

Price of Government

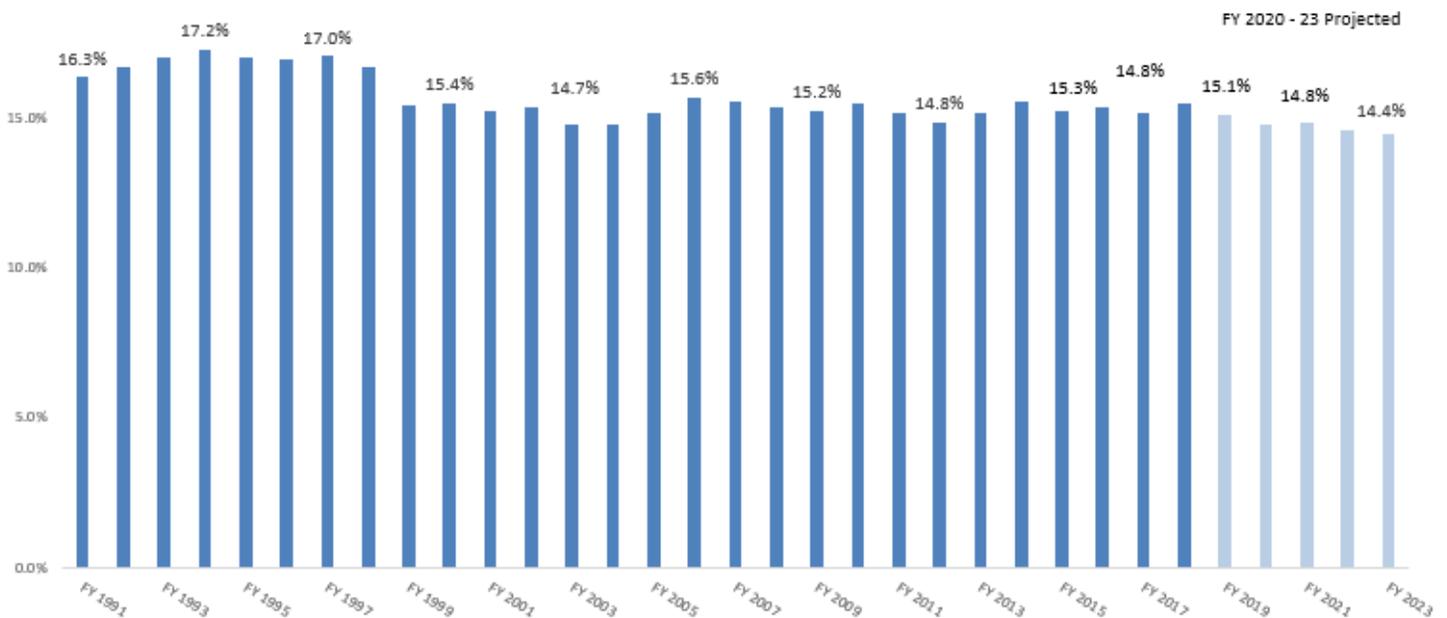
State and Local Government Revenues

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 2020, it is projected at 14.8 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.

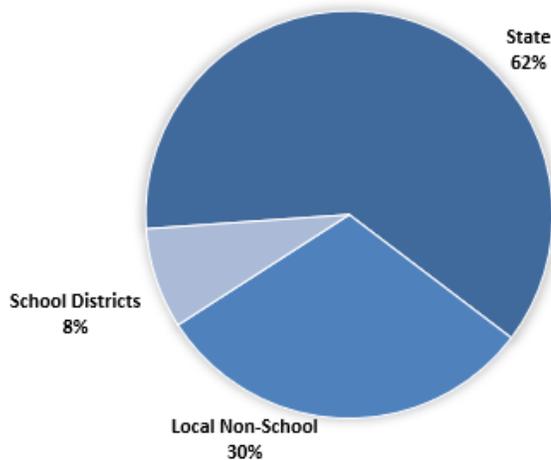
Own Source Revenues

(\$ in millions)

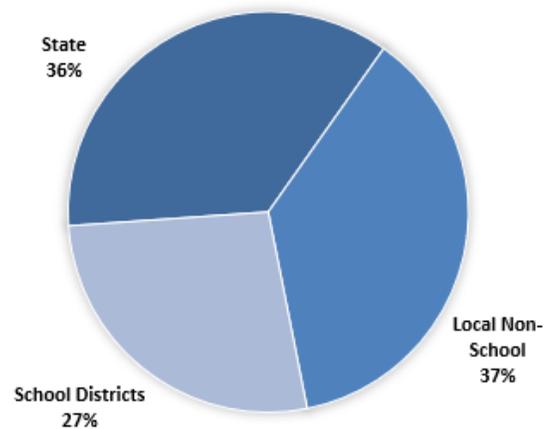
	Projected FY 2020	Percent of Total	Projected FY 2021	Percent of Total
State Revenues				
Tax Revenues	\$27,086		\$28,280	
Non-Tax Revenues	4,217		4,166	
<i>Total State Revenues</i>	31,303	61%	32,446	61%
Local Non-School Revenues				
Tax Revenues	7,652		8,044	
Non-Tax Revenues	7,920		8,191	
<i>Total Local Non-School Revenues</i>	15,572	31%	16,235	31%
School District Revenues				
Tax Revenues	3,090		3,293	
Non-Tax Revenues	979		995	
<i>Total School District Revenues</i>	4,070	8%	4,289	8%
Total Own Source Revenues	\$50,945		\$52,970	
Minnesota Personal Income	\$345,035		\$357,558	
Governmental Revenue as Percent of Personal Income	14.8%		14.8%	

In FY 2020, 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.

WHO COLLECTS?



WHO SPENDS?



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.

Personal income data is obtained from the Bureau of Economic Analysis. Minnesota Personal income is the income that Minnesota residents get from paychecks, employer-provided supplements such as insurance, business ownership, rental property, Social Security and other government benefits, interest, and dividends.

Price of Government

State & Local Revenues

as a Percent of Personal Income

November 2019 Forecast

(\$ 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	Actual 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	12,405,417	12,492,600	13,495,300	13,688,700	14,171,000
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	6,273,252	6,575,044	6,773,449	6,988,982	7,204,534
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	1,660,015	1,589,248	1,524,832	1,601,949	1,638,317
Gasoline & Special Fuels Taxes	826,753	849,534	845,177	857,362	877,702	889,252	900,382	911,548	926,730	937,793	934,200	929,500	923,700	914,500
Motor Vehicle License Tax	531,551	557,175	580,240	623,210	652,951	687,115	702,306	752,889	781,868	803,633	843,752	877,440	903,699	930,747
Motor Vehicle Sales Tax	453,563	506,035	558,379	597,785	640,272	694,265	714,496	754,284	772,358	809,852	855,400	882,100	924,100	966,800
Statewide Property Tax	766,831	766,926	799,333	811,388	835,554	838,080	853,780	858,389	811,376	810,627	787,515	774,358	767,814	767,821
Health Care Taxes	525,153	546,903	484,278	513,763	525,318	554,751	584,236	613,550	644,876	675,936	685,248	671,164	706,459	745,095
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	2,206,831	2,298,724	2,322,648	2,351,789	2,403,512	2,468,051
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	25,185,543	26,675,249	27,085,655	28,279,932	28,908,915	29,806,865
<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	1,168,979	1,258,481	1,251,117	1,256,779	1,229,213
Investment Earnings	75,683	68,572	72,194	77,114	84,431	93,588	123,734	158,871	209,640	333,780	305,449	294,913	290,733	294,041
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	1,681,092	1,697,717	1,723,597	1,723,597	1,723,597	1,723,597
Tobacco Settlements	168,297	169,375	166,861	170,060	175,399	170,747	171,238	168,226	166,931	162,765	154,254	154,241	154,447	148,792
All Other Resources	760,955	777,684	854,442	906,671	1,173,559	920,233	1,307,886	1,221,815	2,140,268	882,107	775,067	742,219	764,203	756,452
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	4,437,921	5,408,927	4,245,348	4,216,848	4,166,087	4,189,759	4,152,095
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	28,403,268	30,594,470	30,920,597	31,302,503	32,446,019	33,098,674	33,958,960
<i>Federal Grants</i>	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	11,825,013	13,478,407	13,038,733	14,094,243	14,561,763
TOTAL STATE REVENUES	29,500,069	31,382,208	31,092,406	33,040,079	35,558,274	37,578,504	39,027,647	39,390,670	42,570,799	42,745,610	44,780,910	45,484,752	47,192,917	48,520,723

Price of Government

State & Local Revenues

as a Percent of Personal Income

November 2019 Forecast

(\$ 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	Actual FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
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	6,037,866	6,349,630	6,664,632	6,998,330	7,293,471	7,618,270
Sales Tax	281,471	295,212	316,217	331,528	346,540	372,913	421,657	470,681	509,592	643,382	674,537	714,435	737,314	760,678
Other Taxes	186,593	172,002	175,355	176,652	215,053	261,453	264,258	278,865	278,249	294,213	313,013	331,086	338,834	347,348
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	6,825,707	7,287,225	7,652,182	8,043,851	8,369,619	8,726,295
<i>Non-Tax Revenues:</i>														
Special Assessments	344,332	347,913	321,931	338,755	368,775	355,259	351,391	356,065	341,020	357,431	369,410	383,066	397,488	414,752
Licenses and Permits	151,194	157,641	170,119	189,936	206,706	227,075	236,008	244,242	264,833	277,600	287,051	297,891	309,406	323,274
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	1,513,347	1,574,558	1,618,730	1,669,375	1,722,801	1,787,343
Investment Earnings	178,693	143,817	189,380	118,811	(48,374)	197,075	101,746	107,694	147,112	150,462	160,455	158,851	166,793	175,133
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	4,626,712	4,847,529	5,004,578	5,184,599	5,374,517	5,603,879
Miscellaneous Revenues	615,737	512,230	504,049	483,034	489,369	499,612	501,240	504,062	446,054	464,905	480,056	497,326	515,540	537,360
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	7,339,078	7,672,485	7,920,281	8,191,107	8,486,545	8,841,741
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	14,164,785	14,959,710	15,572,463	16,234,958	16,856,164	17,568,037
<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	3,033,383	3,117,474	3,320,780	3,391,108	3,391,874	3,453,266
Local Aid	340,912	308,779	333,561	330,102	409,895	391,775	375,941	378,636	527,604	507,861	507,861	507,861	507,861	507,861
Federal Aid	1,077,804	1,218,445	1,169,494	1,121,132	985,667	1,035,303	1,012,298	994,062	1,002,852	1,010,299	1,022,054	1,032,274	1,042,597	1,053,023
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	4,563,839	4,635,634	4,850,695	4,931,243	4,942,333	5,014,150
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	18,728,624	19,595,344	20,423,158	21,166,202	21,798,497	22,582,186

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State & Local Revenues

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November 2019 Forecast

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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	2,682,117	2,862,966	3,082,238	3,284,419	3,461,533	3,659,695
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	8,995	8,689	8,789
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	2,690,715	2,871,054	3,090,089	3,293,414	3,470,222	3,668,484
<i>Non-Tax Revenues:</i>														
Fee Revenue	487,304	493,927	509,731	516,350	526,486	518,615	545,579	567,228	586,260	609,841	622,038	634,479	647,168	660,111
Other Miscellaneous Revenue	266,948	261,008	261,224	248,829	264,903	264,603	304,628	295,130	315,310	353,883	357,420	360,994	364,604	368,250
Subtotal - School District Non Tax Revenues	754,252	754,935	770,955	765,179	791,389	783,218	850,207	862,358	901,570	963,724	979,458	995,473	1,011,772	1,028,362
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	3,592,285	3,834,778	4,069,547	4,288,887	4,481,994	4,696,845
<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	8,756,732	9,081,450	9,402,467	9,669,671	10,011,035	10,141,465	10,297,756
State Paid Tax Credits	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,453	10,545	10,528	10,873	10,967	11,036
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	8,667	8,544	8,683	8,157	8,157	8,157
Ag School Bond Credit						0	0	0	0	36,033	38,055	58,087	68,895	77,639
Local Aid	43,389	40,314	40,927	43,350	47,235	52,039	51,359	50,215	50,412	50,245	53,082	53,082	53,082	53,082
Federal Aid	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	744,012	749,207	775,769	783,526	791,362	799,275	807,268
Subtotal - Intergovernmental Revenue	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,890,724	9,184,821	9,570,731	9,900,189	10,283,603	10,563,545	10,932,595	11,081,841	11,254,938
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	13,061,385	13,492,474	14,118,381	14,633,092	15,221,482	15,563,835	15,951,783

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State & Local Revenues

as a Percent of Personal Income

November 2019 Forecast

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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	34,701,965	36,833,528	37,827,926	39,617,198	40,748,756	42,201,644
<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	12,276,170	13,649,575	12,881,557	13,116,587	13,352,667	13,688,077	14,022,198
<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	25,021,565	26,440,357	26,744,250	28,892,647	28,902,571	30,118,417	30,830,850
TOTAL ALL REVENUES	55,780,511	57,307,331	57,423,225	60,037,610	62,887,294	66,501,965	68,886,538	70,441,870	74,791,897	76,459,335	79,837,160	81,872,436	84,555,249	87,054,692
Less: Intergovernmental Revenues	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,001)	(24,484,486)	(25,021,565)	(26,440,357)	(26,744,250)	(28,892,647)	(28,902,571)	(30,118,417)	(30,830,850)
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	45,420,305	48,351,540	49,715,085	50,944,512	52,969,864	54,436,832	56,223,842
Minnesota Personal Income	219,236,748	235,749,813	249,438,151	258,699,388	265,615,524	281,422,525	289,979,771	300,508,896	313,191,123	330,104,482	345,035,000	357,557,500	373,532,500	389,870,000
Revenue as Percent of Personal Income	15.4%	15.1%	14.8%	15.2%	15.5%	15.2%	15.3%	15.1%	15.4%	15.1%	14.8%	14.8%	14.6%	14.4%