

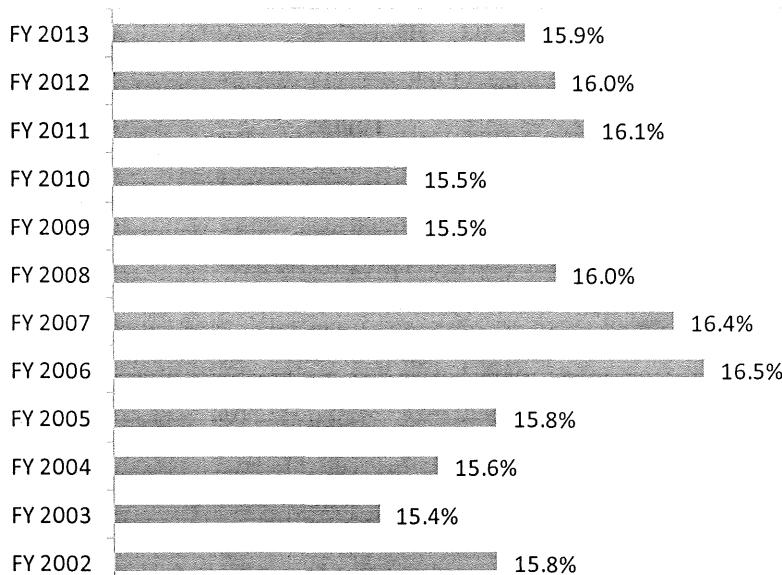
Price of Government

State and Local Government Revenues are Forecast Through 2013

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 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 2008, fiscal year 2009, it is estimated at 15.5 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.5 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



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 2008</u>	<u>Percent of Total</u>	<u>FY 2009</u>	<u>Percent of Total</u>
State Revenues				
Tax Revenues	\$17,539		\$16,493	
Non-Tax Revenues	<u>3,378</u>		<u>3,824</u>	
Total State Revenues	20,917	61%	20,317	59%
Local Non-School Revenues				
Tax Revenues	4,655		5,033	
Non-Tax Revenues	<u>5,852</u>		<u>6,083</u>	
Total Local Non-School Rev	10,507	31%	11,116	33%
School District Revenues				
Tax Revenues	1,772		1,918	
Non-Tax Revenues	<u>855</u>		<u>866</u>	
Total School District Revenues	2,627	8%	2,784	8%
Total Own Source Revenues	34,051		34,217	
Minnesota Personal Income	\$212,941		\$221,300	
Governmental Revenue as Percent of Personal Income	16.0%		15.5%	

In FY 2009, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 59 percent. Counties, cities, and townships will collect about 33 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 32 percent of the total while non-school local governments will spend 40 percent, and school districts will spend 28 percent.

A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2000 through FY 2013 shown by level of government.

February 2009 Forecast
Price of Government
State & Local Revenues, CY 1999-2012
as a Percent of Personal Income
(\$ in Thousands)

	CY 1999 FY 2000	CY 2000 FY 2001	CY 2001 FY 2002	CY 2002 FY 2003	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
State Revenues														
<i>Tax Revenues:</i>														
Individual Income Tax	5,556,366	5,915,494	5,443,342	5,371,829	5,709,584	6,341,164	6,862,953	7,230,855	7,759,209	7,216,700	7,033,500	7,875,900	8,138,400	8,885,800
General Sales Tax	3,120,309	3,037,362	3,805,851	3,956,283	4,119,075	4,258,183	4,484,813	4,525,773	4,592,576	4,400,340	4,413,996	4,598,357	4,839,033	5,056,159
Corporate Income Tax	800,129	728,970	529,458	588,656	628,048	925,874	1,061,627	1,171,101	1,020,181	658,700	450,400	724,700	822,900	859,100
Gasoline & Special Fuels Taxes	612,894	612,070	623,898	643,392	653,626	656,580	650,363	647,941	651,855	752,405	839,731	847,772	860,510	873,755
Motor Vehicle License Tax	606,844	454,554	473,232	491,714	492,339	496,299	491,406	483,991	477,323	493,076	510,651	536,471	588,978	636,626
Motor Vehicle Sales Tax	540,961	546,157	614,147	605,561	593,855	557,678	538,718	533,261	512,662	408,900	395,800	444,700	459,800	476,900
Statewide Property Tax	0	0	305,573	585,416	599,622	610,874	631,279	665,744	704,246	743,211	769,470	781,973	794,302	810,105
Health Care Taxes	151,034	167,315	173,923	201,080	266,804	410,014	440,980	467,410	481,608	519,900	535,500	564,600	600,400	641,100
All Other Taxes	979,500	963,368	1,027,662	1,263,867	1,330,247	1,274,399	1,528,458	1,373,816	1,339,263	1,300,201	1,299,448	1,305,123	1,351,829	1,410,159
Subtotal - State Taxes	12,368,037	12,425,290	12,997,086	13,707,798	14,393,200	15,531,065	16,690,597	17,099,892	17,538,923	16,493,433	16,248,496	17,679,596	18,456,152	19,649,704
<i>Non-Tax Revenues:</i>														
Fees & Charges	524,857	525,751	614,121	758,166	861,625	892,486	1,268,418	1,177,089	1,220,266	1,255,925	1,234,137	1,250,109	1,258,287	1,225,311
Investment Earnings	278,512	342,461	250,735	176,646	86,107	97,660	173,875	251,802	253,459	147,409	110,234	126,649	154,064	154,654
Post-Secondary Tuition	509,774	550,302	650,771	740,164	876,000	952,785	1,061,327	1,150,022	1,221,500	1,270,300	1,306,200	1,342,600	1,348,800	1,355,500
Tobacco Settlements	104,926	130,254	156,646	152,566	168,467	175,488	180,790	183,911	184,411	176,982	176,943	176,943	176,782	175,231
All Other Resources	620,461	1,201,570	648,002	559,987	484,192	480,689	521,984	379,921	498,462	973,332	835,371	826,893	719,692	720,217
Subtotal - State Non Tax Revenues	2,038,530	2,750,338	2,320,275	2,387,529	2,476,391	2,599,108	3,206,394	3,142,745	3,378,098	3,823,948	3,661,131	3,723,194	3,657,625	3,630,913
Subtotal - State Own Source Revenues	14,406,567	15,175,628	15,317,361	16,095,327	16,869,591	18,130,173	19,896,991	20,242,637	20,917,021	20,317,381	19,909,627	21,402,790	22,113,777	23,280,617
<i>Federal Grants</i>	4,144,935	4,505,453	5,054,788	5,728,608	5,934,455	6,037,741	6,056,552	6,531,710	6,781,953	8,062,144	8,682,622	8,552,417	7,316,201	7,102,815
TOTAL STATE REVENUES	18,551,502	19,681,081	20,372,149	21,823,935	22,804,046	24,167,914	25,953,543	26,774,347	27,698,974	28,379,525	28,592,249	29,955,207	29,429,978	30,383,432
Local Non-School Revenues														
<i>Tax Revenues:</i>														
Property Tax	2,781,292	2,907,880	3,134,397	3,035,806	3,286,132	3,487,467	3,712,295	3,998,439	4,325,031	4,677,363	4,894,813	5,161,820	5,353,548	5,570,900
Sales Tax	101,717	109,814	110,537	108,939	109,805	124,986	132,799	142,405	181,214	208,757	260,384	262,075	272,349	283,131
Other Taxes	128,689	136,010	130,443	124,164	139,909	138,270	161,507	164,631	148,454	146,379	147,325	149,377	151,811	154,651
Subtotal - Local Taxes	3,011,698	3,153,704	3,375,377	3,268,909	3,535,846	3,750,723	4,006,601	4,305,475	4,654,699	5,032,499	5,302,522	5,573,272	5,777,708	6,008,682
<i>Non-Tax Revenues:</i>														
Special Assessments	269,433	271,870	268,097	291,122	326,123	337,068	344,394	360,148	364,093	368,812	373,412	383,468	395,399	409,332
Licenses and Permits	134,092	146,620	153,870	161,960	175,918	193,546	199,330	197,452	181,141	178,432	180,935	186,195	192,428	199,703
Charges for Services	704,342	744,613	814,858	872,775	1,055,651	1,192,728	1,075,780	1,089,702	1,125,694	1,170,045	1,183,519	1,213,438	1,248,987	1,290,546
Investment Earnings	200,421	468,041	363,928	274,022	152,660	162,378	224,633	380,413	394,144	386,261	378,536	370,965	363,546	356,275
Selected Enterprise Revenues	2,132,810	2,264,000	2,420,201	2,648,518	2,695,742	2,838,441	2,943,018	3,211,620	3,292,062	3,476,370	3,520,816	3,618,778	3,735,099	3,871,016
Miscellaneous Revenues	465,472	476,004	486,557	468,200	464,994	492,958	498,821	506,124	495,235	503,247	510,545	525,257	542,553	562,604
Subtotal - Local Non Tax Revenues	3,906,570	4,371,148	4,507,511	4,716,597	4,871,088	5,217,119	5,285,976	5,745,459	5,852,369	6,083,167	6,147,763	6,298,101	6,478,012	6,689,476
Subtotal - Local Own Source Revenues	6,918,268	7,524,852	7,882,888	7,985,506	8,406,934	8,967,842	9,292,577	10,050,934	10,507,068	11,115,666	11,450,285	11,871,373	12,255,720	12,698,158
<i>Intergovernmental Revenue:</i>														
State Aid	2,258,959	2,383,423	2,511,171	2,918,176	2,632,590	2,475,904	2,570,258	2,701,489	2,697,869	2,591,453	2,788,007	2,812,307	2,854,929	2,867,881
Local Aid	96,302	97,932	120,046	109,320	178,908	214,384	203,588	239,302	252,190	252,190	252,190	252,190	252,190	252,190
Federal Aid	483,643	558,693	573,518	615,225	675,464	667,368	731,744	779,073	783,740	783,740	783,740	783,740	783,740	783,740
Subtotal - Intergovernmental Revenue	2,838,904	3,040,048	3,204,735	3,642,721	3,486,962	3,357,656	3,505,590	3,719,864	3,733,799	3,627,383	3,823,937	3,848,237	3,890,859	3,903,811
TOTAL LOCAL NON-SCHOOL REVENUES	9,757,172	10,564,900	11,087,623	11,628,227	11,893,896	12,325,498	12,798,167	13,770,798	14,240,867	14,743,049	15,274,222	15,719,610	16,146,579	16,601,969

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	CY 1999 FY 2000	CY 2000 FY 2001	CY 2001 FY 2002	CY 2002 FY 2003	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
School District Revenues														
<i>Tax Revenues:</i>														
Property Tax	1,838,874	1,793,014	1,922,340	983,539	1,180,578	1,277,288	1,364,355	1,599,861	1,764,204	1,908,469	2,057,700	2,265,518	2,385,443	2,550,974
Taconite Production Tax	12,110	11,553	11,393	0	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,815	8,349	8,184
Subtotal - School District Tax Revenues	1,850,984	1,804,567	1,933,733	983,539	1,188,609	1,285,271	1,372,197	1,608,361	1,772,694	1,917,336	2,066,367	2,274,333	2,393,792	2,559,158
<i>Non-Tax Revenues:</i>														
Fee Revenue	312,956	334,452	353,745	374,424	400,204	417,551	442,392	456,810	479,537	489,127	498,910	508,888	519,066	529,447
Other Miscellaneous Revenue	233,148	250,343	223,514	219,842	212,778	273,027	360,366	386,963	375,218	377,094	378,979	380,874	382,779	384,692
Subtotal - School District Non Tax Revenues	546,104	584,795	577,259	594,266	612,982	690,578	802,758	843,773	854,755	866,221	877,889	889,762	901,845	914,139
Subtotal - School Dist Own Source Revenues	2,397,088	2,389,362	2,510,992	1,577,805	1,801,591	1,975,849	2,174,955	2,452,134	2,627,449	2,783,557	2,944,256	3,164,095	3,295,637	3,473,297
<i>Intergovernmental Revenue:</i>														
State Aid	3,955,138	4,268,222	4,334,571	6,088,481	6,053,242	6,002,391	6,234,345	6,424,245	6,760,304	6,893,472	6,818,813	6,922,768	7,041,222	7,176,832
State Paid Tax Credits	48,879	39,129	27,597	8,959	10,411	9,593	8,706	9,440	9,488	9,421	10,089	10,105	10,155	10,208
Education Homestead Credit	304,629	395,013	404,102	806	239	0	0	0	0	0	0	0	0	0
Education Agricultural Credit	0	45,979	55,116	0	0	0	0	0	0	0	0	0	0	0
Market Value Homestead Credit	0	0	0	68,860	68,406	64,239	60,880	59,743	56,302	53,477	52,803	51,505	50,610	49,868
Homestead Agric Land MV Credit	0	0	0	3,854	5,879	5,209	5,300	5,597	5,769	5,777	5,528	5,528	5,528	5,528
Local Aid	33,814	34,283	31,701	28,294	28,342	29,008	30,643	30,576	36,373	30,634	30,634	30,634	30,634	30,634
Federal Aid	343,022	370,881	436,464	497,532	541,432	568,689	595,642	590,552	609,822	612,871	619,445	640,232	646,634	653,101
Subtotal - Intergovernmental Revenue	4,685,482	5,153,507	5,289,551	6,696,786	6,707,951	6,679,129	6,935,516	7,120,153	7,478,058	7,605,652	7,537,312	7,660,772	7,784,783	7,926,171
TOTAL SCHOOL DISTRICT REVENUES	7,082,570	7,542,869	7,800,543	8,274,591	8,509,542	8,654,978	9,110,471	9,572,287	10,105,507	10,389,209	10,481,568	10,824,867	11,080,420	11,399,468
Total State, Local & School District Revenues														
<i>Tax Revenues</i>	17,230,719	17,383,561	18,306,196	17,960,246	19,117,655	20,567,059	22,069,395	23,013,728	23,966,316	23,443,268	23,617,385	25,527,201	26,627,652	28,217,544
<i>Non-Tax Revenues</i>	6,491,204	7,706,281	7,405,045	7,698,392	7,960,461	8,506,805	9,295,128	9,731,977	10,085,222	10,773,336	10,686,783	10,911,057	11,037,482	11,234,528
<i>Intergovernmental Revenue</i>	11,669,321	12,699,008	13,549,074	16,068,115	16,129,368	16,074,526	16,497,658	17,371,727	17,993,810	19,295,179	20,043,871	20,061,426	18,991,843	18,932,797
TOTAL ALL REVENUES	35,391,244	37,788,850	39,260,315	41,726,753	43,207,484	45,148,390	47,862,181	50,117,432	52,045,348	53,511,783	54,348,039	56,499,684	56,656,977	58,384,869
Less: Intergovernmental Revenues	(11,669,321)	(12,699,008)	(13,549,074)	(16,068,115)	(16,129,368)	(16,074,526)	(16,497,658)	(17,371,727)	(17,993,810)	(19,295,179)	(20,043,871)	(20,061,426)	(18,991,843)	(18,932,797)
Total Own Source Revenues	23,721,923	25,089,842	25,711,241	25,658,638	27,078,116	29,073,864	31,364,523	32,745,705	34,051,538	34,216,604	34,304,168	36,438,258	37,665,134	39,452,072
Minnesota Personal Income	146,721,500	157,963,750	162,577,750	166,967,750	173,497,750	183,821,250	190,296,000	200,250,500	212,941,275	221,300,325	221,036,200	226,085,750	236,039,975	248,714,050
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	15.4%	15.6%	15.8%	16.5%	16.4%	16.0%	15.5%	15.5%	16.1%	16.0%	15.9%