

Senate Taxes Committee
Thursday, February 16, 2006
Room 15 Capitol
Chair, Senator Lawrence J. Pogemiller

Present

Pogemiller, Chair
Tomassoni, Vice Chair
Belanger
Betzold
Johnson
Limmer
Moua
Marty
McGinn
Ortman
Skoe

Absent

Bakk

Senator Pogemiller called the meeting to order at 9:10 a.m.

A quorum was present.

Agenda Item #1: Introduction of New Staff

Agenda Item #2: General Discussions regarding Property Taxes

1. Testimony
 - a. Jack Paulson, Legislative Analyst, Senate Taxes Committee
 - i. Handout #1 "Comparison of Pay 2006 Capacity and Levies"
 - b. Eric Nauman, Fiscal Analyst, Senate Education Committee
 - i. Handout #2 "E-12 FY 2006-2007 Budget Supplemental"
 1. Discussion regarding levies and referendums
 2. Discussion regarding historical data and attendance rates
 - ii. Handout #3 "Election Summary"
 - c. Jack Paulson
 - i. Handout #4 "Estimated Property Tax Payable in 2006"
 - ii. Handout #5 "Market Value Growth Rates Selected Property Classes"
 1. Discussion on market value shifts in commercial industrial/seasonal recreational and effects on education funding
 - iii. Handout #6 "Reports/Studies for Future Discussion"
 - iv. Handout #7 "Summary of Fee Changes"

Agenda Item #3: Impact of the Federal Deficit Reduction Act on Local Government

1. Testimony
 - a. Don Allen, Department of Human Services
 - i. Handout #8 "Preliminary Assessment of Impact of Deficit Reduction Act"
 - b. Kris Johnson, Department Human Services
 - i. Discussion of children's collaboratives and decrease in eligibility and revenue
 1. 50/50 match for those eligible
 - c. Don Allen, Department of Human Services
 - i. Medicaid and targeted case management
 - ii. Third party liability
 - iii. Revenue impact FY07
 - d. Ann Martin, Department of Human Services
 - i. Child Support
 - e. Nancy Schouweiler, Dakota County Commissioner, Metropolitan Inter-County Association
 - i. Discussion regarding impact on counties
 - f. Dan Papin, Community Services Director, Washington County
 - i. Hardest hit - child welfare programs

- ii. Community mental health staff
- iii. Developmental disability cuts questionable
- g. Kathy Lamp, Hennepin County
 - i. Handout #9 "Hennepin County Estimates of Funds 'At Risk' for 2006"

Agenda Item #4: Married/Joint Standard Deduction

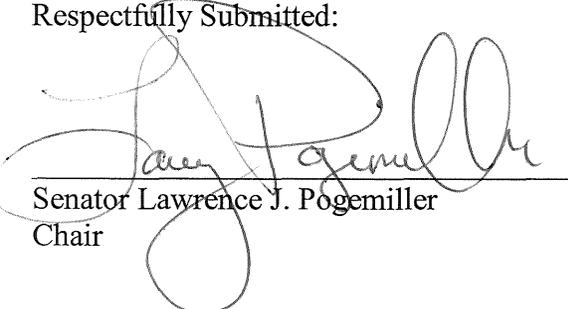
- 1. M.J. Hedstrom, Fiscal Analyst, Senate Taxes Committee
 - a. Handout #10 "Minnesota Income Tax Form M1 and Instructions"
 - b. Handout #11 "Memorandum regarding Married Standard Deduction Conformity"
 - c. Handout #12 "Standard Deduction Marriage Penalty Relief"

Agenda Item #5: Tax Fairness

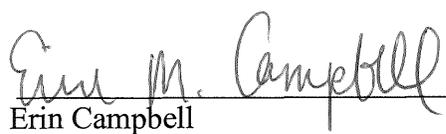
- 1. Discussion of Handout #13 "Rates Dip at the Top"
 - a. Jack Mansun, Assistant Commissioner, Department of Revenue
- 2. Discussion of Handout #14 "Detail from 2005 Minnesota Tax Incidence Study"

Senator Pogemiller adjourned the meeting at 11:30 a.m.

Respectfully Submitted:



Senator Lawrence J. Pogemiller
Chair



Erin Campbell
Legislative Assistant

Tax Committee
Thursday, February 16, 2006
9am, Room 15 Capitol
Agenda

General Discussion Regarding:

Property Taxes

Impact of the Federal Deficit Reduction Act on Local Governments

Kris Johnson, Department of Human Services

Don Allen, Department of Human Services

Nancy Schouweiler, Dakota County Commissioner, MICA

Dan Papin, Washington Co Community Services Director

Ann Martin, DHS

Married/Joint Standard Deduction

Tax Fairness

Chair

Senator Lawrence Pogemiller

Legislative Assistant

Erin Campbell