

Price of Government

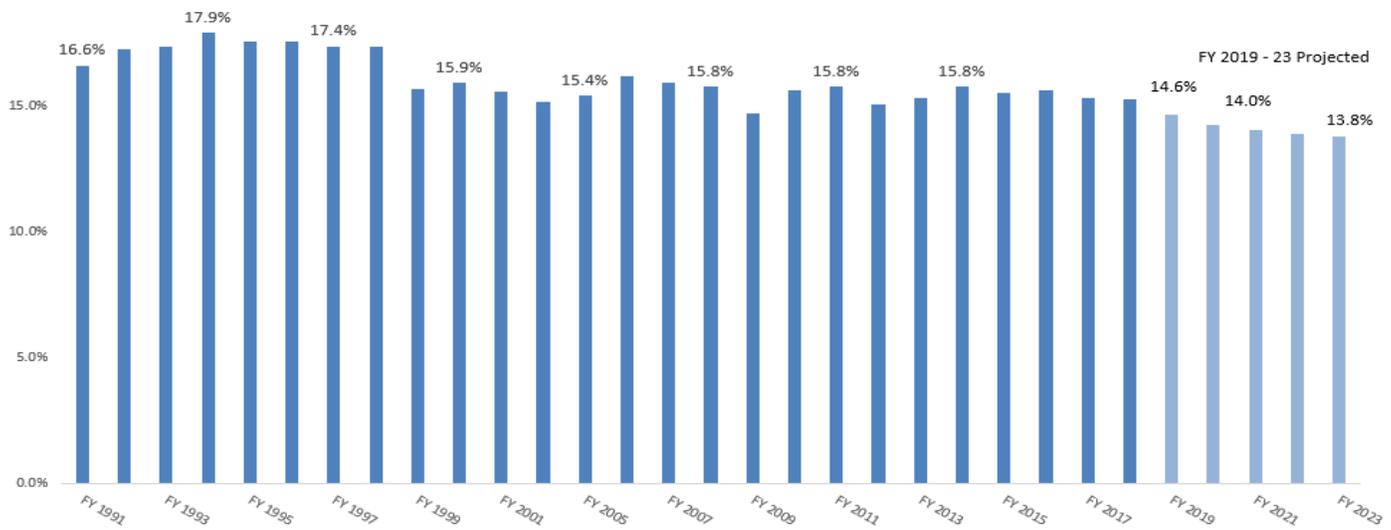
State and Local Government Revenues

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 2019, it is projected at 14.6 percent.

Minnesota Price of Government

State and Local Revenues as % of MN Personal Income



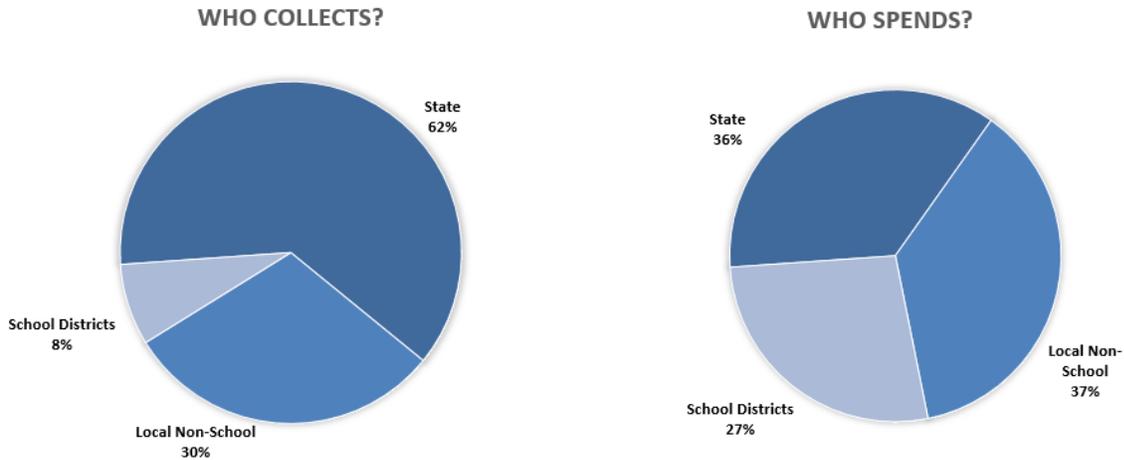
Because the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

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 2018	Percent of Total	Projected FY 2019	Percent of Total
State Revenues				
Tax Revenues	\$25,186		\$26,199	
Non-Tax Revenues	5,407		4,051	
<i>Total State Revenues</i>	<u>30,593</u>	63%	<u>30,250</u>	62%
Local Non-School Revenues				
Tax Revenues	6,831		7,232	
Non-Tax Revenues	7,239		7,554	
<i>Total Local Non-School Revenues</i>	<u>14,070</u>	30%	<u>14,786</u>	30%
School District Revenues				
Tax Revenues	2,691		2,871	
Non-Tax Revenues	877		891	
<i>Total School District Revenues</i>	<u>3,568</u>	7%	<u>3,762</u>	8%
Total Own Source Revenues	\$48,231		\$48,798	
Minnesota Personal Income	\$315,609		\$333,143	
Governmental Revenue as Percent of Personal Income	15.3%		14.6%	

In FY 2019, 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.



A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2010 through FY 2023 shown by level of government.

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

	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
State Revenues														
<i>Tax Revenues:</i>														
Individual Income Tax	6,530,958	7,529,204	7,972,460	9,012,500	9,659,554	10,403,481	10,738,906	10,931,165	11,783,500	12,349,900	12,834,000	13,441,600	13,707,900	14,049,700
General Sales Tax	4,430,792	4,686,836	4,959,128	5,065,744	5,368,451	5,482,099	5,597,268	5,787,027	5,943,479	6,194,858	6,512,352	6,815,745	7,088,441	7,287,274
Corporate Income Tax	663,505	924,613	1,044,159	1,280,743	1,278,209	1,455,275	1,473,097	1,205,379	1,314,525	1,388,634	1,330,189	1,320,078	1,347,049	1,382,890
Gasoline & Special Fuels Taxes	826,753	849,534	845,177	857,362	877,702	889,252	900,382	911,548	926,730	935,700	932,418	926,938	915,461	902,786
Motor Vehicle License Tax	531,551	557,175	580,240	623,210	652,951	687,115	702,306	752,889	781,868	810,200	826,900	836,900	841,800	844,500
Motor Vehicle Sales Tax	453,563	506,035	558,379	597,785	640,272	694,265	714,496	754,284	772,358	798,200	826,300	868,500	909,700	949,400
Statewide Property Tax	766,831	766,926	799,333	811,388	835,554	838,080	853,780	858,389	811,376	807,671	820,843	817,214	817,157	817,172
Health Care Taxes	525,153	546,903	484,278	513,763	525,318	554,751	584,236	613,550	644,876	671,184	458,187	0	0	0
All Other Taxes	1,327,011	1,358,831	1,434,307	1,419,267	2,017,761	2,056,285	2,118,984	2,151,116	2,207,541	2,242,892	2,281,584	2,326,752	2,372,556	2,420,897
Subtotal - State Taxes	16,056,117	17,726,057	18,677,461	20,181,762	21,855,772	23,060,603	23,683,455	23,965,347	25,186,253	26,199,239	26,822,773	27,353,727	28,000,064	28,654,619
<i>Non-Tax Revenues:</i>														
Fees & Charges	1,265,434	1,285,126	1,205,344	1,222,131	1,180,866	1,138,905	1,169,798	1,233,836	1,210,996	1,176,441	1,182,778	1,181,930	1,179,710	1,161,878
Investment Earnings	75,683	68,572	72,194	77,114	84,431	93,588	123,734	159,109	210,068	222,126	249,078	245,211	234,801	235,724
Post-Secondary Tuition	1,447,977	1,598,637	1,630,000	1,674,300	1,678,700	1,629,700	1,640,893	1,655,173	1,679,692	1,690,050	1,690,050	1,690,051	1,690,052	1,690,054
Tobacco Settlements	168,297	169,375	166,861	170,060	175,399	170,747	171,238	168,226	166,931	160,052	157,111	154,004	141,662	139,007
All Other Resources	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,221,576	2,139,130	802,069	741,466	746,481	739,532	739,532
Subtotal - State Non Tax Revenues	3,718,346	3,899,394	3,928,841	4,050,276	4,292,955	3,953,173	4,413,549	4,437,920	5,406,817	4,050,738	3,985,593	4,012,661	3,992,705	3,966,193
Subtotal - State Own Source Revenues	19,774,463	21,625,451	22,606,302	24,232,038	26,148,727	27,013,776	28,097,004	28,403,267	30,593,070	30,249,977	30,808,366	31,366,388	31,992,769	32,620,812
Federal Grants	9,725,606	9,756,757	8,486,104	8,808,041	9,409,547	10,564,728	10,930,643	10,987,402	11,976,329	12,621,136	13,372,340	13,159,164	14,195,941	14,536,721
TOTAL STATE REVENUES	29,500,069	31,382,208	31,092,406	33,040,079	35,558,274	37,578,504	39,027,647	39,390,669	42,569,399	42,871,113	44,180,706	44,525,552	46,188,710	47,157,533
Local Non-School Revenues														
<i>Tax Revenues:</i>														
Property Tax	4,875,947	4,973,156	5,057,424	5,300,123	5,367,186	5,447,952	5,575,309	5,800,945	6,044,157	6,333,224	6,636,028	6,947,538	7,245,498	7,582,914
Sales Tax	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	509,592	612,903	635,861	661,260	690,554	714,377
Other Taxes	186,593	172,002	175,355	176,652	215,053	261,453	264,258	278,865	277,466	285,533	299,123	315,638	326,041	336,430
Subtotal - Local Taxes	5,344,011	5,440,369	5,548,996	5,808,303	5,928,779	6,082,318	6,261,224	6,550,492	6,831,215	7,231,660	7,571,012	7,924,436	8,262,093	8,633,720
<i>Non-Tax Revenues:</i>														
Special Assessments	344,332	347,913	321,931	338,755	368,775	355,259	351,391	356,065	369,264	385,419	400,509	415,924	432,961	451,079
Licenses and Permits	151,194	157,641	170,119	189,936	206,706	227,075	236,008	244,242	254,028	265,341	275,902	286,690	298,624	311,318
Charges for Services	1,122,285	1,091,618	1,101,390	1,200,528	1,278,007	1,294,978	1,353,293	1,424,662	1,471,747	1,529,338	1,582,927	1,637,616	1,698,081	1,762,459
Investment Earnings	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,694	112,733	118,369	124,288	130,502	137,027	143,879
Selected Enterprise Revenues	3,468,110	3,432,935	3,586,765	3,819,575	3,786,805	3,981,481	4,192,176	4,339,168	4,506,310	4,707,632	4,895,081	5,086,418	5,298,212	5,523,505
Miscellaneous Revenues	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	524,645	547,874	569,701	592,032	616,647	642,806
Subtotal - Local Non Tax Revenues	5,880,351	5,686,154	5,873,634	6,150,639	6,081,288	6,555,480	6,735,854	6,975,892	7,238,727	7,553,972	7,848,408	8,149,182	8,481,552	8,835,046
Subtotal - Local Own Source Revenues	11,224,362	11,126,523	11,422,630	11,958,942	12,010,067	12,637,798	12,997,077	13,526,383	14,069,942	14,785,632	15,419,420	16,073,618	16,743,645	17,468,766
<i>Intergovernmental Revenue:</i>														
State Aid	2,587,881	2,498,658	2,541,924	2,499,281	2,541,940	2,836,470	2,980,783	3,090,735	3,198,999	3,282,789	3,324,722	3,375,098	3,426,962	3,479,433
Local Aid	340,912	308,779	333,561	330,102	409,895	391,775	378,636	375,941	361,494	361,494	361,494	361,494	361,494	361,494
Federal Aid	1,077,804	1,218,445	1,169,494	1,121,132	985,667	1,035,303	1,012,298	994,062	1,006,322	1,016,385	1,026,549	1,036,814	1,047,182	1,057,654
Subtotal - Intergovernmental Revenue	4,006,597	4,025,882	4,044,979	3,950,515	3,937,502	4,263,548	4,369,022	4,463,432	4,566,815	4,660,668	4,712,764	4,773,406	4,835,638	4,898,581
TOTAL LOCAL NON-SCHOOL REVENUES	15,230,959	15,152,405	15,467,609	15,909,457	15,947,569	16,901,346	17,366,099	17,989,815	18,636,756	19,446,300	20,132,184	20,847,024	21,579,283	22,367,347

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Price of Government
State & Local Revenues
as a Percent of Personal Income
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School District Revenues														
<i>Tax Revenues:</i>														
Property Tax	2,056,723	2,122,599	2,162,072	2,262,056	2,297,370	2,339,265	2,448,645	2,619,632	2,682,112	2,863,068	3,059,671	3,252,227	3,419,308	3,581,597
Taconite Production Tax	8,667	8,805	7,679	7,606	7,257	8,908	9,119	8,664	8,598	8,088	7,851	7,773	7,843	7,943
Subtotal - School District Tax Revenues	2,065,390	2,131,404	2,169,751	2,269,662	2,304,627	2,348,173	2,457,764	2,628,296	2,690,710	2,871,155	3,067,522	3,260,000	3,427,151	3,589,540
<i>Non-Tax Revenues:</i>														
Fee Revenue	487,304	493,927	509,731	516,350	526,486	518,615	545,579	567,228	578,572	590,144	601,947	613,986	626,265	638,791
Other Miscellaneous Revenue	266,948	261,008	261,224	248,829	264,903	264,603	304,628	295,130	298,081	301,062	304,072	307,113	310,184	313,286
Subtotal - School District Non Tax Revenues	754,252	754,935	770,955	765,179	791,389	783,218	850,207	862,358	876,653	891,206	906,019	921,099	936,450	952,077
Subtotal - School Dist Own Source Revenues	2,819,642	2,886,339	2,940,706	3,034,841	3,096,016	3,131,391	3,307,971	3,490,654	3,567,363	3,762,361	3,973,541	4,181,098	4,363,601	4,541,617
<i>Intergovernmental Revenue:</i>														
State Aid	6,755,240	6,868,597	7,007,915	7,285,035	7,527,881	8,124,733	8,401,294	8,756,749	9,105,858	9,417,860	9,567,470	9,733,915	9,912,889	10,074,560
State Paid Tax Credits	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,841	10,928	10,988	10,988	11,055
Education Homestead Credit	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
Market Value Homestead Credit	53,994	57,165	60,934	132	0	0	0	0	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,624	5,470	5,345	5,279	5,134	5,021	8,801	9,101	8,673	8,537	8,748	8,748	8,748	8,748
Ag School Bond Credit	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,215	50,467	35,756	40,137	41,388	42,846	44,316
Local Aid	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	781,964	789,784
Federal Aid														
Subtotal - Intergovernmental Revenue	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,890,724	9,184,821	9,570,747	9,926,902	10,283,350	10,445,530	10,620,979	10,809,213	10,980,241
TOTAL SCHOOL DISTRICT REVENUES	11,049,483	10,772,718	10,863,210	11,088,074	11,381,452	12,022,115	12,492,792	13,061,401	13,494,266	14,045,711	14,419,071	14,802,078	15,172,814	15,521,858
Total State, Local & School District Revenues														
<i>Tax Revenues</i>	23,465,518	25,297,830	26,396,208	28,259,727	30,089,178	31,491,094	32,402,442	33,144,135	34,708,178	36,302,054	37,461,307	38,538,163	39,689,308	40,877,879
<i>Non-Tax Revenues</i>	10,352,949	10,340,483	10,573,430	10,966,094	11,165,632	11,291,871	11,999,610	12,276,169	13,522,197	12,495,916	12,740,020	13,082,942	13,410,707	13,753,315
<i>Intergovernmental Revenue</i>	21,962,044	21,669,018	20,453,587	20,811,789	21,632,485	23,719,001	24,484,486	25,021,582	26,470,046	27,565,154	28,530,635	28,553,549	29,840,792	30,415,543
TOTAL ALL REVENUES	55,780,511	57,307,331	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,441,886	74,700,421	76,363,124	78,731,962	80,174,654	82,940,807	85,046,737
Less: Intergovernmental Revenues	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,001)	(24,484,486)	(25,021,582)	(26,470,046)	(27,565,154)	(28,530,635)	(28,553,549)	(29,840,792)	(30,415,543)
Total Own Source Revenues	33,818,467	35,638,313	36,969,638	39,225,821	41,254,810	42,782,964	44,402,052	45,420,304	48,230,375	48,797,970	50,201,327	51,621,105	53,100,015	54,631,194
Minnesota Personal Income	216,267,000	225,853,000	245,620,000	255,580,000	261,395,000	275,383,000	283,565,000	296,775,375	315,608,766	333,142,500	351,580,000	367,557,500	381,967,500	396,550,000
Revenue as Percent of Personal Income	15.6%	15.8%	15.1%	15.3%	15.8%	15.5%	15.7%	15.3%	15.3%	14.6%	14.3%	14.0%	13.9%	13.8%