

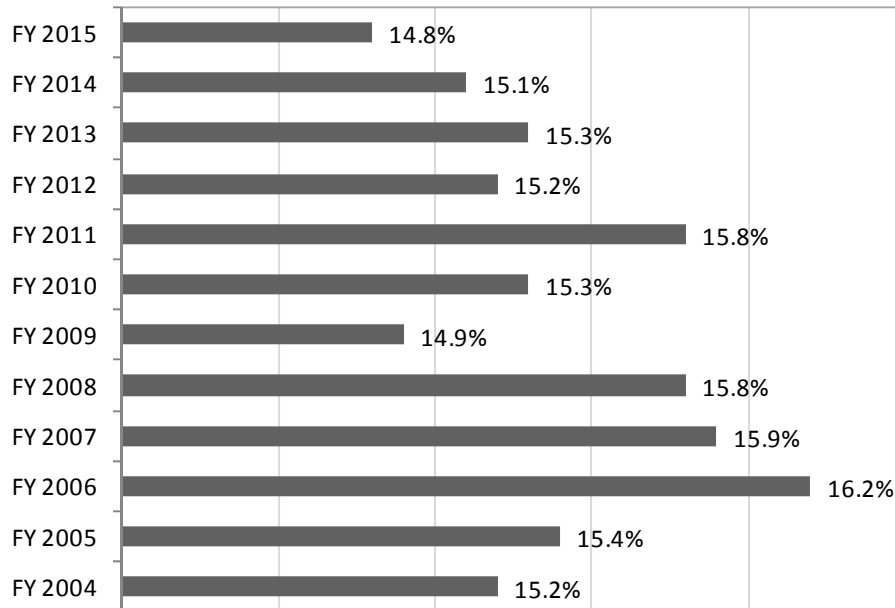
# Price of Government

## State and Local Government Revenues are Forecast Through 2015

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 2010, fiscal year 2011, it is estimated at 15.8 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.8 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 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.

<b>Own Source Revenues</b>				
(\$ in millions)				
	<b><u>FY 2010</u></b>	<b><u>Percent of Total</u></b>	<b><u>FY 2011</u></b>	<b><u>Percent of Total</u></b>
<b>State Revenues</b>				
Tax Revenues	\$16,056		\$17,597	
Non-Tax Revenues	<u>3,754</u>		<u>4,275</u>	
Total State Revenues	19,810	59%	21,872	61%
<b>Local Non-School Revenues</b>				
Tax Revenues	5,364		5,465	
Non-Tax Revenues	<u>5,757</u>		<u>5,916</u>	
Total Local Non-School Rev	11,121	33%	11,381	31%
<b>School District Revenues</b>				
Tax Revenues	2,066		2,132	
Non-Tax Revenues	<u>752</u>		<u>763</u>	
Total School District Revenues	2,818	8%	2,895	8%
<b>Total Own Source Revenues</b>	<b>33,749</b>		<b>36,148</b>	
<b>Minnesota Personal Income</b>	<b>\$220,439</b>		<b>\$229,218</b>	
<b>Governmental Revenue as Percent of Personal Income</b>	<b>15.3%</b>		<b>15.8%</b>	

In FY 2011, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 61 percent. Counties, cities, and townships will collect about 31 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 35 percent of the total while non-school local governments will spend 38 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 2002 through FY 2015 shown by level of government.

**February 2011 Forecast**  
**Price of Government**  
**State & Local Revenues, CY 2001-2014**  
**as a Percent of Personal Income**  
(\$ in Thousands)

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>State Revenues</b>														
<i>Tax Revenues:</i>														
Individual Income Tax	5,443,342	5,371,829	5,709,584	6,341,164	6,862,953	7,230,855	7,759,209	6,988,235	6,530,958	7,261,000	7,819,200	8,355,500	8,612,100	9,034,700
General Sales Tax	3,805,851	3,956,283	4,119,075	4,258,183	4,484,813	4,525,773	4,592,576	4,366,488	4,430,792	4,841,477	4,797,028	5,062,611	5,205,641	5,379,021
Corporate Income Tax	529,458	588,656	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	663,505	989,600	771,600	788,200	846,500	869,600
Gasoline & Special Fuels Taxes	623,898	643,392	653,626	656,580	650,363	647,941	651,855	745,760	826,753	853,078	873,314	890,031	892,131	891,354
Motor Vehicle License Tax	473,232	491,714	492,339	496,299	491,406	483,991	477,323	501,441	531,551	544,956	566,663	586,672	601,837	615,396
Motor Vehicle Sales Tax	614,147	605,561	593,855	557,678	538,718	533,261	512,662	442,627	453,563	498,100	535,700	565,800	579,400	609,400
Statewide Property Tax	305,573	585,416	599,622	610,874	631,279	665,744	704,246	729,373	766,831	762,225	779,323	792,917	806,401	827,382
Health Care Taxes	173,923	201,080	266,804	410,014	440,980	467,410	481,608	516,792	525,153	557,900	572,400	603,100	643,000	696,800
All Other Taxes	1,027,662	1,263,867	1,330,247	1,274,399	1,528,458	1,373,816	1,339,263	1,333,019	1,327,011	1,288,350	1,321,621	1,325,061	1,364,572	1,435,326
Subtotal - State Taxes	12,997,086	13,707,798	14,393,200	15,531,065	16,690,597	17,099,892	17,538,923	16,331,929	16,056,117	17,596,686	18,036,849	18,969,892	19,551,582	20,358,979
<i>Non-Tax Revenues:</i>														
Fees & Charges	614,121	758,166	861,625	892,486	1,268,418	1,177,089	1,220,266	1,228,610	1,265,434	1,311,971	1,310,079	1,278,698	1,278,753	1,280,940
Investment Earnings	250,735	176,646	86,107	97,660	173,875	251,802	253,459	180,370	80,977	74,450	71,189	98,255	130,415	140,131
Post-Secondary Tuition	650,771	740,164	876,000	952,785	1,061,327	1,150,022	1,221,500	1,307,918	1,447,977	1,527,400	1,545,620	1,551,780	1,551,780	1,551,780
Tobacco Settlements	156,646	152,566	168,467	175,488	180,790	183,911	184,411	179,854	168,297	164,614	161,901	157,766	153,065	149,930
All Other Resources	648,002	559,987	484,192	480,689	521,984	379,921	498,462	697,473	791,727	1,196,717	870,672	883,267	862,258	871,905
Subtotal - State Non Tax Revenues	2,320,275	2,387,529	2,476,391	2,599,108	3,206,394	3,142,745	3,378,098	3,594,225	3,754,412	4,275,152	3,959,461	3,969,766	3,976,271	3,994,686
Subtotal - State Own Source Revenues	15,317,361	16,095,327	16,869,591	18,130,173	19,896,991	20,242,637	20,917,021	19,926,154	19,810,529	21,871,838	21,996,310	22,939,658	23,527,853	24,353,665
Federal Grants	5,054,788	5,728,608	5,934,455	6,037,741	6,056,552	6,531,710	6,781,953	8,031,181	9,725,606	10,041,835	9,228,509	9,475,837	9,426,271	9,398,581
<b>TOTAL STATE REVENUES</b>	<b>20,372,149</b>	<b>21,823,935</b>	<b>22,804,046</b>	<b>24,167,914</b>	<b>25,953,543</b>	<b>26,774,347</b>	<b>27,698,974</b>	<b>27,957,335</b>	<b>29,536,135</b>	<b>31,913,673</b>	<b>31,224,819</b>	<b>32,415,495</b>	<b>32,954,124</b>	<b>33,752,246</b>
<b>Local Non-School Revenues</b>														
<i>Tax Revenues:</i>														
Property Tax	3,134,397	3,035,806	3,286,132	3,487,467	3,712,295	3,998,439	4,325,031	4,664,807	4,896,614	4,993,286	5,088,120	5,162,039	5,307,638	5,524,318
Sales Tax	110,537	108,939	109,805	124,986	132,799	142,405	181,214	234,312	281,459	298,246	310,951	318,187	331,294	341,443
Other Taxes	130,443	124,164	139,909	138,270	161,507	164,631	148,454	186,030	186,593	173,661	187,454	191,058	195,157	199,778
Subtotal - Local Taxes	3,375,377	3,268,909	3,535,846	3,750,723	4,006,601	4,305,475	4,654,699	5,085,149	5,364,666	5,465,193	5,586,525	5,671,284	5,834,089	6,065,539
<i>Non-Tax Revenues:</i>														
Special Assessments	268,097	291,122	326,123	337,068	344,394	341,531	345,448	329,666	342,492	352,933	364,201	375,081	387,445	401,368
Licenses and Permits	153,870	161,960	175,918	193,546	199,330	197,952	180,199	168,677	151,953	156,993	162,464	167,826	173,934	180,833
Charges for Services	814,858	872,775	1,055,651	1,192,728	1,075,780	1,089,702	1,166,288	1,105,485	1,115,505	1,146,537	1,180,055	1,212,358	1,249,145	1,290,637
Investment Earnings	363,928	274,022	152,660	162,378	224,633	380,413	359,674	212,201	201,591	197,560	217,315	239,047	250,999	
Selected Enterprise Revenues	2,420,201	2,648,518	2,695,742	2,838,441	2,943,018	3,214,027	3,294,338	3,425,271	3,453,117	3,561,022	3,677,568	3,789,938	3,917,864	4,062,122
Miscellaneous Revenues	486,557	468,200	464,994	492,958	498,821	506,124	531,468	463,039	481,432	496,982	513,733	530,013	548,405	569,013
Subtotal - Local Non Tax Revenues	4,507,511	4,716,597	4,871,088	5,217,119	5,285,976	5,729,749	6,006,862	5,851,812	5,756,700	5,916,058	6,095,581	6,292,531	6,515,840	6,754,972
Subtotal - Local Own Source Revenues	7,882,888	7,985,506	8,406,934	8,967,842	9,292,577	10,035,224	10,661,561	10,936,961	11,121,366	11,381,251	11,682,106	11,963,815	12,349,929	12,820,511
<i>Intergovernmental Revenue:</i>														
State Aid	2,511,171	2,918,176	2,632,590	2,475,904	2,570,258	2,701,489	2,765,824	2,494,934	2,564,400	2,394,625	2,645,602	2,663,497	2,681,886	2,704,935
Local Aid	120,046	109,320	178,908	214,384	203,588	239,302	457,236	541,921	382,987	382,987	382,987	382,987	382,987	382,987
Federal Aid	573,518	615,225	675,464	667,368	731,744	779,073	795,978	1,004,511	946,355	970,961	873,864	891,342	918,082	954,805
Subtotal - Intergovernmental Revenue	3,204,735	3,642,721	3,486,962	3,357,656	3,505,590	3,719,864	4,019,038	4,041,366	3,893,742	3,748,573	3,902,453	3,937,826	3,982,955	4,042,727
<b>TOTAL LOCAL NON-SCHOOL REVENUES</b>	<b>11,087,623</b>	<b>11,628,227</b>	<b>11,893,896</b>	<b>12,325,498</b>	<b>12,798,167</b>	<b>13,755,088</b>	<b>14,680,599</b>	<b>14,978,327</b>	<b>15,015,108</b>	<b>15,129,824</b>	<b>15,584,559</b>	<b>15,901,641</b>	<b>16,332,884</b>	<b>16,863,238</b>

**February 2011 Forecast**  
**Price of Government**  
**State & Local Revenues, CY 2001-2014**  
**as a Percent of Personal Income**  
(\$ in Thousands)

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>School District Revenues</b>														
<i>Tax Revenues:</i>														
Property Tax	1,922,340	983,539	1,180,578	1,277,288	1,364,355	1,599,861	1,764,204	1,908,471	2,056,902	2,122,602	2,166,044	2,275,701	2,355,851	2,455,573
Taconite Production Tax	11,393	0	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,563	7,333	7,211
Subtotal - School District Tax Revenues	1,933,733	983,539	1,188,609	1,285,271	1,372,197	1,608,361	1,772,694	1,917,338	2,065,569	2,131,407	2,173,723	2,283,264	2,363,184	2,462,784
<i>Non-Tax Revenues:</i>														
Fee Revenue	353,745	374,424	400,204	417,551	442,392	456,810	479,537	491,257	487,304	497,050	506,991	517,131	527,474	538,023
Other Miscellaneous Revenue	223,514	219,842	212,778	273,027	360,366	386,963	375,218	317,470	264,743	266,067	268,727	271,415	274,129	276,870
Subtotal - School District Non Tax Revenues	577,259	594,266	612,982	690,578	802,758	843,773	854,755	808,727	752,047	763,117	775,718	788,546	801,603	814,893
Subtotal - School Dist Own Source Revenues	2,510,992	1,577,805	1,801,591	1,975,849	2,174,955	2,452,134	2,627,449	2,726,065	2,817,616	2,894,524	2,949,441	3,071,810	3,164,787	3,277,677
<i>Intergovernmental Revenue:</i>														
State Aid	4,334,571	6,088,481	6,053,242	6,002,391	6,234,345	6,424,245	6,760,948	6,864,416	6,255,756	6,885,680	7,011,828	7,176,754	7,328,977	7,480,653
State Paid Tax Credits	27,597	8,959	10,411	9,593	8,706	9,440	9,489	9,425	9,590	9,567	9,981	9,827	9,827	9,827
Education Homestead Credit	404,102	806	239	0	0	0	0	0	0	0	0	0	0	0
Education Agricultural Credit	55,116	0	0	0	0	0	0	0	0	0	0	0	0	0
Market Value Homestead Credit	0	68,860	68,406	64,239	60,880	59,743	56,302	53,475	53,815	57,165	58,097	58,841	59,595	61,408
Homestead Agric Land MV Credit	0	3,854	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,470	5,258	5,258	5,258	5,258
Local Aid	31,701	28,294	28,342	29,008	30,643	30,576	36,389	38,738	43,389	41,544	42,004	42,275	42,314	42,034
Federal Aid	436,464	497,532	541,432	568,689	595,642	590,552	609,822	633,187	1,362,002	886,142	648,524	688,149	695,030	701,981
Subtotal - Intergovernmental Revenue	5,289,551	6,696,786	6,707,951	6,679,129	6,935,516	7,120,153	7,478,718	7,605,018	7,730,176	7,885,568	7,775,692	7,981,104	8,141,001	8,301,161
<b>TOTAL SCHOOL DISTRICT REVENUES</b>	<b>7,800,543</b>	<b>8,274,591</b>	<b>8,509,542</b>	<b>8,654,978</b>	<b>9,110,471</b>	<b>9,572,287</b>	<b>10,106,167</b>	<b>10,331,083</b>	<b>10,547,792</b>	<b>10,780,092</b>	<b>10,725,133</b>	<b>11,052,914</b>	<b>11,305,788</b>	<b>11,578,838</b>
<b>Total State, Local &amp; School District Revenues</b>														
<i>Tax Revenues</i>	18,306,196	17,960,246	19,117,655	20,567,059	22,069,395	23,013,728	23,966,316	23,334,416	23,486,352	25,193,286	25,797,097	26,924,440	27,748,855	28,887,302
<i>Non-Tax Revenues</i>	7,405,045	7,698,392	7,960,461	8,506,805	9,295,128	9,716,267	10,239,715	10,254,764	10,263,159	10,954,327	10,830,760	11,050,843	11,293,714	11,564,551
<i>Intergovernmental Revenue</i>	13,549,074	16,068,115	16,129,368	16,074,526	16,497,658	17,371,727	18,279,709	19,677,565	21,349,524	21,675,976	20,906,654	21,394,767	21,550,227	21,742,469
<b>TOTAL ALL REVENUES</b>	<b>39,260,315</b>	<b>41,726,753</b>	<b>43,207,484</b>	<b>45,148,390</b>	<b>47,862,181</b>	<b>50,101,722</b>	<b>52,485,740</b>	<b>53,266,745</b>	<b>55,099,035</b>	<b>57,823,589</b>	<b>57,534,511</b>	<b>59,370,050</b>	<b>60,592,796</b>	<b>62,194,322</b>
Less: Intergovernmental Revenues	(13,549,074)	(16,068,115)	(16,129,368)	(16,074,526)	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,349,524)	(21,675,976)	(20,906,654)	(21,394,767)	(21,550,227)	(21,742,469)
<b>Total Own Source Revenues</b>	<b>25,711,241</b>	<b>25,658,638</b>	<b>27,078,116</b>	<b>29,073,864</b>	<b>31,364,523</b>	<b>32,729,995</b>	<b>34,206,031</b>	<b>33,589,180</b>	<b>33,749,511</b>	<b>36,147,613</b>	<b>36,627,857</b>	<b>37,975,283</b>	<b>39,042,569</b>	<b>40,451,853</b>
<b>Minnesota Personal Income</b>	<b>166,167,250</b>	<b>170,998,000</b>	<b>178,146,750</b>	<b>188,330,250</b>	<b>193,989,500</b>	<b>205,857,750</b>	<b>216,677,750</b>	<b>226,159,250</b>	<b>220,438,500</b>	<b>229,217,500</b>	<b>240,277,500</b>	<b>248,107,500</b>	<b>258,892,500</b>	<b>273,255,250</b>
<b>Revenue as Percent of Personal Income</b>	<b>15.5%</b>	<b>15.0%</b>	<b>15.2%</b>	<b>15.4%</b>	<b>16.2%</b>	<b>15.9%</b>	<b>15.8%</b>	<b>14.9%</b>	<b>15.3%</b>	<b>15.8%</b>	<b>15.2%</b>	<b>15.3%</b>	<b>15.1%</b>	<b>14.8%</b>