

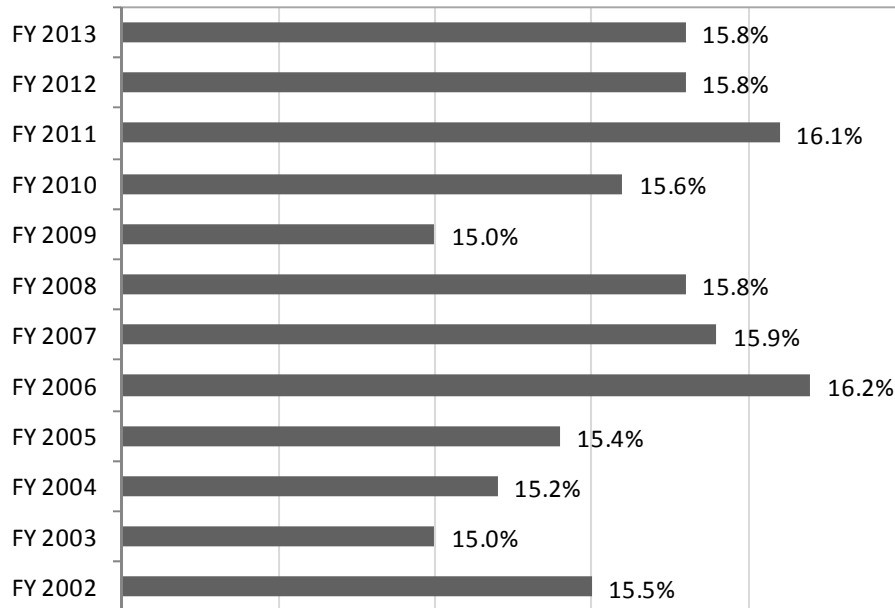
Price of Government

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 2009, fiscal year 2010, it is estimated at 15.6 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.6 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.

Own Source Revenues				
(\$ in millions)				
	<u>FY 2009</u>	<u>Percent of Total</u>	<u>FY 2010</u>	<u>Percent of Total</u>
State Revenues				
Tax Revenues	\$16,332		\$16,147	
Non-Tax Revenues	<u>3,533</u>		<u>3,922</u>	
Total State Revenues	19,865	59%	20,069	59%
Local Non-School Revenues				
Tax Revenues	5,084		5,364	
Non-Tax Revenues	<u>5,947</u>		<u>5,982</u>	
Total Local Non-School Rev	11,031	33%	11,346	33%
School District Revenues				
Tax Revenues	1,917		2,065	
Non-Tax Revenues	<u>809</u>		<u>820</u>	
Total School District Revenues	2,726	8%	2,885	8%
Total Own Source Revenues	33,622		34,300	
Minnesota Personal Income	\$224,671		\$220,463	
Governmental Revenue as Percent of Personal Income	15.0%		15.6%	

In FY 2010, 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 41 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 2000 through FY 2013 shown by level of government.

May 2010 End of Legislative Session

Price of Government

State & Local Revenues, CY 1999-2012

as a Percent of Personal Income

(\$ in Thousands)

	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
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	6,988,235	6,720,020	7,342,060	7,668,950	8,442,425
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	4,366,488	4,405,643	4,761,200	4,656,155	5,050,771
Corporate Income Tax	800,129	728,970	529,458	588,656	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	631,300	799,435	784,000	939,905
Gasoline & Special Fuels Taxes	612,894	612,070	623,898	643,392	653,626	656,580	650,363	647,941	651,855	745,760	825,824	841,159	856,069	871,440
Motor Vehicle License Tax	606,844	454,554	473,232	491,714	492,339	496,299	491,406	483,991	477,323	501,441	521,178	540,131	566,574	589,997
Motor Vehicle Sales Tax	540,961	546,157	614,147	605,561	593,855	557,678	538,718	533,261	512,662	442,627	452,400	511,800	605,300	609,200
Statewide Property Tax	0	0	305,573	585,416	599,622	610,874	631,279	665,744	704,246	729,373	758,740	764,879	775,403	788,084
Health Care Taxes	151,034	167,315	173,923	201,080	266,804	410,014	440,980	467,410	481,608	516,792	531,000	553,200	582,200	614,500
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	1,333,019	1,300,827	1,319,079	1,306,229	1,365,167
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	16,331,929	16,146,932	17,432,943	17,800,880	19,271,489
<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	1,227,826	1,245,342	1,271,928	1,274,623	1,250,626
Investment Earnings	278,512	342,461	250,735	176,646	86,107	97,660	173,875	251,802	253,459	180,440	93,770	91,830	108,243	113,229
Post-Secondary Tuition	509,774	550,302	650,771	740,164	876,000	952,785	1,061,327	1,150,022	1,221,500	1,307,918	1,374,445	1,452,578	1,521,771	1,575,062
Tobacco Settlements	104,926	130,254	156,646	152,566	168,467	175,488	180,790	183,911	184,411	179,854	164,786	163,259	158,795	153,991
All Other Resources	620,461	1,201,570	648,002	559,987	484,192	480,689	521,984	379,921	498,462	637,584	1,043,624	994,304	852,173	852,299
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	3,533,622	3,921,967	3,973,899	3,915,605	3,945,207
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	19,865,551	20,068,899	21,406,842	21,716,485	23,216,696
Federal Grants	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	8,031,181	10,770,039	9,129,288	7,492,112	7,250,770
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	27,896,732	30,838,938	30,536,130	29,208,597	30,467,466
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	4,677,363	4,915,373	5,030,876	5,343,511	5,504,995
Sales Tax	101,717	109,814	110,537	108,939	109,805	124,986	132,799	142,405	181,214	220,602	259,093	261,948	272,068	283,498
Other Taxes	128,689	136,010	130,443	124,164	139,909	138,270	161,507	164,631	148,454	186,030	189,435	192,454	195,803	199,577
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	4,654,699	5,083,995	5,363,901	5,485,278	5,811,382	5,988,070
<i>Non-Tax Revenues:</i>														
Special Assessments	269,433	271,870	268,097	291,122	326,123	337,068	344,394	360,148	367,780	354,760	357,467	367,099	377,761	389,742
Licenses and Permits	134,092	146,620	153,870	161,960	175,918	193,546	199,330	197,952	192,365	182,018	183,613	188,914	194,810	201,462
Charges for Services	704,342	744,613	814,858	872,775	1,055,651	1,192,728	1,075,780	1,089,702	1,166,288	1,167,581	1,175,075	1,203,889	1,235,835	1,271,802
Investment Earnings	200,421	468,041	363,928	274,022	152,660	162,378	224,633	380,413	489,121	347,706	340,752	333,937	327,258	320,713
Selected Enterprise Revenues	2,132,810	2,264,000	2,420,201	2,648,518	2,695,742	2,838,441	2,943,018	3,211,620	3,291,989	3,384,890	3,408,673	3,501,296	3,604,003	3,719,667
Miscellaneous Revenues	465,472	476,004	486,557	468,200	464,994	492,958	498,821	506,124	531,468	509,757	516,209	531,858	549,004	568,036
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	5,745,959	6,039,011	5,946,712	5,981,789	6,126,993	6,288,671	6,471,422
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	10,051,434	10,693,710	11,030,707	11,345,690	11,612,271	12,100,053	12,459,492
<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	2,765,824	2,551,086	2,640,745	2,471,912	2,718,566	2,734,658
Local Aid	96,302	97,932	120,046	109,320	178,908	214,384	203,588	239,302	457,236	318,943	318,943	318,943	318,943	318,943
Federal Aid	483,643	558,693	573,518	615,225	675,464	667,368	731,744	779,073	795,978	807,879	807,879	807,879	807,879	807,879
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	4,019,038	3,677,908	3,767,567	3,598,734	3,845,388	3,861,480
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	13,771,298	14,712,748	14,708,615	15,113,257	15,211,005	15,945,441	16,320,972

May 2010 End of Legislative Session
Price of Government
State & Local Revenues, CY 1999-2012
as a Percent of Personal Income
(\$ in Thousands)

	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	1,908,471	2,056,722	2,125,678	2,281,367	2,410,360
Taconite Production Tax	12,110	11,553	11,393	0	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,805	7,687	7,382
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	1,917,338	2,065,389	2,134,483	2,289,054	2,417,742
<i>Non-Tax Revenues:</i>														
Fee Revenue	312,956	334,452	353,745	374,424	400,204	417,551	442,392	456,810	479,537	491,257	501,082	511,104	521,326	531,752
Other Miscellaneous Revenue	233,148	250,343	223,514	219,842	212,778	273,027	360,366	386,963	375,218	317,465	319,052	320,647	323,854	327,092
Subtotal - School District Non Tax Revenues	546,104	584,795	577,259	594,266	612,982	690,578	802,758	843,773	854,755	808,722	820,134	831,751	845,180	858,844
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	2,627,449	2,726,060	2,885,523	2,966,234	3,134,234	3,276,586
<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	6,760,948	6,865,597	6,266,704	6,906,881	7,037,987	7,190,347
State Paid Tax Credits	48,879	39,129	27,597	8,959	10,411	9,593	8,706	9,440	9,489	9,425	9,592	10,325	10,365	10,419
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	53,475	53,995	54,042	54,075	54,105
Homestead Agric Land MV Credit	0	0	0	3,854	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,305	5,305	5,305
Local Aid	33,814	34,283	31,701	28,294	28,342	29,008	30,643	30,576	36,389	38,738	33,536	33,820	34,098	34,144
Federal Aid	343,022	370,881	436,464	497,532	541,432	568,689	595,642	590,552	609,822	633,187	1,501,129	886,142	639,519	645,914
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	7,478,718	7,606,199	7,870,580	7,896,515	7,781,349	7,940,234
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	10,106,167	10,332,259	10,756,103	10,862,749	10,915,583	11,216,820

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	23,966,316	23,333,262	23,576,222	25,052,704	25,901,316	27,677,301
<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	9,732,477	10,271,864	10,289,056	10,723,890	10,932,643	11,049,456	11,275,473
<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	18,279,709	19,315,288	22,408,186	20,624,537	19,118,849	19,052,484
TOTAL ALL REVENUES	35,391,244	37,788,850	39,260,315	41,726,753	43,207,484	45,148,390	47,862,181	50,117,932	52,517,889	52,937,606	56,708,298	56,609,884	56,069,621	58,005,258
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)	(18,279,709)	(19,315,288)	(22,408,186)	(20,624,537)	(19,118,849)	(19,052,484)

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	32,746,205	34,238,180	33,622,318	34,300,112	35,985,347	36,950,772	38,952,774
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Minnesota Personal Income	148,941,750	160,833,250	166,136,250	170,949,000	178,095,250	188,285,000	193,937,750	205,803,250	216,436,250	224,670,500	220,462,750	223,924,750	233,223,250	245,782,250
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Revenue as Percent of Personal Income	15.9%	15.6%	15.5%	15.0%	15.2%	15.4%	16.2%	15.9%	15.8%	15.0%	15.6%	16.1%	15.8%	15.8%
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