

**February, 1997 Forecast**  
**State & Local Revenues, C.Y. 1990-2000**  
**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
<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	4,545,700	4,642,200	4,883,600	5,114,200	5,340,400
General Sales Tax	1,965,209	2,193,451	2,378,482	2,522,271	2,722,596	2,901,268	3,040,600	3,199,800	3,353,900	3,497,600	3,642,900
Corporate Income Tax	457,934	420,278	509,534	551,822	665,757	701,735	668,200	693,300	706,000	734,700	776,100
Gasoline & Special Fuels Taxes	430,213	437,817	441,619	457,614	468,738	495,458	516,716	531,451	546,700	559,579	572,811
Motor Vehicle License Tax	351,664	370,650	404,655	425,036	452,317	475,669	491,383	494,886	510,984	514,880	531,377
Motor Vehicle Excise Tax	236,720	270,356	296,284	332,994	347,523	381,219	377,500	360,800	373,900	391,300	408,600
Health Care Taxes	0	0	13,566	64,532	145,978	171,597	190,141	198,187	206,328	213,333	219,047
All Other Taxes	549,253	585,022	662,167	759,729	754,684	812,280	830,470	836,217	848,594	860,925	874,339
Subtotal - State Taxes	6,963,976	7,422,210	8,177,681	8,653,992	9,310,861	10,074,558	10,660,710	10,956,841	11,430,006	11,886,517	12,365,574
<i>Non-Tax Revenues:</i>											
Fees & Charges	249,168	338,879	326,518	366,305	358,331	387,874	430,215	415,635	442,708	419,458	397,024
Investment Earnings	172,861	109,360	77,989	79,419	120,028	150,554	177,480	151,304	121,032	110,481	105,502
Post-Secondary Tuition	354,404	379,134	409,787	415,135	417,787	415,775	442,210	449,591	456,360	456,360	456,360
All Other Resources	570,118	560,559	571,254	650,922	613,591	726,817	726,834	700,914	691,661	692,640	696,031
Subtotal - State Non Tax Revenues	1,346,551	1,387,932	1,385,548	1,511,781	1,509,737	1,681,020	1,776,739	1,717,444	1,711,761	1,678,939	1,654,917
Subtotal - State Own Source Revenues	8,310,527	8,810,142	9,563,229	10,165,773	10,820,598	11,755,578	12,437,449	12,674,285	13,141,767	13,565,456	14,020,491
Federal Grants	2,260,587	2,530,697	2,778,303	3,133,023	3,212,969	3,292,314	3,753,903	3,720,560	3,707,164	3,872,679	3,662,537
<b>TOTAL STATE REVENUES</b>	<b>10,571,114</b>	<b>11,340,839</b>	<b>12,341,532</b>	<b>13,298,796</b>	<b>14,033,567</b>	<b>15,047,892</b>	<b>16,191,352</b>	<b>16,394,845</b>	<b>16,848,931</b>	<b>17,438,135</b>	<b>17,683,028</b>
<b>Local Non-School Revenues</b>											
<i>Tax Revenues:</i>											
Property Tax	1,781,966	1,979,384	2,090,992	2,165,435	2,219,505	2,328,357	2,449,028	2,552,258	2,674,937	2,817,582	2,963,551
Sales Tax	49,852	52,750	60,272	64,023	74,381	78,433	85,406	90,077	94,239	98,179	102,174
Other Taxes	34,131	39,188	42,272	47,093	48,511	52,088	55,928	60,052	62,704	65,612	68,773
Subtotal - Local Taxes	1,865,949	2,071,322	2,193,536	2,276,551	2,342,397	2,458,878	2,590,362	2,702,387	2,831,880	2,981,373	3,134,498
<i>Non-Tax Revenues:</i>											
Special Assessments	203,949	207,957	239,171	241,280	227,548	234,603	241,944	249,589	260,365	272,180	285,024
Licenses and Permits	58,168	62,802	68,530	72,874	78,211	84,176	90,610	97,557	101,704	106,253	111,198
Charges for Services	343,549	371,433	393,946	440,250	437,166	461,966	488,382	516,533	536,367	558,156	581,844
Investment Earnings	326,643	291,536	260,507	253,102	260,010	263,419	266,874	270,376	270,376	270,376	270,376
Selected Enterprise Revenues	1,238,569	1,418,282	1,527,277	1,627,881	1,750,121	1,877,174	2,013,454	2,159,632	2,247,196	2,343,299	2,447,779
Miscellaneous Revenues	300,126	305,924	317,825	329,629	366,829	391,054	417,582	446,652	464,580	484,258	505,650
Subtotal - Local Non Tax Revenues	2,471,004	2,657,934	2,807,256	2,965,016	3,119,885	3,312,392	3,518,846	3,740,339	3,880,588	4,034,522	4,201,871
Subtotal - Local Own Source Revenues	4,336,953	4,729,256	5,000,792	5,241,567	5,462,282	5,771,270	6,109,208	6,442,726	6,712,468	7,015,895	7,336,369
<i>Intergovernmental Revenue:</i>											
State Aid	1,751,600	1,704,411	1,733,571	1,809,720	1,816,841	1,875,203	2,411,643	2,152,987	2,101,856	2,119,201	2,136,974
Local Aid	66,439	72,799	72,554	66,338	72,497	72,543	72,543	72,543	72,543	72,543	72,543
Federal Aid	542,064	470,091	441,744	530,827	509,880	509,047	509,047	509,047	509,047	509,047	509,047
Subtotal - Intergovernmental Revenue	2,360,103	2,247,301	2,247,869	2,406,885	2,399,218	2,456,793	2,993,233	2,734,577	2,683,446	2,700,791	2,718,564
<b>TOTAL LOCAL NON-SCHOOL REVENUES</b>	<b>6,697,056</b>	<b>6,976,557</b>	<b>7,248,661</b>	<b>7,648,452</b>	<b>7,861,500</b>	<b>8,228,063</b>	<b>9,102,441</b>	<b>9,177,303</b>	<b>9,395,914</b>	<b>9,716,686</b>	<b>10,054,933</b>

**February, 1997 Forecast**  
**State & Local Revenues, C.Y. 1990-2000**  
**Percent of Personal Income**  
(\$ in Thousands)

**School District Revenues**

	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
<i>Tax Revenues:</i>											
Property Tax	1,358,929	1,516,895	1,614,796	1,783,311	1,877,076	1,946,457	2,084,212	2,164,884	2,289,028	2,401,839	2,547,819
<i>Non-Tax Revenues:</i>											
Sales & Fee Revenue	111,848	110,624	118,700	122,046	127,635	135,688	141,658	147,891	154,398	161,192	168,284
Other Miscellaneous Revenue	181,697	206,996	249,532	276,801	303,902	332,029	372,536	417,986	468,980	526,195	590,391
Subtotal - School District Non Tax Revenues	293,545	317,620	368,232	398,847	431,537	467,717	514,194	565,877	623,378	687,387	758,675
Subtotal - School Dist Own Source Revenues	1,652,474	1,834,515	1,983,028	2,182,158	2,308,613	2,414,174	2,598,406	2,730,761	2,912,406	3,089,226	3,306,494
<i>Intergovernmental Revenue:</i>											
State Aid	2,425,233	2,480,343	2,561,632	2,681,049	3,000,524	3,127,052	3,151,403	3,307,178	3,328,978	3,419,431	3,480,316
Local Aid	41,477	41,335	45,376	45,567	48,272	50,722	50,265	49,813	49,364	48,920	48,480
Federal Aid	182,435	200,860	224,445	236,807	253,810	253,810	253,810	253,810	253,810	253,810	248,375
Subtotal - Intergovernmental Revenue	2,649,145	2,722,538	2,831,453	2,963,423	3,302,606	3,431,584	3,455,478	3,610,801	3,632,152	3,722,161	3,777,171
<b>TOTAL SCHOOL DISTRICT REVENUES</b>	<b>4,301,619</b>	<b>4,557,053</b>	<b>4,814,481</b>	<b>5,145,581</b>	<b>5,611,219</b>	<b>5,845,758</b>	<b>6,053,884</b>	<b>6,341,562</b>	<b>6,544,558</b>	<b>6,811,387</b>	<b>7,083,665</b>

**Total State, Local & School District Revenues**

<i>Tax Revenues</i>	10,188,854	11,010,427	11,986,013	12,713,854	13,530,334	14,479,893	15,335,284	15,824,112	16,550,914	17,269,729	18,047,891
<i>Non-Tax Revenues</i>	4,111,100	4,363,486	4,561,036	4,875,644	5,061,159	5,461,129	5,809,779	6,023,660	6,215,727	6,400,848	6,615,463
<i>Intergovernmental Revenue</i>	7,269,835	7,500,536	7,857,625	8,503,331	8,914,793	9,180,691	10,202,614	10,065,938	10,022,762	10,295,631	10,158,272
<b>TOTAL ALL REVENUES</b>	<b>21,569,789</b>	<b>22,874,449</b>	<b>24,404,674</b>	<b>26,092,829</b>	<b>27,506,286</b>	<b>29,121,713</b>	<b>31,347,677</b>	<b>31,913,710</b>	<b>32,789,403</b>	<b>33,966,208</b>	<b>34,821,626</b>
Less: Intergovernmental Revenues	(7,269,835)	(7,500,536)	(7,857,625)	(8,503,331)	(8,914,793)	(9,180,691)	(10,202,614)	(10,065,938)	(10,022,762)	(10,295,631)	(10,158,272)
<b>Total Own Source Revenues</b>	<b>14,299,954</b>	<b>15,373,913</b>	<b>16,547,049</b>	<b>17,589,498</b>	<b>18,591,493</b>	<b>19,941,022</b>	<b>21,145,063</b>	<b>21,847,772</b>	<b>22,766,641</b>	<b>23,670,577</b>	<b>24,663,354</b>
<b>Minnesota Personal Income</b>	<b>82,325,000</b>	<b>85,355,000</b>	<b>91,507,500</b>	<b>94,615,000</b>	<b>101,652,500</b>	<b>107,720,000</b>	<b>115,267,500</b>	<b>120,852,500</b>	<b>126,490,000</b>	<b>132,525,000</b>	<b>139,295,000</b>
<b>Revenue as Percent of Personal Income</b>	<b>17.4%</b>	<b>18.0%</b>	<b>18.1%</b>	<b>18.6%</b>	<b>18.3%</b>	<b>18.5%</b>	<b>18.3%</b>	<b>18.1%</b>	<b>18.0%</b>	<b>17.9%</b>	<b>17.7%</b>

## F.Y. 1991-2001 STATE AND LOCAL REVENUE Price of Government

To facilitate discussion on the size and cost of government at all levels in Minnesota, historical and projected data on total state and local revenues and Minnesota personal income is developed as part of the state forecast. The "Price of Government" is defined as total state and local revenues as a percent of personal income. As such, it is a measure of the overall size of Minnesota state and local government and relative cost to taxpayers. The information highlights historical and projected revenues, by government type, for state taxes, local property taxes, local sales taxes and other revenue sources for the various units of government.

Total state and local revenues shown below include only those revenues directly generated by state and local governmental units -- "own-source revenues". All inter-governmental revenues and federal aids have been subtracted from the revenue estimates. The forecast includes all state tax revenues, all local sales and property tax revenues, all state and local fees and charges and miscellaneous revenues.

**State and local revenues in F.Y. 1996 are expected to be 18.5% of personal income; but will decline to 17.7% by F.Y. 2001 based on current forecast projections.**

Personal Income		(\$ in billions)			Revenue as % of Pers. Income
		State	Local	Total	
CY90/FY91	82.33	8.31	5.99	14.30	17.4%
CY91/FY92	85.36	8.81	6.56	15.37	18.0%
CY92/FY93	91.51	9.56	6.98	16.55	18.1%
CY93/FY94	94.62	10.17	7.42	17.59	18.6%
CY94/FY95	101.65	10.82	7.77	18.59	18.3%
CY95/FY96	107.72	11.76	8.19	19.94	18.5%
CY96/FY97	115.27	12.44	8.71	21.15	18.3%
CY97/FY98	120.85	12.67	9.17	21.85	18.1%
CY98/FY99	126.49	13.14	9.62	22.77	18.0%
CY99/FY00	132.53	13.57	10.11	23.67	17.9%
CY00/FY01	139.30	14.02	10.64	24.66	17.7%

**Forecast increases in state revenues, which exceed changes in personal income growth, act to increase "Price of Government" from targets adopted in February, 1995.**

In early 1995, the Governor recommended and the legislature adopted a resolution setting the "Price of Government" at 18.2 percent of personal income for F.Y.'s 1996 and 1997 and 17.8 percent for the F.Y. 1998-99 biennium. The

targets recommended by the Governor and adopted by the legislature were based on the February 1995 forecast.

Forecast increases in state revenues since February, 1995 have, on a percentage basis, exceeded the accompanying increase in forecast personal income through F.Y. 1999, the period covered by the original price of government resolution. As a result, total revenues, as a percent of personal income, have increased slightly over the period F.Y. 1996 - 1999.

The following table highlights changes since the Price of Government targets were adopted:

\$ In Billions	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
<b>State Own Source Revenues:</b>						
February 1995	10.166	10.801	10.960	11.306	11.657	12.013
February 1997	10.166	10.821	11.756	12.437	12.674	13.142
Difference	0.000	0.020	0.796	1.131	1.017	1.129
<b>Local Non-school Revenues:</b>						
February 1995	5.265	5.575	5.947	6.172	6.409	6.673
February 1997	5.242	5.462	5.771	6.109	6.443	6.712
Difference	(0.023)	(0.113)	(0.176)	(0.063)	0.034	0.039
<b>Local School Revenues:</b>						
February 1995	2.179	2.254	2.415	2.534	2.621	2.743
February 1997	2.182	2.309	2.414	2.598	2.731	2.912
Difference	0.003	0.055	(0.001)	0.064	0.110	0.169
<b>Total Revenues:</b>						
February 1995	17.610	18.630	19.322	20.012	20.688	21.429
February 1997	17.589	18.591	19.941	21.145	21.848	22.767
Difference	(0.021)	(0.039)	0.619	1.133	1.160	1.338
<b>Minnesota Personal Income:</b>						
February 1995	94.940	101.170	105.990	110.250	115.490	120.850
February 1997	94.615	101.653	107.720	115.268	120.852	126.490
Difference	(0.325)	0.483	1.730	5.018	5.362	5.640
<b>Percent of Personal Income:</b>						
February 1995	18.5%	18.4%	18.2%	18.2%	17.9%	17.7%
February 1997	18.6%	18.3%	18.5%	18.3%	18.1%	18.0%
Difference	0.1%	-0.1%	0.3%	0.1%	0.2%	0.3%