

# Price of Government

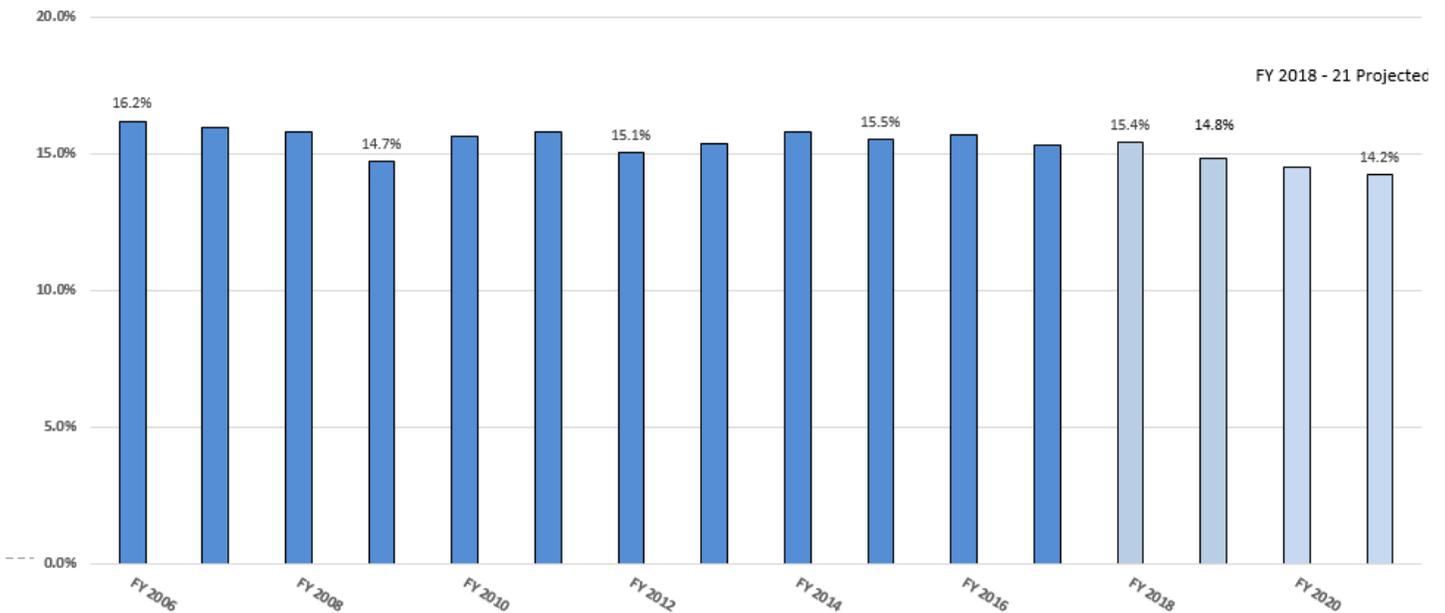
## State and Local Government Revenues

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 2018 it is projected at 15.4 percent.

## Minnesota Price of Government

State and Local Revenues as % of MN Personal Income



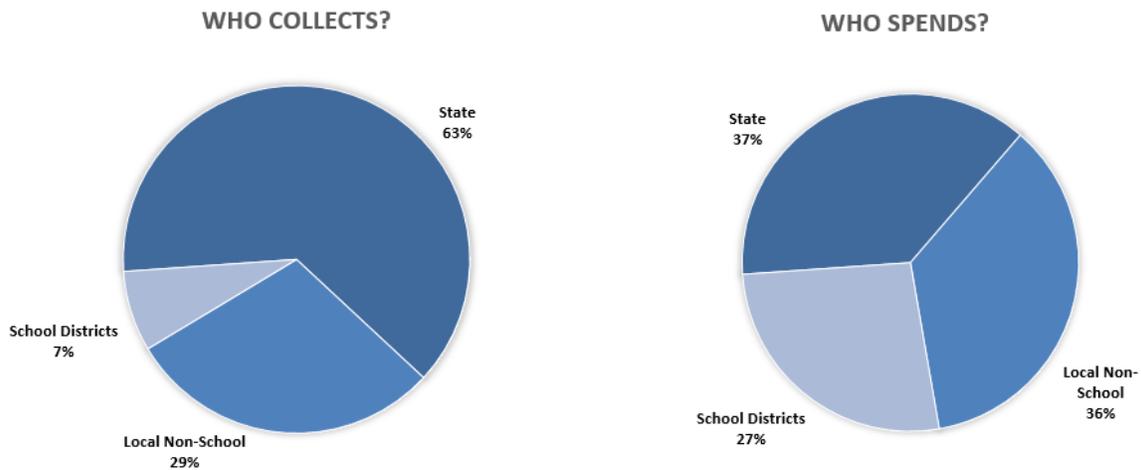
Because the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

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)

	<b>Projected FY 2018</b>	<b>Percent of Total</b>	<b>Projected FY 2019</b>	<b>Percent of Total</b>
<b>State Revenues</b>				
Tax Revenues	\$24,862		\$26,066	
Non-Tax Revenues	5,170		3,820	
<i>Total State Revenues</i>	<u>31,032</u>	63%	<u>29,886</u>	62%
<b>Local Non-School Revenues</b>				
Tax Revenues	6,814		7,231	
Non-Tax Revenues	7,241		7,513	
<i>Total Local Non-School Revenues</i>	<u>14,055</u>	30%	<u>14,744</u>	30%
<b>School District Revenues</b>				
Tax Revenues	2,691		2,871	
Non-Tax Revenues	877		891	
<i>Total School District Revenues</i>	<u>3,567</u>	7%	<u>3,762</u>	8%
<b>Total Own Source Revenues</b>	<b>\$47,655</b>		<b>\$48,392</b>	
<b>Minnesota Personal Income</b>	<b>\$309,275</b>		<b>\$326,618</b>	
<b>Governmental Revenue as Percent of Personal Income</b>	<b>15.4%</b>		<b>14.8%</b>	

In FY 2018, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 63 percent. Counties, cities, and townships will collect about 30 percent, while school districts will collect about 7 percent. However, once intergovernmental aids are considered, the state will spend only 37 percent of the total while non-school local governments will spend 36 percent, and school districts will spend 27 percent.



A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2006 through FY 2021 shown by level of government.

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**2018 February Forecast  
Price of Government  
State & Local Revenues  
as a Percent of Personal Income  
(\$ in Thousands)**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
<b>State Revenues</b>																
<i>Tax Revenues:</i>																
Individual Income Tax	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,529,204	7,972,460	9,012,500	9,659,554	10,403,481	10,738,906	10,931,165	11,451,400	12,263,300	12,796,200	13,398,800
General Sales Tax	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,686,836	4,959,128	5,065,744	5,368,451	5,482,099	5,597,268	5,787,027	5,924,362	6,227,780	6,357,021	6,617,617
Corporate Income Tax	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	1,044,159	1,280,743	1,278,209	1,455,275	1,473,097	1,205,379	1,301,100	1,295,375	1,293,108	1,315,821
Gasoline & Special Fuels Taxes	650,363	647,941	651,855	745,760	826,753	849,534	845,177	857,362	877,702	889,252	900,382	911,548	922,100	925,315	923,500	913,774
Motor Vehicle License Tax	491,406	483,991	477,323	501,441	531,551	557,175	580,240	623,210	652,951	687,115	702,306	752,889	863,441	889,561	1,024,299	1,037,819
Motor Vehicle Sales Tax	538,718	533,261	512,662	442,627	453,563	506,035	558,379	597,785	640,272	694,265	714,496	754,284	773,700	795,300	821,200	845,800
Statewide Property Tax	631,279	665,744	704,246	729,373	766,831	766,926	799,333	811,388	835,554	838,080	853,780	858,389	804,976	816,499	817,144	816,886
Health Care Taxes	440,980	467,410	481,608	516,792	525,153	546,903	484,278	513,763	525,318	554,751	584,236	613,550	642,807	674,671	459,364	0
All Other Taxes	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,358,831	1,434,307	1,419,267	2,017,761	2,056,285	2,118,984	2,151,116	2,178,205	2,178,347	2,234,033	2,281,761
Subtotal - State Taxes	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,726,057	18,677,461	20,181,762	21,855,772	23,060,603	23,683,455	23,965,347	24,862,091	26,066,148	26,725,869	27,228,278
<i>Non-Tax Revenues:</i>																
Fees & Charges	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,285,126	1,205,344	1,222,131	1,180,866	1,138,905	1,169,798	1,233,836	1,125,788	1,128,137	1,132,473	1,129,564
Investment Earnings	185,763	264,747	253,303	171,748	75,683	68,572	72,194	77,114	84,431	93,588	123,734	159,109	167,586	181,376	208,942	213,153
Post-Secondary Tuition	1,061,327	1,150,022	1,221,500	1,307,918	1,447,977	1,598,637	1,630,000	1,674,300	1,678,700	1,629,700	1,640,893	1,655,173	1,673,066	1,673,066	1,673,066	1,673,066
Tobacco Settlements	180,790	183,911	184,411	179,854	168,297	169,375	166,861	170,060	175,399	170,747	171,238	168,226	157,260	150,604	147,663	144,556
All Other Resources	569,495	474,762	533,964	701,676	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,221,576	2,046,121	686,440	687,585	691,582
Subtotal - State Non Tax Revenues	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,899,394	3,928,841	4,050,276	4,292,955	3,953,173	4,413,549	4,437,920	5,169,821	3,819,623	3,849,729	3,851,921
Subtotal - State Own Source Revenues	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,625,451	22,606,302	24,232,038	26,148,727	27,013,776	28,097,004	28,403,267	30,031,912	29,885,771	30,575,598	31,080,199
<i>Federal Grants</i>	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	9,756,757	8,486,104	8,808,041	9,409,547	10,564,728	10,930,643	10,987,402	12,380,231	12,656,300	12,843,639	13,307,597
<b>TOTAL STATE REVENUES</b>	<b>26,012,942</b>	<b>26,882,133</b>	<b>27,734,320</b>	<b>27,952,916</b>	<b>29,500,069</b>	<b>31,382,208</b>	<b>31,092,406</b>	<b>33,040,079</b>	<b>35,558,274</b>	<b>37,578,504</b>	<b>39,027,647</b>	<b>39,390,669</b>	<b>42,412,143</b>	<b>42,542,071</b>	<b>43,419,237</b>	<b>44,387,796</b>
<b>Local Non-School Revenues</b>																
<i>Tax Revenues:</i>																
Property Tax	3,691,559	3,977,679	4,303,124	4,643,104	4,875,947	4,973,156	5,057,424	5,300,123	5,367,186	5,447,952	5,575,309	5,800,945	6,043,947	6,347,954	6,635,028	6,926,049
Sales Tax	132,800	142,405	181,214	234,361	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	499,242	605,545	626,405	645,600
Other Taxes	161,507	164,632	148,454	186,030	186,593	172,002	175,355	176,652	215,053	261,453	264,258	272,779	271,149	277,706	291,167	298,876
Subtotal - Local Taxes	3,985,866	4,284,716	4,632,793	5,063,495	5,344,011	5,440,369	5,548,996	5,808,303	5,928,779	6,082,318	6,261,224	6,544,405	6,814,338	7,231,205	7,552,600	7,870,525
<i>Non-Tax Revenues:</i>																
Special Assessments	344,394	341,531	345,448	329,666	344,332	347,913	321,931	338,755	368,775	355,259	351,391	356,174	369,912	384,260	394,398	407,547
Licenses and Permits	199,330	197,952	180,199	168,677	151,194	157,641	170,119	189,936	206,706	227,075	236,008	242,422	251,732	261,451	268,192	277,024
Charges for Services	1,075,780	1,089,702	1,166,288	1,105,485	1,122,285	1,091,618	1,101,390	1,200,528	1,278,007	1,294,978	1,353,293	1,420,630	1,467,318	1,516,037	1,550,610	1,596,002
Investment Earnings	224,633	380,413	489,121	359,674	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	106,126	111,432	117,003	122,854	128,996
Selected Enterprise Revenues	2,943,018	3,214,027	3,294,338	3,425,271	3,468,110	3,432,935	3,586,765	3,819,575	3,786,805	3,981,481	4,192,176	4,339,644	4,504,862	4,677,261	4,798,977	4,958,797
Miscellaneous Revenues	498,821	506,124	531,468	463,039	615,737	512,230	504,049	483,034	489,369	499,612	501,240	516,011	535,795	556,542	571,700	591,177
Subtotal - Local Non Tax Revenues	5,285,976	5,729,749	6,006,862	5,851,812	5,880,351	5,686,154	5,873,634	6,150,639	6,081,288	6,555,480	6,735,854	6,981,007	7,241,051	7,512,554	7,706,731	7,959,543
Subtotal - Local Own Source Revenues	9,271,842	10,014,465	10,639,655	10,915,307	11,224,362	11,126,523	11,422,630	11,958,942	12,010,067	12,637,798	12,997,078	13,525,412	14,055,389	14,743,759	15,259,331	15,830,068
<i>Intergovernmental Revenue:</i>																
State Aid	2,570,258	2,701,489	2,765,824	2,494,934	2,587,881	2,498,658	2,541,924	2,499,281	2,541,940	2,836,470	2,980,783	2,939,072	3,056,283	3,159,928	3,195,422	3,230,783
Local Aid	203,588	239,302	457,236	541,921	340,912	308,779	333,561	330,102	409,895	391,775	375,941	405,004	388,646	388,646	388,646	388,646
Federal Aid	731,744	779,073	795,978	1,004,511	1,077,804	1,169,494	1,121,132	985,667	1,035,303	1,012,298	1,025,848	1,036,107	1,046,468	1,056,932	1,067,502	
Subtotal - Intergovernmental Revenue	3,505,590	3,719,864	4,019,038	4,041,366	4,006,597	4,025,882	4,044,979	3,950,515	3,937,502	4,263,548	4,369,022	4,369,924	4,481,036	4,595,042	4,641,000	4,686,931
<b>TOTAL LOCAL NON-SCHOOL REVENUES</b>	<b>12,777,432</b>	<b>13,734,329</b>	<b>14,658,693</b>	<b>14,956,673</b>	<b>15,230,959</b>	<b>15,152,405</b>	<b>15,467,609</b>	<b>15,909,457</b>	<b>15,947,569</b>	<b>16,901,346</b>	<b>17,366,100</b>	<b>17,895,336</b>	<b>18,536,425</b>	<b>19,338,801</b>	<b>19,900,331</b>	<b>20,516,999</b>

**2018 February Forecast  
Price of Government  
State & Local Revenues  
as a Percent of Personal Income  
(\$ in Thousands)**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
<b>School District Revenues</b>																
<i>Tax Revenues:</i>																
Property Tax	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,162,072	2,262,056	2,297,370	2,339,265	2,448,645	2,619,633	2,682,114	2,863,189	3,047,272	3,243,197
Taconite Production Tax	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	8,908	9,119	8,664	8,598	8,088	7,846	7,880
Subtotal - School District Tax Revenues	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,169,751	2,269,662	2,304,627	2,348,173	2,457,764	2,628,297	2,690,712	2,871,277	3,055,118	3,251,077
<i>Non-Tax Revenues:</i>																
Fee Revenue	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,486	518,615	545,579	567,228	578,573	590,144	601,947	613,986
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	264,603	304,628	295,130	298,081	301,062	304,072	307,113
Subtotal - School District Non Tax Reven.	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	783,218	850,207	862,358	876,654	891,206	906,019	921,099
Subtotal - School Dist Own Source Reven	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,940,706	3,034,841	3,096,016	3,131,391	3,307,971	3,490,655	3,567,366	3,762,483	3,961,137	4,172,176
<i>Intergovernmental Revenue:</i>																
State Aid	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,007,915	7,285,035	7,527,881	8,124,733	8,401,312	8,761,710	9,107,356	9,421,041	9,545,711	9,705,324
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,205	10,297	10,367
Education Homestead Credit	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
Market Value Homestead Credit	60,880	59,743	56,302	53,475	53,994	57,165	60,934	132	0	0	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,279	5,134	5,021	8,801	9,101	8,673	46,048	52,966	59,304
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,197	51,778	51,778	51,778	51,778
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	744,012	751,452	758,967	766,556	774,222
Subtotal - Intergovernmental Revenue	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,890,724	9,184,839	9,575,691	9,929,712	10,288,039	10,427,308	10,600,995
<b>TOTAL SCHOOL DISTRICT REVENUES</b>	<b>9,110,471</b>	<b>9,572,287</b>	<b>10,106,167</b>	<b>10,331,083</b>	<b>11,049,483</b>	<b>10,772,718</b>	<b>10,863,210</b>	<b>11,088,074</b>	<b>11,381,452</b>	<b>12,022,115</b>	<b>12,492,810</b>	<b>13,066,346</b>	<b>13,497,078</b>	<b>14,050,522</b>	<b>14,388,445</b>	<b>14,773,171</b>
<b>Total State, Local &amp; School District Revenues</b>																
<i>Tax Revenues</i>	22,048,660	22,992,969	23,944,410	23,312,762	23,465,518	25,297,830	26,396,208	28,259,727	30,089,178	31,491,094	32,402,443	33,138,049	34,367,141	36,168,630	37,333,587	38,349,880
<i>Non-Tax Revenues</i>	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,340,483	10,573,430	10,966,094	11,165,632	11,291,871	11,999,610	12,281,285	13,287,526	12,223,383	12,462,479	12,732,563
<i>Intergovernmental Revenue</i>	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,018	20,453,587	20,811,789	21,632,485	23,719,000	24,484,504	24,933,017	26,790,979	27,539,381	27,911,947	28,595,523
<b>TOTAL ALL REVENUES</b>	<b>47,900,845</b>	<b>50,188,749</b>	<b>52,499,180</b>	<b>53,240,672</b>	<b>55,780,511</b>	<b>57,307,331</b>	<b>57,423,225</b>	<b>60,037,610</b>	<b>62,887,294</b>	<b>66,501,965</b>	<b>68,886,557</b>	<b>70,352,351</b>	<b>74,445,646</b>	<b>75,931,394</b>	<b>77,708,013</b>	<b>79,677,966</b>
Less: Intergovernmental Revenues	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,000)	(24,484,504)	(24,933,017)	(26,790,979)	(27,539,381)	(27,911,947)	(28,595,523)
<b>Total Own Source Revenues</b>	<b>31,403,187</b>	<b>32,817,022</b>	<b>34,219,471</b>	<b>33,563,107</b>	<b>33,818,467</b>	<b>35,638,313</b>	<b>36,969,638</b>	<b>39,225,821</b>	<b>41,254,810</b>	<b>42,782,965</b>	<b>44,402,053</b>	<b>45,419,334</b>	<b>47,654,667</b>	<b>48,392,013</b>	<b>49,796,066</b>	<b>51,082,443</b>
<b>Minnesota Personal Income</b>	<b>193,989,000</b>	<b>205,856,500</b>	<b>216,840,750</b>	<b>228,070,000</b>	<b>216,267,000</b>	<b>225,853,000</b>	<b>245,620,000</b>	<b>255,580,000</b>	<b>261,395,000</b>	<b>275,383,000</b>	<b>283,565,000</b>	<b>296,775,375</b>	<b>309,275,000</b>	<b>326,617,500</b>	<b>343,620,000</b>	<b>358,977,500</b>
<b>Revenue as Percent of Personal Income</b>	<b>16.2%</b>	<b>15.9%</b>	<b>15.8%</b>	<b>14.7%</b>	<b>15.6%</b>	<b>15.8%</b>	<b>15.1%</b>	<b>15.3%</b>	<b>15.8%</b>	<b>15.5%</b>	<b>15.7%</b>	<b>15.3%</b>	<b>15.4%</b>	<b>14.8%</b>	<b>14.5%</b>	<b>14.2%</b>