

Price of Government

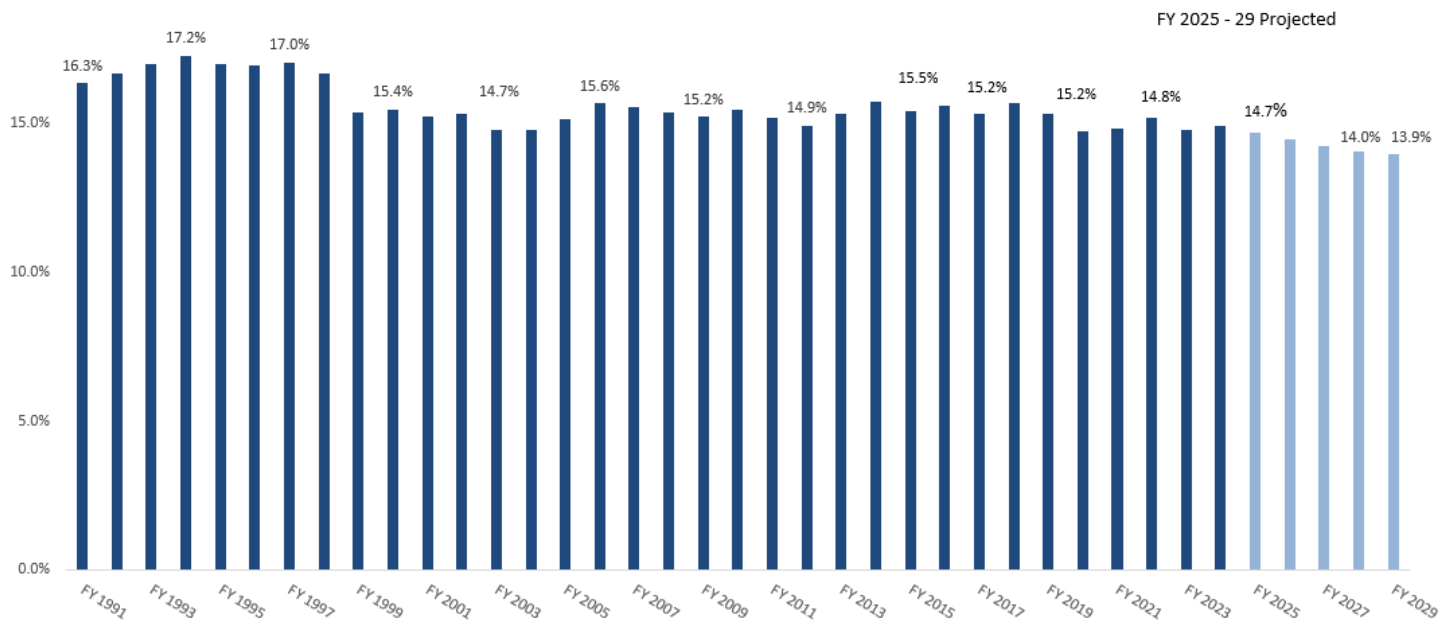
State and Local Government Revenues

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 total statewide personal income. For fiscal year 2025, it is projected at 14.7 percent.

Minnesota Price of Government

State and Local Revenues as % of MN Personal Income



Because 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.

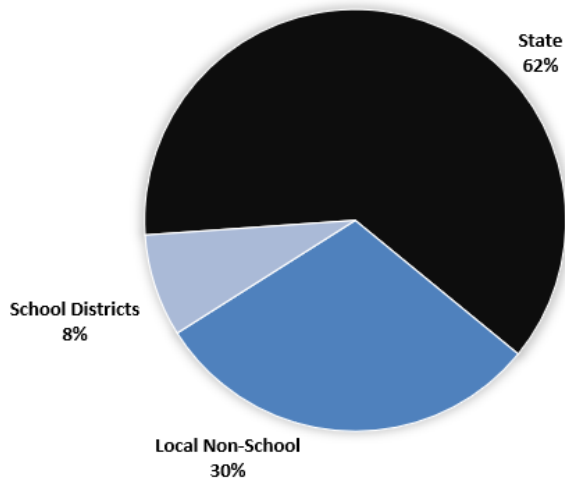
Own Source Revenues

(\$ in millions)

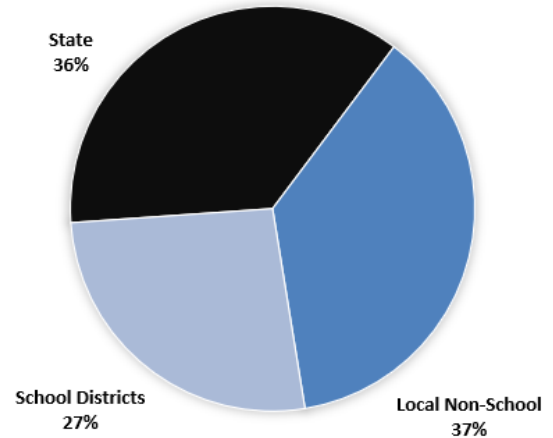
	Actual FY 2024	Percent of Total	Projected FY 2025	Percent of Total
State Revenues				
Tax Revenues	\$33,586		\$34,961	
Non-Tax Revenues	6,377		5,531	
<i>Total State Revenues</i>	<u>39,963</u>	63%	<u>40,492</u>	62%
Local Non-School Revenues				
Tax Revenues	9,239		10,216	
Non-Tax Revenues	9,118		9,430	
<i>Total Local Non-School Revenues</i>	<u>18,357</u>	29%	<u>19,646</u>	30%
School District Revenues				
Tax Revenues	3,707		3,975	
Non-Tax Revenues	1,141		1,158	
<i>Total School District Revenues</i>	<u>4,848</u>	8%	<u>5,133</u>	8%
Total Own Source Revenues	\$63,168		\$65,271	
Minnesota Personal Income	\$424,345		\$444,485	
Governmental Revenue as Percent of Personal Income	14.9%		14.7%	

In FY 2025, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 62 percent. Counties, cities, and townships will collect about 30 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.

WHO COLLECTS?



WHO SPENDS?



A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2012 through FY 2029 shown by level of government.

Personal income data is obtained from the Bureau of Economic Analysis. Minnesota personal income is the income that Minnesota residents get from paychecks, employer-provided supplements such as insurance, business ownership, rental property, social security and other government benefits, interest, and dividends.

Price of Government

State & Local Revenues
as a Percent of Personal Income
November 2024 Forecast

(\$ in Thousands)	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
State Revenues																		
<i>Tax Revenues:</i>																		
Individual Income Tax	7,972,460	9,012,500	9,659,554	10,403,481	10,738,906	10,931,165	11,783,500	12,405,417	12,094,129	14,103,661	16,872,708	15,777,561	14,873,007	15,672,700	16,042,300	16,778,500	17,502,600	18,110,000
General Sales Tax	4,959,128	5,065,744	5,368,451	5,482,099	5,597,268	5,787,027	5,943,479	6,273,252	6,359,516	6,791,570	7,300,143	8,179,886	8,454,518	8,588,564	8,900,978	9,210,563	9,523,788	9,845,262
Corporate Income Tax	1,044,159	1,280,743	1,278,209	1,455,275	1,473,097	1,205,379	1,314,525	1,660,015	1,580,275	2,387,370	2,822,875	2,928,921	3,171,237	3,135,751	3,155,700	3,220,447	3,250,327	3,304,621
Gasoline & Special Fuels Taxes	845,177	857,362	877,702	889,252	900,382	911,548	926,730	937,793	877,793	844,604	894,977	882,012	886,582	925,575	992,393	999,611	1,006,969	1,023,404
Motor Vehicle License Tax	580,240	623,210	652,951	687,115	702,306	752,889	781,868	803,633	812,738	853,998	823,069	824,455	903,271	1,067,796	1,175,680	1,235,016	1,278,629	1,323,767
Motor Vehicle Sales Tax	558,379	597,785	640,272	694,265	714,496	754,284	772,358	809,852	810,040	981,738	986,044	1,060,544	1,128,640	1,148,130	1,219,200	1,260,100	1,312,370	1,375,760
Statewide Property Tax	799,333	811,388	835,554	838,080	853,780	858,389	811,376	810,627	753,318	803,134	774,121	765,246	717,866	752,865	746,604	745,029	745,138	745,170
Health Care Taxes	484,278	513,763	525,318	554,751	584,236	613,550	644,876	675,936	682,734	635,367	747,824	738,680	869,686	936,120	976,950	1,035,230	1,087,440	1,141,660
All Other Taxes	1,434,307	1,419,267	2,017,761	2,056,285	2,118,984	2,151,116	2,206,831	2,298,724	2,254,049	2,559,603	2,669,809	2,602,995	2,581,395	2,733,249	2,735,801	2,831,351	2,907,725	2,981,985
Subtotal - State Taxes	18,677,461	20,181,762	21,855,772	23,060,603	23,683,455	23,965,347	25,185,543	26,675,249	26,224,592	29,961,045	33,891,571	33,760,300	33,586,202	34,960,750	35,945,606	37,315,847	38,614,986	39,851,629
<i>Non-Tax Revenues:</i>																		
Fees & Charges	1,205,344	1,222,131	1,180,866	1,138,905	1,169,798	1,233,836	1,210,996	1,168,979	1,233,620	1,268,688	1,242,606	1,173,088	1,351,721	1,368,492	1,399,054	1,394,800	1,403,465	1,399,696
Investment Earnings	72,194	77,114	84,431	93,588	123,734	158,871	209,640	333,780	297,892	148,315	184,192	846,247	1,366,991	1,093,614	881,562	625,844	568,441	564,821
Post-Secondary Tuition	1,630,000	1,674,300	1,678,700	1,629,700	1,640,893	1,655,173	1,681,092	1,697,717	1,725,680	1,690,100	1,669,826	1,677,399	1,714,806	1,776,913	1,776,913	1,776,913	1,776,913	1,776,913
Tobacco Settlements	166,861	170,060	175,399	170,747	171,238	168,226	166,931	162,765	152,282	254,190	192,965	197,247	169,801	177,513	176,652	175,444	172,083	170,456
All Other Resources	854,442	906,671	1,173,559	920,233	1,307,886	974,269	2,140,268	882,107	793,134	1,640,090	974,269	1,233,161	1,773,270	1,114,480	866,426	853,660	876,312	883,338
Subtotal - State Non Tax Revenues	3,928,841	4,050,276	4,292,955	3,953,173	4,413,549	4,190,375	5,408,927	4,245,348	4,202,608	5,001,383	4,263,858	5,127,142	6,376,589	5,531,012	5,100,607	4,826,661	4,797,214	4,795,224
Subtotal - State Own Source Revenues	22,606,302	24,232,038	26,148,727	27,013,776	28,097,004	28,155,722	30,594,470	30,920,597	30,427,200	34,962,428	38,155,429	38,887,442	39,962,791	40,491,762	41,046,213	42,142,508	43,412,200	44,646,853
Federal Grants	8,486,104	8,808,041	9,409,547	10,564,728	10,930,643	10,987,402	11,976,329	11,825,013	14,821,726	16,839,875	21,460,920	19,980,239	18,676,018	21,163,766	20,277,412	19,795,327	19,644,477	19,617,743
TOTAL STATE REVENUES	31,092,406	33,040,079	35,558,274	37,578,504	39,027,647	39,143,124	42,570,799	42,745,610	45,248,926	51,802,303	59,616,349	58,867,681	58,638,809	61,655,528	61,323,625	61,937,835	63,056,677	64,264,596

Price of Government

State & Local Revenues
as a Percent of Personal Income
November 2024 Forecast

(\$ in Thousands)	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
Local Non-School Revenues																		
<i>Tax Revenues:</i>																		
Property Tax	5,057,424	5,300,123	5,367,186	5,447,952	5,575,309	5,800,945	6,037,866	6,349,542	6,664,735	7,004,601	7,150,037	7,460,373	7,890,167	8,417,556	8,961,553	9,520,104	10,064,540	10,650,319
Sales Tax	316,217	331,528	346,540	372,913	421,657	470,681	509,592	643,382	692,577	628,888	724,300	851,559	992,212	1,421,900	1,474,600	1,522,900	1,573,100	1,623,700
Other Taxes	175,355	176,652	215,053	261,453	264,258	278,865	278,249	297,457	308,983	329,740	338,732	349,914	356,547	376,249	382,312	396,421	407,426	419,792
Subtotal - Local Taxes	5,548,996	5,808,303	5,928,779	6,082,318	6,261,224	6,550,492	6,825,707	7,290,381	7,666,295	7,963,229	8,213,069	8,661,846	9,238,926	10,215,705	10,818,465	11,439,425	12,045,066	12,693,810
<i>Non-Tax Revenues:</i>																		
Special Assessments	321,931	338,755	368,775	355,259	351,391	356,065	341,020	330,645	335,367	342,274	374,687	350,260	357,006	368,926	385,174	404,272	423,347	443,121
Licenses and Permits	170,119	189,936	206,706	227,075	236,008	244,242	264,833	267,354	285,703	265,548	293,343	321,471	328,497	341,005	357,983	378,148	398,930	421,188
Charges for Services	1,101,390	1,200,528	1,278,007	1,294,978	1,353,293	1,424,662	1,513,347	1,526,930	1,578,810	1,427,088	1,614,623	1,720,745	1,753,955	1,812,012	1,889,506	1,979,806	2,070,099	2,163,607
Investment Earnings	189,380	118,811	(48,374)	197,075	101,746	107,694	147,112	189,205	413,142	268,347	9,708	(364,631)	237,622	249,503	261,978	275,077	288,831	303,273
Selected Enterprise Revenues	3,586,765	3,819,575	3,786,805	3,981,481	4,192,176	4,339,168	4,626,712	4,718,088	4,724,114	4,957,367	5,256,576	5,585,347	5,685,138	5,877,630	6,142,370	6,454,436	6,765,681	7,088,186
Miscellaneous Revenues	504,049	483,034	489,369	499,612	501,240	504,062	446,054	535,306	692,459	686,811	671,026	741,319	755,390	781,225	816,146	857,047	897,939	940,329
Subtotal - Local Non Tax Revenues	5,873,634	6,150,639	6,081,288	6,555,480	6,735,854	6,975,892	7,339,078	7,567,528	8,029,595	7,947,434	8,219,962	8,354,511	9,117,608	9,430,301	9,853,158	10,348,786	10,844,826	11,359,703
Subtotal - Local Own Source Revenues	11,422,630	11,958,942	12,010,067	12,637,798	12,997,077	13,526,383	14,164,785	14,857,909	15,695,890	15,910,662	16,433,031	17,016,356	18,356,534	19,646,006	20,671,623	21,788,210	22,889,892	24,053,513
<i>Intergovernmental Revenue:</i>																		
State Aid	2,541,924	2,499,281	2,541,940	2,836,470	2,980,783	3,090,735	3,033,383	3,359,138	3,517,368	3,683,839	3,543,466	3,747,845	4,992,109	4,620,411	4,534,114	4,596,336	4,647,175	4,702,961
Local Aid	333,561	330,102	409,895	391,775	375,941	378,636	527,604	331,366	371,811	399,990	401,890	409,864	409,864	409,864	409,864	409,864	409,864	409,864
Federal Aid	1,169,494	1,121,132	985,667	1,035,303	1,012,298	994,062	1,002,852	1,061,055	1,065,797	2,307,605	1,615,558	1,979,404	1,955,938	1,160,484	1,195,298	1,231,157	1,268,092	1,306,134
Subtotal - Intergovernmental Revenue	4,044,979	3,950,515	3,937,502	4,263,548	4,369,022	4,463,432	4,563,839	4,751,560	4,954,975	6,391,434	5,560,914	6,137,113	7,357,911	6,190,759	6,139,277	6,237,358	6,325,131	6,418,959
TOTAL LOCAL NON-SCHOOL REVENUES	15,467,609	15,909,457	15,947,569	16,901,346	17,366,099	17,989,815	18,728,624	19,609,468	20,650,865	22,302,096	21,993,945	23,153,470	25,714,446	25,836,765	26,810,900	28,025,568	29,215,024	30,472,472

Price of Government

State & Local Revenues
as a Percent of Personal Income
November 2024 Forecast

(\$ in Thousands)	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
School District Revenues																		
<i>Tax Revenues:</i>																		
Property Tax	2,162,072	2,262,056	2,297,370	2,339,265	2,448,645	2,619,632	2,682,117	2,862,966	3,088,007	3,282,667	3,345,638	3,362,032	3,698,518	3,966,396	4,067,250	4,139,921	4,234,980	4,316,197
Taconite Production Tax	7,679	7,606	7,257	8,908	9,119	8,664	8,598	8,088	7,851	8,995	10,219	8,353	8,395	8,274	9,469	9,560	9,560	9,560
Subtotal - School District Tax Revenues	2,169,751	2,269,662	2,304,627	2,348,173	2,457,764	2,628,296	2,690,715	2,871,054	3,095,858	3,291,662	3,355,856	3,370,384	3,706,913	3,974,670	4,076,719	4,149,480	4,244,539	4,325,756
<i>Non-Tax Revenues:</i>																		
Fee Revenue	509,731	516,350	526,486	518,615	545,579	567,228	586,260	609,841	509,976	287,311	440,878	628,354	528,247	538,812	549,588	560,580	571,792	583,228
Other Miscellaneous Revenue	261,224	248,829	264,903	264,603	304,628	295,130	315,310	353,881	340,552	249,881	305,856	485,490	613,134	619,265	625,458	631,712	638,030	644,410
Subtotal - School District Non Tax Revenues	770,955	765,179	791,389	783,218	850,207	862,358	901,570	963,722	850,528	537,192	746,734	1,113,844	1,141,381	1,158,077	1,175,046	1,192,293	1,209,821	1,227,637
Subtotal - School Dist Own Source Revenues	2,940,706	3,034,841	3,096,016	3,131,391	3,307,971	3,490,654	3,592,285	3,834,776	3,946,386	3,828,854	4,102,591	4,484,228	4,848,294	5,132,747	5,251,765	5,341,773	5,454,361	5,553,394
<i>Intergovernmental Revenue:</i>																		
State Aid	7,007,915	7,285,035	7,527,881	8,124,733	8,401,294	8,756,732	9,081,450	9,377,205	9,608,665	9,686,331	9,755,722	10,022,367	11,697,793	12,116,077	12,436,009	12,921,940	13,277,503	13,607,146
State Paid Tax Credits	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,545	10,528	12,320	11,703	11,265	10,678	10,637	10,624	10,259	10,477	10,259
Education Homestead Credit	0	0	0	0	0	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	0	0	0	0
Market Value Homestead Credit	60,934	132	0	0	0	0	0	0	0	21	28	11	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,345	5,279	5,134	5,021	8,801	9,101	8,667	8,544	8,683	8,410	7,376	7,631	7,310	7,565	7,554	7,554	7,554	7,554
Ag School Bond Credit				0	0	0	0	36,033	38,055	57,040	62,672	70,867	87,662	109,489	120,308	128,967	130,532	130,559
Local Aid	40,927	43,350	47,235	52,039	51,359	50,215	50,412	50,245	48,760	51,118	74,795	73,525	104,652	104,173	104,173	104,173	104,173	104,173
Federal Aid	797,199	709,503	695,420	699,270	713,583	744,012	749,207	775,769	825,597	1,447,341	1,960,937	1,699,439	1,461,410	1,490,638	1,520,451	1,550,860	1,581,877	1,613,514
Subtotal - Intergovernmental Revenue	7,922,504	8,053,233	8,285,436	8,890,724	9,184,821	9,570,731	9,900,189	10,258,341	10,540,287	11,262,581	11,873,233	11,885,105	13,369,504	13,838,579	14,199,118	14,723,752	15,112,116	15,473,205
TOTAL SCHOOL DISTRICT REVENUES	10,863,210	11,088,074	11,381,452	12,022,115	12,492,792	13,061,385	13,492,474	14,093,117	14,486,673	15,091,435	15,975,824	16,369,333	18,217,799	18,971,326	19,450,883	20,065,525	20,566,476	21,026,599

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State & Local Revenues
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November 2024 Forecast

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Total State, Local & School District Revenues																		
Tax Revenues	26,396,208	28,259,727	30,089,178	31,491,094	32,402,442	33,144,135	34,701,965	36,836,684	36,986,745	41,215,936	45,460,496	45,792,530	46,532,041	49,151,125	50,840,790	52,904,752	54,904,591	56,871,196
Non-Tax Revenues	10,573,430	10,966,094	11,165,632	11,291,871	11,999,610	12,028,624	13,649,575	12,776,598	13,082,730	13,486,009	13,230,555	14,595,497	16,635,578	16,119,390	16,128,811	16,367,739	16,851,862	17,382,564
Intergovernmental Revenue	20,453,587	20,811,789	21,632,485	23,719,001	24,484,486	25,021,565	26,440,357	26,834,914	30,316,989	34,493,890	38,895,066	38,002,457	39,403,433	41,193,104	40,615,807	40,756,437	41,081,724	41,509,907
TOTAL ALL REVENUES	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,194,324	74,791,897	76,448,195	80,386,465	89,195,834	97,586,117	98,390,484	102,571,053	106,463,619	107,585,408	110,028,928	112,838,177	115,763,667
Less: Intergovernmental Revenues	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,001)	(24,484,486)	(25,021,565)	(26,440,357)	(26,834,914)	(30,316,989)	(34,493,890)	(38,895,066)	(38,002,457)	(39,403,433)	(41,193,104)	(40,615,807)	(40,756,437)	(41,081,724)	(41,509,907)
Total Own Source Revenues	36,969,638	39,225,821	41,254,810	42,782,964	44,402,052	45,172,759	48,351,540	49,613,282	50,069,476	54,701,944	58,691,051	60,388,027	63,167,620	65,270,515	66,969,601	69,272,491	71,756,453	74,253,759
Minnesota Personal Income	248,148,561	256,807,271	262,615,380	277,951,024	285,384,394	295,626,794	308,532,101	324,404,854	340,830,127	370,030,159	387,391,448	409,100,623	424,344,620	444,485,000	464,177,500	486,965,000	511,010,000	533,172,500
Revenue as Percent of Personal Income	14.9%	15.3%	15.7%	15.4%	15.6%	15.3%	15.7%	15.3%	14.7%	14.8%	15.2%	14.8%	14.9%	14.7%	14.4%	14.2%	14.0%	13.9%