

**November 2000 Forecast**  
**Price of Government**  
**State & Local Revenues, C.Y. 1990-2004**  
**as a Percent of Personal Income**  
(\$ in Thousands)

	C.Y. 1990	C.Y. 1991	C.Y. 1992	C.Y. 1993	C.Y. 1994	C.Y. 1995	C.Y. 1996	C.Y. 1997	C.Y. 1998	C.Y. 1999	C.Y. 2000	C.Y. 2001	C.Y. 2002	C.Y. 2003	C.Y. 2004
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	F.Y. 2002	F.Y. 2003	F.Y. 2004	F.Y. 2005
<b>State Revenues</b>															
<i>Tax Revenues:</i>															
Individual Income Tax	2,972,983	3,144,636	3,471,374	3,539,994	3,753,268	4,135,332	4,768,390	4,746,569	5,320,918	5,556,366	5,884,600	6,392,100	6,901,200	7,399,500	7,856,200
General Sales Tax	1,965,209	2,193,451	2,378,482	2,522,271	2,722,596	2,901,268	3,012,746	3,251,685	3,120,309	3,939,289	4,146,077	4,453,812	4,701,710	4,963,752	
Corporate Income Tax	457,934	420,278	509,534	551,822	665,757	701,735	680,898	752,061	777,491	800,129	862,000	827,500	907,500	994,100	1,031,100
Gasoline & Special Fuels Taxes	430,213	437,817	441,619	457,614	468,738	495,458	516,664	529,211	555,187	581,431	578,425	599,457	606,726	608,659	616,667
Motor Vehicle License Tax	351,664	370,650	404,655	425,036	452,317	475,669	511,113	539,865	584,359	638,307	500,940	508,543	516,040	524,431	530,661
Motor Vehicle Sales Tax	236,720	270,356	296,284	332,994	347,523	381,219	401,751	444,976	487,041	540,961	536,400	541,600	604,400	622,500	641,200
Health Care Taxes	0	0	13,566	64,905	131,397	154,173	173,767	135,572	137,529	151,034	154,935	179,284	243,771	268,912	279,681
All Other Taxes	549,253	585,022	662,167	748,948	743,678	792,194	811,597	881,777	936,798	972,300	983,439	996,585	1,028,586	1,045,723	1,062,349
Subtotal - State Taxes	6,963,976	7,422,210	8,177,681	8,643,584	9,285,274	10,037,048	10,876,926	11,281,716	10,939,674	12,360,837	13,440,028	14,191,146	15,262,035	16,165,535	16,981,610
<i>Non-Tax Revenues:</i>															
Fees & Charges	249,168	338,879	326,518	376,713	383,918	428,028	462,497	481,655	471,427	524,896	527,195	586,222	598,264	611,449	624,485
Investment Earnings	172,861	109,360	77,989	79,419	120,028	149,943	194,920	255,243	299,439	259,840	281,155	218,705	200,419	195,695	192,648
Post-Secondary Tuition	354,404	379,134	409,787	415,135	417,787	415,775	447,607	463,147	479,621	509,774	530,575	536,859	542,687	542,687	542,687
Tobacco Settlements	0	0	0	0	0	0	0	297	0	104,926	114,829	372,127	267,389	193,766	197,870
All Other Resources	570,118	560,559	571,254	651,005	613,591	517,831	583,593	763,474	710,661	661,444	1,538,338	942,726	899,188	920,605	855,774
Subtotal - State Non Tax Revenues	1,346,551	1,387,932	1,385,548	1,522,272	1,535,324	1,511,577	1,688,617	1,963,816	1,961,148	2,060,880	2,992,092	2,656,639	2,507,947	2,464,202	2,413,464
Subtotal - State Own Source Revenues	8,310,527	8,810,142	9,563,229	10,165,856	10,820,598	11,548,625	12,565,543	13,245,532	12,900,822	14,421,717	16,432,120	16,847,785	17,769,982	18,629,737	19,395,074
<i>Federal Grants</i>	2,260,587	2,530,697	2,778,303	3,133,023	3,212,969	3,292,314	3,479,377	3,684,064	3,838,623	4,112,637	4,618,552	4,775,966	4,908,876	5,094,133	5,283,640
<b>TOTAL STATE REVENUES</b>	<b>10,571,114</b>	<b>11,340,839</b>	<b>12,341,532</b>	<b>13,298,879</b>	<b>14,033,567</b>	<b>14,840,939</b>	<b>16,044,920</b>	<b>16,929,596</b>	<b>16,739,445</b>	<b>18,534,354</b>	<b>21,050,672</b>	<b>21,623,751</b>	<b>22,678,858</b>	<b>23,723,870</b>	<b>24,678,714</b>
<b>Local Non-School Revenues</b>															
<i>Tax Revenues:</i>															
Property Tax	1,781,901	1,979,384	2,090,992	2,165,434	2,218,545	2,328,364	2,449,028	2,561,031	2,670,768	2,778,424	2,906,889	3,107,347	3,276,845	3,447,652	3,628,350
Sales Tax	49,852	52,750	60,272	64,023	74,381	78,433	80,200	85,349	94,470	100,705	105,942	111,560	120,581	126,611	132,941
Other Taxes	83,545	93,465	100,112	104,403	103,421	105,182	115,295	123,116	125,676	128,253	133,444	139,047	144,940	151,139	157,661
Subtotal - Local Taxes	1,915,298	2,125,599	2,251,376	2,333,860	2,396,347	2,511,979	2,644,523	2,769,496	2,890,914	3,007,382	3,146,275	3,357,954	3,542,366	3,725,402	3,918,952
<i>Non-Tax Revenues:</i>															
Special Assessments	203,949	207,957	239,171	241,280	227,548	222,077	236,857	236,273	270,853	289,459	309,386	330,728	345,179	360,645	377,706
Licenses and Permits	58,168	62,802	68,530	72,874	78,211	86,705	97,800	105,568	122,067	136,880	153,527	172,239	179,754	187,797	196,669
Charges for Services	388,710	414,902	438,234	482,785	479,682	483,770	531,204	644,330	640,733	702,605	770,525	845,089	879,060	915,376	955,495
Investment Earnings	326,643	291,536	260,507	253,102	260,010	313,453	306,628	363,843	355,497	370,717	386,646	403,322	416,872	431,084	446,266
Selected Enterprise Revenues	1,238,569	1,418,282	1,527,277	1,627,881	1,750,121	1,834,630	1,899,526	1,963,385	2,049,239	2,129,133	2,213,610	2,302,937	2,400,154	2,504,146	2,618,937
Miscellaneous Revenues	254,965	262,455	273,537	287,094	324,313	352,768	385,130	416,599	398,050	415,601	434,256	454,088	472,957	493,135	515,417
Subtotal - Local Non Tax Revenues	2,471,004	2,657,934	2,807,256	2,965,016	3,119,885	3,293,403	3,457,145	3,729,998	3,836,439	4,044,395	4,267,950	4,508,403	4,693,976	4,892,183	5,110,490
Subtotal - Local Own Source Revenues	4,386,302	4,783,533	5,058,632	5,298,876	5,516,232	5,805,382	6,101,668	6,499,494	6,727,353	7,051,777	7,414,225	7,866,357	8,236,342	8,617,585	9,029,442
<i>Intergovernmental Revenue:</i>															
State Aid	1,705,405	1,653,999	1,679,951	1,756,573	1,766,189	1,781,400	1,865,031	1,951,178	2,157,447	2,127,783	2,268,281	2,100,028	2,140,863	2,185,430	2,234,152
Local Aid	66,439	72,799	72,554	66,338	72,498	68,512	71,143	87,949	82,756	85,804	85,804	85,804	85,804	85,804	85,804
Federal Aid	542,064	470,091	441,744	530,827	509,880	504,965	529,905	538,262	486,020	532,000	532,000	532,000	532,000	532,000	532,000
Subtotal - Intergovernmental Revenue	2,313,908	2,196,889	2,194,249	2,353,738	2,348,567	2,354,877	2,466,079	2,577,389	2,726,223	2,745,587	2,886,085	2,717,832	2,758,667	2,803,234	2,851,956
<b>TOTAL LOCAL NON-SCHOOL REVENUES</b>	<b>6,700,210</b>	<b>6,980,422</b>	<b>7,252,881</b>	<b>7,652,614</b>	<b>7,864,799</b>	<b>8,160,259</b>	<b>8,567,747</b>	<b>9,076,883</b>	<b>9,453,576</b>	<b>9,797,364</b>	<b>10,300,310</b>	<b>10,584,189</b>	<b>10,995,009</b>	<b>11,420,819</b>	<b>11,881,398</b>
<b>School District Revenues</b>															
<i>Tax Revenues:</i>															
Property Tax	1,358,929	1,516,895	1,614,796	1,783,311	1,877,076	1,963,009	2,082,650	2,163,208	1,973,608	1,838,874	1,839,149	1,993,498	2,125,408	2,264,029	2,412,681
Taconite Production Tax	23,289	25,344	25,421	25,536	26,001	26,028	26,786	23,576	23,274	12,110	11,891	11,891	11,891	11,891	11,891

**November 2000 Forecast**  
**Price of Government**  
**State & Local Revenues, C.Y. 1990-2004**  
**as a Percent of Personal Income**  
(\$ in Thousands)

	C.Y. 1990 F.Y. 1991	C.Y. 1991 F.Y. 1992	C.Y. 1992 F.Y. 1993	C.Y. 1993 F.Y. 1994	C.Y. 1994 F.Y. 1995	C.Y. 1995 F.Y. 1996	C.Y. 1996 F.Y. 1997	C.Y. 1997 F.Y. 1998	C.Y. 1998 F.Y. 1999	C.Y. 1999 F.Y. 2000	C.Y. 2000 F.Y. 2001	C.Y. 2001 F.Y. 2002	C.Y. 2002 F.Y. 2003	C.Y. 2003 F.Y. 2004	C.Y. 2004 F.Y. 2005
Subtotal - School District Tax Revenues	1,382,218	1,542,239	1,640,217	1,808,847	1,903,077	1,989,037	2,109,436	2,186,784	1,996,882	1,850,984	1,851,040	2,005,389	2,137,299	2,275,920	2,424,572
<i>Non-Tax Revenues:</i>															
Sales & Fee Revenue	111,848	110,624	118,700	122,046	127,635	135,713	146,870	151,682	165,450	175,212	185,549	196,496	208,090	220,367	233,369
Other Miscellaneous Revenue	181,697	206,996	249,532	276,801	303,902	332,488	334,517	378,101	403,241	437,516	474,705	515,055	558,835	606,336	657,875
Subtotal - School District Non Tax Revenues	293,545	317,620	368,232	398,847	431,537	468,201	481,387	529,783	568,691	612,728	660,254	711,551	766,925	826,703	891,244
Subtotal - School Dist Own Source Revenues	1,675,763	1,859,859	2,008,449	2,207,694	2,334,614	2,457,238	2,590,823	2,716,567	2,565,573	2,463,712	2,511,294	2,716,940	2,904,224	3,102,623	3,315,816
<i>Intergovernmental Revenue:</i>															
State Aid	2,243,533	2,313,643	2,373,532	2,470,649	2,837,324	2,956,485	3,008,251	3,267,620	3,564,226	3,960,041	4,282,881	4,233,679	4,232,410	4,252,290	4,278,619
State Paid Tax Credits	181,582	166,379	187,905	210,446	162,920	165,986	137,379	113,573	77,649	48,189	39,256	28,154	23,548	20,386	18,534
Education Homestead Credit	0	0	0	0	0	0	0	0	160,271	304,629	395,013	394,426	398,363	402,347	406,371
Education Agricultural Credit	0	0	0	0	0	0	0	0	0	0	45,979	55,705	55,705	55,705	55,705
Local Aid	29,707	29,887	30,000	29,558	29,414	27,503	39,416	32,998	30,023	28,558	30,551	30,348	30,148	29,950	29,756
Federal Aid	182,435	200,860	224,445	236,807	248,375	254,149	263,193	294,325	317,583	339,814	363,601	389,053	416,287	445,427	476,606
Subtotal - Intergovernmental Revenue	2,637,257	2,710,769	2,815,882	2,947,460	3,278,033	3,404,123	3,448,239	3,708,516	4,149,752	4,681,231	5,157,281	5,131,365	5,156,461	5,206,105	5,265,591
<b>TOTAL SCHOOL DISTRICT REVENUES</b>	<b>4,313,020</b>	<b>4,570,628</b>	<b>4,824,331</b>	<b>5,155,154</b>	<b>5,612,647</b>	<b>5,861,361</b>	<b>6,039,062</b>	<b>6,425,083</b>	<b>6,715,325</b>	<b>7,144,943</b>	<b>7,668,575</b>	<b>7,848,305</b>	<b>8,060,685</b>	<b>8,308,728</b>	<b>8,581,407</b>
<b>Total State, Local &amp; School District Revenues</b>															
<i>Tax Revenues</i>	10,261,492	11,090,048	12,069,274	12,786,291	13,584,698	14,538,064	15,630,885	16,237,996	15,827,470	17,219,203	18,437,343	19,554,489	20,941,700	22,166,857	23,325,134
<i>Non-Tax Revenues</i>	4,111,100	4,363,486	4,561,036	4,886,135	5,086,746	5,273,181	5,627,149	6,223,597	6,366,278	6,718,003	7,920,296	7,876,593	7,968,848	8,183,088	8,415,198
<i>Intergovernmental Revenue</i>	7,211,752	7,438,355	7,788,434	8,434,221	8,839,569	9,051,314	9,393,695	9,969,969	10,714,598	11,539,455	12,661,918	12,625,163	12,824,004	13,103,472	13,401,187
<b>TOTAL ALL REVENUES</b>	<b>21,584,344</b>	<b>22,891,889</b>	<b>24,418,744</b>	<b>26,106,647</b>	<b>27,511,013</b>	<b>28,862,559</b>	<b>30,651,729</b>	<b>32,431,562</b>	<b>32,908,346</b>	<b>35,476,661</b>	<b>39,019,557</b>	<b>40,056,245</b>	<b>41,734,552</b>	<b>43,453,417</b>	<b>45,141,519</b>
Less: Intergovernmental Revenues	(7,211,752)	(7,438,355)	(7,788,434)	(8,434,221)	(8,839,569)	(9,051,314)	(9,393,695)	(9,969,969)	(10,714,598)	(11,539,455)	(12,661,918)	(12,625,163)	(12,824,004)	(13,103,472)	(13,401,187)
<b>Total Own Source Revenues</b>	<b>14,372,592</b>	<b>15,453,534</b>	<b>16,630,310</b>	<b>17,672,426</b>	<b>18,671,444</b>	<b>19,811,245</b>	<b>21,258,034</b>	<b>22,461,593</b>	<b>22,193,748</b>	<b>23,937,206</b>	<b>26,357,639</b>	<b>27,431,082</b>	<b>28,910,548</b>	<b>30,349,945</b>	<b>31,740,332</b>
<b>Minnesota Personal Income</b>	<b>87,795,500</b>	<b>90,713,750</b>	<b>97,025,250</b>	<b>99,787,000</b>	<b>107,156,000</b>	<b>113,216,750</b>	<b>122,079,500</b>	<b>129,136,000</b>	<b>139,441,750</b>	<b>147,050,250</b>	<b>156,012,500</b>	<b>165,498,000</b>	<b>175,058,000</b>	<b>185,968,250</b>	<b>196,345,500</b>
<b>Revenue as Percent of Personal Income</b>	<b>16.4%</b>	<b>17.0%</b>	<b>17.1%</b>	<b>17.7%</b>	<b>17.4%</b>	<b>17.5%</b>	<b>17.4%</b>	<b>17.4%</b>	<b>15.9%</b>	<b>16.3%</b>	<b>16.9%</b>	<b>16.6%</b>	<b>16.5%</b>	<b>16.3%</b>	<b>16.2%</b>

# **Supplement to November 2000 Forecast**

## **- Price of Government -**

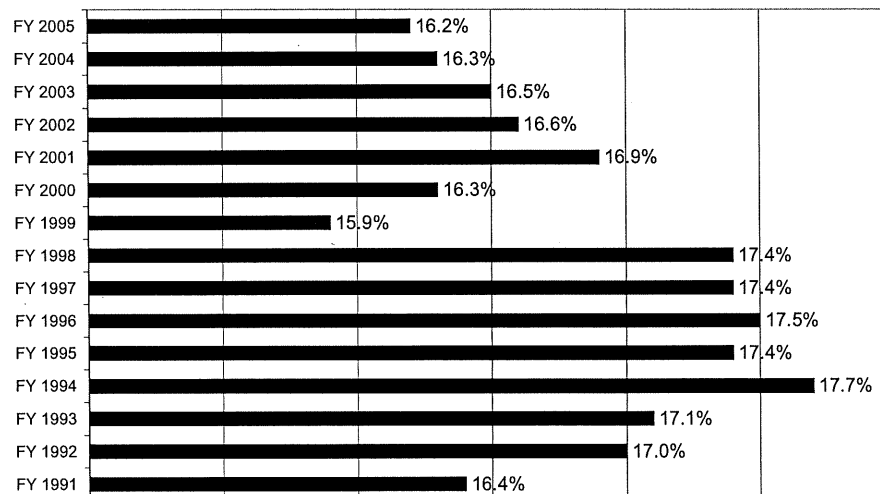
## Price of Government

### State and Local Government Revenues are Forecast Through 2005

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.

The aggregate annual receipts collected by each unit of government are considered to be a surrogate for the aggregate costs 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 2000, fiscal year 2001, it is estimated at 16.9%. In other words, for every dollar of Minnesota taxpayer personal income, 16.9 cents will be paid to state, county, township, and school districts for services during that year.

**Minnesota Price of Government**  
**State and Local Revenues as % of Personal Income**



By statute, the Governor's budget proposes price of government targets for four-year periods for each level of government. The legislature adopts targets by joint resolution. Since the price of government focuses on revenues required by various levels of government, it is designed to be a performance measure for both taxpayers in general and policy makers during the budget formation process. Because the emphasis is on aggregate revenues, the measure serves as a financial index for the cost of public services in Minnesota.

The following table shows the revenues raised at each level of government, excluding federal grants or aids 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 2000</u>	<u>FY 2001</u>
<b>State Revenues</b>		
Tax Revenues	\$12,361	\$13,440
Non-Tax Revenues	<u>2,061</u>	<u>2,992</u>
Total State Revenues	14,422	16,432
<b>Local Non-School Revenues</b>		
Tax Revenues	3,007	3,146
Non-Tax Revenues	<u>4,045</u>	<u>4,268</u>
Total Local Non-School Revenues	7,052	7,414
<b>School District Revenues</b>		
Tax Revenues	1,851	1,851
Non-Tax Revenues	<u>613</u>	<u>660</u>
Total School District Revenues	2,464	2,511
<b>Total Own Source Revenues</b>	<b>23,937</b>	<b>26,358</b>
<b>Minnesota Personal Income</b>	<b>147,050</b>	<b>156,013</b>
<b>Governmental Revenue as Percent of Personal Income</b>	<b>16.3%</b>	<b>16.9%</b>

In F.Y 2001 – of all dollars Minnesotans will pay in taxes, fees and charges – the state will collect 62 percent. Counties, cities, and townships will collect about 28 percent, while school districts will collect about 10 percent. However, once intergovernmental aids are considered, the state will spend only 54 percent of the total while non-school local governments will spend 26 percent, and school districts 20 percent.

The Price of Government has decreased from end-of-session numbers based on the February 2000 forecast by an average of 0.5 percent per year. Actual historical data from FY 1991 through projections through 2005 have been changed to reflect a revision in U.S. Department of Commerce methodology for calculating personal income. The change in methodology resulted in a significant upward revision to dividends, interest, and rent.

A table detailing price of government data is attached. It shows major taxes and other revenues sources for FY 1991 through FY 2005 broken down by level of government.