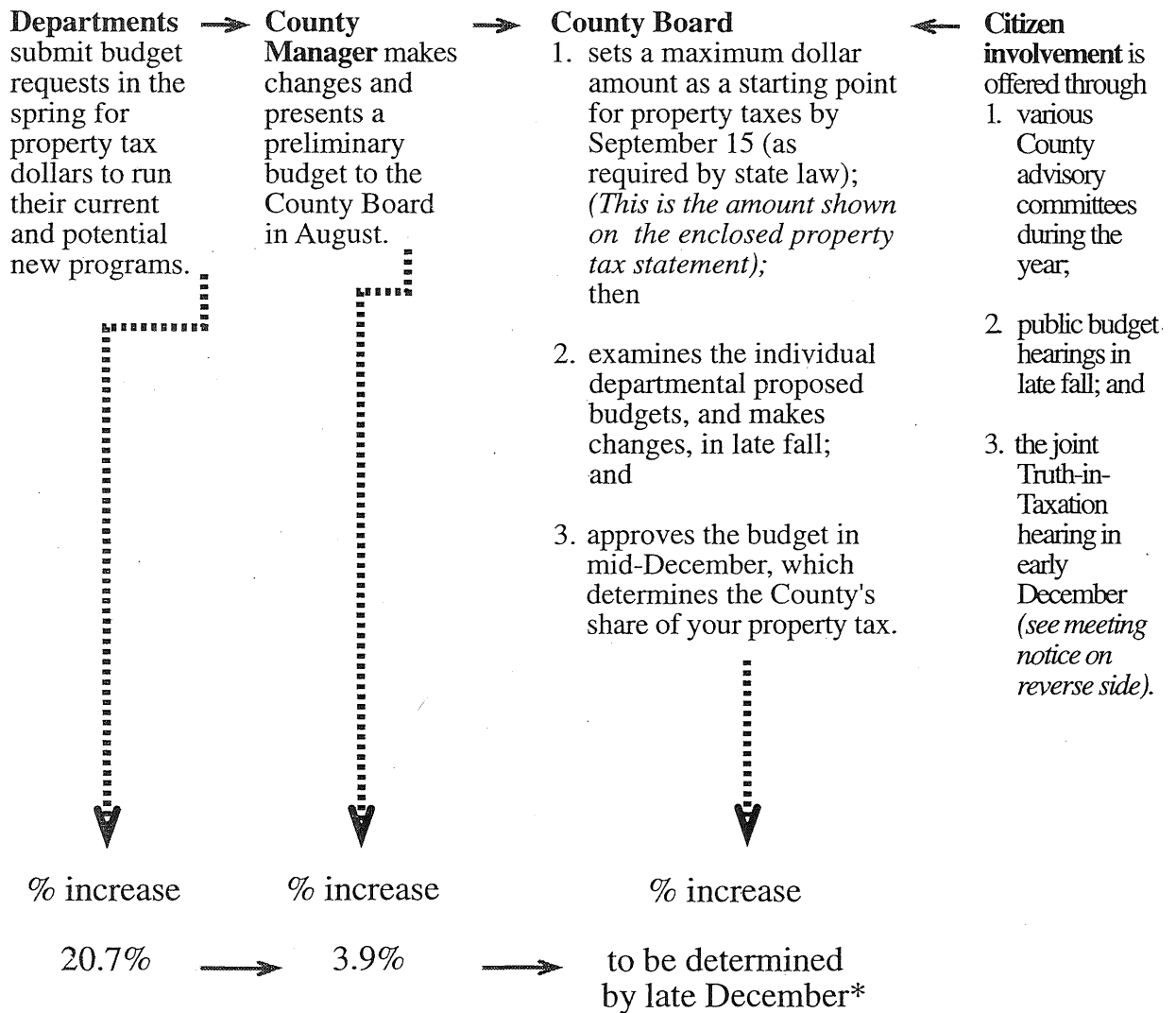
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Habr a int rpretes de espa ol para traducir la informaci n y el programa de impuestos de propiedad, Dic. 8, a las 6:00 de la tarde, en el Arlington High School Cafeteria, 1495 Rice Street, St. Paul.

Muaj neeg Hmoob yuav txhais lus rau sawvdaws thiab txhais cov lus piav txog txoj kev them se rau tej vaj tse. Lub 12 hlis ntuj, hnuv tim 8, thaum 6 moo yav tsaus ntuj, nyob rau hauv lub tsev Arlington High School Cafeteria, 1495 Rice Street, St. Paul.

How are County taxes set?



How has the County tax process looked in the last 5 years?

16.3%	3.6%	2.0%
17.1%	5.7%	3.7%
13.3%	3.3%	1.9%
13.5%	1.8%	0.5%
19.5%	5.3%	1.9%

* Similar budget processes happen in your school districts and cities. Ramsey County is only one of several local government entities determining property taxes. County taxes make up approximately 1/3 of your property tax bill.

For additional information, call 651-266-2000.

2001

**Attend the Public Hearing
on
Proposed Property Taxes**

**The City of Saint Paul,
Ramsey County, and
Saint Paul Public Schools -
District 625**

will hold a public hearing on the amount of property taxes that each governmental unit is proposing to collect to pay for the costs of services that the City and County will provide in 2002, and the School District will provide in the 2002-2003 school year.

All City of Saint Paul and suburban Ramsey County residents are invited to attend the joint public hearing to express their opinions on the proposed amount of property taxes and the budgets:

**Tuesday, December 11, 2001, at 6:00 p.m.
Arlington High School Great Room
1495 Rice Street, St. Paul, MN 55117
Free parking in school lots**

Ramsey County property appraisers will be available for individual market value consultations in adjacent rooms beginning at 5:30 p.m.

Interpreters will be available for deaf/hard-of-hearing, and also for Spanish and Hmong speaking participants. Handicapped accessibility will be provided.

Habra intérpretes de español para traducir la información y el programa de impuestos de propiedad, Dic. 11, a las 6:00 de la tarde, en el Arlington High School Cafeteria, 1495 Rice Street, St. Paul.

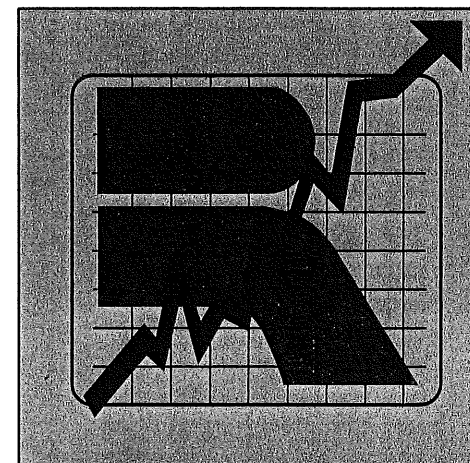
Muaj neeg Hmoob yuav txhais lus rau sawvdaws thiab txhais cov lus piav txog txoj kev them se rau tej vaj tse. Lub 12 hlis ntuj, hnuv tim 11, thaum 6 moo yav tsaus ntuj, nyob rau hauv lub tsev Arlington High School Cafeteria, 1495 Rice Street, St. Paul.

2001 THT



Prepared by
Ramsey County Policy Planning and Analysis Unit

Printed by the
Ramsey County Board of Commissioners
9/00



Economic Health of Ramsey County

The smallest, most densely populated county
in the State of Minnesota,
Ramsey County has a thriving economy.

Ramsey County, the smallest but most densely populated county in the State of Minnesota, is economically very healthy. Here's why:

Rising personal income

- Per capita personal income in Ramsey County in 1998 was \$32,863:
 - Second highest in the state and 86th in the country;
 - Growing at an average annual rate of 5.2% between 1988 and 1998. (MN - 5.2%; U.S. - 4.6%)

Job growth

- An increase of 54,130 jobs is forecast for Ramsey County (16,000 in Saint Paul and 38,130 in the suburbs) between 2000 and 2020. (Anoka-25,450; Carver-9,350; Dakota-38,540; Hennepin-119,050; and Washington-13,500)

Low unemployment

- The unemployment rate in Ramsey County (2.4%) is lower than state (2.8%) and national (4.2%) rates.

Market values increasing faster than inflation

- Between 1998 and 2001, market values of property in Ramsey County are growing more than inflation. The average annual changes are:

• Inflation	+2.68%/yr
• Total market value	+10.18%/yr
- Residential	+9.84%/yr
- Comm./Indust.	+12.08%/yr
- Apartments	+7.62%/yr

Tax levy - median value in metro

- Ramsey County's 1997 per capita net tax levy was \$256 — the middle value in the metro area. (Hennepin—\$312, Carver—\$304; Scott—\$271; Dakota—\$193; Washington—\$191; Anoka—\$156)

Real value of tax levy decreases

- Between 1998 and the proposed 2001 budget, the property tax levy is increasing by an annual average of 1.75%.

This is less than both inflation and the change in market values. When adjusted for inflation, Ramsey County's tax levy is decreasing.

Tax rates decreasing

- Between 1998 and 2001, the County's property tax rates are changing yearly by an average of -8.4%.

Regional and global perspective

Ramsey County is an open economy and does not exist in isolation. Economic activity in other areas, especially in the Twin Cities metropolitan area, influences the County. Therefore, Ramsey County's economy and trends are part of a larger, stronger pattern.

- In population, the Twin Cities metro area was ranked 13th out of 318 metropolitan areas in 1998 estimates.
- Was 12th in gross production among U.S. metro areas.
- Was 45th in gross production out of 505 jurisdictions in a ranking that blended other countries and U.S. metropolitan areas.
- Was 9th out of U.S. metropolitan areas in merchandise export sales.
- Per capita personal income in the Twin Cities metro area in 1998 was \$33,561:
 - ranking 20th in the country; and
 - growing at an average annual rate of 5.1% between 1988 and 1998 (State rate- 5.2; national rate - 4.6%)

The information contained in this brochure suggests that Ramsey County is currently a healthy area for economic activity.

Information is from Minnesota state and regional data sources including the Metropolitan Council and the State Offices of Demography, Economic Security and Planning

What do your county taxes buy?

2000 TNT
A lot!

In case you have ever wondered what your county taxes buy, here is a list of some of the services Ramsey County provides its citizens:

Property Records and Revenue: Property Valuation • Abatements • General Real Estate Information • Homestead • Tax Forfeited Lands • Valuation • Records • Map Drafting • Elections • Licenses • Voter Registration • Revenue (Assessments, Delinquent Tax Information, General Tax Information) • Abstract, Title and Ownership Information. • **Public Works:** Road and Bridge Maintenance (Snow and Ice Control, Sweeping, Brush and Weed Control, Traffic-Pavement Markings and Signs) • Engineering (Design, Construction, Traffic Signals, Right of Way Management) • Environmental Services (Lakes and Wetlands, Trees, Agricultural Inspection, Hazardous Substance Management) • County Surveyor (Land Survey, Geographic Information Systems) • **Soil and Water Conservation District:** Capitol Region Watershed • Groundwater Protection • Natural Resource Data Base • Soil and Water Program • **Public Health:** Chronic Disease Prevention and Control, Correctional Health, Environmental Health (Hazardous Waste Generator Licensing, Lead Based Paint Inspection and Abatement, Solid Waste Abatement, Recycling, Resource Recovery Project, Community Sanitation, Yard Waste Compost Sites) • Healthy Families Programs (Lead Poisoning Prevention, Maternal Child Health, Child and Teen Check-up, Home Visiting, Juvenile Crime Prevention) • Preventive Health Services (Family Planning, TB Control, STD Control, Immunizations, Preventive Medicine) • Support Services (Birth and Death Records, Health Lab, Health Promotion and Education) • Charity Care • Community Clinics/Block Nurse Program • WIC Program (Women, Infants, and Children) • **Sheriff:** Adult Detention Center • Court Security • Court House Security • Patrol (County, Contract, Water, Drug Control, Impound Lot) • Emergency Services • Radio Communications • Volunteers in Public Safety • Local Law Enforcement Block Grant • Criminal Gang Strike Force • **Ramsey Nursing Home • Veterans' Services • Lake Owasso Residences • Parks and Recreation:** 3 Golf Courses • 10 Ice Arenas • Regional Parks • Swimming Beaches • Tamarack Nature Center • **Extension Services:** Horticulture and Home Economics • **Community Corrections:** Adult Probation • Pre-trial Services • Adult Sex Offender Treatment • Sentence to Service • Drug Testing • Domestic Relations • Workhouse-Men • Electronic Home Confinement • Workhouse - Women • Productive Day Program • Re-Connect Program • Juvenile Probation • Juvenile Placements • Diversion • Boys Totem Town • Juvenile Detention Center • Juvenile Home Detention • **Landmark Center • Libraries:** Arden Hills • Maplewood • Mounds View • North St. Paul • Roseville • Shoreview • White Bear Lake • **Medical Examiner • County Attorney:** Civil Services (Legal, Child Protection, Commitments), Prosecution (Adult, Gangs and Guns, Auto Theft, Community Prosecution, Juvenile, Truancy, Welfare Fraud/Fraud Prevention), Victim Witness Services, Child Support Legal Services and Enforcement, Parents Fair Share Program • **Public Defender • Workforce Solutions:** Adult and Youth Job Training Programs • Dislocated Worker Programs • Welfare to Work Programs • **Community Human Services:** Adolescent Services • Adoptions • Adult Mental Health Services • Vulnerable Adult Services • Case Management • Chemical Dependency Services • Child Care Licensing • Child Welfare • Children's Mental Health Services • Children's Services • Crisis Services • Day Treatment • Developmentally Disabled • Detox Center • Emergency Assistance • Emergency Shelter Operations • Employment Services • Food Stamps • Foster Care • General Assistance • Guardianships • Information and Referral • Investigations • Juvenile Probation • Licensing • MFIP (Minnesota Family Investment Program) • Medical Assistance • Mental Health Center • MN Supplemental Aid • Placement Services • Prevention/Education • Pre-Petition Screening • Protection Services • Psychiatric Services • Residential Services • **Courts:** Case Assignments and Scheduling • Civil Jury Trials • Civil Motion Calendar • Criminal Jury Trials • Civil Cases (Filings and Records, Conciliation Court, Tax Court, Torrens Clerk, Trust Cases, Unlawful Detainers) • Criminal Cases (Filings and Records, Arraignments, Traffic Court) • Civil Commitments (Medical/Chemical) • Divorce Mediation Program • Domestic Abuse • Family Court (Divorce/Child Custody) • Examiner of Title • Guardian ad Litem • Juvenile Court • Probate Court

To learn more about Ramsey County,
click on its website at:

www.co.ramsey.mn.us

Or call for information:

Ramsey County Board of Commissioners	
Jim McDonough, Chair, District 6	651-266-8365
Tony Bennett, District 1	651-266-8362
Susan Haigh, District 4	651-266-8364
Rafael E. Ortega, District 5	651-266-8361
Victoria Reinhardt, District 7	651-266-8363
Janice Rettman, District 3	651-266-8360
Jan Wiessner, District 2	651-266-8356
Ramsey County Manager	651-266-8000
Birth & Death Records	651-266-1333
Detox Center	651-266-4009
Community Human Services -General Information	651-266-4444
Children's Services, Elderly Services	
Public Assistance	
Courts - Information	651-266-8266
Court Dates	651-266-8300
Mediation Services	651-266-2937
Domestic Abuse (Court Orders)	651-266-5130
Divorce/Family Court	651-266-2842
Traffic Violations Bureau	651-266-8105
Child Support Collection Services	651-266-3344
Elections & Voter Registration	651-266-2171
Household Hazardous Waste Information Line	651-773-4488
Job Listing Hotline	651-266-2666
Job Training Services	651-779-5666
Jury Information	651-266-8200
Marriage Licenses	651-266-8265
Mental Health Crisis Line - Adults	651-523-7900
Mental Health Crisis Line - Children	651-290-8999
Parks, Golf Courses, Beaches, Ice Arenas	651-748-2500
Passports	651-266-8265
Property Tax Information	651-266-2000
Road Work/Snow Plows	651-484-9104
Recycling & Solid Waste Hotline	651-633-3279
Sheriff's Patrol Station	651-481-1300
Adult Detention Center	651-266-9350
Tamarack Nature Center	651-407-5350
University of Minnesota Extension-Ramsey County	651-704-2080
Info-U	612-624-2200
Yard Waste Information Line	651-773-4455

Ramsey County has many volunteer opportunities.

To find out more, contact Gwen at 651-266-2386

or Mynda at 651-266-4015 or go to:

www.co.ramsey.mn.us

and click on Volunteer Opportunities

#1

Structural Balance

All agreed to revenues and abusive shelters

E-12 867.4 m

Income tax	287.7 m
Statewide business tax-inflation	174.0 m
Cigarette tax	380.0 m
Corporate fix	25.7 m

Tax bill expenditures and revenue reductions

Corporate fix	162.0 ³ m
Income tax	150.0 m

(Dollars in Thousands)	SF 62	Budget Proposal
\$'s Relative to General Fund		
Positive Number equals revenue gain or expenditure reduction		
Item	Source	FY 06-07
Income/Corporate		
Withholding for non resident partners/C's	Gov., Senate, House	14,050
Federal Conformity (American Job Creation Act	Gov., Senate, House	20,765
Tax Deferred Wages/Benda	Senate	4,100
Disallow Deduction for Fine, Fees	Senate	150
Contractor Withholding	Gov., Senate	4,000
Sales Tax		
Leased Vehicles	Gov., Senate, House	38,670
Rental Vehicle Sales Tax	Gov., Senate, House	18,590
Cigarettes at Wholesale	Gov., Senate, House	10,350
State Vendors/Out of State Collections	Gov., Senate, House	3,410
Gas Pipelines	Gov., Senate, House	4,800
Sprint	Senate	3,060
Event Souvenir Clothing	Senate	1,700
Misc.		
Gross Receipts Tax on Alcohol	Gov., Senate, House	83,950
Insurance Stop Loss	Gov., Senate, House	5,100
Abusive Tax Shelters	Senate, House (Senate language)	62,560
Subtotal Revenue Changes in SF 62		275,255
Expenditures and Transfers		
Expenditure Reduction: MVC Reimbursement Delay	Gov., Senate, House	35,300
Tax Relief Account Transfer		39,425
Total Change SF 62		349,980
Revenue Changes and Expenditure Reductions Passed During Regular Session:		
Fractional Homesteads (as per new law)		500
Streamlined Sales Tax Act Conformity (as in new law)		41,320
Grand Total Package		391,800

#1

June 25, 2005

To: Rep. Phil Krinkie
Sen. Larry Pogemiller
Members of the Tax Working Group

From: Dan Salomone, Commissioner of Revenue

Subject: Fiscal impact of the *Hutchinson Technologies* decision

As I reported to you a few days ago, the recent *Hutchinson* decision will cost the State of Minnesota between \$250 and \$300 million in the 2006/2007 biennium and between \$150 and \$200 million in the 2008/2009 biennium. Range estimates are provided because there is an unusual amount uncertainty about which companies are impacted by the decision and how they have been interpreting corporate tax law since the Minnesota Tax Court decision was rendered a year ago.

I further noted that of the 06-07 cost, \$165 to \$200 million will result from past years' tax returns in the form of refund claims and interest, and foregone audit revenue. The balance, \$85 to \$100 million, will impact the 06-07 budget prospectively. In 08-09, the retroactive impact is estimated to be \$100 to \$135 million, and the prospective impact is \$50 to \$65 million.

We estimate that approximately 80 % of the retroactive cost will be in the form of refund claims and interest, and 20 % in the form of audit revenue foregone.

We anticipate that refund claims will come in over the next two years and be paid out over the next four years (FY06 – FY09).

These revenue estimates will be updated and reflected in the November 2005 state revenue forecast. Because the February revenue forecast is not being revised, the court decision does not change the projected \$466 million budget deficit for 06/07.

Fiscal Impact of Hutchinson Technologies
(Revenue loss in \$millions)

	06/07 Bienium	08/09 Biennium
Retroactive	(165) – (200)	(100) – (135)
Prospective	(85) – (100)	(50) – (65)
Total	(250) – (300)	(150) – (200)

#1

GENERAL FUND (unless italicized)	Gov 5/20 Offer	Senate 6/9 Offer	Senate 6/24 Offer (incorporat e 6/9 Offer Changes)	Sen-Gov Diff. Remain.	House TWG as of 6/25 (numbers do not reflect offers in areas other than HHS, K-12, Taxes)	Sen.-House Diff.	House-Gov. Diff.
1 OPEN BILLS							
2 Health and Human Services							
3 <i>TANF Spending</i>							
4 <i>TANF Revenues</i>							
5 <i>TANF Net</i>	0	0	0	0	0	0	0
6 <i>HCAF Spending</i>	1,039	798	798	-241	1,018	-220	-21
7 <i>HCAF Revenues</i>	275	5	5	-270	254	-249	-21
8 <i>HCAF Net</i>	764	793	793	29	764	29	0
9 Human Services Spending	7,986	8,435	8,390	404	7,884	506	-102
10 <i>Human Services Revenues</i>	-273	-25	-25	248	-249	224	24
11 <i>Human Services GF Net</i>	8,259	8,460	8,415	156	8,233	127	-26
12 <i>Combined HHS Net</i>	9,023	9,253	9,208	185	8,997	211	-26
13				0		0	0
14 Education Spending	12,646	12,809	12,880	234	12,423	457	-223
15				0		0	0
16 Taxes - Spending	2,888	3,136	3,026	138	2,835	191	-53
17 <i>Taxes - Non-Tax Revenues</i>	0	0	0	0	262	-262	262
18 <i>Taxes - Tax Revenues</i>	628	1,582	1,215	537	237	978	-391
19 <i>Taxes Net</i>	2,260	1,554	1,812	-449	2,336	-525	76
20				0		0	0
21 <i>Env., Ag., ED Spending</i>	679	713	713	34	652	61	-27
22 <i>Env., Ag., ED Non-Tax Revenue</i>	32	29	29	-3	32	-3	0
23 <i>Env., Ag., ED Tax Revenue</i>	-25	0	0	25	-25	25	0
24 <i>Env., Ag., Econ Dev Net</i>	672	684	684	12	645	19	-27
25				0		0	0
26 Transportation Spending	159	159	159	0	162	-3	3
27 <i>Transportation Non-Tax Revenue</i>	12	17	17	5	15	2	3
28 <i>Transportation Tax Revenue</i>				0		0	0
29 <i>Transportation Net</i>	147	142	142	-5	147	-5	0
30				0		0	0
31 Miscellaneous Spending							
32 <i>Pensions</i>		42	42	42		42	0
33 <i>Salary Supplement</i>		21	21	21		21	0
34				0		0	0
35 CLOSED BILLS							
36 Higher Education Spending	2,761	2,761	2,761	0	2,761	0	0
37				0		0	0
38 Public Safety Spending	1,685	1,685	1,685	0	1,685	0	0
39 <i>Public Safety Revenue</i>	38	38	38	0	38	0	0
40 <i>Public Safety Net</i>	1,647	1,647	1,647	0	1,647	0	0
41				0		0	0
42 State Government Spending	559	559	559	0	559	0	0
43 <i>State Government Revenue</i>	91	91	91	0	91	0	0
44 <i>State Government Net</i>	468	468	468	0	468	0	0
45				0		0	0
46 Miscellaneous Spending	3	3	3	0	3	0	0
47				0		0	0
48 Debt Service	781	781	781	0	781	0	0
49 Other Spending	54	54	54	0	54	0	0
50 Net for Completed Bills	5,714	5,714	5,714	0	5,714	0	0
51				0		0	0
52 General Fund Spending	30,201	31,158	31,074	873	29,799	1,275	-402
53 <i>HCAF Spending</i>	1,039	798	798	-241	1,018	-220	-21
54 <i>TANF Spending</i>				0		0	0
55				0		0	0
56 General Fund Revenues							
57 <i>Base Tax Revenues</i>	29,711	29,711	29,711	0	29,711	0	0
58 Total Non-Tax Rev Change	-100	150	150	250	189	-39	289
59 Total Tax Revenue Change	603	1,582	1,215	612	212	1,003	-391
60 TOTAL REVENUES	30,214	31,443	31,076	862	30,112	964	-102
61				0		0	0
62 Change in Reserves	0			0	0	0	0
63				0		0	0

Note: Local Option Income Tax and School Property Tax Levies Not Reflected in State Expenditure or Revenue Numbers (except for shift effects)

HOUSE OFFER

UPDATED 6/25/05 3:15 PM

#2

Offer: Saturday June 26, 2005

TAX BILL REVENUE (relative to base)	(\$1000s)	
	2006-07 House	2008-09 House
All agreed revenue raisers	209,890	299,624
Other revenue raisers in both bills	71,355	51,925
Other revenue raisers in original House bill	11,848	8,620
Total Revenue Raisers in Original House Bill	293,093	360,169
FY 2005 revenues carried forward (no longer included)	0	0
Racino	210,000	250,000
Cigarette fee at 20 cents per pack (eff. 8/1/05) [\$100 mill for health care, \$8 mill for HSAs]	114,000	115,000
*** New Total Revenue Raisers ***	617,093	725,169

Revenue reductions in original House bill
Revenue reductions in original House bill

All agreed upon revenue cuts	(4,299)	(7,264)
Other revenue cuts common to both bills	(65,893)	(23,415)
Other House bill revenue cuts	(43,686)	(153,432)
Total Revenue Reductions in Original House bill	(113,878)	(184,111)

Net Change in Revenue

All include 20 cent cig fee & Racino

If only include agreed-upon revenue reductions	612,794	717,905
If also include revenue reductions common to both bills	546,901	694,490
If include all revenue reductions in House bill	503,215	541,058

(+ represents increase in spending)

TAX BILL SPENDING (relative to base)

HF 2228/2498 (enacted)	(369)	(506)
Agreed upon	1,500	0
Other items common to both bills	(35,050)	0
Other items in original House Tax Bill	(91,960)	(133,458)
Total Expenditure Change Relative to Base in Original	(125,879)	(133,964)

K-12 EDUCATION BILL SPENDING

State Aid	410,000	907,000
Local option income tax to replace shifts (\$218 in FY06-07) and property tax levies (\$112 mill in FY06-07)	330,000	436,000
Total	740,000	1,343,000

NOTE: SSTP revenue changes now shown as net change under "increases in revenue." This reduces both total revenue increases total revenue reductions relative to earlier versions (by \$15.57 mill in FY 06-07 and \$17.3 mill in FY 08-09).

SENATE OFFER

UPDATED 6/25/05 3:15 PM

Offer: Friday June 25, 2005

TAX BILL REVENUE (relative to base)	(\$1000s)	
	2006-07	2008-09
	Senate	Senate
All agreed-upon revenue raisers	209,890	299,624
Other revenue raisers common to both bills	71,355	51,925
Other revenue raisers in original Senate bill	1,509,300	1,631,635
Total Revenue Raisers in Original Senate Bill	1,790,545	1,983,184
Reduce new top tier rate from 10.65% to 8.9%	(602,300)	(601,200)
Reduce FOC revenue increase (new language)	(42,900)	(37,200)
75 cent per pack cigarette fee (for E-12) -- eff. 7/1/05	383,061	370,066
Reduction in proposed state property tax increase	(22,700)	(43,614)
*** New total revenue raisers ***	1,505,706	1,671,236

Revenue reductions in original Senate bill

All agreed-upon revenue reductions	(4,299)	(7,264)
Other revenue reductions common to both bills	(65,893)	(23,415)
Other revenue reductions in original Senate bill	(146,943)	(151,770)
Total Revenue Reductions in Original Senate Bill	(217,135)	(182,449)

NEW proposal revenue reductions

Single sales factor (net of throwback)	(68,600)	(68,600)
--	----------	----------

Net Change in Tax Bill Revenue*

(All include single sales net of throwback)

If only include agreed-upon revenue reductions	1,432,807	1,595,372
If also include revenue reductions common to both bills	1,366,914	1,571,957
If include all revenue reductions in Senate bill	1,219,971	1,420,187

(+ represents increase in spending)

TAX BILL SPENDING (relative to base)

HF 2228/2498 (enacted)	(369)	(506)
Agreed upon	1,500	-
Other items common to both bills	(35,050)	-
Other items in original Senate bill	207,229	756,391
Total Expenditure Change Relative to Base in Original Senate Tax Bill	173,310	755,885
Unspecified reductions in Tax Bill Spending	(110,000)	????
New Tax Bill Spending Increase (compared to base)	63,310	????

NOTE: SSTP revenue changes now shown as net change under "increases in revenue." This reduces both total revenue increases total revenue reductions relative to earlier versions (by \$15.57 mill in FY 06-07 and \$17.3 mill in FY 08-09).

REVENUE INCREASES COMPARED TO BASE

UPDATED 6/25/05 3:15 PM

(Provisions in original bills as passed the House and Senate)
 -- or provisions as agreed to by CC/Working Group

	(\$1000s)			
	2006-07		2008-09	
	House	Senate	House	Senate
Income Tax & Corporate Tax				
Tax rate increases	-	1,044,500	-	1,042,400
Tax certain deferred wages (Benda)	-	4,100	-	4,600
Withholding for nonres partnerships & S-corps	14,050	14,050	1,950	1,950
Withholding construction sub-contractors	-	4,000	-	4,000
Fed conform (Amer Job Creation Act)	20,765	20,765	37,085	37,085
FOCs	-	230,600	-	199,500
Disallow ded for fines & fees	-	150	-	150
Subtotal: Income Tax	34,815	1,318,165	39,035	1,289,685
Sales Tax				
SSTP total* (net revenue)	41,320	41,320	111,640	111,640
Leased vehicles (Senate position)	38,670	38,670	6,224	6,224
Rental vehicles sales tax at 12.7%	18,590	18,590	29,700	29,700
Cig sales tax at wholesale	10,350	12,190	5,400	5,400
State vendors must collect tax	3,410	3,410	8,710	8,710
Gas pipelines	4,800	4,800	6,400	6,400
Reverse Sprint case	-	3,060	-	3,310
Tax souvenir clothing	-	1,700	-	1,700
Subtotal: Sales & Use Taxes	117,140	123,740	168,074	173,084
Other Taxes & Fees				
Gross receipts tax on alcohol	83,950	83,950	125,100	125,100
Insurance -- Stop loss policies	5,100	5,100	9,900	9,900
Insurance -- CUNA	-	330	-	500
State wide property tax	-	196,700	-	377,925
Card club franchise fee (@15%)	8,440	-	8,620	-
Tax shelter compliance	40,240	62,560	9,440	6,990
Transfer from Property Tax Relief Acct	3,408	-	-	-
Subtotal: Other Taxes & Fees	141,138	348,640	153,060	520,415
Total -- All Taxes & Fees	293,093	1,790,545	360,169	1,983,184
<i>Agreed-upon items</i>	209,890	209,890	299,624	299,624
<i>Other common to both original bills</i>	71,355	71,355	51,925	51,925
<i>Other House/Senate bill revenue raisers</i>	11,848	1,509,300	8,620	1,631,635

*Enacted in regular session bill HF 2228.

Shaded lines show provisions on which agreement has been reached.

Numbers exclude property tax interactions.

NOTE: SSTP revenue changes now shown as net change under "increases in revenue." This reduces both total revenue increases total revenue reductions relative to earlier versions (by \$15.57 mill in FY 06-07 and \$17.3 mill in FY 08-09).

REVENUE REDUCTIONS COMPARED TO BASE
(Provisions in original bills as passed the House and Senate)
-- or provisions as agreed to by CC/Working Group

UPDATED 6/25/05 3:15 PM

	(\$1000s)			
	2006-07		2008-09	
	House	Senate	House	Senate
Income Tax & Corporate Tax				
AMT	(17,200)	(92,900)	(43,800)	(112,200)
Joint standard deduction	(56,400)	(65,200)	-	(22,400)
Military income	(3,024)	(3,024)	(2,744)	(2,744)
\$250 teacher expenses, etc	(4,080)	(4,050)	(280)	(245)
Health savings accounts	(8,200)	-	(7,000)	-
Refundable credits (K-12, WFC, CDCC)	(12,545)	(450)	(24,600)	(960)
Tax credits (dairy, angel, historic rehab)	(1,900)	(16,740)	(2,000)	(13,020)
sharing, transit passes)	(843)	(1,699)	(995)	(2,950)
Corporate single sales	(2,300)	-	(72,000)	-
Subtotal: Income Tax	(106,492)	(184,063)	(153,419)	(154,519)
Sales Tax				
Ready-to-eat meat & seafood	(1,120)	(1,120)	(1,655)	(1,655)
Certain solar energy systems	(90)	(90)	(65)	(65)
Small manuf upfront cap equip exemption	(4,940)	-	(2,690)	-
Commuter rail	-	(8,600)	-	-
Public safety radio	-	(3,050)	-	(1,750)
Geothermal equipment	-	(2,000)	-	(2,300)
Other	(401)	(4,822)	(622)	(2,360)
Subtotal: Sales & Use Taxes	(6,551)	(19,682)	(5,032)	(8,130)
Other Taxes & Fees				
International trade zone	-	-	(2,800)	(2,800)
Life Insurance	-	(11,700)	(12,600)	(17,700)
Estate tax	-	-	(10,100)	-
Enacted in regular session bill*	(65)	(65)	-	-
Other	(770)	(1,625)	(160)	700
Subtotal: Other Taxes & Fees	(835)	(13,390)	(25,660)	(19,800)
Total -- All Taxes & Fees	(113,878)	(217,135)	(184,111)	(182,449)
<i>Agreed-upon items</i>	(4,299)	(4,299)	(7,264)	(7,264)
<i>Other common to both original bills</i>	(65,893)	(65,893)	(23,415)	(23,415)
<i>Other House/Senate bill revenue raisers</i>	(43,686)	(146,943)	(153,432)	(151,770)

*Enacted in regular session bill HF 2228.

Shaded lines show provisions on which agreement has been reached.

Numbers exclude property tax interactions.

NOTE: SSTP revenue changes now shown as net change under "increases in revenue." This reduces both total revenue increases total revenue reductions relative to earlier versions (by \$15.57 mill in FY 06-07 and \$17.3 mill in FY 08-09).

#3

Total Revenues--All Sources
Latest Offers as of 3:30 pm 6-25-05

	Senate	House	Governor	Sen.- House Diff.	Sen.-Gov. Diff.	House- Gov. Diff
Total Revenues	31,076	30,442	30,448	634	628	(6)
Local Income Revenue		330				
Total Other		30,112	30,214			
Shift			95			
Property Tax			139			

Cass County

Proposal: 0.75% to \$600K
 1.0% to \$3 million
 1.25% & state tax >\$3M

Assume	0.700	Current Law	House Tax	House Tax	Senate Tax	Senate Tax	Prop Tax	Prop Tax
Assume	0.500	Tax	Change	Pct Chng	Change	Pct Chng	Change	Pct Chng
	Txbl MKV							
< \$300,000								
	83,100	582	-262	-45.0%	-262	-45.0%	-145	-25.0%
	86,400	649	-317	-48.8%	-317	-48.8%	-196	-30.1%
	89,700	703	-358	-50.9%	-358	-50.9%	-232	-33.0%
	121,800	853	-384	-45.0%	-384	-45.0%	-213	-25.0%
	146,500	1,026	-461	-45.0%	-461	-45.0%	-256	-25.0%
	161,500	1,131	-509	-45.0%	-509	-45.0%	-283	-25.0%
	166,300	1,164	-524	-45.0%	-524	-45.0%	-291	-25.0%
	167,500	1,173	-528	-45.0%	-528	-45.0%	-293	-25.0%
	171,600	1,201	-541	-45.0%	-541	-45.0%	-300	-25.0%
	175,800	1,496	-819	-54.7%	-819	-54.7%	-573	-38.3%
	175,900	1,231	-554	-45.0%	-554	-45.0%	-308	-25.0%
	183,100	1,302	-597	-45.9%	-597	-45.9%	-341	-26.2%
	183,800	1,334	-626	-47.0%	-626	-47.0%	-369	-27.7%
	184,100	1,362	-653	-47.9%	-653	-47.9%	-395	-29.0%
	185,900	1,499	-783	-52.2%	-783	-52.2%	-523	-34.9%
	191,900	1,343	-604	-45.0%	-604	-45.0%	-336	-25.0%
	201,000	1,407	-633	-45.0%	-633	-45.0%	-352	-25.0%
	211,600	1,588	-773	-48.7%	-773	-48.7%	-477	-30.0%
	214,300	1,616	-791	-48.9%	-791	-48.9%	-491	-30.4%
	228,500	2,159	-1,279	-59.3%	-1,279	-59.3%	-959	-44.4%
	259,500	2,242	-1,242	-55.4%	-1,242	-55.4%	-879	-39.2%
	286,500	2,006	-902	-45.0%	-902	-45.0%	-501	-25.0%
	289,200	2,047	-934	-45.6%	-934	-45.6%	-529	-25.8%
	291,200	2,038	-917	-45.0%	-917	-45.0%	-510	-25.0%
	294,400	2,102	-968	-46.1%	-968	-46.1%	-556	-26.5%
\$300,000 - \$600,000								
	307,200	2,585	-1,380	-53.4%	-1,403	-54.3%	-973	-37.6%
	311,000	2,177	-945	-43.4%	-980	-45.0%	-544	-25.0%
	315,400	2,428	-1,165	-48.0%	-1,214	-50.0%	-772	-31.8%
	321,400	2,295	-991	-43.2%	-1,058	-46.1%	-608	-26.5%
	327,400	2,495	-1,149	-46.0%	-1,235	-49.5%	-776	-31.1%
	340,300	2,382	-945	-39.7%	-1,072	-45.0%	-596	-25.0%
	344,200	3,291	-1,827	-55.5%	-1,966	-59.7%	-1,484	-45.1%
	344,300	2,410	-945	-39.2%	-1,085	-45.0%	-603	-25.0%
	356,900	2,498	-945	-37.8%	-1,124	-45.0%	-625	-25.0%
	359,000	2,790	-1,222	-43.8%	-1,407	-50.5%	-905	-32.4%
	370,500	2,594	-945	-36.4%	-1,167	-45.0%	-648	-25.0%
	370,700	2,963	-1,313	-44.3%	-1,536	-51.8%	-1,017	-34.3%
	371,400	2,600	-945	-36.3%	-1,170	-45.0%	-650	-25.0%
	378,600	2,675	-970	-36.3%	-1,218	-45.5%	-688	-25.7%
	390,500	2,911	-1,122	-38.6%	-1,407	-48.3%	-860	-29.6%
	404,600	2,832	-945	-33.4%	-1,274	-45.0%	-708	-25.0%
	407,500	3,185	-1,277	-40.1%	-1,616	-50.7%	-1,045	-32.8%
	414,600	3,349	-1,392	-41.6%	-1,752	-52.3%	-1,172	-35.0%
	422,200	2,955	-945	-32.0%	-1,330	-45.0%	-739	-25.0%
	428,900	3,015	-958	-31.8%	-1,364	-45.2%	-764	-25.3%
	429,600	3,099	-1,037	-33.5%	-1,445	-46.6%	-844	-27.2%
	430,200	3,088	-1,022	-33.1%	-1,432	-46.4%	-830	-26.9%

Assume	0.700					1.25% & state tax >\$3M			
Assume	0.500	Current Law	House Tax	House Tax	Senate Tax	Senate Tax	Prop Tax	Prop Tax	
	Txbl MKV	Tax	Change	Pct Chng	Change	Pct Chng	Change	Pct Chng	
	440,400	3,108	-970	-31.2%	-1,412	-45.4%	-796	-25.6%	
	450,200	3,213	-1,007	-31.3%	-1,480	-46.1%	-850	-26.4%	
	472,600	3,308	-945	-28.6%	-1,489	-45.0%	-827	-25.0%	
	474,100	3,423	-1,049	-30.6%	-1,597	-46.7%	-934	-27.3%	
	481,800	3,373	-945	-28.0%	-1,518	-45.0%	-843	-25.0%	
	482,300	3,376	-945	-28.0%	-1,519	-45.0%	-844	-25.0%	
	486,900	3,678	-1,215	-33.0%	-1,804	-49.0%	-1,122	-30.5%	
	501,900	3,596	-1,028	-28.6%	-1,663	-46.3%	-961	-26.7%	
	511,400	3,645	-1,011	-27.7%	-1,676	-46.0%	-960	-26.3%	
	517,800	3,625	-945	-26.1%	-1,631	-45.0%	-906	-25.0%	
	529,700	3,742	-980	-26.2%	-1,703	-45.5%	-961	-25.7%	
	547,700	4,247	-1,358	-32.0%	-2,138	-50.3%	-1,371	-32.3%	
	561,200	3,993	-1,010	-25.3%	-1,833	-45.9%	-1,047	-26.2%	
	576,900	4,107	-1,014	-24.7%	-1,886	-45.9%	-1,078	-26.3%	
	583,000	4,419	-1,283	-29.0%	-2,174	-49.2%	-1,358	-30.7%	
	588,600	4,125	-950	-23.0%	-1,859	-45.1%	-1,035	-25.1%	
	592,800	4,264	-1,060	-24.8%	-1,982	-46.5%	-1,152	-27.0%	
	597,700	5,231	-1,993	-38.1%	-2,930	-56.0%	-2,093	-40.0%	

\$600,000 - \$1,000,000									
	606,700	4,247	-945	-22.3%	-1,890	-44.5%	-1,050	-24.7%	
	616,800	4,334	-962	-22.2%	-1,907	-44.0%	-1,067	-24.6%	
	629,000	4,429	-971	-21.9%	-1,916	-43.3%	-1,076	-24.3%	
	641,900	4,530	-982	-21.7%	-1,927	-42.5%	-1,087	-24.0%	
	645,700	5,181	-1,607	-31.0%	-2,552	-49.2%	-1,712	-33.0%	
	646,400	4,654	-1,074	-23.1%	-2,019	-43.4%	-1,179	-25.3%	
	661,100	4,753	-1,070	-22.5%	-2,015	-42.4%	-1,175	-24.7%	
	661,400	4,702	-1,018	-21.6%	-1,963	-41.7%	-1,123	-23.9%	
	693,300	5,014	-1,106	-22.1%	-2,051	-40.9%	-1,211	-24.1%	
	703,200	4,973	-996	-20.0%	-1,941	-39.0%	-1,101	-22.1%	
	712,000	5,063	-1,024	-20.2%	-1,969	-38.9%	-1,129	-22.3%	
	716,700	5,194	-1,122	-21.6%	-2,067	-39.8%	-1,227	-23.6%	
	721,200	5,048	-945	-18.7%	-1,890	-37.4%	-1,050	-20.8%	
	721,900	5,565	-1,457	-26.2%	-2,402	-43.2%	-1,562	-28.1%	
	722,300	5,228	-1,117	-21.4%	-2,062	-39.4%	-1,222	-23.4%	
	734,600	5,586	-1,389	-24.9%	-2,334	-41.8%	-1,494	-26.7%	
	746,500	5,304	-1,024	-19.3%	-1,969	-37.1%	-1,129	-21.3%	
	764,200	5,396	-992	-18.4%	-1,937	-35.9%	-1,097	-20.3%	
	775,200	6,561	-2,080	-31.7%	-3,025	-46.1%	-2,185	-33.3%	
	800,400	5,802	-1,145	-19.7%	-2,090	-36.0%	-1,250	-21.5%	
	808,500	5,660	-945	-16.7%	-1,890	-33.4%	-1,050	-18.6%	
	810,300	6,119	-1,392	-22.7%	-2,337	-38.2%	-1,497	-24.5%	
	815,600	5,709	-945	-16.6%	-1,890	-33.1%	-1,050	-18.4%	
	817,200	5,793	-1,018	-17.6%	-1,963	-33.9%	-1,123	-19.4%	
	854,200	5,983	-949	-15.9%	-1,894	-31.6%	-1,054	-17.6%	
	874,800	6,124	-945	-15.4%	-1,890	-30.9%	-1,050	-17.1%	
	884,000	7,283	-2,040	-28.0%	-2,985	-41.0%	-2,145	-29.5%	
	922,600	6,673	-1,160	-17.4%	-2,105	-31.5%	-1,265	-19.0%	
	922,900	6,661	-1,146	-17.2%	-2,091	-31.4%	-1,251	-18.8%	
	936,300	10,021	-4,412	-44.0%	-5,357	-53.5%	-4,517	-45.1%	
	946,300	7,002	-1,323	-18.9%	-2,268	-32.4%	-1,428	-20.4%	
	949,600	7,609	-1,907	-25.1%	-2,852	-37.5%	-2,012	-26.4%	
	976,400	8,919	-3,029	-34.0%	-3,974	-44.6%	-3,134	-35.1%	
	986,300	7,310	-1,351	-18.5%	-2,296	-31.4%	-1,456	-19.9%	
	997,200	7,096	-1,061	-15.0%	-2,006	-28.3%	-1,166	-16.4%	

Assume	0.700						1.25% & state tax >\$3M	
Assume	0.500	Current Law	House Tax	House Tax	Senate Tax	Senate Tax	Prop Tax	Prop Tax
	Txbl MKV	Tax	Change	Pct Chng	Change	Pct Chng	Change	Pct Chng
\$1,000,000 - \$1,500,000								
	1,026,800	9,461	-3,218	-34.0%	-4,163	-44.0%	-3,323	-35.1%
	1,049,600	7,440	-1,038	-14.0%	-1,983	-26.7%	-1,143	-15.4%
	1,059,400	7,498	-1,028	-13.7%	-1,973	-26.3%	-1,133	-15.1%
	1,085,500	8,008	-1,354	-16.9%	-2,299	-28.7%	-1,459	-18.2%
	1,091,200	9,965	-3,272	-32.8%	-4,217	-42.3%	-3,377	-33.9%
	1,100,300	7,744	-987	-12.7%	-1,932	-24.9%	-1,092	-14.1%
	1,185,300	9,174	-1,822	-19.9%	-2,767	-30.2%	-1,927	-21.0%
	1,191,600	8,356	-960	-11.5%	-1,905	-22.8%	-1,065	-12.7%
	1,210,000	8,796	-1,271	-14.4%	-2,216	-25.2%	-1,376	-15.6%
	1,246,900	9,050	-1,267	-14.0%	-2,212	-24.4%	-1,372	-15.2%
	1,251,500	8,808	-993	-11.3%	-1,938	-22.0%	-1,098	-12.5%
	1,305,100	9,615	-1,425	-14.8%	-2,370	-24.6%	-1,530	-15.9%
	1,328,500	9,392	-1,038	-11.0%	-1,983	-21.1%	-1,143	-12.2%
	1,337,300	9,691	-1,275	-13.2%	-2,220	-22.9%	-1,380	-14.2%
	1,421,400	11,272	-2,268	-20.1%	-3,213	-28.5%	-2,373	-21.0%
	1,433,600	11,418	-2,328	-20.4%	-3,273	-28.7%	-2,433	-21.3%
	1,440,400	11,405	-2,268	-19.9%	-3,213	-28.2%	-2,373	-20.8%
	1,449,400	10,383	-1,183	-11.4%	-2,128	-20.5%	-1,288	-12.4%
\$1,500,000 - \$2,100,000								
	1,509,800	10,861	-1,238	-11.4%	-2,183	-20.1%	-1,343	-12.4%
	1,517,600	11,162	-1,484	-13.3%	-2,429	-21.8%	-1,589	-14.2%
	1,616,000	12,412	-2,045	-16.5%	-2,910	-23.4%	-2,150	-17.3%
	1,633,400	11,608	-1,120	-9.6%	-1,898	-16.3%	-1,225	-10.5%
	1,739,800	12,258	-1,024	-8.4%	-1,270	-10.4%	-1,129	-9.2%
	1,741,800	13,836	-2,589	-18.7%	-2,825	-20.4%	-2,694	-19.5%
	1,746,300	12,662	-1,383	-10.9%	-1,596	-12.6%	-1,488	-11.7%
	1,843,600	13,014	-836	-6.4%	-781	-6.0%	-1,159	-8.9%
	1,843,900	14,869	-2,687	-18.1%	-2,632	-17.7%	-3,012	-20.3%
	1,985,300	15,786	-1,907	-12.1%	-1,852	-11.7%	-2,939	-18.6%
	2,027,400	14,385	-2	0.0%	54	0.4%	-1,244	-8.6%
	2,097,800	16,286	-1,058	-6.5%	-1,003	-6.2%	-2,652	-16.3%
> \$2,500,000								
	2,505,400	18,921	2,615	13.8%	3,242	17.1%	-1,656	-8.7%
	2,663,900	28,879	-11,005	-38.1%	-10,180	-35.3%	-16,310	-56.5%
	2,757,900	25,877	-1,354	-5.2%	-699	-2.7%	-7,622	-29.5%
	4,974,600	57,315	459	0.8%	1,114	1.9%	-7,746	-13.5%
	11,180,500	150,101	6,599	4.4%	7,216	4.8%	-1,690	-1.1%
total	117,316,000	977,574	-156,733	-16.0%	-224,854	-23.0%	-186,134	-19.0%

7:10pm

GENERAL FUND
 (unless italicized)

	Gov 5/20 Offer	Senate 6/24 Offer (incorporate 6/9 Offer Changes)	Sen-Gov. Diff.	House TWG as of 6/25	Sen.-House Diff.	House-Gov. Diff.
1 OPEN BILLS						
2 Health and Human Services						
3 TANF Spending						
4 TANF Revenues						
5 TANF Net	0	0	0	0	0	0
HCAF Spending	1,039	798	-241	1,018	-220	-21
HCAF Revenues	275	5	-270	254	-249	-21
8 HCAF Net	764	793	29	764	29	0
9 Human Services Spending	7,986	8,390	404	7,884	506	-102
10 Human Services Revenues	-273	-25	248	-249	224	24
11 Human Services GF Net	8,259	8,415	156	8,233	182	-26
12 Combined HHS Net	9,023	9,208	185	8,997	211	-26
13			0		0	0
14 Education Spending	12,646	12,880	234	12,423	457	-223
15			0		0	0
16 Taxes - Spending	2,888	3,026	138	2,835	191	-53
17 Taxes - Non-Tax Revenues	0	0	0	222	-222	222
Taxes - Tax Revenues (incl. tax shelter compliance)	628	1,215	587	277	938	-351
19 Taxes Net	2,260	1,812	-449	2,336	-525	76
20			0		0	0
21 Env., Ag., ED Spending	679	713	34	652	61	-27
22 Env., Ag., ED Non-Tax Revenue	32	29	-3	32	-3	0
23 Env., Ag., ED Tax Revenue	-25	0	25	-25	25	0
24 Env., Ag., Econ Dev Net	672	684	12	645	39	-27
25			0		0	0
26 Transportation Spending	159	159	0	162	-3	3
27 Transportation Non-Tax Revenue	12	17	5	15	2	3
28 Transportation Tax Revenue	0	0	0	0	0	0
29 Transportation Net	147	142	-5	147	-5	0
30			0		0	0
31 Miscellaneous Spending	0	0	0	0	0	0
32 Pensions	0	42	42	0	42	0
33 Salary Supplement	0	21	21	0	21	0
34			0		0	0
5 CLOSED BILLS						
36 Higher Education Spending	2,761	2,761	0	2,761	0	0
37			0		0	0
38 Public Safety Spending	1,685	1,685	0	1,685	0	0
39 Public Safety Revenue	38	38	0	38	0	0
40 Public Safety Net	1,647	1,647	0	1,647	0	0
41			0		0	0
42 State Government Spending	559	559	0	559	0	0
43 State Government Tax Revenue	91	91	0	91	0	0
44 State Government Net	468	468	0	468	0	0
45			0		0	0
46 Miscellaneous Spending	3	3	0	3	0	0
47			0		0	0
48 Debt Service	781	781	0	781	0	0
49 Other Spending	54	54	0	54	0	0
50 Net for Completed Bills	5,714	5,714	0	5,714	0	0
51			0		0	0
52 General Fund Spending	30,201	31,074	873	29,799	1,275	-402
53 HCAF Spending	1,039	798	-241	1,018	-220	-21
54 TANF Spending			0		0	0
55			0		0	0
56 General Fund Revenues			0		0	0
57 Base Tax Revenues	29,711	29,711	0	29,711	0	0
58 Total Non-Tax Rev Change	-191	59	250	58	1	249
59 Total Tax Revenue Change	694	1,306	612	343	963	-351
60 TOTAL REVENUES	30,214	31,076	862	30,112	964	-102
61			0		0	0
62 Change in Reserves	0	0	0	0	0	0
63			0		0	0

	Gov 5/20 Offer	Senate 6/24 Offer	Sen-Gov. Diff.	House TWG as of 6/25	Sen.-House Diff.	House-Gov. Diff.
Total All Source Revenues	30,448	31,076	628	30,442	634	-6
Shift	95					
Property Tax	139					
Local Income Tax				330		
State Revenues	30,214	31,076		30,112		

	<u>Gov 5/20</u>	<u>Sen Offr 6/24</u>	<u>House Offer 6/25</u>
Aid	633	867.4	410
Shift	95	0	0
Levy	139	0	0
Local Inc.	0	0	330
Total	867	867.4	740

Total Proposed Revenue, FY 2006-07 K-12 and ECFE Programs As of June 25, 2005

