

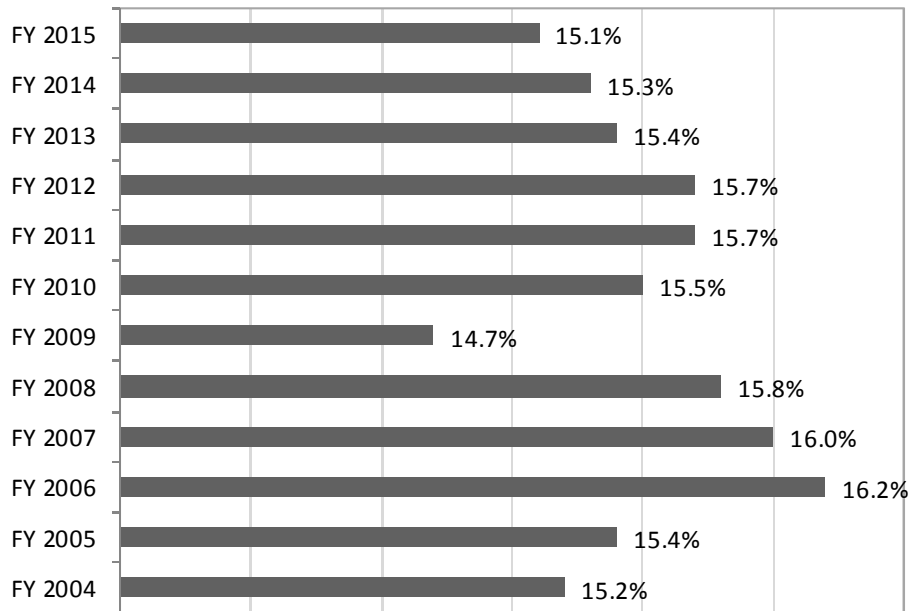
# Price of Government

## 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 2011, fiscal year 2012, 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 2011</b></u>	<u><b>Percent of Total</b></u>	<u><b>FY 2012</b></u>	<u><b>Percent of Total</b></u>
<b>State Revenues</b>				
Tax Revenues	\$17,726		\$18,363	
Non-Tax Revenues	<u>3,828</u>		<u>4,820</u>	
Total State Revenues	21,554	60%	23,183	61%
<b>Local Non-School Revenues</b>				
Tax Revenues	5,457		5,560	
Non-Tax Revenues	<u>5,877</u>		<u>6,061</u>	
Total Local Non-School Rev	11,334	32%	11,621	31%
<b>School District Revenues</b>				
Tax Revenues	2,131		2,170	
Non-Tax Revenues	<u>755</u>		<u>767</u>	
Total School District Revenues	2,886	8%	2,937	8%
<b>Total Own Source Revenues</b>	<b>35,775</b>		<b>37,741</b>	
<b>Minnesota Personal Income</b>	<b>\$227,837</b>		<b>\$240,943</b>	
<b>Governmental Revenue as Percent of Personal Income</b>	<b>15.7%</b>		<b>15.7%</b>	

In FY 2012, 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 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 2002 through FY 2015 shown by level of government.

**November 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	7,529,204	7,948,000	8,266,200	8,720,000	9,125,100
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	4,676,424	4,905,684	5,014,534	5,205,033	5,422,688
Corporate Income Tax	529,458	588,656	628,048	925,874	1,061,627	1,171,101	1,020,181	708,194	663,505	924,613	935,800	889,300	954,800	1,006,300
Gasoline & Special Fuels Taxes	623,898	643,392	653,626	656,580	650,363	647,941	651,855	745,760	826,753	849,534	870,035	892,560	895,718	891,427
Motor Vehicle License Tax	473,232	491,714	492,339	496,299	491,406	483,991	477,323	501,441	531,551	557,175	565,157	578,428	587,812	597,976
Motor Vehicle Sales Tax	614,147	605,561	593,855	557,678	538,718	533,261	512,662	442,627	453,563	506,035	527,000	571,700	607,800	648,100
Statewide Property Tax	305,573	585,416	599,622	610,874	631,279	665,744	704,246	729,373	766,831	766,926	779,955	801,119	816,630	832,612
Health Care Taxes	173,923	201,080	266,804	410,014	440,980	467,410	481,608	516,792	525,153	546,903	553,036	580,299	612,896	659,202
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	1,369,243	1,277,779	1,298,113	1,348,304	1,409,109
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	17,726,057	18,362,446	18,892,253	19,748,993	20,592,514
<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	1,285,126	1,308,096	1,313,176	1,313,819	1,316,826
Investment Earnings	250,735	176,646	86,107	97,660	185,763	264,747	253,303	171,748	75,683	68,572	67,135	69,318	82,702	132,163
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	1,629,800	1,660,200	1,660,200	1,660,200
Tobacco Settlements	156,646	152,566	168,467	175,488	180,790	183,911	184,411	179,854	168,297	169,375	161,901	157,766	89,238	89,145
All Other Resources	648,002	559,987	484,192	480,689	569,495	474,762	533,964	701,676	760,955	777,684	1,653,497	929,883	855,914	872,600
Subtotal - State Non Tax Revenues	2,320,275	2,387,529	2,476,391	2,599,108	3,265,793	3,250,531	3,413,444	3,589,806	3,718,346	3,828,157	4,820,429	4,130,343	4,001,873	4,070,934
Subtotal - State Own Source Revenues	15,317,361	16,095,327	16,869,591	18,130,173	19,956,390	20,350,423	20,952,367	19,921,735	19,774,463	21,554,214	23,182,875	23,022,596	23,750,866	24,663,448
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	9,756,757	9,454,485	9,445,932	9,498,406	9,447,813
<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>26,012,942</b>	<b>26,882,133</b>	<b>27,734,320</b>	<b>27,952,916</b>	<b>29,500,069</b>	<b>31,310,971</b>	<b>32,637,360</b>	<b>32,468,528</b>	<b>33,249,272</b>	<b>34,111,261</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	4,663,982	4,896,614	4,993,286	5,078,422	5,393,704	5,533,218	5,732,727
Sales Tax	110,537	108,939	109,805	124,986	132,799	142,405	181,214	234,312	281,459	289,840	304,926	316,602	326,086	338,245
Other Taxes	130,443	124,164	139,909	138,270	161,507	164,631	148,454	186,030	186,593	174,010	176,314	187,030	191,556	196,637
Subtotal - Local Taxes	3,375,377	3,268,909	3,535,846	3,750,723	4,006,601	4,305,475	4,654,699	5,084,324	5,364,666	5,457,136	5,559,662	5,897,336	6,050,860	6,267,609
<i>Non-Tax Revenues:</i>														
Special Assessments	268,097	291,122	326,123	337,068	344,394	341,531	345,448	329,666	344,332	355,490	368,012	380,224	394,016	409,478
Licenses and Permits	153,870	161,960	175,918	193,546	199,330	197,952	180,199	168,677	151,194	156,404	162,041	167,550	173,781	180,777
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	1,122,285	1,143,065	1,177,828	1,211,469	1,249,682	1,292,710
Investment Earnings	363,928	274,022	152,660	162,378	224,633	380,413	489,121	359,674	178,693	176,217	167,406	217,628	282,917	297,063
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	3,435,839	3,549,672	3,672,408	3,791,428	3,926,452	4,078,345
Miscellaneous Revenues	486,557	468,200	464,994	492,958	498,821	506,124	531,468	463,039	615,737	496,366	513,749	530,704	549,823	571,222
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	5,848,080	5,877,214	6,061,444	6,299,003	6,576,671	6,829,595
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	10,936,136	11,212,746	11,334,350	11,621,106	12,196,339	12,627,531	13,097,204
<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	2,587,881	2,452,728	2,459,361	2,380,038	2,400,956	2,417,086
Local Aid	120,046	109,320	178,908	214,384	203,588	239,302	457,236	541,921	340,912	333,058	333,058	333,058	333,058	333,058
Federal Aid	573,518	615,225	675,464	667,368	731,744	779,073	795,978	1,004,511	1,077,804	1,104,289	993,860	1,003,799	1,013,837	1,023,975
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	4,006,597	3,890,075	3,786,279	3,716,895	3,747,851	3,774,119
<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>14,977,502</b>	<b>15,219,343</b>	<b>15,224,425</b>	<b>15,407,385</b>	<b>15,913,234</b>	<b>16,375,382</b>	<b>16,871,323</b>

**November 2011 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	2,056,723	2,122,599	2,162,430	2,277,612	2,341,325	2,390,746
Taconite Production Tax	11,393	0	8,031	7,983	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,248	7,253
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	2,065,390	2,131,404	2,170,109	2,285,218	2,348,573	2,397,999
<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	493,927	503,806	513,882	524,159	534,642
Other Miscellaneous Revenue	223,514	219,842	212,778	273,027	360,366	386,963	375,218	317,470	266,948	260,894	263,503	266,138	268,799	271,487
Subtotal - School District Non Tax Revenues	577,259	594,266	612,982	690,578	802,758	843,773	854,755	808,727	754,252	754,821	767,309	780,020	792,958	806,129
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	2,819,642	2,886,225	2,937,418	3,065,238	3,141,531	3,204,128
<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	6,255,484	6,876,163	7,050,399	7,343,699	7,503,340	7,655,897
State Paid Tax Credits	27,597	8,959	10,411	9,593	8,706	9,440	9,489	9,425	9,592	9,570	10,238	9,610	9,610	9,610
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	53,994	57,165	60,794	0	0	0
Homestead Agric Land MV Credit	0	3,854	5,879	5,209	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,484	5,484	5,484
Local Aid	31,701	28,294	28,342	29,008	30,643	30,576	36,389	38,738	43,389	40,314	41,209	41,282	41,072	40,482
Federal Aid	436,464	497,532	541,432	568,689	595,642	590,552	609,822	633,187	1,362,002	903,486	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	7,730,085	7,892,168	7,816,509	8,088,224	8,254,536	8,413,454
<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>10,549,727</b>	<b>10,778,393</b>	<b>10,753,927</b>	<b>11,153,462</b>	<b>11,396,067</b>	<b>11,617,582</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	23,333,591	23,486,173	25,314,597	26,092,217	27,074,807	28,148,426	29,258,122
<i>Non-Tax Revenues</i>	7,405,045	7,698,392	7,960,461	8,506,805	9,354,527	9,824,053	10,275,061	10,250,345	10,320,678	10,460,192	11,649,182	11,209,366	11,371,502	11,706,658
<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	21,462,288	21,539,000	21,057,273	21,251,051	21,500,793	21,635,386

**TOTAL ALL REVENUES** 39,260,315 41,726,753 43,207,484 45,148,390 47,921,580 50,209,508 52,521,086 53,261,501 55,269,139 57,313,789 58,798,672 59,535,224 61,020,721 62,600,166

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) (21,462,288) (21,539,000) (21,057,273) (21,251,051) (21,500,793) (21,635,386)

<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>31,423,922</b>	<b>32,837,781</b>	<b>34,241,377</b>	<b>33,583,936</b>	<b>33,806,851</b>	<b>35,774,789</b>	<b>37,741,399</b>	<b>38,284,173</b>	<b>39,519,928</b>	<b>40,964,780</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>188,330,000</b>	<b>193,989,000</b>	<b>205,856,500</b>	<b>216,840,750</b>	<b>228,050,500</b>	<b>217,704,500</b>	<b>227,837,000</b>	<b>240,942,750</b>	<b>248,452,500</b>	<b>257,470,000</b>	<b>270,930,000</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>16.0%</b>	<b>15.8%</b>	<b>14.7%</b>	<b>15.5%</b>	<b>15.7%</b>	<b>15.7%</b>	<b>15.4%</b>	<b>15.3%</b>	<b>15.1%</b>
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