

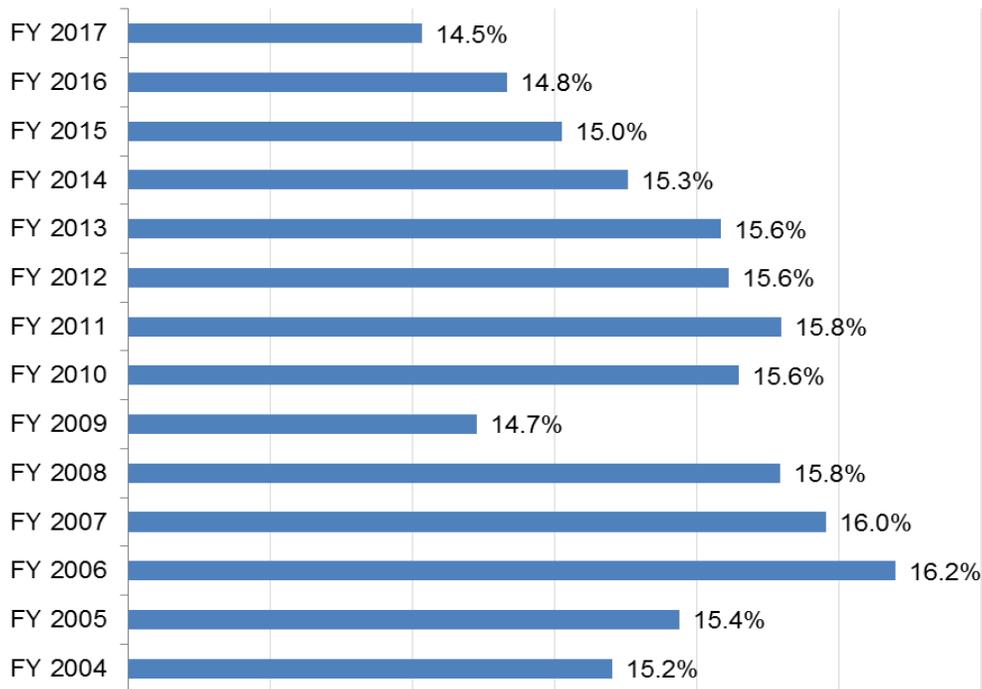
Price of Government

State and Local Government Revenues are Forecast Through 2017

The state general fund forecast represents only a portion of public sector revenues and spending in Minnesota. In broad terms, the “Price of Government” is a measure of the cost of all general government services statewide. It answers the question: *How much do Minnesotans pay to state and local governments in total?* It is comprehensive and includes nearly all revenues generated by state and local units of government as well as public school districts. All state taxes, property taxes, special assessments, fees and charges are included. Federal taxes are not included. The measure serves as a financial index for the cost of public services in Minnesota.

The annual receipts collected by each unit of government are considered to represent the aggregate cost that Minnesota taxpayers pay for public services. The “Price of Government” measures that cost for each fiscal year relative to Minnesota Personal Income. The result is stated as a percentage of statewide personal income. For calendar year 2012, fiscal year 2013, it is estimated at 15.6 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.6 cents will be paid to state, county, township, and school districts for services during that year.

Minnesota Price of Government (History & Projected) State and Local Revenues as % of MN Personal Income



Since the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

The following table shows the revenues collected at each level of government, excluding federal grants and excluding intergovernmental revenues such as state aid to school districts, cities and counties. The results are called “own source” revenues and represent the taxes, fees and charges at each level of government.

Own Source Revenues				
(\$ in millions)				
	<u>FY 2012</u>	<u>Percent of Total</u>	<u>FY 2013</u>	<u>Percent of Total</u>
State Revenues				
Tax Revenues	\$18,664		\$19,571	
Non-Tax Revenues	<u>4,068</u>		<u>4,104</u>	
Total State Revenues	22,732	61%	23,675	61%
Local Non-School Revenues				
Tax Revenues	5,570		5,836	
Non-Tax Revenues	<u>5,935</u>		<u>6,130</u>	
Total Local Non-School Rev	11,508	31%	11,966	31%
School District Revenues				
Tax Revenues	2,170		2,270	
Non-Tax Revenues	<u>772</u>		<u>785</u>	
Total School District Revenues	2,942	8%	3,055	8%
Total Own Source Revenues	37,182		38,696	
Minnesota Personal Income	\$238,166		\$248,323	
Governmental Revenue as Percent of Personal Income	15.6%		15.6%	

In FY 2013, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 61 percent. Counties, cities, and townships will collect about 31 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 36 percent of the total while non-school local governments will spend 37 percent, and school districts will spend 27 percent.

A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2004 through FY 2017 shown by level of government.

**November 2012 Forecast
Price of Government
State & Local Revenues, CY 2001-2016
as a Percent of Personal Income**
(\$ in Thousands)

	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
State Revenues														
<i>Tax Revenues:</i>														
Individual Income Tax	5,709,584	6,341,164	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,529,204	7,972,461	8,520,700	8,507,600	8,928,800	9,640,600	10,022,400
General Sales Tax	4,119,075	4,258,183	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,686,836	4,957,027	5,128,631	5,279,089	5,467,447	5,625,045	5,773,150
Corporate Income Tax	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	1,044,158	1,080,200	1,012,100	941,600	943,200	937,200
Gasoline & Special Fuels Taxes	653,626	656,580	650,363	647,941	651,855	745,760	826,753	849,534	845,177	873,701	874,556	869,063	864,069	861,558
Motor Vehicle License Tax	492,339	496,299	491,406	483,991	477,323	501,441	531,551	557,175	580,240	593,710	601,501	608,803	619,157	630,981
Motor Vehicle Sales Tax	593,855	557,678	538,718	533,261	512,662	442,627	453,563	506,035	558,379	588,722	616,320	658,494	702,720	745,600
Statewide Property Tax	599,622	610,874	631,279	665,744	704,246	729,373	766,831	766,926	799,333	816,701	831,484	844,996	862,592	881,930
Health Care Taxes	266,804	410,014	440,980	467,410	481,608	516,792	525,153	546,903	484,278	497,860	520,371	556,723	597,461	639,819
All Other Taxes	1,330,247	1,274,399	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,358,831	1,422,916	1,470,353	1,554,646	1,613,491	1,642,247	1,669,971
Subtotal - State Taxes	14,393,200	15,531,065	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,726,057	18,663,969	19,570,578	19,797,667	20,489,417	21,497,091	22,162,609
<i>Non-Tax Revenues:</i>														
Fees & Charges	861,625	892,486	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,285,126	1,248,298	1,221,077	1,220,067	1,240,393	1,235,644	1,222,638
Investment Earnings	86,107	97,660	185,763	264,747	253,303	171,748	75,683	68,572	69,059	81,182	76,379	82,684	103,995	130,824
Post-Secondary Tuition	876,000	952,785	1,061,327	1,150,022	1,221,500	1,307,918	1,447,977	1,598,637	1,630,000	1,679,000	1,704,500	1,731,500	1,731,500	1,731,500
Tobacco Settlements	168,467	175,488	180,790	183,911	184,411	179,854	168,297	169,375	166,861	160,487	156,472	154,079	151,320	148,319
All Other Resources	484,192	480,689	569,495	474,762	533,964	701,676	760,955	767,684	954,167	961,961	799,447	804,113	785,110	779,884
Subtotal - State Non Tax Revenues	2,476,391	2,599,108	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,899,394	4,068,385	4,103,707	3,956,865	4,012,769	4,007,569	4,013,165
Subtotal - State Own Source Revenues	16,869,591	18,130,173	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,625,451	22,732,354	23,674,285	23,754,532	24,502,186	25,504,660	26,175,774
Federal Grants	5,934,455	6,037,741	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	9,756,757	8,497,193	9,048,221	9,684,627	10,459,087	10,486,928	10,624,604
TOTAL STATE REVENUES	22,804,046	24,167,914	26,012,942	26,882,133	27,734,320	27,952,916	29,500,069	31,382,208	31,229,547	32,722,506	33,439,159	34,961,273	35,991,588	36,800,378
Local Non-School Revenues														
<i>Tax Revenues:</i>														
Property Tax	3,286,132	3,487,467	3,712,295	3,998,439	4,325,031	4,663,982	4,896,614	4,993,286	5,078,606	5,321,888	5,403,265	5,529,133	5,672,351	5,833,705
Sales Tax	109,805	124,986	132,799	142,405	181,214	234,312	281,459	294,897	315,752	331,912	343,636	355,557	366,849	376,816
Other Taxes	139,909	138,270	161,507	164,631	148,454	186,030	186,593	172,002	175,844	182,197	184,946	189,248	193,875	198,898
Subtotal - Local Taxes	3,535,846	3,750,723	4,006,601	4,305,475	4,654,699	5,084,324	5,364,666	5,460,185	5,570,202	5,835,997	5,931,847	6,073,938	6,233,075	6,409,419
<i>Non-Tax Revenues:</i>														
Special Assessments	326,123	337,068	344,394	341,531	345,448	329,666	344,332	347,810	364,395	376,373	387,639	400,591	414,512	429,611
Licenses and Permits	175,918	193,546	199,330	197,952	180,199	168,677	151,194	157,639	165,709	171,317	176,610	182,702	189,262	196,389
Charges for Services	1,055,651	1,192,728	1,075,780	1,089,702	1,166,288	1,105,485	1,122,285	1,110,473	1,133,313	1,165,660	1,195,783	1,230,678	1,268,233	1,309,041
Investment Earnings	152,660	162,378	224,633	380,413	489,121	359,674	178,693	143,816	146,092	153,396	161,066	172,341	184,404	197,313
Selected Enterprise Revenues	2,695,742	2,838,441	2,943,018	3,214,027	3,294,338	3,425,271	3,468,110	3,432,935	3,601,528	3,718,319	3,827,427	3,953,550	4,089,264	4,236,685
Miscellaneous Revenues	464,994	492,958	498,821	506,124	531,468	463,039	615,737	513,165	527,278	544,643	561,050	579,838	600,008	621,850
Subtotal - Local Non Tax Revenues	4,871,088	5,217,119	5,285,976	5,729,749	6,006,862	5,851,812	5,880,351	5,705,838	5,938,315	6,129,708	6,309,575	6,519,700	6,745,683	6,990,889
Subtotal - Local Own Source Revenues	8,406,934	8,967,842	9,292,577	10,035,224	10,661,561	10,936,136	11,245,017	11,166,023	11,508,517	11,965,705	12,241,422	12,593,638	12,978,758	13,400,308
<i>Intergovernmental Revenue:</i>														
State Aid	2,632,590	2,475,904	2,570,258	2,701,489	2,765,824	2,494,934	2,587,881	2,500,315	2,519,334	2,436,331	2,459,021	2,474,455	2,491,791	2,509,736
Local Aid	178,908	214,384	203,588	239,302	457,236	541,921	340,912	307,927	313,073	313,073	313,073	313,073	313,073	313,073
Federal Aid	675,464	667,368	731,744	779,073	795,978	1,004,511	1,077,804	1,218,445	1,194,054	1,195,735	1,187,009	1,179,955	1,179,955	1,179,955
Subtotal - Intergovernmental Revenue	3,486,962	3,357,656	3,505,590	3,719,864	4,019,038	4,041,366	4,006,597	4,026,687	4,026,461	3,945,139	3,959,103	3,967,483	3,984,819	4,002,764
TOTAL LOCAL NON-SCHOOL REVENUES	11,893,896	12,325,498	12,798,167	13,755,088	14,680,599	14,977,502	15,251,614	15,192,710	15,534,978	15,910,844	16,200,525	16,561,121	16,963,577	17,403,072

**November 2012 Forecast
Price of Government
State & Local Revenues, CY 2001-2016
as a Percent of Personal Income
(\$ in Thousands)**

	CY 2003 FY 2004	CY 2004 FY 2005	CY 2005 FY 2006	CY 2006 FY 2007	CY 2007 FY 2008	CY 2008 FY 2009	CY 2009 FY 2010	CY 2010 FY 2011	CY 2011 FY 2012	CY 2012 FY 2013	CY 2013 FY 2014	CY 2014 FY 2015	CY 2015 FY 2016	CY 2016 FY 2017
School District Revenues														
<i>Tax Revenues:</i>														
Property Tax	1,180,578	1,277,288	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,162,185	2,261,952	2,323,713	2,356,102	2,427,308	2,479,897
Taconite Production Tax	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	7,253	6,921	6,917
Subtotal - School District Tax Revenues	1,188,609	1,285,271	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,169,864	2,269,558	2,330,970	2,363,355	2,434,229	2,486,814
<i>Non-Tax Revenues:</i>														
Fee Revenue	400,204	417,551	442,392	456,810	479,537	491,257	487,304	493,927	509,731	519,926	530,324	540,931	551,749	562,784
Other Miscellaneous Revenue	212,778	273,027	360,366	386,963	375,218	317,470	266,948	261,008	262,164	264,786	267,433	270,108	272,809	275,537
Subtotal - School District Non Tax Revenues	612,982	690,578	802,758	843,773	854,755	808,727	754,252	754,935	771,895	784,712	797,757	811,039	824,558	838,321
Subtotal - School Dist Own Source Revenues	1,801,591	1,975,849	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,941,759	3,054,270	3,128,727	3,174,394	3,258,787	3,325,135
<i>Intergovernmental Revenue:</i>														
State Aid	6,053,242	6,002,391	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,016,337	7,309,816	7,464,291	7,627,541	7,757,179	7,884,926
State Paid Tax Credits	10,411	9,593	8,706	9,440	9,489	9,425	9,592	9,567	10,211	10,054	9,804	9,606	9,606	9,606
Education Homestead Credit	239	0	0	0	0	0	0	0	0	0	0	0	0	0
Education Agricultural Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Market Value Homestead Credit	68,406	64,239	60,880	59,743	56,302	53,475	53,994	57,165	60,794	0	0	0	0	0
Homestead Agric Land MV Credit	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,280	5,280	5,280	5,280	5,280
Local Aid	28,342	29,008	30,643	30,576	36,389	38,738	43,389	40,314	40,872	39,051	39,051	39,051	39,051	39,051
Federal Aid	541,432	568,689	595,642	590,552	609,822	633,187	1,362,002	905,266	797,015	696,367	703,331	710,364	717,468	724,642
Subtotal - Intergovernmental Revenue	6,707,951	6,679,129	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,930,574	8,060,568	8,221,757	8,391,842	8,528,584	8,663,505
TOTAL SCHOOL DISTRICT REVENUES	8,509,542	8,654,978	9,110,471	9,572,287	10,106,167	10,331,083	11,049,483	10,772,718	10,872,333	11,114,838	11,350,484	11,566,236	11,787,371	11,988,640

Total State, Local & School District Revenues

<i>Tax Revenues</i>	19,117,655	20,567,059	22,069,395	23,013,728	23,966,316	23,333,591	23,486,173	25,317,646	26,404,035	27,676,133	28,060,484	28,926,710	30,164,395	31,058,842
<i>Non-Tax Revenues</i>	7,960,461	8,506,805	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,360,167	10,778,595	11,018,127	11,064,197	11,343,508	11,577,810	11,842,375
<i>Intergovernmental Revenue</i>	16,129,368	16,074,526	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,823	20,454,228	21,053,928	21,865,487	22,818,412	23,000,331	23,290,873
TOTAL ALL REVENUES	43,207,484	45,148,390	47,921,580	50,209,508	52,521,086	53,261,501	55,801,166	57,347,636	57,636,858	59,748,188	60,990,168	63,088,630	64,742,536	66,192,090
Less: Intergovernmental Revenues	(16,129,368)	(16,074,526)	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,823)	(20,454,228)	(21,053,928)	(21,865,487)	(22,818,412)	(23,000,331)	(23,290,873)

Total Own Source Revenues	27,078,116	29,073,864	31,423,922	32,837,781	34,241,377	33,583,936	33,839,122	35,677,813	37,182,630	38,694,260	39,124,681	40,270,218	41,742,205	42,901,217
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Minnesota Personal Income	178,146,750	188,330,000	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	238,166,000	248,323,000	256,443,000	268,063,000	281,468,000	295,213,000
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Revenue as Percent of Personal Income	15.2%	15.4%	16.2%	16.0%	15.8%	14.7%	15.6%	15.8%	15.6%	15.6%	15.3%	15.0%	14.8%	14.5%
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