

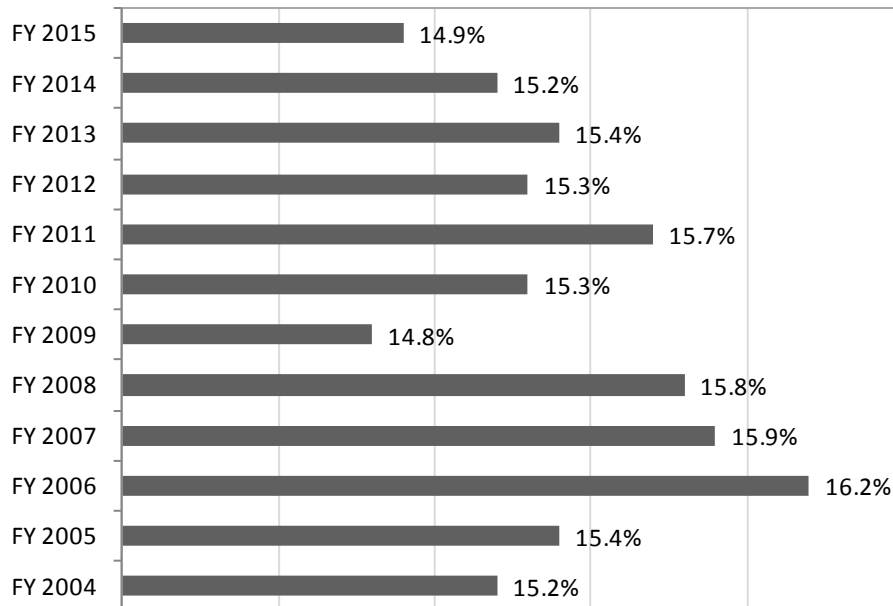
# Price of Government

## 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 15.7 percent. In other words, for every dollar of Minnesota taxpayer personal income, 15.7 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)				
	<u><b>FY 2010</b></u>	<u><b>Percent of Total</b></u>	<u><b>FY 2011</b></u>	<u><b>Percent of Total</b></u>
<b>State Revenues</b>				
Tax Revenues	\$16,056		\$17,502	
Non-Tax Revenues	<u>3,613</u>		<u>4,001</u>	
Total State Revenues	19,669	58%	21,503	60%
<b>Local Non-School Revenues</b>				
Tax Revenues	5,357		5,456	
Non-Tax Revenues	<u>5,935</u>		<u>6,094</u>	
Total Local Non-School Rev	11,292	34%	11,550	32%
<b>School District Revenues</b>				
Tax Revenues	2,066		2,131	
Non-Tax Revenues	<u>754</u>		<u>765</u>	
Total School District Revenues	2,820	8%	2,896	8%
<b>Total Own Source Revenues</b>	<b>33,780</b>		<b>35,949</b>	
<b>Minnesota Personal Income</b>	<b>\$220,438</b>		<b>\$228,479</b>	
<b>Governmental Revenue as Percent of Personal Income</b>	<b>15.3%</b>		<b>15.7%</b>	

In FY 2011, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 60 percent. Counties, cities, and townships will collect about 32 percent, while school districts will collect about 8 percent. However, once intergovernmental aids are considered, the state will spend only 34 percent of the total while non-school local governments will spend 39 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.

**November 2010 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	7,235,400	7,499,400	8,176,500	8,353,100	8,811,300
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	4,805,235	4,663,870	4,938,941	5,076,133	5,274,571
Corporate Income Tax	529,458	588,656	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	663,505	967,800	727,800	813,100	851,500	878,400
Gasoline & Special Fuels Taxes	623,898	643,392	653,626	656,580	650,363	647,941	651,855	745,760	826,753	850,640	862,464	879,311	881,411	882,761
Motor Vehicle License Tax	473,232	491,714	492,339	496,299	491,406	483,991	477,323	501,441	531,551	544,540	557,615	575,443	589,004	601,192
Motor Vehicle Sales Tax	614,147	605,561	593,855	557,678	538,718	533,261	512,662	442,627	453,563	478,700	544,000	581,600	592,100	622,400
Statewide Property Tax	305,573	585,416	599,622	610,874	631,279	665,744	704,246	729,373	766,831	762,225	775,524	784,654	798,057	815,106
Health Care Taxes	173,923	201,080	266,804	410,014	440,980	467,410	481,608	516,792	525,153	570,600	586,600	615,400	653,700	707,600
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	1,286,895	1,227,987	1,279,593	1,318,032	1,378,988
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	17,502,035	17,445,260	18,644,542	19,113,037	19,972,318
<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	1,303,228	1,320,955	1,288,592	1,285,458	1,286,213
Investment Earnings	250,735	176,646	86,107	97,660	173,875	251,802	253,459	180,370	80,977	74,996	72,568	100,616	133,184	142,966
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	161,837	158,795	153,991	148,495	144,365
All Other Resources	648,002	559,987	484,192	480,689	521,984	379,921	498,462	636,870	649,913	933,947	884,225	891,407	878,617	888,828
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	3,533,622	3,612,598	4,001,408	3,982,163	3,986,386	3,997,534	4,014,152
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	19,865,551	19,668,715	21,503,443	21,427,423	22,630,928	23,110,571	23,986,470
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	9,982,592	8,716,227	8,889,176	10,102,077	11,851,870
<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>27,896,732</b>	<b>29,394,321</b>	<b>31,486,035</b>	<b>30,143,650</b>	<b>31,520,104</b>	<b>33,212,648</b>	<b>35,838,340</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	4,992,906	5,129,166	5,304,039	5,539,457	5,806,532
Sales Tax	110,537	108,939	109,805	124,986	132,799	142,405	181,214	222,584	270,885	285,954	294,106	298,377	311,104	321,465
Other Taxes	130,443	124,164	139,909	138,270	161,507	164,631	148,454	186,030	189,465	176,499	189,295	192,608	196,545	200,972
Subtotal - Local Taxes	3,375,377	3,268,909	3,535,846	3,750,723	4,006,601	4,305,475	4,654,699	5,073,421	5,356,964	5,455,359	5,612,567	5,795,024	6,047,106	6,328,969
<i>Non-Tax Revenues:</i>														
Special Assessments	268,097	291,122	326,123	337,068	344,394	341,531	345,448	330,000	332,456	342,469	350,559	360,297	371,816	384,743
Licenses and Permits	153,870	161,960	175,918	193,546	199,330	197,952	180,199	166,723	168,150	173,575	178,045	183,433	189,818	197,018
Charges for Services	814,858	872,775	1,055,651	1,192,728	1,075,780	1,089,702	1,166,288	1,112,309	1,119,807	1,149,816	1,173,664	1,202,624	1,237,103	1,275,917
Investment Earnings	363,928	274,022	152,660	162,378	224,633	380,413	489,121	372,294	348,252	341,287	334,461	327,772	321,216	314,792
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	3,445,487	3,549,348	3,632,016	3,732,320	3,851,671	3,985,991
Miscellaneous Revenues	486,557	468,200	464,994	492,958	498,821	506,124	531,468	509,855	520,823	537,840	552,247	569,146	588,728	610,469
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	5,916,452	5,934,975	6,094,335	6,220,992	6,375,592	6,560,352	6,768,930
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	10,989,873	11,291,939	11,549,694	11,833,559	12,170,616	12,607,458	13,097,899
<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	2,501,075	2,588,768	2,419,952	2,669,796	2,687,636	2,442,375	2,459,706
Local Aid	120,046	109,320	178,908	214,384	203,588	239,302	457,236	375,883	343,943	343,943	343,943	343,943	343,943	343,943
Federal Aid	573,518	615,225	675,464	667,368	731,744	779,073	795,978	990,204	917,080	917,080	917,080	917,080	917,080	917,080
Subtotal - Intergovernmental Revenue	3,204,735	3,642,721	3,486,962	3,357,656	3,505,590	3,719,864	4,019,038	3,867,162	3,849,791	3,680,975	3,930,819	3,948,659	3,703,398	3,720,729
<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>14,857,035</b>	<b>15,141,730</b>	<b>15,230,669</b>	<b>15,764,378</b>	<b>16,119,275</b>	<b>16,310,856</b>	<b>16,818,628</b>

**November 2010 Forecast**  
**Price of Government**  
**State & Local Revenues, CY 2001-2014**  
**as a Percent of Personal Income**  
(\$ in Thousands)

	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	CY 2013 FY 2014	CY 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	2,121,995	2,171,876	2,259,946	2,340,287	2,435,486
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	2,130,800	2,179,555	2,267,509	2,347,620	2,442,697
<i>Non-Tax Revenues:</i>														
Fee Revenue	353,745	374,424	400,204	417,551	442,392	456,810	479,537	491,257	487,143	496,886	506,824	516,960	527,299	537,845
Other Miscellaneous Revenue	223,514	219,842	212,778	273,027	360,366	386,963	375,218	317,470	266,828	268,162	270,844	273,552	276,288	279,051
Subtotal - School District Non Tax Revenues	577,259	594,266	612,982	690,578	802,758	843,773	854,755	808,727	753,971	765,048	777,668	790,512	803,587	816,896
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	2,819,540	2,895,848	2,957,223	3,058,021	3,151,207	3,259,593
<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	6,261,791	6,895,654	7,028,219	7,184,713	7,331,897	7,492,133
State Paid Tax Credits	27,597	8,959	10,411	9,593	8,706	9,440	9,489	9,425	9,590	9,678	9,952	9,798	9,798	9,798
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	57,675	55,943	56,415	56,890	58,321
Homestead Agric Land MV Credit	0	3,854	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,472	5,459	5,459	5,459	5,459
Local Aid	31,701	28,294	28,342	29,008	30,643	30,576	36,389	38,738	43,433	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	1,324,311	886,142	639,519	645,914	652,373	658,897
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	7,698,564	7,896,165	7,781,096	7,944,574	8,098,731	8,266,642
<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>10,518,104</b>	<b>10,792,013</b>	<b>10,738,319</b>	<b>11,002,595</b>	<b>11,249,938</b>	<b>11,526,235</b>

**Total State, Local & School District Revenues**

<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	23,322,688	23,478,650	25,088,194	25,237,382	26,707,075	27,507,763	28,743,984
<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	10,258,801	10,301,544	10,860,791	10,980,823	11,152,490	11,361,473	11,599,978
<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	19,503,361	21,273,961	21,559,732	20,428,142	20,782,409	21,904,206	23,839,241
<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>53,084,850</b>	<b>55,054,155</b>	<b>57,508,717</b>	<b>56,646,347</b>	<b>58,641,974</b>	<b>60,773,442</b>	<b>64,183,203</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)	(19,503,361)	(21,273,961)	(21,559,732)	(20,428,142)	(20,782,409)	(21,904,206)	(23,839,241)

<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>33,581,489</b>	<b>33,780,194</b>	<b>35,948,985</b>	<b>36,218,205</b>	<b>37,859,565</b>	<b>38,869,236</b>	<b>40,343,962</b>
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<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>226,158,750</b>	<b>220,437,500</b>	<b>228,478,500</b>	<b>237,057,500</b>	<b>245,380,000</b>	<b>256,182,500</b>	<b>270,447,250</b>
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<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>14.8%</b>	<b>15.3%</b>	<b>15.7%</b>	<b>15.3%</b>	<b>15.4%</b>	<b>15.2%</b>	<b>14.9%</b>
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