

**February 2001 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         | 5,872,400         | 6,279,800         | 6,746,500         | 7,230,000         | 7,689,200         |
| 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         | 2,140,351         | 3,120,309         | 3,918,170         | 4,060,445         | 4,360,111         | 4,601,630         | 4,856,062         |
| Corporate Income Tax                   | 457,934           | 420,278           | 509,534           | 551,822           | 665,757           | 701,735           | 680,898           | 752,061           | 777,491           | 800,129           | 815,300           | 817,400           | 903,200           | 956,200           | 1,014,800         |
| Gasoline & Special Fuels Taxes         | 430,213           | 437,817           | 441,619           | 457,614           | 468,738           | 495,458           | 516,664           | 529,211           | 555,187           | 581,431           | 578,387           | 605,291           | 620,973           | 637,148           | 653,836           |
| Motor Vehicle License Tax              | 351,664           | 370,650           | 404,655           | 425,036           | 452,317           | 475,669           | 511,113           | 539,865           | 584,359           | 638,307           | 480,000           | 495,600           | 511,707           | 528,337           | 545,508           |
| Motor Vehicle Sales Tax                | 236,720           | 270,356           | 296,284           | 332,994           | 347,523           | 381,219           | 401,751           | 444,976           | 487,041           | 540,961           | 519,900           | 523,700           | 570,400           | 587,500           | 605,100           |
| Health Care Taxes                      | 0                 | 0                 | 13,566            | 64,905            | 131,397           | 154,173           | 173,767           | 135,572           | 137,529           | 151,034           | 163,309           | 189,535           | 257,826           | 286,020           | 299,053           |
| All Other Taxes                        | 549,253           | 585,022           | 662,167           | 748,948           | 743,678           | 792,194           | 811,597           | 881,777           | 936,798           | 972,300           | 939,370           | 958,382           | 989,689           | 1,007,547         | 1,023,651         |
| 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        | 13,286,836        | 13,930,153        | 14,960,406        | 15,834,382        | 16,687,210        |
| <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           | 528,380           | 589,498           | 599,499           | 612,705           | 625,841           |
| Investment Earnings                    | 172,861           | 109,360           | 77,989            | 79,419            | 120,028           | 149,943           | 194,920           | 255,243           | 315,222           | 279,000           | 310,507           | 208,118           | 195,869           | 204,375           | 204,328           |
| Post-Secondary Tuition                 | 354,404           | 379,134           | 409,787           | 415,135           | 417,787           | 415,775           | 447,607           | 463,147           | 479,621           | 509,774           | 545,339           | 552,139           | 558,739           | 558,739           | 558,739           |
| Tobacco Settlements                    | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 297               | 0                 | 104,926           | 116,112           | 382,521           | 274,600           | 198,808           | 202,832           |
| All Other Resources                    | 570,118           | 560,559           | 571,254           | 651,005           | 613,591           | 517,831           | 583,593           | 763,474           | 694,878           | 627,134           | 1,490,410         | 913,294           | 863,486           | 879,953           | 816,804           |
| 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         | 2,045,730         | 2,990,748         | 2,645,570         | 2,492,193         | 2,454,580         | 2,408,544         |
| 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        | 14,406,567        | 16,277,584        | 16,575,723        | 17,452,599        | 18,288,962        | 19,095,754        |
| <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         | 4,127,787         | 4,686,312         | 4,661,862         | 4,923,226         | 4,885,555         | 4,878,585         |
| <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>20,963,896</b> | <b>21,237,585</b> | <b>22,375,825</b> | <b>23,174,517</b> | <b>23,974,339</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         | 3,274,479         | 3,433,889         | 3,596,177         |
| 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         | 3,540,000         | 3,711,639         | 3,886,779         |
| <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           | 344,850           | 358,712           | 373,172           |
| 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           | 179,582           | 186,791           | 194,309           |
| 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           | 878,214           | 910,455           | 943,987           |
| 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           | 416,693           | 430,045           | 443,848           |
| 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         | 2,397,850         | 2,490,713         | 2,587,454         |
| 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           | 472,502           | 490,488           | 509,216           |
| 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         | 4,689,691         | 4,867,204         | 5,051,986         |
| 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         | 8,229,691         | 8,578,843         | 8,938,765         |
| <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         | 2,270,189         | 2,100,275         | 2,142,909         | 2,184,315         | 2,230,470         |
| Local Aid                              | 66,439            | 72,799            | 72,554            | 66,338            | 72,498            | 68,512            | 87,949            | 82,756            | 85,804            | 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         | 2,887,993         | 2,718,079         | 2,760,713         | 2,802,119         | 2,848,274         |
| <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>10,302,218</b> | <b>10,584,436</b> | <b>10,990,404</b> | <b>11,380,962</b> | <b>11,787,039</b> |

**February 2001 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>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          | 1,839,156          | 1,986,854          | 2,144,626          | 2,309,842          | 2,492,219          |
| 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             |
| 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          | 1,851,047          | 1,998,745          | 2,156,517          | 2,321,733          | 2,504,110          |
| <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            | 180,258            | 200,086            | 222,096            | 246,527            | 273,645            | 303,745            |
| Other Miscellaneous Revenue                              | 181,697           | 206,996           | 249,532           | 276,801           | 303,902            | 332,488            | 334,517            | 378,101            | 403,241            | 414,646            | 434,135            | 454,539            | 475,902            | 498,270            | 521,688            |
| Subtotal - School District Non Tax Revenues              | 293,545           | 317,620           | 368,232           | 398,847           | 431,537            | 468,201            | 481,387            | 529,783            | 568,691            | 594,904            | 634,221            | 676,635            | 722,429            | 771,915            | 825,433            |
| 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          | 2,445,888          | 2,485,268          | 2,675,380          | 2,878,946          | 3,093,648          | 3,329,543          |
| <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          | 3,957,451          | 4,271,393          | 4,221,306          | 4,220,845          | 4,232,604          | 4,251,614          |
| State Paid Tax Credits                                   | 181,582           | 166,379           | 187,905           | 210,446           | 162,920            | 165,986            | 137,379            | 113,573            | 77,649             | 48,189             | 39,129             | 28,027             | 23,350             | 20,200             | 18,349             |
| Education Homestead Credit                               | 0                 | 0                 | 0                 | 0                 | 0                  | 0                  | 0                  | 0                  | 160,271            | 304,629            | 395,012            | 394,425            | 398,362            | 404,846            | 408,899            |
| Education Agricultural Credit                            | 0                 | 0                 | 0                 | 0                 | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 45,979             | 55,705             | 55,705             | 56,405             | 56,405             |
| Local Aid                                                | 29,707            | 29,887            | 30,000            | 29,558            | 29,414             | 27,503             | 39,416             | 32,998             | 30,023             | 27,426             | 28,993             | 28,394             | 27,824             | 27,283             | 26,769             |
| Federal Aid                                              | 182,435           | 200,860           | 224,445           | 236,807           | 248,375            | 254,149            | 263,193            | 294,325            | 317,583            | 341,744            | 365,666            | 391,263            | 418,651            | 447,957            | 479,314            |
| 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          | 4,679,439          | 5,146,172          | 5,119,120          | 5,144,737          | 5,189,295          | 5,241,350          |
| <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>7,125,327</b>   | <b>7,631,440</b>   | <b>7,794,500</b>   | <b>8,023,683</b>   | <b>8,282,943</b>   | <b>8,570,893</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         | 18,284,158         | 19,286,852         | 20,656,923         | 21,867,754         | 23,078,099         |
| <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          | 6,685,029          | 7,892,919          | 7,830,608          | 7,904,313          | 8,093,699          | 8,285,963          |
| <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         | 11,552,813         | 12,720,477         | 12,499,061         | 12,828,676         | 12,876,969         | 12,968,209         |
| <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>35,457,045</b>  | <b>38,897,554</b>  | <b>39,616,521</b>  | <b>41,389,912</b>  | <b>42,838,422</b>  | <b>44,332,271</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)       | (11,552,813)       | (12,720,477)       | (12,499,061)       | (12,828,676)       | (12,876,969)       | (12,968,209)       |
| <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>23,904,232</b>  | <b>26,177,077</b>  | <b>27,117,460</b>  | <b>28,561,236</b>  | <b>29,961,453</b>  | <b>31,364,062</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>107,151,500</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>157,289,250</b> | <b>165,952,750</b> | <b>174,926,750</b> | <b>185,759,000</b> | <b>196,124,750</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>16.6%</b>       | <b>16.3%</b>       | <b>16.3%</b>       | <b>16.1%</b>       | <b>16.0%</b>       |