

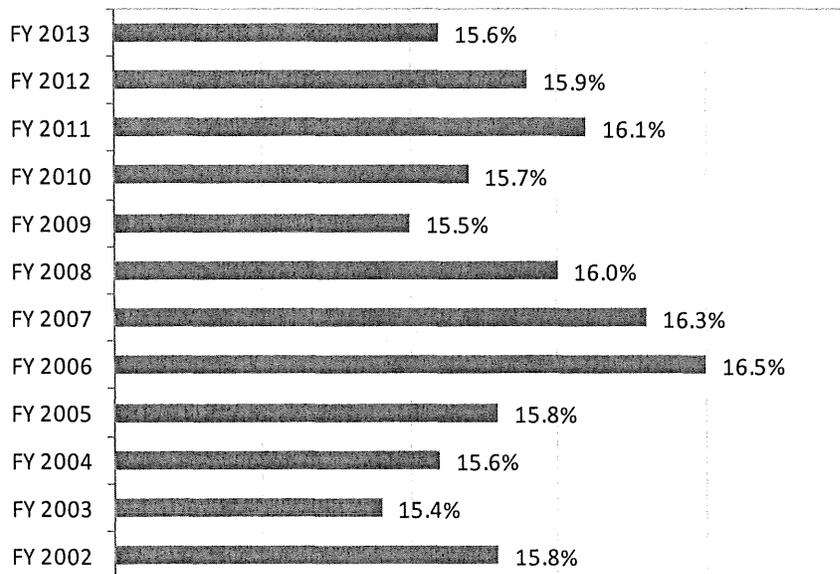
Price of Government

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 raised 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		\$16,761	
Non-Tax Revenues	<u>3,378</u>		<u>3,819</u>	
Total State Revenues	20,917	61%	20,580	59%
Local Non-School Revenues				
Tax Revenues	4,686		5,066	
Non-Tax Revenues	<u>5,899</u>		<u>6,188</u>	
Total Local Non-School Rev	10,585	31%	11,254	33%
School District Revenues				
Tax Revenues	1,773		1,916	
Non-Tax Revenues	<u>868</u>		<u>880</u>	
Total School District Revenues	2,641	8%	2,796	8%
Total Own Source Revenues	34,143		34,630	
Minnesota Personal Income	\$212,941		\$222,817	
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 broken down by level of government.

November 2008 Forecast
Price of Government
State & Local Revenues, CY 1999-2012
as a Percent of Personal Income
(\$ in Thousands)

	CY 1999	CY 2000	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 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	7,299,900	7,498,000	8,112,700	8,299,900	8,762,400
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	4,483,940	4,543,460	4,670,440	4,884,932	5,114,004
Corporate Income Tax	800,129	728,970	529,458	588,656	628,048	925,874	1,061,627	1,171,101	1,020,181	792,000	596,200	808,500	857,700	901,500
Gasoline & Special Fuels Taxes	612,894	612,070	623,898	643,392	653,626	656,580	650,363	647,941	651,855	762,626	840,665	848,769	861,472	874,791
Motor Vehicle License Tax	606,844	454,554	473,232	491,714	492,339	496,299	491,406	483,991	477,323	484,145	529,638	588,803	633,843	670,981
Motor Vehicle Sales Tax	540,961	546,157	614,147	605,561	593,855	557,678	538,718	533,261	512,662	405,400	425,600	471,100	501,500	519,300
Statewide Property Tax	0	0	305,573	585,416	599,622	610,874	631,279	665,744	704,246	743,211	773,031	786,456	798,955	815,978
Health Care Taxes	151,034	167,315	173,923	201,080	266,804	410,014	440,980	467,410	481,608	517,700	537,100	572,500	614,600	660,000
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	1,271,856	1,267,856	1,303,490	1,357,016	1,413,909
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	16,760,778	17,011,550	18,162,758	18,609,918	19,732,863
<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	1,235,883	1,264,559	1,280,460	1,286,082	1,251,935
Investment Earnings	278,512	342,461	250,735	176,646	86,107	97,660	173,875	251,802	253,459	145,157	104,108	126,017	153,427	150,469
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	180,573	179,787	179,779	179,612	178,033
All Other Resources	620,461	1,201,570	648,002	559,987	484,192	480,689	521,984	379,921	498,462	987,374	827,871	834,196	710,883	708,651
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	3,819,287	3,682,525	3,763,052	3,678,804	3,644,588
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	20,580,065	20,694,075	21,925,810	22,488,722	23,377,451
<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	7,623,484	7,825,927	8,157,221	8,121,250	8,120,236
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	28,203,549	28,520,002	30,083,031	30,609,972	31,497,687
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	4,664,361	4,907,570	5,094,974	5,312,928	5,548,131
Sales Tax	101,717	109,814	110,537	108,939	109,805	124,986	132,799	142,405	181,214	215,639	274,869	276,751	286,539	298,215
Other Taxes	128,689	136,010	130,443	124,164	139,909	138,270	161,507	164,631	179,721	186,551	189,442	193,236	197,845	202,873
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	4,685,966	5,066,551	5,371,881	5,564,961	5,797,312	6,049,219
<i>Non-Tax Revenues:</i>														
Special Assessments	269,433	271,870	268,097	291,122	326,123	337,068	344,394	359,868	366,176	384,986	394,468	406,927	422,074	438,598
Licenses and Permits	134,092	146,620	153,870	161,960	175,918	193,546	199,330	197,452	205,182	216,290	222,009	229,490	238,567	248,486
Charges for Services	704,342	744,613	814,858	872,775	1,055,651	1,192,728	1,075,780	1,090,108	1,121,293	1,175,902	1,203,018	1,238,755	1,282,260	1,329,727
Investment Earnings	200,421	468,041	363,928	274,022	152,660	162,378	224,633	380,413	296,000	290,080	284,278	278,593	273,021	267,561
Selected Enterprise Revenues	2,132,810	2,264,000	2,420,201	2,648,518	2,695,742	2,838,441	2,943,018	3,207,063	3,381,457	3,562,662	3,653,306	3,772,593	3,917,713	4,076,036
Miscellaneous Revenues	465,472	476,004	486,557	468,200	464,994	492,958	498,821	505,719	529,430	557,828	572,575	591,660	614,666	639,709
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	5,740,623	5,899,538	6,187,748	6,329,654	6,518,018	6,748,301	7,000,117
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	10,046,098	10,585,504	11,254,299	11,701,535	12,082,979	12,545,613	13,049,336
<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	2,719,640	2,724,731	2,807,587	2,833,658	2,875,186	2,886,626
Local Aid	96,302	97,932	120,046	109,320	178,908	214,384	203,588	239,302	239,302	239,302	239,302	239,302	239,302	239,302
Federal Aid	483,643	558,693	573,518	615,225	675,464	667,368	731,744	779,073	779,073	779,073	779,073	779,073	779,073	779,073
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	3,738,015	3,743,106	3,825,962	3,852,033	3,893,561	3,905,001
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	13,765,962	14,323,519	14,997,405	15,527,497	15,935,012	16,439,174	16,954,337

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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	1,906,936	2,071,743	2,264,060	2,370,688	2,523,294
Taconite Production Tax	12,110	11,553	11,393	0	8,031	7,983	7,842	8,500	8,490	8,867	8,667	9,020	8,753	8,535
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	1,915,803	2,080,410	2,273,080	2,379,441	2,531,829
<i>Non-Tax Revenues:</i>														
Fee Revenue	312,956	334,452	353,745	374,424	400,204	417,551	442,392	456,810	479,139	488,721	498,496	508,466	518,635	529,008
Other Miscellaneous Revenue	233,148	250,343	223,514	219,842	212,778	273,027	360,366	386,963	388,898	390,842	392,797	394,760	396,734	398,718
Subtotal - School District Non Tax Revenues	546,104	584,795	577,259	594,266	612,982	690,578	802,758	843,773	868,037	879,563	891,293	903,226	915,369	927,726
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	2,640,731	2,795,366	2,971,703	3,176,306	3,294,810	3,459,555
<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	6,766,425	6,898,940	6,796,696	6,897,024	7,043,114	7,179,706
State Paid Tax Credits	48,879	39,129	27,597	8,959	10,411	9,593	8,706	9,440	9,488	10,305	10,163	10,184	10,149	10,504
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	54,156	51,932	50,438	49,282	48,195
Homestead Agric Land MV Credit	0	0	0	3,854	5,879	5,209	5,300	5,597	5,769	5,778	5,881	5,881	5,881	5,881
Local Aid	33,814	34,283	31,701	28,294	28,342	29,008	30,643	30,576	36,360	30,631	30,631	30,631	30,631	30,631
Federal Aid	343,022	370,881	436,464	497,532	541,432	568,689	595,642	590,552	607,845	609,365	612,111	632,995	639,325	645,718
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	7,482,189	7,609,175	7,507,414	7,627,153	7,778,382	7,920,635
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	10,122,920	10,404,541	10,479,117	10,803,459	11,073,192	11,380,190
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	23,997,583	23,743,132	24,463,841	26,000,799	26,986,671	28,313,911
<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	9,727,141	10,145,673	10,886,598	10,903,472	11,184,296	11,342,474	11,572,431
<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	18,002,157	18,975,765	19,159,303	19,636,407	19,793,193	19,945,872
TOTAL ALL REVENUES	35,391,244	37,788,850	39,260,315	41,726,753	43,207,484	45,148,390	47,862,181	50,112,596	52,145,413	53,605,495	54,526,616	56,821,502	58,122,338	59,832,214
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)	(18,002,157)	(18,975,765)	(19,159,303)	(19,636,407)	(19,793,193)	(19,945,872)
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	32,740,869	34,143,256	34,629,730	35,367,313	37,185,095	38,329,145	39,886,342
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	222,816,975	225,352,000	230,259,425	240,788,725	255,811,900
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	15.4%	15.6%	15.8%	16.5%	16.3%	16.0%	15.5%	15.7%	16.1%	15.9%	15.6%