

2018 LEGISLATIVE SESSION - CONFORMITY & SUPPLEMENTAL TAX BILL - CONFERENCE REPORT ON HF 4385 (Chapter 172) \*\*\*AS RE-PASSED BY THE HOUSE

ALL FUNDS

\$\$\$ in thousands | BOLD indicates rows included in total  
PROPERTY TAX REFUNDS, AIDS, & CREDITS: Positive change indicates expenditure increase

REVISED:  
June 14, 2018, 10 AM

CHAPTER 172  
Vetoed May 17, 2018

		GOVERNOR		HOUSE		SENATE			
LINE	ITEM	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21
	<b>GENERAL FUND FORECAST:</b>								
12	TAX POLICY (REVENUE)	42,963,853	46,830,377	42,963,853	46,830,377	42,963,853	46,830,377	42,963,853	46,830,377
13	PROPERTY TAX REFUNDS, AIDS, & CREDITS	3,655,702	3,652,469	3,655,702	3,652,469	3,655,702	3,652,469	3,655,702	3,652,469
	<b>GENERAL FUND PROPOSED CHANGES:</b>								
17	TAX POLICY	24,786	417,108	(104,229)	(41,879)	(171,405)	(94,525)	(136,040)	(42,659)
18	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	12,564	7,441	5,370	(25,508)	(346)	76	3,960	465
19	<b>SUBTOTAL: GENERAL FUND IMPACT</b>	<b>12,222</b>	<b>409,667</b>	<b>(109,599)</b>	<b>(16,371)</b>	<b>(171,059)</b>	<b>(94,601)</b>	<b>(140,000)</b>	<b>(43,124)</b>
	<b>NON-GENERAL FUND PROPOSED CHANGES:</b>								
23	LEGACY FUNDS	390	3,970	(465)	(820)	(30)	(60)	(65)	(100)
24	STATE AIRPORTS FUND			(15)	(30)				
25	HEALTH CARE ACCESS FUND			700	500				
26	MNSURE ACCOUNT					-	-		
27	SPECIAL REVENUE FUND			(3,411)	-				
28	TACONITE PROPERTY TAX RELIEF ACCOUNT			(3,211)	-	(3,211)	-	(3,211)	-
29	IRON RANGE RESOURCES AND REHABILITATION ACCOUNT			3,211	-	3,211	-	3,211	-
30	IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED SCHOOL ACCOUNT			-	-	-	4,900	-	-
31	TACONITE ENVIRONMENTAL PROTECTION ACCOUNT			-	(121)	-	(4,068)	-	703
32	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND			-	(863)	-		-	(130)
33	TACONITE MUNICIPAL AID ACCOUNT			-	-	-		-	-
34	TACONITE ECONOMIC DEVELOPMENT FUND			-	(832)	-	(832)	-	(832)
36	<b>SUBTOTAL: NON-GENERAL FUND IMPACT</b>	<b>390</b>	<b>3,970</b>	<b>(3,191)</b>	<b>(2,166)</b>	<b>(30)</b>	<b>(60)</b>	<b>(65)</b>	<b>(359)</b>

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

GENERAL FUND, CHANGE ITEMS ONLY

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TAX POLICY: Positive amounts indicate revenue increase  
AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

				GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
				A	B	C	D	E	F	H	I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE		FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
TAX POLICY:															
TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS															
1	Reverse Forecast Adjustment/Repeal Consistent Election Requirement	TY18		-26,500	-55,000	-26,500	-55,000	-26,500	-55,000	0	-26,500	-26,500	-27,100	-27,900	-55,000
2	Create a MN Standard Deduction , \$14,000, MJ Filers/\$7,000 Single & Married Separate	TY 18				-119,300	-153,000								
3	FAGI Starting Point/Adopt Chained CPI/Allow federal itemized deductions like TCJA deductions	TY 18				122,900	214,100								
4	FAGI Starting Point/Adopt Chained CPI/Allow prior law federal itemized deductions	TY18				0	0	-23,500	14,800	0	-23,200	-23,200	-2,700	13,000	10,300
5	Increased Limit for Property/Real Estate Deduction to \$30,000	TY 18				-23,900	-40,500								
6	Allow Exclusion of Discharged Student Loan Debt in Case of Death or Disability	TY18		(NegL)	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)
7	Allow Section 529 Withdrawals of up to \$10,000	TY18						-800	-1,700						
8	Expand Eligibility for Medical Expense Deduction by Reducing FAGI Floor to 7.5% from 10%	TY17-18				-25,300	0	-26,400	0	0	-26,400	-26,400	0	0	0
9	Repeal Deduction for Alimony Payments and Corresponding Inclusion of Received Alimony	TY19				500	3,400	500	3,400	0	500	500	1,100	2,300	3,400
10	Subtraction for Qualified Moving Expenses	TY19						-5,000	-7,600	0	-5,000	-5,000	-3,700	-3,900	-7,600
11	Suspend Deduction for moving expenses other than service members	TY19				5,000	7,900	5,000	7,900	0	5,000	5,000	3,900	4,000	7,900
12	Suspend Exclusion of Qualified Moving Expenses					5,600	7,800								
13	Clarify Limit on Wagering Losses	TY18				150	180	150	180	0	150	150	90	90	180
14	Conform to Disallowing the Charitable Deduction for College Athletic Seating Payments	TY18		2,000	2,400	2,000	2,400	2,000	2,400	0	2,000	2,000	1,200	1,200	2,400
15	Repeal Exclusion for Certain Employer-Provided Bicycle Fringe Benefits	TY18				40	60	40	60	0	40	40	30	30	60
16	Allow Increased Contributions to ABLE Accounts	TY18				(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)
17	Extend Rollover Period for Certain Retirement Plan Loan Offsets	TY18				(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)
18	Repeal Special Rule Permitting Recharacterization of IRA Contributions	TY18				450	600	450	600	0	450	450	300	300	600
19	SUBTOTAL: TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS			-24,500	-52,600	-58,360	-12,060	-74,060	-34,960	0	-72,960	-72,960	-26,880	-10,880	-37,760
TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS															
22	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY18		-81,600	-85,200	-81,600	-85,200			-19,800	-61,800	-81,600	-48,600	-36,600	-85,200
23	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY 19						-20,300	-113,700						
24	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18		400	19,400	400	19,400	400	19,400	-600	1,000	400	8,700	10,700	19,400
25	Disallow Certain Active Pass Through Losses, \$500,000 Married Joint Filers	TY18		58,000	98,500	58,000	98,500	58,000	98,500	0	58,000	58,000	52,200	46,300	98,500
26	Tax Gain on Sale of Partnership on a Look-Through Basis	TY18		1,100	3,700	1,100	3,700	1,100	3,700	0	1,100	1,100	1,800	1,900	3,700
27	Expand Definition of Built-in Loss for Purposes of Partnership Loss Transfers	TY18		400	600	400	600	400	600	0	400	400	300	300	600
28	Charitable Contributions & Foreign Taxes Accounted for in Determining Limit on Partner's Share of Loss	TY18		700	1,500	700	1,500	700	1,500	0	700	700	700	800	1,500
29	Repeal Rollover of Publicly Traded Securities Gain	TY18		300	600	300	600	300	600	0	300	300	300	300	600
30	Small Business Accounting Method Reform and Simplification	TY18		-67,000	-34,200	-67,000	-34,200	-67,000	-34,200	-4,300	-62,700	-67,000	-22,000	-12,200	-34,200
31	Conform to Limitation on Net Interest Deduction to 30% of Income with Carryforward	TY18		102,100	183,000	102,100	183,000	102,100	183,000	4,400	97,700	102,100	90,500	92,500	183,000
32	Conform to Modifications of Net Operating Loss Deduction	TY18		40,900	75,200	40,900	75,200	40,900	75,200	2,100	38,800	40,900	31,900	43,300	75,200
33	Repeal Deferred Gain on Like-Kind Exchanges	TY18		2,400	5,800	2,400	5,800	2,400	5,800	100	2,300	2,400	2,500	3,300	5,800
34	Reduce Recovery Period for Certain Real Property	TY18		-200	-1,000	-200	-1,000	-200	-1,000	0	-200	-200	-400	-600	-1,000
35	Repeal Deduction for Local Lobbying Expenses (Day following Enactment)	7/1/2018		200	200	200	200	200	200	0	200	200	100	100	200
36	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18		3,800	5,300	3,800	5,300	3,800	5,300	200	3,600	3,800	2,600	2,700	5,300
37	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18		2,900	4,000	2,900	4,000	2,900	4,000	200	2,700	2,900	2,000	2,000	4,000
38	Prohibit Deduction for Employee Achievement Awards	TY18		NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL
39	Limit Deduction for FDIC Premiums	TY18		2,000	3,600	2,000	3,600	2,000	3,600	100	1,900	2,000	1,800	1,800	3,600

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LINE	ITEM	EFFECTIVE DATE		FY 18-19	FY 20-21		FY 18-19	FY 20-21		FY 18-19	FY 20-21		FY 18-19	FY 20-21		FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21		FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
40	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enactm	7/1/2018		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.	Negl.	Negl.	Negl.	Negl.		Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
41	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018		300	1,100		300	1,100		300	1,100		300	1,100		0	300	300	400	700		1,100						
42	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19		-1,600	-900		-1,600	-900		-1,600	-900		-100	-1,500		-100	-1,500	-1,600	-900	0		-900						
43	Modify Limit on Excessive Compensation	TY18		500	1,200		500	1,200		500	1,200		0	500		0	500	500	600	600		1,200						
44	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18		3,600	8,700		3,600	8,700		3,600	8,700		100	3,500		100	3,500	3,600	3,900	4,800		8,700						
45	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18		6,600	12,700																							
46	Inclusion of foreign derived intangible income(FDII) from domestic trade or business, with deduction	TY18		2,000	7,700																							
47	SUBTOTAL: TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS			77,800	311,500		69,200	291,100		130,500	262,600		-17,600	86,800		-17,600	86,800	69,200	128,400	162,700		291,100						
	TCJA CONFORMITY - CORPORATE FRANCHISE TAX																											
50	Full conformity with Section 179 Expensing, Eliminate 80% Addback			-30,900	-32,300		-30,900	-32,300					-7,500	-23,400		-7,500	-23,400	-30,900	-18,400	-13,900		-32,300						
51	Full conformity with Section 179 Expensing, Eliminate 80% Addback	TY19		0	0		0	0		-7,700	-43,000																	
52	Index Corporate Minimum Fee Using Chained CPI	TY18		0	0		0	200		0	200		0	0		0	0	0	100	100		200						
53	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18		800	40,900		800	40,900		800	40,900		-1,300	2,100		-1,300	2,100	800	18,300	22,600		40,900						
54	Repeal Rollover of Publicly Traded Securities Gain	TY18		700	1,200		700	1,200		700	1,200		0	700		0	700	700	600	600		1,200						
55	Small Business Accounting Method Reform and Simplification	TY18		-7,400	-3,700		-7,400	-3,700		-7,400	-3,700		-500	-6,900		-500	-6,900	-7,400	-2,400	-1,300		-3,700						
56	Conform to Limitation on Net Interest Deduction to 30% of Income	TY18		17,300	31,100		17,300	31,100		17,300	31,100		700	16,600		700	16,600	17,300	15,400	15,700		31,100						
57	Repeal Deferred Gain on Like-Kind Exchanges	TY18		3,000	7,300		3,000	7,300		3,000	7,300		100	2,900		100	2,900	3,000	3,100	4,200		7,300						
58	Reduce Recovery Period for Certain Real Property	TY18		-500	-1,900		-500	-1,900		-500	-1,900		0	-500		0	-500	-500	-800	-1,100		-1,900						
59	Repeal Deduction for Local Lobbying Expenses (Day of Enactment)	7/1/2018		400	600		400	600		400	600		0	400		0	400	400	300	300		600						
60	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18		10,400	14,300		10,400	14,300		10,400	14,300		600	9,800		600	9,800	10,400	7,000	7,300		14,300						
61	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18		7,700	11,000		7,700	11,000		7,700	11,000		400	7,300		400	7,300	7,700	5,400	5,600		11,000						
62	Prohibit Deduction for Employee Achievement Awards	TY18		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.	Negl.	Negl.	Negl.		Negl.						
63	Limit Deduction for FDIC Premiums	TY18		5,200	9,800		5,200	9,800		5,200	9,800		200	5,000		200	5,000	5,200	4,900	4,900		9,800						
64	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enactm	7/1/2018		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.	Negl.	Negl.	Negl.		Negl.						
65	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018		800	3,100		800	3,100		800	3,100		0	800		0	800	800	1,100	2,000		3,100						
66	Conform to Modifications of Historic Rehabilitation Credit (TY 2018)	TY18		14,900	37,700		14,900	37,700		14,900	37,700		0	14,900		0	14,900	14,900	25,000	12,700		37,700						
67	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19		-2,000	-1,100		-2,000	-1,100		-2,000	-1,100		-100	-1,900		-100	-1,900	-2,000	-1,100	0		-1,100						
68	Modify Limit on Excessive Compensation	TY18		2,800	7,200		2,800	7,200		2,800	7,200		0	2,800		0	2,800	2,800	3,600	3,600		7,200						
69	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18		1,900	4,600		1,900	4,600		1,900	4,600		100	1,800		100	1,800	1,900	2,100	2,500		4,600						
70	Deemed Repatriation of Foreign Income	TY18		172,800	210,600		0	0																				
71	Deemed Repatriation of Foreign Income, Net Amount	TY 18					56,000	68,200					3,500	52,500		3,500	52,500	56,000	33,500	34,700		68,200						
72	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18		62,000	120,000																							
73	Inclusion of Foreign Derived Intangible Income (FDII) from domestic trade or business, with deduction	TY18		12,300	47,000																							
74	Other Modifications to Subpart F	TY 18					Negl.	Negl.		Negl.	Negl.		Negl.	Negl.		Negl.	Negl.	Negl.	Negl.	Negl.		Negl.						
75	SUBTOTAL: TCJA CONFORMITY - CORPORATE FRANCHISE TAX			272,200	507,400		81,100	198,200		48,300	119,300		-3,800	84,900		-3,800	84,900	81,100	97,700	100,500		198,200						
	TCJA CONFORMITY - PROPERTY TAX REFUND - INTERACTION																											
78	Modifications to FAGI - Homestead Credit Refund	TY 18					0	70					0	0		0	0	0	35	35		70						
79	Modifications to FAGI - Renters Property Tax Refund	TY 18					0	30					0	0		0	0	0	15	15		30						
80	Chained CPI-U - Homestead Credit Refund	Payable 19											0	0		0	0	0	700	1,500		2,200						
81	Chained CPI-U - Renters Property Tax Refund	Payable 19											0	0		0	0	0	300	600		900						
82	SUBTOTAL: TCJA CONFORMITY - PROPERTY TAX REFUND						0	100					0	0		0	0	0	1,050	2,150		3,200						

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	<b>UNRELATED BUSINESS INCOME TAX</b>																									
85	Unrelated Business Income of Charitable Organizations Separately Computed	TY18							3,100	4,400																
86	<b>SUBTOTAL: UNRELATED BUSINESS INCOME TAX</b>								<b>3,100</b>	<b>4,400</b>																
	<b>OTHER CONFORMITY</b>																									
89	Make Permanent Mortgage Insurance Premiums Deduction	TY18	-7,000	-16,800					-7,000	-16,800																
90	Make Permanent Tuition Expenses Deduction	TY18	-2,600	-5,300					-2,600	-5,300																
91	<b>SUBTOTAL: OTHER CONFORMITY</b>		<b>-9,600</b>	<b>-22,100</b>					<b>-9,600</b>	<b>-22,100</b>																
	<b>BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME</b>																									
94	Exclusion of Discharge of Indebtedness on Principal Residence	TY 17	-6,700	0	-6,700	0	-6,700	0	-6,700	0	-6,700	0	-6,700	0	0	0										
95	Premium for Mortgage Insurance Deductible as Qualified Residence Interest	TY 17	-6,500	0	-6,500	0	-6,500	0	-6,500	0	-6,500	0	-6,500	0	0	0										
96	Deduction for Tuition & Related Expenses	TY 17	-2,500	0	-2,500	0	-2,500	0	-2,500	0	-2,500	0	-2,500	0	0	0										
97	Extend Limitation Period for Exclusion for Wrongfully Incarcerated Individuals	2/9/2018	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)										
98	Expand the Deduction of Legal Fees for Whistleblowers	TY 18	-100	-200	-100	-200	-100	-200	-100	-200	0	-100	-100	-100	-100	-200										
99	Expand Foreign Earned Income Exclusion, Individuals Supporting Armed Forces in Combat Zones	TY 18	-600	-800	-600	-800	-600	-800	-600	-800	0	-600	-600	-400	-400	-800										
100	Classification of Certain Racehorses as 3-year Property	TY 17	-75	20	-75	20	-75	20	-75	20	-50	-25	-75	10	10	20										
101	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-290	35	-290	35	-290	35	-290	35	-230	-60	-290	10	25	35										
102	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,600	700	-1,600	700	-1,600	700	-1,600	700	-2,100	500	-1,600	400	300	700										
103	Special Depreciation Allowance for Second Generation Biofuel Property	TY 17	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)										
104	Energy Efficiency Commercial Deduction	TY 17	-140	5	-140	5	-140	5	-140	5	-150	10	-140	5	Negli.	5										
105	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-100	45	-100	45	-100	45	-100	45	-150	50	-100	25	20	45										
106	Modify Special Rule for Qualified Casualty Losses	TY 17	-100	0	-100	0	-100	0	-100	0	-100	0	-100	0	0	0										
107	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)										
108	<b>SUBTOTAL: BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME TAX</b>		<b>-18,705</b>	<b>-195</b>	<b>-18,705</b>	<b>-195</b>	<b>-18,705</b>	<b>-195</b>	<b>-18,705</b>	<b>-195</b>	<b>-18,480</b>	<b>-225</b>	<b>-18,705</b>	<b>-50</b>	<b>-145</b>	<b>-195</b>										
	<b>BIPARTISAN BUDGET ACT - CORPORATE TAX</b>																									
111	Seven Year Period for Motor Sports Entertainment Complexes	TY 17	-35	-15	-35	-15	-35	-15	-35	-15	-20	-15	-35	-10	-5	-15										
112	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-270	25	-270	25	-270	25	-270	25	-220	-50	-270	5	20	25										
113	Election to Expense Mine Safety Equipment	TY 17	-10	Negli.	-10	Negli.	-10	0	-10	0	-10	Negli.	-10	Negli.	Negli.	Negli.										
114	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,450	600	-1,450	600	-1,450	600	-1,450	600	-1,900	450	-1,450	350	250	600										
115	Energy Efficiency Commercial Deduction	TY 17	-105	5	-105	5	-105	5	-105	5	-110	5	-105	5	Negli.	5										
116	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-30	15	-30	15	-30	15	-30	15	-50	20	-30	10	5	15										
117	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)										
118	<b>SUBTOTAL: BIPARTISAN BUDGET ACT - CORPORATE TAX</b>		<b>-1,900</b>	<b>630</b>	<b>-1,900</b>	<b>630</b>	<b>-1,900</b>	<b>630</b>	<b>-1,900</b>	<b>630</b>	<b>-2,310</b>	<b>410</b>	<b>-1,900</b>	<b>360</b>	<b>270</b>	<b>630</b>										
	<b>DISASTER RELIEF ACT &amp; AIRPORTS &amp; AIRWAYS EXTENSION ACT - INDIVIDUAL INCOME</b>																									
121	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-1,900	900	-1,900	900	-1,900	900	-1,900	900	-3,700	1,800	-1,900	600	300	900										
122	Modify & Expand Casualty Loss Deduction for Damage in Disaster Areas	TY 17	-1,400	0	-1,400	0	-1,400	0	-1,400	0	-1,400	0	-1,400	0	0	0										
123	Special Rules for Qualified Early ITRA Distributions	TY 17	-50	20	-50	20	-50	20	-50	20	-40	-10	-50	10	10	20										
124	<b>SUBTOTAL: DISASTER TAX RELIEF ACT - INDIVIDUAL INCOME TAX</b>		<b>-3,350</b>	<b>920</b>	<b>-3,350</b>	<b>920</b>	<b>-3,350</b>	<b>920</b>	<b>-3,350</b>	<b>920</b>	<b>-5,140</b>	<b>1,790</b>	<b>-3,350</b>	<b>610</b>	<b>310</b>	<b>920</b>										

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

GENERAL FUND, CHANGE ITEMS ONLY

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AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

IDS, CREDITS, REFUND: Positive amounts indicate expenditure

			GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018										
			A	B	C		D		E		F		H		I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21			
	<b><u>DISASTER RELIEF ACT &amp; AIRPORTS &amp; AIRWAYS EXTENSION ACT - CORPORATE TAX</u></b>																		
127	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-200	100	-200	100	-200	100	-200	100	-400	200	-200	100	0	100			
128	<b>SUBTOTAL: DISASTER TAX RELIEF ACT - CORPORATE TAX</b>		-200	100	-200	100	-200	100	-200	100	-400	200	-200	100	0	100			
130	<b>REFERENCE SUBTOTAL: NET EFFECT OF CONFORMITY-RELATED ITEMS</b>		291,745	745,655	67,785	478,795	74,085	330,695	-47,730	100,915	53,185	201,290	254,905	456,195					

2018 Legislative Session: Side-By-Side Comparison (HF 4385-3E, HF4385-2UE) CONFORMITY & SUPPLEMENTAL TAX BILL - TAX POLICY

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				GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
				A	B	C	D	E	F	H	I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE		FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
	<b>OTHER INDIVIDUAL INCOME TAX PROVISIONS</b>														
133	New MN non-refundable Personal and Dependent Credit, phase out starts at \$90K and \$180K	TY18		-233,200	-475,600										
134	Expand the Working Family Tax Credit	TY18		-52,100	-101,600										
135	Rate Reduction on 2nd Bracket	TY18													
136	Rate Reduction on 1st Bracket (to 5.10% from 5.35%)	TY18						-237,800	-337,500						
137	Rate Reduction on 2nd Tier (from 7.05% to 6.95%, 6.90%, 6.75% in TY 18, TY19, TY 20 respectively)	TY18				-106,300	-336,100								
138	Rate Reductions: (1) 1st Tier from 5.35% to 5.30% in TY 18 & TY19, 5.25% in TY 20; (2) 2nd Tier from 7.05% to 6.95% in TY18 & TY 19, 6.85% in TY 20.	TY 18								0	-136,200	-136,200	-141,200	-197,400	-338,600
139	Interaction Impact with Full Section 179 Expensing, Rate Reductions, Pass through changes					-100	-1,700			0	-500	-500	-700	-1,200	-1,900
140	Angel Tax Credit	TY18		-10,000	0	-10,000	0	-5,000	0	0	-5,000	-5,000	0	0	0
141	New Non Refundable Credit, Donation of Prepared Food	TY18				-300	-600								
142	New Non Refundable Credit, Railroad Crossing Improvement	10/2/2018				-80	-600								
143	Modify Credit, Master's Degree Credit	TY18				-80	-320								
144	DOR Tax Policy Bill - Partnership Audit Rules, Reporting Residency Information	TY18				-2,500	-7,100								
145	Stillbirth Credit Modification	Retro 1/1/2016				Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
146	Tax Rate Reduction Contingent on Budget Surplus	7/1/2018						0	(Unkn.)						
147	Cannabis Expense Subtraction	TY18				(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)
148	Income Tax Interactions (See Appendix)	Various		0	-1,950	50	160	0	-80	0	0	0	-40	-40	-80
149	<b>SUBTOTAL: OTHER INDIVIDUAL INCOME TAX PROVISIONS</b>			<b>-295,300</b>	<b>-579,150</b>	<b>-119,310</b>	<b>-346,260</b>	<b>-242,800</b>	<b>-337,580</b>	<b>0</b>	<b>-141,700</b>	<b>-141,700</b>	<b>-141,940</b>	<b>-198,640</b>	<b>-340,580</b>
	<b>OTHER CORPORATE FRANCHISE TAX PROVISIONS</b>														
152	Apportionment Sales Factor-Exclude Derivatives	TY 18		0	0										
153	Dividend Received Deduction on Debt Financed Stock	TY 18		100	200										
154	Base Year %-R&D Credit	TY 18		-900	-1,800										
155	Establishing Economic Substance Requirement	TY 18		0	1,800										
156	Mutual Fund Manager Consistent Apportionment	TY 18		6,300	21,500										
157	Rate Reduction from 9.8% to 9.64% in TY 2018-19 and 9.06% in TY2020 and after	TY 18				-24,300	-129,700								
158	Rate Reduction from 9.8% to 9.65% in TY 2018-19 and 9.1% in TY2020 and after	TY 18								0	-22,900	-22,900	-37,600	-85,100	-122,700
159	Repeal Corporate Alternative Minimum Tax "AMT"	TY 18				-23,000	-29,600			0	-23,000	-23,000	-15,400	-14,200	-29,600
160	Captive Insurance Company Definition (Conference/A91 language)	Retro 2017				0	-400	0	-400	0	0	0	0	-300	-300
161	Tax Rate Reduction Contingent on Budget Surplus	7/1/2018						0	(Unkn.)						
162	<b>SUBTOTAL: OTHER CORPORATE TAX PROVISIONS</b>			<b>5,500</b>	<b>21,700</b>	<b>-47,300</b>	<b>-159,700</b>	<b>0</b>	<b>-400</b>	<b>0</b>	<b>-45,900</b>	<b>-45,900</b>	<b>-53,000</b>	<b>-99,600</b>	<b>-152,600</b>
	<b>SALES TAX</b>														
165	Vapor Products - Excise Tax	7/1/2018		-120	-640										
166	Modify Data Center Exemption	7/1/2018		6,600	68,000										
167	Tobacco Indexing	7/1/2018		10	160										
168	Premium Cigars	7/1/2018		-30	-80										
169	Exemption: Construction of Minnetonka Public Safety Facility (Expires 1/1/21)	DFE				-110	-700	-110	-700	0	-110	-110	-520	-180	-700
170	Exemption: Inver Grove Heights Fire Station (Expires 1/1/21)	DFE				-220	0	-220	0	0	-220	-220	0	0	0
171	Exemption: Game Release Fees	FY19						-160	-330						

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				GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
				A	B	C	D	E	F	H	I	J	K	L	M
LINE	ITEM	EFFECTIVE DATE		FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
172	Exemption: Extend Exemption of Construction Materials for City of Melrose (Expires 1/1/23)	Retro 9/30/16				0	0			100	-100	0	0	0	0
173	Exemption, Admissions - College Preferred Seating Based on Criteria	DFE				-810	-1,690								
174	Exemption, Conservation Clubs	7/1/2018				-10	-20			0	-10	-10	-10	-10	-20
175	Exemption, Invasive Aquatic Herbicides	7/1/2018				-130	-280								
176	Various exemptions, Medical Facilities in Underserved Areas	7/1/2018				-150	-390			0	-150	-150	-180	-210	-390
177	Construction Exemption by refund, Duluth School Property Redevelopment	7/1/2018 -12/31/19				-950	-3,800								
178	Construction Exemption, Virginia Fire station	DFE to 12/31/20				-200	-200			0	-200	-200	-200	0	-200
179	Construction Exemption by refund, Second Harvest	1/2/18 to 12/31/21				-400	-270								
180	Construction Exemption by refund, Mazeppa Property Affected by Fire	3/12/18 to 12/31/20				-10	0			0	-10	-10	0	0	0
181	Construction Exemption by refund, Elko New Market, Water Treatment. Facility	6/1/14 to 5/31/16				-240	0			0	-240	-240	0	0	0
182	Modify Exemption, Bullion Coins	7/1/2018				-260	-580			0	-260	-260	-290	-290	-580
183	Modify Exemption for Gambling Equipment/Prizes	7/1/2018				-2,200	-5,200								
184	Modify Exemption, Non Profit Ice Arena	7/1/2018				-10	-20			0	-10	-10	-10	-10	-20
185	Modify Exemption, Non Profit Snowmobile Clubs	7/1/2018				-15	-30			0	-15	-15	-15	-15	-30
186	Massage Therapy Services subject to Provider Tax	7/1/2018				-2,400	-1,500								
187	Collecting Sales Tax - Remote Sellers, Revenue Neutral Rate Reduction	DFE				0	0								
188	SUBTOTAL: SALES TAX			6,460	67,440	-8,115	-14,680	-490	-1,030	100	-1,325	-1,225	-1,225	-715	-1,940
	CIGARETTE/TOBACCO TAXES	7/1/2018													
191	Tobacco Indexing - Excise Tax	7/1/2018		1,900	20,100										
192	Tobacco Indexing - In-Lieu of Sales Tax	7/1/2018		-70	-430										
193	Moist Snuff - Excise Tax	7/1/2018		300	3,400										
194	Premium Cigars - Excise Tax	7/1/2018		1,100	2,400										
195	Vapor Products - Excise Tax	7/1/2018		1,000	4,900										
196	Nicotine Definition Change	7/1/2018		Negli.	Negli.										
197	SUBTOTAL: CIGARETTE/TOBACCO TAXES			4,230	30,370										
	STATEWIDE PROPERTY TAX														
200	Statewide Property Tax - State General Levy Inflation Reinstated subtotal			12,140	91,560										
201	Property tax exemption Expansion to Indian Tribe-owned pharmacy	Payable 19						-10	0	0	0	0	0	0	0
202	Intrastate Natural Gas Transportation or Distribution Pipeline Exemption	Payable 20				0	-10	0	-10	0	0	0	(Negl.)	-10	-10
203	Special Refund Authorized for Aitkin, Crow Wing, and Mille Lacs Counties	Payable 18				-300	0								
204	Medical facility property tax abatement	Payable 19				0	-24			0	(Negli.)	0	-9	-15	-24
205	Reclassification of "Ma and Pa" Resorts Property (Moved to Aids & Credits, line 10)														
206	Abatement, Non Profit Property Development/Operated as a Community Health Center (Duluth)	Payable 18				0	0								
207	SUBTOTAL: STATEWIDE PROPERTY TAX			12,140	91,560	-300	-34	0	-10	0	0	0	-9	-25	-34
	ESTATE TAX														
210	Freeze Estate Tax Exclusion at \$2.4 million subtotal	1/1/2019		0	38,600										
211	Increase Estate Tax Exclusion to \$5 million	1/1/2019						0	-82,500						
212	Modify Business/Farm Subtraction, Recapture Tax Changes (Retro for decedents dying after 12/31/11 to 12/31/2016)	Retro 1/1/2012				-400	0			0	-400	-400	0	0	0
213	Modification to Definition of Qualified Property	Retro 1/1/2018				(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)
214	SUBTOTAL: ESTATE TAX			0	38,600	-400	0	0	-82,500	0	-400	-400	0	0	0

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LINE	ITEM	EFFECTIVE DATE												
			A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
	<b>GROSS EARNINGS TAXES</b>													
217	Insurance Tax Fairness - Insurance Gross Premiums		0	800										
218	<b>SUBTOTAL: GROSS EARNINGS TAXES</b>		<b>0</b>	<b>800</b>										
	<b>OCCUPATION TAX</b>													
221	Occupation Tax Refund	FY19	0	0			-2,200	-3,700						
222	Occupation Tax Refund	FY20	0	0					0	0	0	-1,900	-1,800	-3,700
223	<b>SUBTOTAL: OCCUPATION TAX</b>		<b>0</b>	<b>0</b>			<b>-2,200</b>	<b>-3,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,900</b>	<b>-1,800</b>	<b>-3,700</b>
	<b>OTHER TAX &amp; NON TAX PROVISIONS</b>													
226	DOR Tax Policy Bill - Modify Minimum DEED Transfer Tax Calculation	1/1/2019	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
227	Special Revenue Fund - DOR Service and Recovery Transfer to General Fund, One-time	FY18			3,411	0								
228	Impose New Penalty, Cigarette & Tobacco Retailers/Sub jobbers	FY 19	0	109										
229	License Fee Increase, Cigarette & Tobacco Distributors/Sub jobbers	FY 19	11	24										
230	<b>SUBTOTAL: OTHER TAX &amp; NON TAX REVENUE PROVISIONS</b>		<b>11</b>	<b>133</b>	3,411	0	0	0	0	0	0	0	0	0
232	<b>TOTAL: TAX POLICY</b>		<b>24,786</b>	<b>417,108</b>	<b>-104,229</b>	<b>-41,879</b>	<b>(171,405)</b>	<b>(94,525)</b>	<b>(47,630)</b>	<b>(88,410)</b>	<b>(136,040)</b>	<b>3,216</b>	<b>(45,875)</b>	<b>(42,659)</b>

\* The Consolidated Appropriations Act of 2018 (3/23/18), a federal conformity act, was included in the Governor, House and Senate omnibus tax bills. Conformity to that act has a zero revenue impact.



**2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS  
GENERAL FUND**

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*Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.*

	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
	<b><u>Property tax refunds<sup>1</sup></u></b>												
	<b>Homeowners property tax refund</b>												
1	GOV Change: Homestead Classification Allow ITIN	<b>\$0</b>	<b>\$2,200</b>										
2													
3	SENATE Change Item: Certain ground lease pymnts (Mfg Home Pk Coops) elig for Homestead Credit Refund- Pay 19		-			-	<b>360</b>	-	-	-	180	180	<b>360</b>
4	SENATE Change Item: Cloquet Area Fire & Ambulance Tax District Modifications, Effective Aug 1 2018		-			-	<b>100</b>	-	-	-	50	50	<b>100</b>
5	HOUSE Change Item: Residential property classification consolidation, class rates modified. B&B chg to 5+ units. Effective taxes payable in 2020		-										
6	PTR interactions		-	<b>0</b>	<b>1,510</b>								
7	PTR Manufactured homes		-	<b>0</b>	<b>180</b>								
8	PTR for Homeowners Blind/Disabled		-	<b>0</b>	<b>4,550</b>								
9	Subtotal - Residential Property Class Consolidation		-	<b>0</b>	<b>6,240</b>								
10	Modify Classifications, Change 4c(1) to 1c property, "Ma & Pa" Resort Qualifications		-	-	<b>10</b>			-	-	-	-	5	<b>5</b>
11	HOUSE Change Item: Agricultural homestead classification requirements for business "entities" (2a homestead) amended. Effective pay 2019		-										
12	Property Tax Refund interaction		-	<b>0</b>	<b>200</b>			-	-	-	100	100	<b>200</b>
13	Ag Homestead Market Value Credit		-	<b>0</b>	<b>460</b>			-	-	-	230	230	<b>460</b>
14	Subtotal - Agricultural homestead class chgs		-	<b>0</b>	<b>660</b>			-	-	-	330	330	<b>660</b>
15													
16	Homestead MVE for spouses disabled veteran- applictn date chg'd from July 1 to Dec 15; transfer MVE to other property			-	<b>(730)</b>	-	<b>(730)</b>			-	(660)	(70)	<b>(730)</b>
17	PTR interactions												

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS  
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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
18	HOUSE Change Item: Agricultural homestead rules modified for properties owned by trusts		-										
19	Property Tax Refund interaction		-	0	negligible			-	-	-	negligible	negligible	negligible
20	Ag Homestead Market Value Credit		-	0	negligible			-	-	-	negligible	negligible	negligible
21	Subtotal - Agricultural homestead rules for trusts chgs		-	0	negligible			-	-	-	negligible	negligible	negligible
22	HOUSE Change Item: Agricultural classification of land converted from agricultural use for environmental purposes -modified. Effective Assmt 2019.		-										
23	Property Tax Refund interaction		-	0	negligible			-	-	-		negligible	negligible
24	Ag Homestead Market Value Credit		-	0	negligible			-	-	-		negligible	negligible
25	Subtotal - Agricultural class to environmental use chg		-	0	negligible			-	-	-		negligible	negligible
26													
27	HOUSE: Acres exempt under the agricultural historical society property exemption increased to 40 acres			0	negligible								
28	SENATE: Property tax exemption Expansion to Indian Tribe-owned pharmacy					-	negligible	-	-	-	negligible	negligible	negligible
29	BOTH Facilities used as retreat houses or craft houses classification - modified to resort property status			0	negligible	-	negligible	-	-	-	negligible	negligible	negligible
30	HOUSE Change Child care facilities property, owned/operated as part of church mission, property tax expt		-	0	negligible								
31	HOUSE Change Item: Land used to provide environmental benefits allowed (buffers ponds, forest restore) to be defined as an agricultural purpose. Grtr 3 acres or 10%. Effect Assmt 2019		-										
32	Property Tax Refund interaction		-	0	negligible			-	-	-		negligible	negligible
33	Ag Homestead Market Value Credit		-	0	negligible			-	-	-		negligible	negligible
34	Subtotal - Environmental use as ag purpose		-	0	negligible			-	-	-		negligible	negligible
35													

2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS  
GENERAL FUND

\$\$\$ in thousands | BOLD indicates rows included in total | Positive change indicates expenditure increase

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
36	HOUSE Change Item: Fractional homestead determined on percentage of ownership in county land records - modified		-										
37	Property Tax Refund interaction		-	0	unknown			-	-	-	unknown	unknown	unknown
38	Ag Homestead Market Value Credit		-	0	unknown			-	-	-	unknown	unknown	unknown
39	Subtotal - Fractional homestead determ'd percent ownership		-	0	unknown			-	-	-	unknown	unknown	unknown
40													
41	HOUSE Change Item: Standardized referendum dates			0	(unknown)								
42	HOUSE Change Item: Reverse referendum approval for qualified leases		-	0	(unknown)								
43	HOUSE Change Item: Biennial notice + referendum if muny to use public utility license/fees to raise revenue		-	0	unknown								
44	Subtotal: Homeowner PTR base + change items	\$0	\$2,200	0	6,170	-	(270)	-	-	-	(100)	495	395
45	Forest Land Credits (SFIA)	-	-	-	-	-	-	-	-	-	-	-	-
46	GOV Change: SFIA Timber Harvest Credits	\$8,000	\$0	-	-	-	-	-	-	-	-	-	-
47	Subtotal - All Property Tax Refund changes	8,000	2,200	-	6,170	-	(270)	-	-	-	(100)	495	395
48	OTHER REFUNDS												
49	Political Contribution Refund												
50	HOUSE Change Item: Repeal Political Contrib Refund			(5,500)	(10,000)								
51	Subtotal: Political Contrib Refund base + change items			(5,500)	(10,000)								
53	Subtotal - Other Refund changes			(5,500)	(10,000)								
54	LOCAL AIDS												
55	Local Government Aid (LGA)	-	-										
56	HOUSE Change Item: Special property tax abatement aid authorized for Aitkin, Crow Wing and Mille Lacs												
57	Local property tax abatement reimbursmt			1,100	-								
58	HOUSE Change Item: Lilydale one-time LGA adjustment (\$150K within LGA FY 2019 only)			150	-			-	-	-	-	-	-

# 2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS GENERAL FUND

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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
59	HOUSE Change Item: Hermantown aid adjustment for previously reduced LGA (\$97K within LGA FY 2019 only)			97	-			-	-	-	-	-	-
60	HOUSE Change Item: Mazeppa fire remediation aid - money appropriated.			5	-			-	5	5	-	-	-
61	BOTH Chg Item: Melrose Fire Recov grant 3-yr exten			(346)	346	(346)	346						
62	BOTH Change Item: Melrose Fire Recovery grant 1-yr extension							-	-	-	-	-	-
63	Subtotal LGA Changes -			1,006	346	-	-	-	5	5	-	-	-
64	Subtotal- Local Government Aid (LGA)	0	0										
65	Senior Deferral Reimbursement loans	-	-	-	-	-	-			-			-
67	Senior Deferral Reimbursement loan repayments	-	-	-	-	-	-			-			-
68	GOV Change: Lower occupancy reqmt from 15 yr to 5 yrs, chg application date from July 1 to Nov 1	-	420	-	-	-	-			-			-
69	HOUSE Change Item: Due dates related to property tax modified, effective pay 2021 (include Senior Deferral with impact in FY 2022)			-	-	-	-						
70	HOUSE Change Item: Senior citizens' property tax deferral - 60 day reconsideration following denial. Effective Pay 2020		-	-	-	-	-						
71	Application due date changed from July 1 to Nov 1, early notification, notice by DOR reasons for denial. Effective pay 2019		-	-	-	-	-	-	-	-	70	-	70
72	Subtotal: Senior Deferral Reimbursement base + change items	-	420	-	-	-	-	-	-	-	-	-	-
73	Subtotal - All Aid Changes	-	420	1,006	346	-	-	-	5	5	70	-	70
74	Other Aids and One-Time Appropriations												
75	City of Minneapolis Library debt service	-	-	-	-	-	-			-			-

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2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, CONFORMITY & SUPPLEMENTAL TAX BILL - PROPERTY TAX, AIDS & CREDITS  
GENERAL FUND

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	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
76	HOUSE Change: Repeal Minneapolis Library debt service aid			(4,120)	(8,240)	-	-			-			-
77	Property tax refund interactions	-	-	-	200	-	-			-			-
78	Subtotal - Repeal Mpls Library debt service aid			(4,120)	(8,040)	-	-			-			-
79	HOUSE Change: Prepay Local Govm't Aid one-time			13,984	(13,984)	-	-			-			-
80	<b>DOR Administration</b>												
81	GOV Change: MN Response to 2017 Federal Tax Act	3,151	3,078	-	-	-	-			-			-
82	GOV Change: Tobacco Products Tax chgs	417	887	-	-	-	-			-			-
83	GOV Change: DOR Admin - Working Family Credit	276	856	-	-	-	-			-			-
84													
	GOV Change: SFIA Timber Harvest Credits- DNR admin	\$720	\$0	0	0	-	-			-			-
85	DOR Administration							1,977	1,978	3,955	-	-	-
86	Subtotal: DOR Administration base + chg items	4,564	4,821	-	-	-	-	1,977	1,978	3,955	-	-	-
87	Subtotal - All Other Aids and One-Time Changes	4,564	4,821	9,864	(22,024)	-	-	1,977	1,978	3,955	-	-	-
88	<b>TOTAL Property Tax Aids and Credits, GF Revenues + Spending Changes</b>	<b>\$12,564</b>	<b>\$7,441</b>	<b>\$5,370</b>	<b>(\$25,508)</b>	<b>(346)</b>	<b>76</b>	<b>1,977</b>	<b>1,983</b>	<b>3,960</b>	<b>(30)</b>	<b>495</b>	<b>465</b>

<sup>1</sup> Additional general fund property tax refund impacts (Homestead Credit State Refund and Renters Property Tax Refund) can be found on page 3, lines 78-82, attributable to income tax interactions with federal TCJA conformity changes.

## 2018 HF 4385-3E, HF 4385-2UE, OTB - APPENDIX A: ITEMS WITHOUT STATE FUNDS IMPACTS

All Numbers in Thousands

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Line	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
1	<b>Property tax changes (no state fund impact)</b>												
2	<i>Metro Agri preserve early termination for purchase by state or local government</i>		-	-	-	-	-	-	-	-	-	-	-
3	<i>Local governments prohibited from imposing excise tax or fee on food or food containers</i>			-	-	-	-	-	-	-	-	-	-
4	<i>Sustainable Forest Incentive Act (SFIA) Effective Date clarification "for applications <u>and certifications</u>"</i>			-	-	-	-	-	-	-	-	-	-
5	<i>County veterans service officer allowed disclose data for MVE</i>			-	-	-	-	-	-	-	-	-	-
6	<i>City and town expenditures for historical societies permitted.</i>			-	-	-	-	-	-	-	-	-	-
7	<i>Rail project expenditures and other powers restricted and project insurance required (ZIP RAIL)</i>			-	-								
8	<i>Standardizing referendum dates</i>			-	-								
9	<i>Hennepin County; cities (Plymouth, Maple Grove) authorized to receive a portion of transportation, sales and use tax to spend on roads and bridges within city limits</i>			-	-								
10	<i>Tax-forfeited land sale documentation - state deed issuance</i>			-	-			-	-	-	-	-	-
11	<i>Border City Enterprise zones clarifying language for restrictions on a retail food or beverage facility</i>			-	-			-	-	-	-	-	-
12	<i>School Property Tax Reform (HG+1) Working Group</i>			-	-			-	-	-	-	-	-
13	<i>Pipeline and Utilities Property Valuation Study and Report</i>					-	-						
14	<b>Property tax changes for Local Taxes (no state fund impact)</b>												
15	<i>St Cloud; local tax increase allowed, 1% liquor, food, bev to 1.5% and 0.5% to 1.0% lodging- MODIFIED no operating costs</i>			-	-	-	-	-	-	-	-	-	-
16	<i>Excelsior; local option sales tax 0.5% for Commons MODIFIED</i>					-	-	-	-	-	-	-	-

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## 2018 HF 4385-3E, HF 4385-2UE, OTB - APPENDIX A: ITEMS WITHOUT STATE FUNDS IMPACTS

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

Line	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
17	Fire Protection Special taxing District					-	-						
18	Watershed District Levy Authority modified					-	-						
19	Increase City of Mpls Max allowable lodging tax cap from 13% to 13.875%					-	-						
20	Authority for St. Paul lodging tax increase from 3% to 4%					-	-	-	-	-	-	-	-
21	Wind Energy Production Tax modification					-	-						
22	<b>Property tax changes for Tax Increment Financing (TIF)</b>												
23	Levy authority for NW MN multicounty housing and redevelopment authorities extended 5 yrs to Pay 2024			-	-	-	-	-	-	-	-	-	-
24	Champlin; tax increment financing authority modified (Mississippi Crossings).			-	-			-	-	-	-	-	-
25	Minneapolis; special tax increment financing rules authorized (Upper Harbor Terminal).			-	-								
26	Cloquet; local sales tax authority -uses of proceeds modified, orig proj total \$16.5M unchgd.			-	-			-	-	-	-	-	-
27	Bloomington TIF modifications (Central Station)- Extends current 5 yr rule exemption of 15 years to 20 years for project phase-in			-	-			-	-	-	-	-	-
28	<b>Public Finance</b>												
29	Bond Allocation Act definition of a public facilities project modified			-	-	-	-	-	-	-	-	-	-
30	Drainage lien principal interest rate modification					-	-	-	-	-	-	-	-
31	<b>Miscellaneous</b>												
32	Department of Revenue Technical Bill - with modifications			-	-	-	-	-	-	-	-	-	-
33	Department of Revenue Policy Bill - with modifications			-	-	-	-	-	-	-	-	-	-
34	Minnesota Housing Tax Credit Program study					-	-						
35	Report on Heat and Power Processing Plants					-	-						

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2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, OMNIBUS TAX BILL - NON-GENERAL FUND ITEMS

NON-GENERAL FUND CHANGES

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Line	Non General Fund Tax Revenues	GOV		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
7	Total - Changes, Non-General Funds	390	3,970	(3,191)	(2,166)	(30)	(60)	5	(70)	(65)	(65)	(294)	(359)
	Legacy Funds												
10	Exemption modified, qualifying data centers	400	4,000										
11	Vapor Product Excise Tax Modifications (including June Acceleration)	(10)	(40)										
12	Premium Cigars, Restore Maximum Rate of \$3.50 per	(negli.)	(negli.)										
13	Restore Indexing, Moist Snuff	negli.	10										
14	Exemption: Construction of Minnetonka Public Safety Facility (Expires 1/1/21)			(10)	(40)	(10)	(40)	-	(10)	(10)	(30)	(10)	(40)
15	Exemption: Inver Grove Heights Fire Station (Expires 1/1/21)			(10)	-	(10)	-	-	(10)	(10)	-	-	-
16	Exemption: Extend Exemption of Construction Materials for City of Melrose (Expires 1/1/23)			-				5	(5)	-			
17	Exemption: Game Release Fees					(10)	(20)						
18	Exemption, Admissions - College Preferred Seating Based on Criteria (DFE)			(50)	(100)								
19	Exemption, Conservation Clubs (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
20	Exemption, Invasive Aquatic Herbicides (7/1/2018)			(10)	(20)								
21	Various exemptions, Medical Facilities in Underserved Areas (7/1/2018)			(10)	(20)			-	(10)	(10)	(10)	(10)	(20)
22	Construction Exemption by refund, Duluth School Property Redvlpmnt. (7/1/2018 to 12/31/19)			(50)	(200)								
23	Construction Exemption, Virginia Fire station (DFE to 12/31/20)			(10)	(10)			-	(10)	(10)	(10)	-	(10)
24	Construction Exemption by refund, Second Harvest (1/1/18 to 12/31/21)			(20)	(20)								
25	Construction Exemption by refund, Mazeppa Property Affected by Fire (Retro 3/11/18 to 12/31/20)			(negli.)	-			-	(negli.)	(negli.)	-	-	-
26	Construction Exemption by refund, Elko New Market, Water Trtmnt. Facility (Retro 6/1/14 to 5/31/16)			(10)	-			-	(10)	(10)	-	-	-
27	Modify Exemption, Bullion Coins (7/1/2018)			(15)	(30)			-	(15)	(15)	(15)	(15)	(30)
28	Modify Exemption for Gambling Equipment/Prizes (7/1/2018)			(130)	(290)								
29	Modify Exemption, Non Profit Ice Arena (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
30	Modify Exemption, Non Profit Snowmobile Clubs (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
31	Massage Therapy Services subject to Provider Tax (7/1/2018)			(140)	(90)								
32	Collecting Sales Tax - Remote Sellers, Revenue Neutral Rate Reduction (DFE)			-	-			-	-	-	-	-	-
33	Legacy Fund Changes - Subtotal	390	3,970	(465)	(820)	(30)	(60)	5	(70)	(65)	(65)	(35)	(100)
	State Airports Fund												
35	HF 858 - Modifies Aircraft Registration Tax , Unmanned Aircraft Changes			(15)	(30)								
36													
37	State Airports Fund Changes - Subtotal			(15)	(30)								
	Health Care Access Fund												
39													
40	Massage Therapy Services subject to Provider Tax (not sales tax)			700	500								
41	Health Care Access Fund Changes - Subtotal			700	500								
	MNSURE ACCOUNT												
43													
44	Revenue reduction					(4,676)	(18,253)						
45	Expenditure reduction					4,676	18,253						
46	MNsure Account - Subtotal					-	-						



2018 LEGISLATIVE SESSION - HF 4385-3E, HF 4385-2UE, OMNIBUS TAX BILL - NON-GENERAL FUND ITEMS

NON-GENERAL FUND CHANGES

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Line	Non General Fund Tax Revenues	GOV		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
48	<u>Special Revenue Fund</u>												
49	DOR Service and Recovery - one-time transfer to General Fund			(3,411)	-								
50	<b>Special Revenue Fund - Subtotal</b>			<b>(3,411)</b>	-								
52	<u>TACONITE PROPERTY TAX RELIEF ACCOUNT</u>												
53	10 cents/ton transfer from Taconite Property Tax Relief to IRRRB - 2018 distribution only*			(3,211)	-	(3,211)	-	-	(3,211)	(3,211)	-	-	-
54	<b>Taconite Property Tax Relief - Subtotal</b>			<b>(3,211)</b>	-	<b>(3,211)</b>	-	-	<b>(3,211)</b>	<b>(3,211)</b>	-	-	-
56	<u>IRON RANGE RESOURCES AND REHABILITATION (IRRRB) ACCOUNT</u>												
57	Transfer 10 cents/ton to IRRRB from Taconite Property Tax Relief -2018 distribution only*			3,211	-	3,211	-	-	3,211	3,211	-	-	-
58	<b>Iron Range Resources and Rehabilitation Account - Subtotal</b>			<b>3,211</b>	-	<b>3,211</b>	-	-	<b>3,211</b>	<b>3,211</b>	-	-	-
60	<u>IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED SCHOOL ACCT</u>												
61	Increased Allocation of Production Tax Revenues*					-	4,900						
62	<b>Iron Range School Consolidation Coop School Account - Subtotal</b>					-	<b>4,900</b>						
64	<u>TACONITE ENVIRONMENTAL PROTECTION FUND</u>												
65	Taconite Municipal Aid distribution (100% max guarantee)			-	(953)			-	-	-	-	(129)	(129)
66	Modify Pellet Chips and Fines TEDF Credit*			-	832	-	832	-	-	-	413	419	832
67	Decreased Allocation of Production Tax Revenues*					-	(4,900)						
68	<b>Taconite Environmental Protection Fund - Subtotal</b>			-	(121)	-	<b>(4,068)</b>	-	-	-	<b>413</b>	<b>290</b>	<b>703</b>
70	<u>DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND</u>												
71	Taconite Municipal Aid distribution modification			-	(863)			-	-	-	-	(130)	(130)
72	<b>Douglas J Johnson Economic Protection Fund- Subtotal</b>			-	<b>(863)</b>			-	-	-	-	<b>(130)</b>	<b>(130)</b>
74	<u>TACONITE MUNICIPAL AID ACCOUNT</u>												
75	Taconite Municipal Aid distribution (100% max guarantee)			-	1,816			-	-	-	-	259	259
76	Distributions to Municipalities			-	(1,816)			-	-	-	-	(259)	(259)
77	<b>Taconite Municipal Aid Account- Subtotal</b>			-	-			-	-	-	-	-	-
79	<u>TACONITE ECONOMIC DEVELOPMENT FUND</u>												
80	Modify Pellet Chips and Fines TEDF Credit*			-	(832)	-	(832)	-	-	-	(413)	(419)	(832)
81	<b>Taconite Economic Development Fund - Subtotal</b>			-	<b>(832)</b>	-	<b>(832)</b>	-	-	-	<b>(413)</b>	<b>(419)</b>	<b>(832)</b>

\*These provisions are also included in HF3763 & HF3763-1UE

APPENDIX B: INTERACTIONS WITH TAX POLICY

GENERAL FUND

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		GOVERNOR		HOUSE		SENATE		CHAPTER 172 - Vetoed May 17, 2018					
Line	ITEM	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018	FY 2019	FY 2018-19	FY 2020	FY 2021	FY 2020-21
	INDIVIDUAL INCOME TAX INTERACTIONS												
1	Senate Change Item: Cloquet Area Fire and Ambulance Taxing District					-	(80)	0	0	-	-40	-40	(80)
2	Senate Change Item: Intrastate Natural Gas Transportation or Distribution Pipeline Exemption from state general levy. Max 12 yr. Effective pay 2020			-	negligible	-	-	0	0	-	0	negligible	negligible
3	House Change Item: Special State General Levy Refund aid authorized for Aitkin, Crow wing and Mille Lacs Counties			50	-								
4	House Change: Medical facility tax abatement			-	(negligible)			0	0	-	(negligible)	(negligible)	(negligible)
5	House Change: Property tax abatement for nonprofit Mental Health Center (Duluth)			negligible	-								
6	House Change: Repeal Mpls Library debt service - Income tax interactions			-	160					-			-
7	Gov Change: State General levy inflation	-	(1,950)										
8	TOTAL: INDIVIDUAL INCOME TAX INTERACTIONS	-	(1,950)	50	160	-	(80)	-	-	-	(40)	(40)	(80)