

Omnibus Tax Bill - Joint House/Senate Fiscal Tracking

2022 REGULAR SESSION - TAX POLICY AND TAX AIDS & CREDITS - SUMMARY

6/21/2022

House HF 3669 - 3E/ Senate HF 3669 - 2UE - Summary of Change Items

4:00 PM

ALL FUNDS, DOLLARS IN THOUSANDS

TAX POLICY & NON GENERAL FUND CHANGE ITEMS: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

LINE	ITEM	Actual	Conference Committee Report (CCR) - HF 3669	
		FY 2021-22	FY 2022-23	FY 2024-25
1	<u>GENERAL FUND FORECAST:</u>			
2	TAX POLICY (REVENUE) ¹	47,737,661	54,594,416	58,105,887
3	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	3,892,681	4,153,638	4,342,803
4				
5	<u>GENERAL FUND - CHANGE ITEMS:</u>			
6	TAX POLICY		(1,376,614)	(2,593,948)
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS		74,315	(144,850)
8	SUBTOTAL: GENERAL FUND CHANGE ITEMS		(1,450,929)	(2,449,098)
10	<u>NON-GENERAL FUND - CHANGE ITEMS:</u>			
11	LEGACY FUNDS		(650)	(1,270)
12	ENVIRONMENTAL FUND		(3,100)	(6,400)
13	SPECIAL REVENUE FUND		5,490	640
15	HOUSING DEVELOPMENT FUND		-	-
16	IRON RANGE SCHOOL CONSOLIDATION FUND		-	2,775
17	COUNTY ROAD & BRIDGE FUND		-	(2,775)
18	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS		1,740	(7,030)

(1) General Fund state tax revenues are based on the February 2022 Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF/SF #	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	CCR - HF 3669			CCR - HF 3669		
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
1	TOTAL - Non Dedicated General Fund Tax Revenue, Current Law Forecast		26,552,098	28,042,318	54,594,416	28,768,606	29,337,281	58,105,887
2	<i>Tax Policy -Change Items - Summary</i>							
3	<i>Tax Policy - Change Items</i>		-	(1,274,734)	(1,274,734)	(1,255,774)	(1,307,594)	(2,563,368)
4	<i>Tax Policy - Federal Conformity - Change Items</i>		-	(101,880)	(101,880)	(15,360)	(15,220)	(30,580)
5	Total - General Fund, Tax Policy - All Change Items		-	(1,376,614)	(1,376,614)	(1,271,134)	(1,322,814)	(2,593,948)
6	INDIVIDUAL INCOME TAX							
7	<i>Change Items - Federal Conformity</i>							
8	*FCAA: Expansion of Section 529 Plans	Retro, TY 19	-	(530)	(530)	(160)	(160)	(320)
9	*CARES: Increase Limitation, Charitable Deduction Limit - Food Inventory to 25%	TY 20 only	-	(190)	(190)	40	10	50
10	*CARES: Exclusion of Certain Employer Student Loan Payments	TY 20 only		(5,000)	(5,000)			
11	*CARES: Inclusion of certain over-the-counter medical products as medical expenses	TY 20	-	(Negli.)	(Neli.)	(Negli.)	(Negli.)	(Negli.)
12	*CAA: Exclusion, Discharge of Indebtedness, Qual. Principle Residence (Full Retroactive Conformity)	TY 21-25	-	(2,800)	(2,800)	(1,600)	(1,600)	(3,200)
13	*CAA: Exclusion of Benefits for Volunteer Firefighters & Emergency Medical Responders	TY 21 only	-	(590)	(590)	(400)	(400)	(800)
14	*CAA: Exclusion of Certain Employer Student Loan Payments (Full Retroactive Conformity)	TY 21-25	-	(14,300)	(14,300)	(7,300)	(7,400)	(14,700)
15	*CAA: Partial Above the Line Deduction of Charitable Contributions	TY 21 only	-	(13,900)	(13,900)	-	-	-
16	*CAA: Increase Limitation, Charitable Contributions Deductions, 60% to 100% FAGI	TY 21 only	-	(6,500)	(6,500)	2,700	1,200	3,900
17	*CAA: Special disaster-related rules for use of retirement funds (Full Retroactive Conformity)	TY 21 only	-	(10)	(10)	10	-	10
18	*CAA: Temporary increase in limitation on qualified contributions	TY 21-22	-	(900)	(900)	(400)	(400)	(800)
19	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21	-	(2,800)	(2,800)	(300)	(100)	(400)
20	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21	-	(2,400)	(2,400)	(400)	(200)	(600)
21	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY21	-	(80)	(80)	(10)	(Negli.)	(10)
22	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro, TY18	-	(8,200)	(8,200)	(1,100)	(900)	(2,000)
23	*CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical Productions	TY 21-25	-	(3,300)	(3,300)	(600)	(600)	(1,200)
24	*CAA: Energy-Efficient Commercial Building Deduction	TY 21	-	(410)	(410)	(200)	(200)	(400)
25	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	-	(120)	(120)	(40)	(40)	(80)
26	*ARPA: Employer-Provided Dependent Care Assistance, Exclusion Increased	TY 21 only	-	(760)	(760)	-	-	-
27	*ARPA: Discharged Student Loans, Exclusion Provided (Fully Retroactive Conformity)	TY 21-25	-	(200)	(200)	(100)	(100)	(200)
28	*ARPA: Increase maximum unearned income for Working Family Credit	TY 21	-	(900)	(900)	(500)	(500)	(1,000)
29	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only	-	(6,300)	(6,300)	(600)	(300)	(900)
30	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only	-	(4,400)	(4,400)	(400)	(200)	(600)
31	*ARPA: Extend Limitation on Excess Business Losses	TY 26	-	-	-	-	-	-
32	*IIJA: Private Activity Bonds for Qualified Broadband Projects	TY22	-	(80)	(80)	(170)	(290)	(460)
33	*IIJA: Tax Exempt Bonds for Qualified Carbon Dioxide Capture Facilities	TY22	-	(20)	(20)	(20)	(40)	(60)
35	Subtotal - Change Items - Income Tax, Federal Conformity		-	(74,690)	(74,690)	(11,550)	(12,220)	(23,770)
36								
37	<i>Change Items</i>							
38	HF3558 Renters Income Tax Credit to Replace Renters Credit (Refundable)	TY 2022	-	(372,600)	(372,600)	(378,200)	(386,100)	(764,300)
39	Repeal of Renter Property Tax Credit (See Property Tax Expenditure Section) ^^	Pay 2023	-	-	-	[231,600]	[234,700]	[466,300]

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF/SF #	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	CCR - HF 3669			CCR - HF 3669		
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
40	HF3713 Beginning Farmer Tax Management and Incentive Credits: Eligibility Modified	TY 2022	-	(3,700)	(3,700)	(4,000)	-	(4,000)
41	HF118 Stillborn Tax Credit Modifications	Retro TY 16			-			-
42	HF1373 K-12 Education Tax Credit: Phaseout \$70,000 FAGI and Indexed	TY 2022	-	(13,300)	(13,300)	(14,000)	(14,200)	(28,200)
43	<i>K-12 Education Tax Credit Interaction: K-12 Subtraction</i>		-	1,100	1,100	1,100	1,100	2,200
44	HF3283 Child & Dependent Care Tax Credit: Increased Credit, Income Phaseout & Other Changes		-	(55,500)	(55,500)	(57,100)	(57,600)	(114,700)
45	<i>Child & Dependent Care Tax Credit Interaction: Addition- Dependent Care Expenses</i>			2,700	2,700	2,800	2,800	5,600
46	HF3669 Small Business Investment (Angel) Tax Credit: Allocation Increase	TY 22 only	-	(7,000)	(7,000)			
47	HF 4318 Credit for Taxes Paid to Another State, Disregarded LLCs	TY 2022			-			-
48	HF4590 Film Production Tax Credit, Modifies the Minimum Expense for Eligibility	TY 2022			-			-
49	HF3967 Pass-Through Entity (PTE), Various Modifications	TY 2022		(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
50	HF2091 Military Pension Subtraction, Eligibility Expanded	Retro TY 2021	-	(1,300)	(1,300)	(700)	(700)	(1,400)
51	HF3776 Emergency Assistance Post-Secondary Grants, Subtraction	TY 2022	-	(10)	(10)	(10)	(10)	(20)
52	HF4777 Reduce 1st Bracket Rate to 5.1% (from 5.35%)	TY 2022	-	(276,700)	(276,700)	(191,400)	(199,100)	(390,500)
53	<i>Interaction: Rate Reduction & Other Income Tax Base Modifications</i>		-	4,540	4,540	4,780	5,190	9,970
54	HF 2788 100% Subtraction of Social Security Income	TY 2022	-	(509,600)	(509,600)	(547,300)	(578,600)	(1,125,900)
55	R&D Credit: Increase 2nd Tier Rate to 4.25% (from 4%)	TY2022	-	(1,200)	(1,200)	(900)	(1,000)	(1,900)
56	HF 4246 Establish Credit for New Markets ¹	TY 2023	-	-	-	-	(1,800)	(1,800)
57	<i>Interaction with Property Taxes: Local Government Aid</i>				-	310	310	620
58	<i>Interaction with Property Taxes: County Program Aid</i>				-	310	310	620
59	<i>Interaction with Property Taxes: School LOR Levy</i>				-	470	660	1,130
60	<i>Interaction with Property Taxes: School Building Bond Agricultural Aid, 85 Percent</i>				-		580	580
61	<i>Interaction with Property Taxes: School District LTFM Levy</i>				-	(10)	(10)	(20)
62	<i>Interaction with Property Taxes: Payment-in-Lieu of Taxes (PILT)</i>				-	90	100	190
63	<i>Interaction with Property Taxes: Ely School Bond Debt Service</i>				-	(10)	(10)	(20)
64	<i>Interaction with Property Taxes: State General Levy Reduction</i>				-	900	900	1,800
65	<i>Interaction with Property Taxes: Class 4d Modifications</i>				-		10	10
66	<i>Interaction with Property Taxes: Cook county & Lake county property tax refunds</i>			10	10			-
67								
68	Subtotal - Other Income Tax Change Items		-	(1,232,560)	(1,232,560)	(1,182,870)	(1,227,170)	(2,410,040)
69								
70	CORPORATE FRANCHISE TAX							
71	Change Items - Federal Conformity							
72	*FCAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY18-20	-	(360)	(360)	(40)	(20)	(60)
73	*CARES: Modify Charitable Contributions Deductions Limitation, 20% of FTI	TY 20 only	-	(550)	(550)	170	100	270
74	*CARES: Charitable Deduction Limitation Increased for Food Inventory from 15% to 25%	TY 20 only	-	(90)	(90)	30	-	30
75	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21	-	(2,600)	(2,600)	(100)	(100)	(200)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

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			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
76	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21	-	(2,400)	(2,400)	(400)	(200)	(600)
77	*CAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY 21-25	-	(190)	(190)	(100)	(110)	(210)
78	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY 21	-	(60)	(60)	(10)	-	(10)
79	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro TY18	-	(4,100)	(4,100)	(500)	(400)	(900)
80	*CAA: Special Expensing Rules- Certain Film, Television and Live Theatrical Productions	TY 21-25	-	(3,800)	(3,800)	(700)	(700)	(1,400)
81	*CAA: Energy-Efficient Commercial Building Deduction	TY 21	-	(660)	(660)	(320)	(320)	(640)
82	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	-	(180)	(180)	(70)	(70)	(140)
83	*CAA: Special Disaster-Related Rules	TY 21-22	-	(100)	(100)	30	20	50
84	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only	-	(6,100)	(6,100)	(600)	(300)	(900)
85	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only	-	(4,300)	(4,300)	(400)	(200)	(600)
86	*ARPA: Worldwide Interest Allocation Rules, Repeal	TY21	-	Unknown	Unknown	Unknown	Unknown	Unknown
87	*ARPA: Deny Deduction for Highly Compensated Executives	TY26	-	-	-	-	-	-
88	*IIJA: Tax Treatment of Contributions to the Capital of a Corporation Modified	TY21	-	(1,700)	(1,700)	(800)	(700)	(1,500)
89								
90	Subtotal - Change Items - Corporate Franchise Tax, Federal Conformity		-	(27,190)	(27,190)	(3,810)	(3,000)	(6,810)
91								
92	Change Items							
93	Historic Structure Rehabilitation Credit: Repeal Sunset ²	DfE	-	(6,700)	(6,700)	(12,600)	(19,600)	(32,200)
94	R&D Credit: Increase 2nd Tier Rate to 4.25% (from 4%)	TY 22	-	(2,200)	(2,200)	(1,700)	(1,800)	(3,500)
95	Subtotal - Other Corporate Franchise Tax, Change Items		-	(8,900)	(8,900)	(14,300)	(21,400)	(35,700)
96								
97	SALES AND USE TAXES							
98	Change Items							
99	Construction Exemption, Duluth - I.S.D. 709 ³ ^^	various	-	[(240)]	[(240)]	[(250)]		[(250)]
100	Construction Exemption, Ely - I.S.D. 696 ³ ^^	various	-	[(320)]	[(320)]			-
101	Construction Exemption, Various School Building Projects (see appendix for detail)	various	-	(1,320)	(1,320)	(4,050)	(1,300)	(5,350)
102	Construction Exemption, Itasca County Courts & Courthouses	various	-	-	-	(250)	(250)	(500)
103	Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	various	-	(290)	(290)			-
104	Construction Exemption, City of Wayzata, Various Projects	various	-	-	-	(520)	-	(520)
105	Construction Exemption, Minneapolis - St. Paul Airport	DfE	-	(190)	(190)	(1,300)	(800)	(2,100)
106	Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022	-	(660)	(660)	(710)	(760)	(1,470)
107	Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	(290)	(290)	(320)	(320)	(640)
108	Exemption, Pre-sales by Agricultural Societies	DfE	(Negli.)	(30)	(30)	(30)	(30)	(60)
109	Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	various	-	(20)	(20)			-
110	Establish Exemption for Suite License Food & Beverages, Amenities Included w/ Admission	7/1/2022	-	(1,140)	(1,140)	(1,170)	(1,190)	(2,360)
111	Establish Exemption for Nonprofit Animal Shelters	7/1/2022	-	(1,560)	(1,560)	(1,700)	(1,700)	(3,400)
112	Exempt Polar Vortex-related Natural Gas Charges	various	-	(5,180)	(5,180)	(2,380)	(2,380)	(4,760)
113	Exempt Selected Health Care Materials	7/1/2022		(630)	(630)	(720)	(740)	(1,460)
114	Subtotal - Sales & Use Tax, Change Items		-	(11,310)	(11,310)	(13,150)	(9,470)	(22,620)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF/SF #	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	CCR - HF 3669			CCR - HF 3669		
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
115	ESTATE TAX							
116	Change Items							
117								
118	HF 759 Special Ag Homestead Market Value Credit	various	-	-	-	(Unknown)	(Unknown)	(Unknown)
119	SF3671 Spousal Exclusion Portability	FY23	-	(1,100)	(1,100)	(3,600)	(6,800)	(10,400)
120								
121	Subtotal - Estate Taxes, Change Items		-	(1,100)	(1,100)	(3,600)	(6,800)	(10,400)
122								
123	STATEWIDE PROPERTY TAX (STATE GENERAL LEVY)							
124	Change Items							
125	HF 4400 Indian Tribe-Owned Property (Cass County) - State General Levy refund	Pay 2022	-	(10)	(10)			-
126	HF4778 Reduction to State General Levy (CI & SRR)	Pay 2023		(15,900)	(15,900)	(30,000)	(30,000)	(60,000)
127					-			-
128	Subtotal - Statewide Property Tax, Change Items		-	(15,910)	(15,910)	(30,000)	(30,000)	(60,000)
129								
130	LAWFUL GAMBLING TAXES							
131	Change Items							
132	Modify Combined Net Receipts 1st Bracket and 1st Rate	7/1/2024	-	-	-	(6,800)	(7,700)	(14,500)
133								
134	Subtotal - Lawful Gambling Taxes, Change Items		-	-	-	(6,800)	(7,700)	(14,500)
135								
136	OTHER TAX REVENUE							
137	Change Items							
138	HF 2367 Solid Waste Management - % Reallocation Change, Environmental Fund to Gen. Fund	DfE	-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
139	Eliminate \$50 Taxpayer Payment Agreement Fee	6/24/2022		(1,854)	(1,854)	(1,854)	(1,854)	(3,708)
140	Subtotal - Other Tax Revenue, Change Items		-	(4,954)	(4,954)	(5,054)	(5,054)	(10,108)

*Federal Conformity Act Acronyms:

FCAA: Further Consolidated Appropriations Act (Public law 11-94)
 CARES: Coronavirus, Aid, Relief and Security Act (Public Law 116-127)
 CAA: Consolidated Appropriations Act (Public Law 116-260)
 ARPA: American Rescue Plan (Public Law 117-2)
 IIA: Infrastructure, Investment and Jobs Act (Public Law - 117-58)

Commonly used spreadsheet acronyms:

"Negli." denotes negligible cost/savings of plus or minus \$5,000
 "Feb-22" denotes current law estimates based on MMB's February 2022 Forecast
 ^^ The estimates in brackets "[]" are not included in the total.
 "DFE" denotes a provision is effective day following enactment
 "DOR" Minnesota Department of Revenue

FOOTNOTES

- ¹ The total amount of tax credits would equal \$60 million for all years through tax year 2030.
² Due to the credit's five-year expensing schedule, FY 28 is the first fiscal year where the full revenue reduction effect occurs (approximately \$35 million - DOR Estimate)
³ The revenue reductions for these bracketed construction exemption provisions are included in the line item for "various school building projects."

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

	HF/SF	Change Item Description	Effective Date			CCR-HF3669			CCR-HF3669
				FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
1		GENERAL FUND SUMMARY							
2		Property Tax Aids, Credits and Refunds							
3		February 2022 forecast		2,075,125	2,078,513	2,078,513	2,151,796	2,191,007	4,342,803
4		HF 3669 OTB -Total Proposed GF Changes		2,650	71,665	74,315	(87,020)	(57,830)	(144,850)
5		Property Tax Aids, Credits and Refunds - February 2022 + HF 3669 OTB Chgs		2,077,775	2,150,178	4,227,953	2,064,776	2,133,177	4,197,953
6		PROPERTY TAX REFUNDS							
7		Homestead Credit State Refund (HCSR) PTR changes							
8	HF 3518	Homeowner PTR - Incrs max refund \$200, reduce thrshds 0.1% incm \$21.8K-\$32.8K, reduce copays 5% incm \$33K-\$77K	2022 Rfds / Pay 2023				35,200	36,800	72,000
11	HF 1095	Manufactured home park classification modified. PTR interaction	Pay 2024				0	270	270
13		Homestead Market Value Exclusion changes \$95K thrshld, max exclusion \$38K, max mkt value \$517,200 PTR interaction	Assmt 2023				0	(7,330)	(7,330)
14									
15		Affordable Hsg Market Value Exclusion changes PTR interaction ⁸	Assmt yrs 2023-2030				0	0	0
16	HF 2300	Community land trust property class 4d(2) rate @ 0.75% - PTR	Pay 2023				(180)	(180)	(360)
20		Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$75K - PTR	Pay 2023				180	450	630
21	HF 1661	Elderly living facilities exempted from taxation - PTR	Assmt 2023				0	10	10
22									
24	HF 3782	Energy storage system exemption established - PTR	Assmt 2023				0	20	20
26	HF 4591	Cooperative utility distribution line "appurtenance" def chg - PTR	Assmt 2023				0	20	20
27	HF 4305	Solar energy production tax exemption created - PTR	DFE				30	30	60
29									
30	HF 3224 HF 498	School District levy - Long-term Facilities Revenue - PTR	FY 2024				20	20	40
31	HF 4042	Ely School Bond debt service - PTR	Local appv + file				30	30	60
32									
33		Ag homestead property 1st tier valuation modification	Assmt 2023				0	360	360
34	HF 759	Special Ag Hmstd- qualifying relatives expanded PTR	App filed 2022/ Pay 2023				Unknown	Unknown	Unknown
35	HF 1429	Class 2a land ag product def include hemp - PTR	Assmt 2023				0	30	30
38		Class 1c (Ma Pa Resorts) class tier modifications	Pay 2023				10	10	20

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6/21/2022

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Dollars in Thousands

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			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
39	HF 2865 HF 3066	Disabled veterans' homestead market value exclusion application deadline extended for qualifying spouses PTR	Assmt 2022			(Negligible)	(Negligible)	(Negligible)
40	HF 3678	Airport property - exempt "manufacture" of aircraft - PTR	Pay 2023			20	20	40
41	HF 4400	Indian tribe-owned property (Cass Cty), extend property tax exemptn 8 yr-PTR	Pay 2023			Negligible	Negligible	Negligible
42	<u>Other HCSR Aid/Credit change related PTR interactions</u>							
44	HF 4064	PTR interaction - LGA approp increase	Pay 2023			(790)	(790)	(1,580)
45	HF 4399	PTR interaction - CPA approp increase	Pay 2023			(790)	(790)	(1,580)
46	HF 3073	PTR interaction - PILT valuation increase	Pay 2023			(240)	(260)	(500)
48	HF 3224 HF 3906	PTR interaction - School Equalization LOR levy/aid	FY 2024			(2,240)	(3,190)	(5,430)
49	HF 2929	PTR interaction - Increase SBB Ag Credit 85%	Pay 2024			0	680	680
52		PTR interaction - Class 4d modifications	Pay 2024-25			0	2,920	2,920
53	Subtotal - Homestead Credit State Refund PTR changes		0	0	0	31,250	29,130	60,380
54	<u>Renter / Targeting Property Tax Refund changes</u>							
55	HF 3558	Renters Credit - Convert to Income Tax Credit						
56	HF 4226	Repeal Renter PTR, sunset rent paid 2022, taxes filed in 2023	Rnt Pd 2022			(231,600)	(234,700)	(466,300)
57	HF 3725	Special (Targeting) PTR -Thrshd to 10%, max rfnd to \$2,000	2022 Rfnds / Pay 2023			1,900	2,000	3,900
58	Subtotal - Renter / Targeting PTR changes		0	0	0	(229,700)	(232,700)	(462,400)
59								
60	<u>AIDS AND CREDITS</u>							
61	<u>Local Aid changes</u>							
62	HF 4064	Local Government Aid approp increase with one year no reduction provision	Pay 2023			30,000	30,000	60,000
63	HF 2810	City of Echo 2021 LGA penalty forgiveness (\$46,060)	DFE	0	0	0	0	0
64	HF3586	City of Morton 2021 LGA penalty forgiveness (\$79,476)	DFE	0	0	0	0	0
65		City of Roosevelt 2019 LGA penalty forgiveness (\$25,410)	DFE	25	25	0	0	0
66		City of Bena 2021 LGA penalty forgiveness (\$43,774)	DFE	0	0	0	0	0
67		City of Boy River 2021 LGA penalty forgiveness (\$19,578)	DFE	0	0	0	0	0
68								
72	HF4399	County Program Aid appropriation increase	Pay 2023			30,000	30,000	60,000
75	HF 4198	Career Workforce Academies - DEED grants to Com Workforce Dev Bds/report	FY 2023 only	24,000	24,000	0	0	0
78	HF 4689	County Pandemic Rental Assistance payments	FY 2023 only	20,000	20,000	0	0	0

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

	HF/SF	Change Item Description	Effective Date			CCR-HF3669			CCR-HF3669
				FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
85	HF3719 HF 3669 HF 3073 HF 3224 HF 3906	Transition Aid to Cities - Class 4d modifications	Pay 2024-25				0	810	810
87									
94		Soil and Water Conservation District Aid created	Pay 2023		0	0	6,000	6,000	12,000
95		Increase Payments in Lieu of Taxes (PILT) valuation/ Lakeshore report	Pay 2023				9,200	9,800	19,000
96		School District Equalization Aid - Local Option Rev levy / aid	FY 2024				<u>26,170</u>	<u>40,090</u>	<u>66,260</u>
97		Subtotal - Local Aid changes		0	44,025	44,025	101,370	116,700	218,070
98		Property Tax Credit changes							
100	HF 1429	Ag Homestead Market Value Credit intct - Class 2a incld hemp	Assmt 2023				0	10	10
101	HF 759	Special Ag Hmstd- qualifying relatives expanded Ag MVC	Pay 2023				Unknown	Unknown	Unknown
102	HF 2929	Increase School Building Bond Agricultural Credit to 85%	Pay 2024				0	21,800	21,800
103		SBB intct Ag homestead property 1st tier valuation modfy	Assmt 2023				0	(360)	(360)
104	HF 3224 HF 498	School Bldg Bond Ag Credit intct - LTFM chg	FY 2024				10	10	20
105	HF4042	School Bldg Bond Ag Credit intct - Ely School bond debt serv	Local appv + file				30	30	60
106	HF 1429	School Bldg Bond Ag Credit intct - Class 2a land, hemp	Assmt 2023				0	30	30
107	HF 4305	School Bldg Bond Ag Credit intct - Solar engy tax exmptn	DFE				<u>20</u>	<u>20</u>	<u>40</u>
108		Subtotal - Property Tax Credit changes		0	0	0	60	21,540	21,600
109		Other changes							
		Electric Generation Transition - Transfer to Special Revenue Fund ⁹	FY 2023 only		5,200	5,200			
110	HF 998	Housing Development Fund, Workforce & Affordable Homeownership acct ¹⁰	Beg 7/1/22 FYs 23-30		7,500	7,500	7,500	7,500	15,000
112	HF 3944	Polar Vortex Energy Rebate Grants	FY 2023		14,700	14,700			
117	HF 4513	Legislative Auditor admin - Review county costs child protection	FY 2023				0	0	0
119		Cook County and Lake County Property Tax Refunds (one-time, Pay 2022 only)	Beg 7/1/22		240	240			
122	HF 3669	MN Department of Revenue Administration	DFE	2,500	0	2,500	2,500	0	2,500
123		MN Housing Finance Agency - Administration	DFE	150		150			
124		Subtotal - Other changes		2,650	27,640	30,290	10,000	7,500	17,500
125									
126		Total GF Changes, Tax Aids, Credits & Refunds		\$2,650	\$71,665	\$74,315	(\$87,020)	(\$57,830)	(\$144,850)

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

HF/SF	Change Item Description	Effective Date			CCR-HF3669			CCR-HF3669
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
128	GF Summary PTAC		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022-23</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024-25</u>
129	Subtotal - Homestead Credit State Refund PTR changes		0	0	0	31,250	29,130	60,380
130	Subtotal - Renter / Targeting PTR changes		0	0	0	(229,700)	(232,700)	(462,400)
131	Subtotal - Local Aid changes		0	44,025	44,025	101,370	116,700	218,070
132	Subtotal - Property Tax Credit changes		0	0	0	60	21,540	21,600
133	Subtotal - Other changes		2,650	27,640	30,290	10,000	7,500	17,500
134	TOTAL GF Changes, Property Tax Aids & Credits		2,650	71,665	74,315	(87,020)	(57,830)	(144,850)

FOOTNOTES⁸ The Department of Revenue (DOR) is unable to estimate the number of participating municipalities. Therefore, the amount of property tax refunds paid eginning in FY 26 is estimate as "unknown."⁹ The Department of Revenue (DOR) estimates that five retired electric generating units may qualify local jurisdictions for this assistance. Funding available until June 30, 2025, with appropriation authority to be determined in a future session.¹⁰ With a term of 8 years ending in FY 2030, the total value of this appropriation in the Conference Agreement will be \$75 million.

2022 Legislature - HF 3669 3E, HF 3669-2UE - Non General Fund Tax Revenue - Summary of Change Items, February (Feb 2022) Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

HF		EFFECTIVE	CCR-HF3669			CCR-HF3669		
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
1	Total Non General Fund		-	1,740	1,740	(3,620)	(3,410)	(7,030)
2	Total - Legacy Funds:		-	(650)	(650)	(740)	(530)	(1,270)
3	HF 2189 Construction Exemption, Duluth - I.S.D. 709 ¹ ^^	Various	[(10)]	[(10)]		[(20)]		[(20)]
4	HF 2092 Construction Exemption, Ely - I.S.D. 696 ¹ ^^	Various	[(20)]	[(20)]				-
5	HF 2786 Construction Exemption, Various School Building Projects (see appendix)	Various	(80)	(80)		(230)	(80)	(310)
6	HF 1960 Construction Exemption, Itasca County Courts & Courthouses	Various		-		(10)	(10)	(20)
7	HF 4114 Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	Various	(20)	(20)				-
8	HF 2262 Construction Exemption, City of Wayzata, Various Projects	Various		-		(30)		(30)
9	HF3819 Construction Exemption, Minneapolis - St. Paul Airport	DFE	-	(10)	(10)	(80)	(50)	(130)
10	HF 4318 Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022		(40)	(40)	(40)	(40)	(80)
11	HF 3167 Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	-	-	-	-	-
12	HF 3104 Exemption, Pre-sales by Agricultural Societies	DFE	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
13	HF 2756 Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	Various		(Negli.)	(Negli.)	-	-	-
14	HF 3754 Establish Exemption for Suite License Food & Beverages, Amenities Included w/ Admission	7/1/2022		(70)	(70)	(70)	(70)	(140)
15	HF1386 Establish Exemption for Nonprofit Animal Shelters	7/1/2022		(90)	(90)	(100)	(100)	(200)
16	HF 4650 Exempt Polar Vortex-related Natural Gas Charges	Various		(300)	(300)	(140)	(140)	(280)
17	Exempt Selected Health Care Materials	7/1/2022		(40)	(40)	(40)	(40)	(80)
18	Total - Environmental Fund:		-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
19	HF 2367 Solid Waste Management - Reallocation of Tax Revenue from General Fund	DFE		(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
20	Total - Special Revenue Fund:		-	5,490	5,490	320	320	640
21	HF 3167 Exemption, National Sports Center- Blaine, Amateur Sports Comm	DFE		290	290	320	320	640
22	Electric Generation Transition from general fund (REV) ²	FY 2023 only		5,200	5,200	-	-	-
23	Total - Housing Development Fund		-	-	-	-	-	-
24	HF 998 Workforce & Affordable Homeownership program	FYs 23-30		(7,500)	(7,500)	(7,500)	(7,500)	(15,000)
25	Workforce & Affordable Homeownership from general fund (REV)	FYs 23-30		7,500	7,500	7,500	7,500	15,000
26	Total - Iron Range School Consolidation		-	-	-	925	1,850	2,775
27	HF 4042 Extend 10 cnt/ton distribution (Conference to 2043) then 5 cnt/ton beyond	DFE				925	1,850	2,775
28	Total - County Road & Bridge Fund:		-	-	-	(925)	(1,850)	(2,775)
29	HF 4042 Eliminates 5 cnt increased allocation that would begin in 2024	DFE			-	(925)	(1,850)	(2,775)

^^ The estimates are bracketed and are not included in the total.

¹ The revenue reductions for these bracketed construction exemption provisions are included in the line item for "various school building projects."

² Funding for Electric Generation Transition is available until June 30, 2025, with appropriation authority to be determined in a future session.

APPENDIX - HF 2786 - Fiscal Detail: Sales Tax/Construction Materials Exemption for Various School Projects

		Window of Exemption For Purchases	CCR - HF 3669			CCR - HF3669		
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
	<u>Fiscal Detail by Fund</u>							
1	General Fund Impact -							
2	I.S.D. 695 - Chisholm Public Schools	1/1/21 to 12/31/24			-	(420)	(420)	(840)
3	I.S.D. 709 - Duluth Public Schools	7/1/21 to 12/31/24	-	(240)	(240)	(250)		(250)
4	I.S.D. 319 - Nashwauk-Keewatin Public Schools	1/1/22 to 12/31/24	-	-	-	(550)	(550)	(1,100)
5	I.S.D. 696 - Ely Public Schools	5/2/19 to 12/31/23	-	(320)	(320)	-	-	-
6	I.S.D. 701 - Hibbing Public Schools	5/2/19 to 12/31/24	-	(250)	(250)	-	-	-
7	I.S.D. 2909 - Rock Ridge Public Schools	5/2/19 to 12/31/23	-	(510)	(510)	(2,500)		(2,500)
8	I.S.D. 6076 - Northland Learning Center	1/2/22 to 12/31/24	-	-	-	(180)	(180)	(360)
9	No. 6096 -52 - Northern Lights Cooperative Academy	1/1/22 to 12/31/24	-	-	-	(150)	(150)	(300)
10	Subtotal		-	(1,320)	(1,320)	(4,050)	(1,300)	(5,350)
11								
12	Legacy Fund Impact -							
13	I.S.D. 695 - Chisholm Public Schools	Same as above	-	-	-	(20)	(30)	(50)
14	I.S.D. 709 - Duluth Public Schools	Same as above	-	(10)	(10)	(20)		(20)
15	I.S.D. 319 - Nashwauk-Keewatin Public Schools	Same as above	-		-	(30)	(30)	(60)
16	I.S.D. 696 - Ely Public Schools	Same as above	-	(20)	(20)			-
17	I.S.D. 701 - Hibbing Public Schools	Same as above	-	(20)	(20)			-
18	I.S.D. 2909 - Rock Ridge Public Schools	Same as above	-	(30)	(30)	(140)		(140)
19	I.S.D. 6076 - Northland Learning Center	Same as above	-	-	-	(10)	(10)	(20)
20	No. 6096 -52 - Northern Lights Cooperative Academy	Same as above	-		-	(10)	(10)	(20)
21	Subtotal		-	(80)	(80)	(230)	(80)	(310)
22					-			-
23	TOTAL - All Funds		-	(1,400)	(1,400)	(4,280)	(1,380)	(5,660)

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE Omnibus Tax Bills
Tax and Property Tax No Cost Change Items - Conference Agreement

HF/SF	Change Item Description	CCR - HF 3669 Effective date
	<u>Tax changes - Miscellaneous (no state fund impact)</u>	
1	Tax Expenditure purpose statements submissions by Tax Chairs	DFE
2	HF 3083 DOR Policy and Technical, including HCSR eligibility date extension to 12.31 and Renter CRP e-filing reqmts	various
3	Deferred Compensation withholding	begin TY 2022
4	<u>Property tax changes - Miscellaneous (no state fund impact)</u>	
5	HF 2800 Delinquent Property Tax interest rate- county may set rate	Jan 1, 2023
6	HF 3042 Remove 10% interest unpaid balances repurchase of tax-forfeited property	Jan 1, 2023
7	HF 4577 Local Government debt financing (Public Finance bill)	DFE
8	HF 4022 City of Virginia exempted from net debt limit	DFE
	Classs 4d Rate Reduction Property Tax Savings report	DFE
10	<u>Property tax changes for Tax Increment Financing (TIF)</u>	
11	HF 4281 TIF update State Auditor - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DFE +1
12	HF 2775 Plymouth TIF district spec rules (10yr extnd,uses)	Local appvl + file
13	HF 4082 Hopkins TIF District 2-11 amd special rules (30% incrmnt, uses)	Local appvl + file
14	HF4127 Savage TIF district special rules (5-6yr) extended	Local appvl + file
15	HF 2700 Woodbury TIF District 13 special rules amended, Central Park	Local appvl + file
16	HF4297 Fridley TIF district 20 special rules established, housing uses	Local appvl + file
17	Shakopee TIF special rules, soils deficiency district til 12.31.2026	Local appvl + file
18	<u>Local Lodging / Food & Beverage Taxes (no state fund impact)</u>	
19	HF 3074 Cook County local 1% lodging tax extended from 15 to 30 yrs	Local appvl + file
20	HF 551 Plymouth 3% local lodging, extend 10-yr sunset to 10 yr	DFE
21	Lake of the Woods 3% local lodging tax for Event/Visitors Bureau	Local appvl + file
22	<u>Local Option Sales Taxes (no state fund impact)</u>	
23	HF 3381 Local taxes; resolution submission and referendum requirements clarified for modifying new & existing local sales tax	Local appvl + file
24	Temp authority pandemic-related construction cost incrs, up to \$3M for 2021 LOST, 10% incrs for 2022 LOST, sbjct to local approval	Local appvl
25	HF 3443 Henderson new 0.5% local sales for \$240K Allanson Pk Cmpgrnd 15 y	Local appvl + file
26	HF 3716 Proctor addl 0.5% to exst 1.0% local sales for \$3.85M/ 20y	Local appvl + file
27	HF 2923 Winona County new 0.25% local sales for \$28M / 25y Corrcn Fclty	Local appvl + file
28	HF3748 Rice County new 3/8% for \$77M/ 30y public sfty fclty	Local appvl + file
29	HF 3606 Bloomington addl 0.5% local sales for \$135M/ 20y Ice Gdn/Well Cntr+	Local appvl + file
30	HF2702 Edina expand 0.5% local sale rev to \$46.9M/17y Braemar Pk + impvmts	Local appvl + file
31	HF3760 Brooklyn Center new 0.5% local sales for \$55M/20y for Com Cntr	Local appvl + file
32	HF 3194 Roseville new 0.5% local sales for \$65M/ 16y Maintnc Fclty/Psspt Cntr+	Local appvl + file
33	HF 3829 Aitkin new 1.0% local sales for \$9.3M/ 19y Muny Bldg/pk impvmts	Local appvl + file
34	HF 3473 Golden Valley new 0.75% local sales for \$73M/ 30y Public Wks +Safety	Local appvl + file
35	HF 3703 Blackduck new 0.5% local sales for \$1.0M/ 20y 5 projcts	Local appvl + file
36	HF 3763 East Grand Forks new 1.25% local sales for \$21.5M/20y CvcCntr/VFW	Local appvl + file
37	HF 3822 Rochester extnd 0.5% local sales \$215M/18y St constr/flood contrl/Rec, Economic vitality fund - either 50 or 60 based on election	Local appvl + file
38	HF 3969 Marshall extnd 0.5% for \$16M/ 30y for aquatic cntr	Local appvl + file
39	Waite Park modfy 0.5% local sales use for \$15M 10th Ave Corridor Pjct, term 20 y	Local appvl + file
40	Moorhead extnd 0.5% local sales from 22 y to 30 y, \$31.6M for Reg Llb	Local appvl + file
41	Oakdale extnd 0.5% local sales 25 y to 30 y, \$37M for Pub Wk/Police Cntr	Local appvl + file
42	Warren extnd 0.5% local sales 20 y to 30 y, \$1.6M for Child Care Facility	Local appvl + file
43	St Peter modfy 0.5% local sales 40 y, incrs from \$9.1M to \$9.6M for new fire station	Local appvl + file

Omnibus Tax Bill - Joint House/Senate Fiscal Tracking

2022 REGULAR SESSION - TAX POLICY AND TAX AIDS & CREDITS - SUMMARY

Updated: 6/21/22 3:30 PM

House HF 3669 - 3E/ Senate HF 3669 - 2UE - Summary of Change Items

ALL FUNDS, DOLLARS IN THOUSANDS

TAX POLICY & NON GENERAL FUND CHANGE ITEMS: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

LINE	ITEM	Actual	HF 3669 Governor (Mar 2022)		House HF 3669 -3E		Senate HF 3669 -2UE	
		FY 2021-22	FY 2022-23	FY 2024-25	FY 2022-23	FY 2024-25	FY 2022-23	FY 2024-25
1	<u>GENERAL FUND FORECAST:</u>							
2	TAX POLICY (REVENUE) ¹	47,737,661	54,594,416	58,105,887	54,594,416	58,105,887	54,594,416	58,105,887
3	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	3,892,681	4,153,638	4,342,803	4,153,638	4,342,803	4,153,638	4,342,803
4								
5	<u>GENERAL FUND - CHANGE ITEMS:</u>							
6	TAX POLICY		(238,480)	(257,630)	(1,477,230)	(1,629,040)	(3,430,460)	(5,201,100)
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS		2,135,173	243,391	167,727	(29,956)	139	14,918
8	SUBTOTAL: GENERAL FUND CHANGE ITEMS		(2,373,653)	(501,021)	(1,644,957)	(1,599,084)	(3,430,599)	(5,216,018)
9								
10	<u>NON-GENERAL FUND - CHANGE ITEMS:</u>							
11	LEGACY FUNDS		(5,580)	(8,410)	(7,130)	(1,960)	(610)	(1,080)
12	ENVIRONMENTAL FUND				3,100	6,400	-	-
13	SPECIAL REVENUE FUND				290	640	-	-
14	RESTRICTED MISCELLANEOUS SPECIAL REVENUE FUND				(5)	20	-	-
15	HOUSING DEVELOPMENT FUND				-	-	-	-
16	IRON RANGE SCHOOL CONSOLIDATION FUND				-	2,775	-	2,775
17	TACONITE ENVIRONMENTAL PROTECTION FUND				-	(1,850)	-	-
18	DJJ ECONOMIC PROTECTION FUND				-	(926)	-	-
19	COUNTY ROAD & BRIDGE FUND						-	(2,775)
20	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS		(5,580)	(12,155)	(3,745)	4,489	(610)	(1,240)

(1) General Fund state tax revenues are based on the February 2022 Forecast

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills (based on the February 2022 Forecast)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

			GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
1	TOTAL - Non Dedicated General Fund Tax Revenue, Current Law Forecast		54,594,416	58,105,887	54,594,416	58,105,887	54,594,416	58,105,887
2								
3	Tax Policy -Change Items - Summary							
4	Tax Policy - Change Items		(143,600)	(227,050)	(1,396,400)	(1,594,240)	(3,335,580)	(5,170,520)
5	Tax Policy - Federal Conformity - Change Items		(94,880)	(30,580)	(80,830)	(34,800)	(94,880)	(30,580)
6	Total - General Fund, Tax Policy - All Change Items		(238,480)	(257,630)	(1,477,230)	(1,629,040)	(3,430,460)	(5,201,100)
7								
15								
16	INDIVIDUAL INCOME TAX							
22								
23	Change Items - Federal Conformity							
24	*FCAA: Expansion of Section 529 Plans	Retro, TY 19	(530)	(320)	(530)	(320)	(530)	(320)
25	*CARES: Increase Limitation, Charitable Deduction Limit - Food Inventory to 25%	TY 20 only	(190)	50	(190)	50	(190)	50
26	*CARES: Exclusion of Certain Employer Student Loan Payments	TY 20 only			(5,000)			
27	*CAA: Exclusion, Discharge of Indebtedness, Qual. Principle Residence (Full Retro.	TY 21-25	(2,800)	(3,200)	(2,800)	(3,200)	(2,800)	(3,200)
28	*CAA: Exclusion of Benefits for Volunteer Firefighters & Emergency Medical	TY 21 only	(590)	(800)	(590)	(800)	(590)	(800)
29	*CAA: Exclusion of Certain Employer Student Loan Payments	TY 21-25	(13,900)	(14,700)	-	-	(13,900)	(14,700)
30	*CAA: Exclusion of Certain Employer Student Loan Payments	TY 21-25			(14,300)	(14,700)		
31	*CAA: Partial Above the Line Deduction of Charitable Contributions	TY 21 only	(13,900)	-	-	-	(13,900)	-
32	*CAA: Increase Limitation, Charitable Contributions Deductions, 60% to 100% FAGI	TY 21 only	(6,500)	3,900	-	-	(6,500)	3,900
33	*CAA: Special disaster-related rules for use of retirement funds (Full Retroactive Conformity)	TY 21 only	(10)	10	(10)	10	(10)	10
34	*CAA: Temporary increase in limitation on qualified contributions	TY 21-22	(900)	(800)	(900)	(800)	(900)	(800)
35	*CAA: Exclusion of SBA Loan Assistance	TY 21	(2,700)	(400)	-	-	(2,700)	(400)
36	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21			(2,800)	(400)		
37	*CAA: Exclusion of Shuttered Venue Grants	TY 21	(2,300)	(600)	-	-	(2,300)	(600)
38	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21			(2,400)	(600)		
39	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY21	(80)	(10)	(80)	(10)	(80)	(10)
40	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro, TY18	(8,200)	(2,000)	(8,200)	(2,000)	(8,200)	(2,000)
41	*CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical	TY 21-25	(3,300)	(1,200)	(3,300)	(1,200)	(3,300)	(1,200)
42	*CAA: Energy-Efficient Commercial Building Deduction	TY 21	(410)	(400)	(410)	(400)	(410)	(400)
43	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	(120)	(80)	(120)	(80)	(120)	(80)
44	*ARPA: Employer-Provided Dependent Care Assistance, Exclusion Increased	TY 21 only	(760)	-	(760)	-	(760)	-
45	*ARPA: Discharged Student Loans, Exclusion Provided (Fully Retroactive Conformity)	TY 21-25	(200)	(200)	(200)	(200)	(200)	(200)
46	*ARPA: Increase maximum unearned income for Working Family Credit	TY 21	(900)	(1,000)	(900)	(1,000)	(900)	(1,000)
47	*ARPA: Exclusion of EIDL Loan Advances	TY 21 only	(5,800)	(900)	-	-	(5,800)	(900)
48	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only			(6,300)	(900)		
49	*ARPA: Exclusion of Restaurant Revitalization Grants	TY 21 only	(4,200)	(600)	-	-	(4,200)	(600)

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills (based on the February 2022 Forecast)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)		EFFECTIVE					
50	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only		(4,400)	(600)		
51	*IJA: Private Activity Bonds for Qualified Broadband Projects	TY22	(80)	(460)	(80)	(80)	(460)
52	*IJA: Tax Exempt Bonds for Qualified Carbon Dioxide Capture Facilities	TY22	(20)	(60)	(20)	(20)	(60)
53			-	-	-		
54	Subtotal - Change Items - Incom Tax, Federal Conformity		(68,390)	(23,770)	(54,290)	(68,390)	(23,770)
55							
56	Change Items		-	-			
57	Renters Income Tax Credit to Replace Renters Credit (Refundable)	TY 2022		(372,600)	(764,300)		
58	Repeal of Renter Property Tax Credit (See Property Tax Expenditure Section) ^^	Pay 2023		-	[466,300]		
60	Student Loan Tax Credit: Credit Size Modified and Made Refundable	TY 22-28		(32,000)	(65,900)		
61	Beginning Farmer Tax Management and Incentive Credits: Eligibility Modified	TY 2022		(3,700)	(4,000)		
62	Stillborn Tax Credit Modifications	Retro TY 16		Negli.	Negli.		
63	K-12 Education Tax Credit: Phaseout \$70,000 FAGI and Indexed	TY 2022	(13,300)	(28,200)	(13,300)	(28,200)	
64	K-12 Education Tax Credit Interaction: K-12 Subtraction		1,100	2,200	1,100	2,200	
65	Child & Depend. Care Tax Credit: Increase Tax Credit by 30 percent	TY22 -23 only	(8,200)	(8,400)	-	-	
66	Child & Depend. Care Tax Credit: Increase Increase Phaseout Threshold & Index	TY 2022	(5,700)	(12,200)	-	-	
67	Child & Depend. Care Tax Credit: Interactions with Tax Credit and Phaseout		(1,600)	(1,700)	-	-	
68	Child & Depend. Care Tax Credit: Expand Eligibility for Newborn Tax Credit	TY 2022	(1,400)	(2,800)	-	-	
69	Child & Depend. Care Tax Credit: Interactions with Newborn Tax Credit Expansion		(1,000)	(1,400)	-	-	
70	Child & Dependent Care Tax Credit: Increased Credit, Income Phaseout & Other Changes	TY 22-28		(196,600)	(406,400)		
71	Child & Dependent Care Tax Credit Interaction: Addition- Dependent Care Expenses			14,300	29,500		
72	Rebate Credit, Children under Age 17, \$140,000 FAGI Phaseout (Refundable)	only		(308,000)	-		
73	Polar Vortex Response Tax Credit (Refundable)	TY20 21 only		(14,700)	-		
74	Polar Vortex Response Tax Credit Interaction: Addition for Deducted Excess Energy Costs			300			
75	Working Family Tax Credit: Expand Eligibility to Include ITIN Taxpayers	TY 2022	(9,800)	(20,800)	(9,800)	(20,800)	
76	Small Business Investment (Angel) Tax Credit: Allocation Increase, Sunset Extended	TY 22-30	(7,000)	(10,000)	-	-	
77	Small Business Investment (Angel) Tax Credit: Allocation Increase	TY 22 only		(7,000)		(7,000)	-
78	Credit for Taxes Paid to Another State, Disregarded LLCs	TY 2022		-	-		
79	Film Production Tax Credit, Modifies the Minimum Expense for Eligibility	TY 2022		-	-		
80	Pass-Through Entity (PTE), Various Modifications	Retro TY 2021		(Unknown)	(Unknown)	(Unknown)	(Unknown)
82	Unemployment Insurance Subtraction, \$10,200 Max. Subtraction, \$150,000 FAGI Phaseout	TY2021 only		(160,900)	-		
83	Social Security Subtraction, Modified Subtraction and Phaseout	TY 2022		(114,200)	(262,400)		
84	Covid Business Assistance Aid, Subtraction	Retro TY 2020		(11,500)	-		
85	Military Pension Subtraction, Eligibility Expanded	Retro TY 2021		(1,300)	(1,400)		
86	Emergency Assistance Post-Secondary Grants, Subtraction	TY 2022		(10)	(20)		
87	Workforce Grant Payment, Subtraction	TY 2022		-	-		
88	Reduce 1st Bracket Rate to 2.8% (from 5.35%)	TY22				(2,822,100)	(3,979,900)
89	Interaction: Rate Reduction & Other Income Tax Base Modifications	TY22				47,530	104,760
90	100% Subtraction of Social Security Income	TY22				(509,600)	(1,125,900)

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills (based on the February 2022 Forecast)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)		EFFECTIVE					
91	Child & Dependent Care Credit: Increase Phaseout Threshold to \$70,000	TY22				(5,700)	(12,200)
92	K12 Credit: FAGI Basis; Phaseout Threshold to \$50,000; Indexed TY23	TY22				(6,100)	(13,000)
93	K12 Subtraction: Amounts increased by 100%; Indexed TY23	TY22				(5,900)	(12,700)
94	Establish Credit for Preceptors	TY23-25				-	(6,600)
95	Establish Subtraction for Eligible Public Safety Pension Income ¹	TY23				-	(2,200)
96	Establish Subtraction for Nuclear Decommissioning Trust Fund Income ²	TY25				-	(1,200)
97	Establish Credit for Eligible Parental Leave Expenditures	TY24-26				-	(12,700)
98	R&D Credit: Increase 2nd Tier Rate to 4.25% (from 4%)	TY22				(1,200)	(1,900)
99	Establish Credit for New Markets ³	TY23				-	(3,000)
100	Repeal Addition of 529 Plan Amounts Used for Private School Tuition (TCJA Conformity)	TY22				(100)	(200)
101				-	-		
102	Interaction with Property Taxes: Public Safety Aid		940	-	-		
103	Interaction with Property Taxes: Local Government Aid			-	700		
104	Interaction with Property Taxes: County Program Aid			-	260		
105	Interaction with Property Taxes: School LOR Levy		-	-	1,540		
106	Interaction with Property Taxes: School Building Bond Agricultural Aid, 85%			-	580		
107	Interaction with Property Taxes: School District LTFM Levy			-	(20)		
108	Interaction with Property Taxes: Payment-in-Lieu of Taxes (PILT)			-	190		
109	Interaction with Property Taxes: Local Affordable Housing Aid			-	710		
110	Interaction with Property Taxes: Ely School Bond Debt Service			-	(20)		
111	Interaction with Property Taxes: Local Homeless Prevention Aid for tribal governments				(40)		
112	Interaction: State General Levy Reduction					-	560
113	Interaction: Riparian Buffer Credit					-	300
114	Interaction: Electric Generation Transition Aid to Local Governments					-	60
115	Interaction: Mille Lacs Reimbursement for Lost Revenue					-	Negl.
116	Interaction: Class 4d Modifications					-	10
119							
120	Subtotal - Other Income Tax Change Items		(46,900)	(82,360)	(1,229,910)	(1,517,820)	(3,310,170)
121							
123							
124	CORPORATE FRANCHISE TAX						
129							
130	Change Items - Federal Conformity						
131	*FCAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY18-20	(360)	(60)	(360)	(60)	(60)
132	*CARES: Modify Charitable Contributions Deductions Limitation, 20% of FTI	TY 20 only	(550)	270	-	-	(550)
133	*CARES: Charitable Deduction Limitation Increased for Food Inventory from 15% to 25%	TY 20 only	(90)	30	(90)	30	(90)
134	*CAA: Exclusion of SBA Loan Assistance	TY 21	(2,500)	(200)	-	-	(2,500)
135	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21			(2,600)	(200)	
136	*CAA: Exclusion of Shuttered Venue Grants	TY 21	(2,300)	(600)	-	-	(2,300)
137	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21			(2,400)	(600)	

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills (based on the February 2022 Forecast)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

			GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
138	*CAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY 21-25	(190)	(210)	(190)	(210)	(190)	(210)
139	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY 21	(60)	(10)	(60)	(10)	(60)	(10)
140	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro TY18	(4,100)	(900)	(4,100)	(900)	(4,100)	(900)
141	*CAA: Special Expensing Rules- Certain Film, Television and Live Theatrical Productions	TY 21-25	(3,800)	(1,400)	(3,800)	(1,400)	(3,800)	(1,400)
142	*CAA: Energy-Efficient Commercial Building Deduction	TY 21	(660)	(640)	(660)	(640)	(660)	(640)
143	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	(180)	(140)	(180)	(140)	(180)	(140)
144	*CAA: Special Disaster-Related Rules - Qualified Disaster-Related Personal Casualty Losses	TY 21-22	(100)	50	-	-	(100)	50
145	*ARPA: Exclusion of EIDL Loan Advances	TY 21 only	(5,800)	(900)	-	-	(5,800)	(900)
146	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only			(6,100)	(900)		
147	*ARPA: Exclusion of Restaurant Revitalization Grants	TY 21 only	(4,100)	(600)	-	-	(4,100)	(600)
148	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only			(4,300)	(600)		
149	*ARPA: Worldwide Interest Allocation Rules, Repeal	TY21	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
150	*IIJA: Tax Treatment of Contributions to the Capital of a Corporation Modified	TY21	(1,700)	(1,500)	(1,700)	(1,500)	(1,700)	(1,500)
151								
152	Subtotal - Change Items - Corporate Franchise Tax, Federal Conformity		(26,490)	(6,810)	(26,540)	(7,130)	(26,490)	(6,810)
153								
154	Change Items							
155	Historic Rehabilitation Tax Credit: Timing of Credit & Sunset Delayed	DfE to TY30			(31,800)	(34,300)		
156	Historic Structure Rehabilitation Credit: Repeal Sunset ⁴	DfE					(6,700)	(32,200)
157	Covid Business Assistance Aid, Subtraction	Retro TY 2020	-	-	(9,400)	(1,800)		
158	Establish Credit for Eligible Parental Leave Expenditures	TY24-26					-	(6,900)
159	R&D Credit: Increase 2nd Tier Rate to 4.25% (from 4%)	TY22					(2,200)	(3,500)
160								
161	Interaction with Property Taxes: Public Safety Aid		-	1,100	-	-		
162	Interaction with Property Taxes: Local Government Aid		-	-	-	-		
163	Interaction with Property Taxes: County Program Aid		-	-	-	-		
164	Interaction with Property Taxes: School LOR Levy		-	-	-	-		
165	Interaction with Property Taxes: School Building Bond Agricultural Aid, 85%		-	-	-	-		
166	Interaction with Property Taxes: School District LTFM Levy							
167	Interaction with Property Taxes: Payment-in-Lieu of Taxes (PILT)							
168	Interaction with Property Taxes: Local Affordable Housing Aid							
169	Interaction with Property Taxes: Ely School Bond Debt Service		-	-	-	-		
170	Subtotal - Other Corporate Franchise Tax, Change Items		-	1,100	(41,200)	(36,100)	(8,900)	(42,600)
173								
174	SALES AND USE TAXES							
175								
176	Change Items							
177	Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofit	7/1/21	(96,700)	(145,790)	-	-		
178	Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofit	7/1/21 - 12/31/22			(95,500)	-		
179	Construction Exemption, Duluth - I.S.D. 709	various			(240)	(250)		
180	Construction Exemption, Ely - I.S.D. 696	various			(320)	-		

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills (based on the February 2022 Forecast)

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			GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
	NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)	EFFECTIVE	FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
190	Construction Exemption, Various School Building Projects	various			(1,400)	(4,500)		
191	Construction Exemption, Itasca County Courts & Courthouses	various			-	(500)		
192	Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	various			(290)	-	(290)	-
193	Construction Exemption, City of Wayzata, Various Projects	various	-		-	(520)		
194	Capital Equipment Exemption, Expansion to Restaurant Food Service	7/1/2022			(7,700)	(17,400)		
195	Exemption Expanded, Fiber & Conduit by Internet/Broadband Service Providers	7/1/2017			(13,150)	(5,950)		
196	Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022			(660)	(1,470)		
197	Exemption, Expanded Agricultural Fencing	Retro 7/1/21			(2,580)	(2,630)		
198	Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022			(290)	(640)		
199	Exemption, Pre-sales by Agricultural Societies	DFE			(30)	(60)		
200	Exemption Extended, MN State High School League To Tax Year 2030	DFE			-	-		
201	Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	Retro 3/11/18			(20)	-		
202	Establish Exemption for Suite License Food & Beverages, Amenities Included w/ Admis	7/1/2023					-	(2,360)
203	Expand Farm Machinery Exemption to Include Agricultural Fencing	Retro 7/1/21					(3,430)	(3,500)
204	Establish Exemption for Nonprofit Animal Shelters	7/1/2022					(1,560)	(3,400)
205	Exempt Polar Vortex-related Natural Gas Charges	Retro 9/1/21					(5,180)	(4,760)
206	Exemption for Construction Materials by School Districts ⁵	7/1/2024					-	(4,570)
207					-	-		
209	Subtotal - Sales & Use Tax, Change Items		(96,700)	(145,790)	(122,180)	(33,920)	(10,460)	(18,590)
210								
212								
213	ESTATE TAX							
219	Change Items							
220	Special Ag Homestead Market Value Credit	various	-	-	-	(Unknown)	(1,100)	(10,400)
221	Spousal Exclusion Portability	FY23						
222								
223	Subtotal - Estate Taxes, Change Items		-	-	-	(Unknown)	(1,100)	(10,400)
226								
227	STATEWIDE PROPERTY TAX (STATE GENERAL LEVY)							
232								
233	Change Items							
234	Indian Tribe Owned Property - State General Levy refund	Pay 2022	-	-	(10)	-	(10)	-
235	Proportional Reduction to CI/SRR LevY (& 10-yr. Phaseout) ⁶	Various					(4,940)	(18,620)
236			-	-	-	-	-	-
237	Subtotal - Statewide Property Tax, Change Items		-	-	(10)	-	(4,950)	(18,620)
240								
241	LAWFUL GAMBLING TAXES							
247	Change Items							
248	Modify Combined Net Receipts 1st Bracket and 1st Rate	FY24				-	-	(14,500)

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills (based on the February 2022 Forecast)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
	EFFECTIVE	FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)							
Subtotal - Lawful Gambling Taxes, Change Items		-	-	-	-	-	(14,500)
OTHER TAX REVENUE							
Change Items							
Solid Waste Management - % Reallocation Change, Environmental Fund to Gen. Fund	DFE			(3,100)	(6,400)		
Repeal June Acceleration Requirement, Budget Reserve (see appendix A)	7/1/2022						
Subtotal - Other Tax Revenue, Change Items		-		(3,100)	(6,400)		

*Federal Conformity Act Acronyms:

FCAA: Further Consolidated Appropriations Act (Public law 11-94)
CARES: Coronavirus, Aid, Relief and Security Act (Public Law 116-127)
CAA: Consolidated Appropriations Act (Public Law 116-260)
ARPA: American Rescue Plan (Public Law 117-2)
IIJA: Infrastructure, Investment and Jobs Act (Public Law - 117-58)

Commonly used spreadsheet acronyms:

"Negli." denotes negligible cost/savings of plus or minus \$5,000
"Feb-22" denotes current law estimates based on MMB's February 2022 Forecast
^^ The estimates in brackets "[]"are not included in the total.
"DFE" denotes a provision is effective day following enactment

FOOTNOTES

- ¹ According to analysis by the Department of Revenue (DOR), "The fiscal impact of this subtraction grows linearly over time as the number of retirees who attained age 55 before December 31, 2022 makes up a larger share of annuitants. If the birth year restriction were not in place for tax year 2023, the fiscal impact would be about \$21,300,000."
- ² The full effects of this provision occur in FY 26 (-\$4.1 million) and will be ongoing.
- ³ The full effect of the credit is -\$10 million annually, starting in FY26. The total amount of tax credits would equal \$100 million for all years through tax year 2030.
- ⁴ Due to the credit's five-year expensing schedule, FY 28 is the first fiscal year where the full revenue effect occurs (approx. -\$35 million).
- ⁵ The full effect of this provision is first realized in FY26 (-\$10 million).
- ⁶ This provision phases out the state general levy over 10 years, beginning in TY26. The full effect of this proposal in FY 36 is a General Fund revenue reduction of -\$749.4 million.

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
GENERAL FUND SUMMARY							
1 Property Tax Aids, Credits and Refunds							
2 February 2022 forecast		4,153,638	4,342,803	4,153,638	4,342,803	4,153,638	4,342,803
3 HF 3669 OTB -Total Proposed GF Changes		<u>2,135,173</u>	<u>243,391</u>	<u>167,727</u>	<u>(29,956)</u>	<u>139</u>	<u>14,918</u>
4 Property Tax Aids, Credits and Refunds - February 2022 + HF 3669 OTB Chgs		6,288,811	4,586,194	4,321,365	4,312,847	4,153,777	4,357,721
PROPERTY TAX REFUNDS							
7 Homestead Credit State Refund (HCSR) PTR changes							
8 Homeowner PTR - Incrs max refund \$200, reduce thrshds 0.1% incm \$21.8K-\$32.8K, reduce copays 5% incm \$33K-\$77K	2022 Rfds/ Pay 2023			0	72,000		
9 Expand Homestead to Indiv taxpayer ID number (ITIN)	App filed 2022	0	3,600	0	3,600		
11 Manufactured home park classification modified. PTR interaction	Pay 2024			0	270		
12 Homestead Market Value Exclusion changes \$80,300 thrshld, max exclusion \$32,120, max mkt value \$437,100 PTR interaction	Assmt 2023			0	(1,610)		
13 Homestead Market Value Exclusion changes \$95K thrshld, max exclusion \$38K, max mkt value \$517,200 PTR interaction	Assmt 2023					0	(7,330)
15 Affordable Hsg Market Value Exclusion changes PTR interaction ⁷	Assmt 2023					0	0
16 Community land trust property class 4d(2) rate @ 0.75% - PTR	Pay 2023			0	(360)		
18 Senior citizens' property tax deferral requirements: incrs HH incm to \$75K - PTR	Pay 2023	0	180				
19 Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$96K - PTR	Pay 2023			0	930		
20 Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$75K - PTR	Pay 2023					0	630

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
21 Elderly living facilities exempted from taxation - PTR	Assmt 2023			0	10		
22							
23 Energy storage system exemption established - PTR	Assmt 2022			0	40		
24 Energy storage system exemption established - PTR	Assmt 2023						20
25 Cooperative utility distribution line chg - PTR	Assmt 2023			0	520		
26 Cooperative utility distribution line chg - PTR	Assmt 2023						20
27 Electric Generation Transition Aid to Local Gov'ts - PTR	Pay 2024						(160)
28 Solar energy production tax exemption created - PTR	DFE			0	60		
29 Solar generating system real property class clarified - PTR	Pay 2023			0	(Negligible)		
30							
31 School District levy - Long-term Facilities Revenue - PTR	FY 2024			0	40		
32 Ely School Bond debt service - PTR	Local appvl + file			0	60		
33							
34 Ag homestead property 1st tier valuation modification	Assmt 2023					0	360
35 Special Ag Hmstd- qualifying relatives expanded PTR	App filed 2022/ Pay 2023			0	Unknown		
36 Class 2a land ag product def include hemp - PTR	Assmt 2023			0	30		
37 Ag Product Definition - Include hemp PTR interaction	Assmt 2023	0	30				
38							
39 Class 1c (Ma Pa Resorts) class tier modifications	Pay 2023						20
40 Disabled veterans' homestead market value exclusion application deadline extended for qualifying spouses PTR	Assmt 2022			0	(Negligible)	0	(Negligible)
41 Airport property - exempt "manufacture" of aircraft - PTR	Pay 2023			0	40	0	40
42 Indian tribe-owned property extnd p tax exmptn - PTR	Pay 2022			0	Negligible	0	Negligible
43 <u>Other HCSR Aid/Credit change related PTR interactions</u>							
44 PTR interaction - Public Safety Aid approp		0	(5,220)				
45 PTR interaction - LGA approp increase	Pay 2023			0	(1,800)		

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
46 PTR interaction - CPA approp increase	Pay 2023			0	(680)		
47 PTR interaction - PILT valuation increase	Pay 2023			0	(500)		
48 PTR interaction - Local Affordable Hsg Aid	Pay 2023			0	(1,820)		
49 PTR interaction - School Equalization LOR levy/aid	FY 2024			0	(7,400)		
50 PTR interaction - Increase SBB Ag Credit 85%	Pay 2024			0	680		
51 PTR interaction -Earmark \$2.2M of Local Homeless Prevention Aid for tribal governments	Pay 2023/ FY 2024			0	120		
52 PTR interaction - Mille Lacs Reimbursement Aid	DFE						(Negligible)
53 PTR interaction - Class 4d modifications	Pay 2024-25						2,920
54 Subtotal - Homestead Credit State Refund PTR changes		0	(1,410)	0	64,230	0	(3,480)
55 <u>Renter / Targeting Property Tax Refund changes</u>							
56 Renters Credit - Convert to Income Tax Credit							
57 Repeal Renter PTR, sunset rent paid 2022, taxes filed in 2023	Rnt Pd 2022			0	(466,300)		
58 Special (Targeting) PTR -Thrshd to 10%, max rfnd to \$2,000	2022 Rfnds / Pay 2023			0	3,900	0	3,900
59 Subtotal - Renter / Targeting PTR changes		0	0	0	(462,400)	0	3,900
61 <u>AIDS AND CREDITS</u>							
62 <u>Local Aid changes</u>							
63 Local Government Aid formula chg/approp increase	Pay 2023			0	68,440		
64 City of Echo 2021 LGA penalty forgiveness (\$46,060)	DFE			0	0	0	0
65 City of Morton 2021 LGA penalty forgiveness (\$79,476)	DFE			0	0	0	0
66 City of Roosevelt 2019 LGA penalty forgiveness (\$25,410)	DFE					25	0
67 City of Bena 2021 LGA penalty forgiveness (\$43,774)	DFE						
68 City of Boy River 2021 LGA penalty forgiveness (\$19,578)	DFE						
69							
70 City of Mahanomen Property Tax Reimbursement Aid incrs	Pay 2023	0	0	0	320		

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
71 Mille Lacs Reimbursement Aid	DFE					114	228
72							
73 County Program Aid appropriation increase	Pay 2023	0	0	0	26,000		
74							
75 County grants - Community Career Workforce Academies	FY 2023 only	0	0	40,000	0		
76 County Pandemic Business Aid / report	FY 2023 only	0	0	50,000	0		
77 County Pandemic Rental Assistance / report	FY 2023 only	0	0	25,000	0		
78							
79 Establish Local Affordable Housing Aid program	Pay 2023						
80 LAHA to Counties		0	0	0	53,600		
81 LAHA to Cities with population of at least 10,000		0	0	0	15,400		
82 LAHA to MHFA - Local Affordable Housing grants		0	0	0	8,000		
83 Subtotal Local Affordable Housing Aid		0	0	0	77,000		
84 Transition Aid to Cities - Class 4d modifications	Pay 2024-25						810
85 Electric Generation Transition Aid to Local Govts ⁸	Pay 2024						5,200
86							
87							
88 Stronger Community Aid Program created, replaces Performance Measurement							
89 Sunset Performance Measurement Aid	1/1/2024	0	0	0	(497)		
90 Stronger Community Aid Program	Pay 2024	0	0	0	497		
91							
92 Public Safety Aid to Local Governments	Pay 2022	100,000	200,000				
93 Soil and Water Conservation District Aid created	Pay 2022	22,000	44,000	22,000	44,000		
94 Increase Payments in Lieu of Taxes (PILT) valuation/report	Pay 2023	0	0	0	19,000		
95 School District Equalization Aid - Local Option Rev levy/aid	FY 2024	0	0	0	90,690		
96 Subtotal - Local Aid changes		122,000	244,000	137,000	325,450	139	6,238
97 Property Tax Credit changes							
98 Riparian Buffer Credit @ 100% rate							8,620

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

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Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
99 Ag Homestead Market Value Credit intct - Class 2a incld hemp	Assmt 2023	0	10	0	10		
100 Special Ag Hmstd- qualifying relatives expanded Ag MVC	Pay 2023	0	0	0	Unknown		
101 Increase School Building Bond Agricultural Credit to 85%	Pay 2024	0	0	0	21,800		
102 SBB intct Ag homestead property 1st tier valuation modfy	Assmt 2023						(360)
103 School Bldg Bond Ag Credit intct - LTFM chg	FY 2024	0	0	0	20		
104 School Bldg Bond Ag Credit intct - Ely School bond debt serv	Local appvl + file	0	0	0	60		
105 School Bldg Bond Ag Credit intct - Class 2a land, hemp	Assmt 2023	0	20	0	30		
106 School Bldg Bond Ag Credit intct - Solar engy tax exmptn	DFE	0	0	0	40		
107 Subtotal - Property Tax Credit changes		0	30	0	21,960	0	8,260
108 Other changes							
Housing Development Fund, Workforce & Affordable	Beg 7/1/22	0	0	10,000	20,000		
109 Homeownership account ⁹	FYs 23-30						
110 Polar Vortex - Rebate to municipal utilities avail til Dec 31, 2022	FY 2023	0	0	20,000	0		
111 Revenue Recapture, Hospital Claims disallowed	DFE	0	0	252	504		
112 Free Filing Report	FY 2023	0	0	175	0		
113							
114 Direct Payments to Minnesotans	FY 2023	2,004,600	0				
115 Legislative Auditor admin - Review county costs child protection	FY 2023	0	0	0	0		
116 Begin Farmer Credit - Rural Finance Authority admin	TY 2022	0	0	300	300		
117 Aid Payment Shift, Budget Reserve	Pay 2023						
118 Dept of Revenue administration		8,573	771				
119							
120 Subtotal - Other changes		2,013,173	771	30,727	20,804	0	0
121							
122 Total GF Changes, Tax Aids, Credits & Refunds		\$2,135,173	\$243,391	\$167,727	(\$29,956)	\$139	\$14,918

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

6/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	GOV	GOV	HOUSE	HOUSE	SENATE	SENATE
		FY2022-23	FY2024-25	FY2022-23	FY2024-25	FY2022-23	FY2024-25
124 GF Summary PTAC		FY 2022-23	FY 2024-25	FY 2022-23	FY 2024-25	FY 2022-23	FY 2024-25
125 Subtotal - Homestead Credit State Refund PTR changes		0	(1,410)	0	64,230	0	(3,480)
126 Subtotal - Renter / Targeting PTR changes		0	0	0	(462,400)	0	3,900
127 Subtotal - Local Aid changes		122,000	244,000	137,000	325,450	139	6,238
128 Subtotal - Property Tax Credit changes		0	30	0	21,960	0	8,260
129 Subtotal - Other changes		2,013,173	771	30,727	20,804	0	0
130 TOTAL GF Changes, Property Tax Aids & Credits		2,135,173	243,391	167,727	(29,956)	139	14,918

FOOTNOTES

⁷ The Department of Revenue (DOR) is unable to estimate the number of participating municipalities. Therefore, the amount of property tax refunds paid beginning in FY 26 is estimated as "unknown."

⁸ Additional electric generating units are expected to be retired in future years and qualify for the aid under this formula. The effects of those retirements would occur outside of the forecast window.

⁹ With a term of 8 years ending in FY 2030, the total value of this appropriation will be \$80 million.

2022 Legislature - HF 3669 3E, HF 3669-2UE - Non General Fund Tax Revenue - Summary of Change Items, February (Feb 2022) Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

	EFFECTIVE	GOV FY2022-23	GOV FY2024-25	HOUSE FY2022-23	HOUSE FY2024-25	SENATE FY2022-23	SENATE FY2024-25
1 Total Non General Fund		(5,580)	(8,410)	(13,740)	(14,921)	(610)	1,695
2							
3 Total - Legacy Funds:		(5,580)	(8,410)	(7,130)	(1,960)	(610)	(1,080)
4 Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofits	Retroactive 7/1/21	(5,580)	(8,410)	-	-		
6 Exemption by Refund, Construction Mats. Purchased by a Contractor, Local Govts & Nonprofits	7/1/21 to 12/31/22	-	-	(5,510)	-		
7 Construction Exemption, Duluth - I.S.D. 709	Varous	-	-	(10)	(20)		
8 Construction Exemption, Ely - I.S.D. 696	Varous	-	-	(20)	-		
9 Construction Exemption, Various School Building Projects	Varous	-	-	(70)	(250)		
10 Construction Exemption, Itasca County Courts & Courthouses	Varous	-	-	-	(20)		
11 Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	Varous	-	-	(20)	-		
12 Construction Exemption, City of Wayzata, Various Projects	1/1/2024	-	-	-	(30)		
13 Capital Equipment Exemption, Expansion to Restaurant Food Service	7/1/2022	-	-	(460)	(1,000)		
14 Exemption Expanded, Fiber/Conduit by Internet/Broadband Service Providers	Retro 7/1/2017	-	-	(850)	(400)		
15 Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022	-	-	(40)	(80)		
16 Exemption Expanded, Agricultural Fencing	Retroactive 7/1/21	-	-	(150)	(160)		
17 Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	-	-	-		
18 Exemption, Pre-sales by Agricultural Societies	DFE	-	-	(Negli.)	(Negli.)		
19 Exemption Extended, MN State High School League To Tax Year 2030	DFE	-	-	-	-		
20 Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	retro 3/11/18	-	-	(Negli.)	-		
21 Establish Exemption for Suite License Food & Beverages, Amenities Included w/ Admission	7/1/2023					-	(140)
22 Farm Machinery Exemption Expanded to Include Agricultural Fencing	Retro 7/1/21					(200)	(200)
23 Establish Exemption for Nonprofit Animal Shelters	7/1/2022					(90)	(200)
24 Exempt Polar Vortex-related Natural Gas Charges	Retro 9/1/21					(300)	(280)
25 Exemption for Construction Materials by School Districts	7/1/2024					-	(260)
26 Exemption for Construction Materials Used in North Metro Range	Retro 9/1/21					(20)	-
27							
28 Total - Environmental Fund:		-	-	3,100	6,400		
29 Solid Waste Management - Reallocation of Tax Revenue from General Fund	DFE	-	-	3,100	6,400		
30							
31 Total - Special Revenue Fund:		-	-	290	640		
32 Exemption, National Sports Center- Blaine, Amateur Sports Comm	DFE	-	-	290	640		
33							
34 Total - Restricted Miscellaneous Special Revenue Fund		-	-	(5)	20		
35 Revenue Recapture; Certain Nonprofit Hospitals Claims Disallowed	DFE	-	-	(5)	20		
36							
37 Total - Housing Development Fund		-	-	-	-		
38 Workforce & Affordable Homeownership from general fund (REV)	FYs 23-30	-	-	(10,000)	(20,000)		
39 Workforce & Affordable Homeownership program	FYs 23-30	-	-	10,000	20,000		
40							
41 Total - Iron Range School Consolidation		-	-	-	2,775	-	2,775
42 Extend 10 cnt/ton distribution (House to 2043, Senate to 2033) then 5 cnt/ton beyond	DFE		-		2,775	-	2,775
43							
44 Total - Taconite Environmental Protection Fund:		-	-	-	(1,850)	-	
45 Distributes addl 5 cnt/ton from production tax to 2043, the 5 cnt/ton in 2044 and beyond	DFE		-		(1,850)	-	
46							
47 Total - DJJ Economic Protection Fund:		-	-	-	(926)	-	
48 Distributes addl 5 cnt/ton from production tax to 2043, the 5 cnt/ton in 2044 and beyond	DFE		-		(926)	-	
49							
50 Total - County Road & Bridge Fund:		-	-	-		-	(2,775)
51 Eliminates 5 cnt increased allocation that would begin in 2024	DFE		-			-	(2,775)

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE Omnibus Tax Bills

Tax and Property Tax No Cost Change Items

HF	Author	Change Item Description	Effective date	House	Senate
Tax changes - Miscellaneous (no state fund impact)					
1	HF 3083	Tax Expenditure purpose statements	DFE	X	
2		DOR Policy and Technical, including HCSR eligibility date extension to 12.31 and Renter CRP e-filing reqmts	various	X	X
3	Property tax changes - Miscellaneous (no state fund impact)				
4	HF 2800	Hertaus Delinquent Property Tax interest rate	Jan 1, 2023	X	X
5	HF 3042	Davnie Tourism Improvement Special Taxing Districts	DFE	X	
6	HF 4577	Marquart Local Government debt financing (Public Finance bill)	DFE	X	X
7	HF 4022	Lislegard City of Virginia exempted from net debt limit	DFE	X	X
8	Property tax changes for Tax Increment Financing (TIF)				
9	HF 4281	Youakim Tax Increment Financing - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DFE +1	X	X
10	HF 2775	Klevorn Plymouth TIF district spec rules (10yr extnd,uses)	Local appvl + file	X	
11	HF 4082	Youakim Hopkins TIF District 2-11 amd special rules (30% incrmnt, uses)	Local appvl + file	X	
12	HF4127	Hanson, J Savage TIF district special rules (5-6yr) extended	Local appvl + file	X	X
13	HF 2700	Sandell Woodbury TIF District 13 special rules amended, Central Park	Local appvl + file	X	X
14	HF4297	Bernardy Fridley TIF district 20 special rules established, housing uses	Local appvl + file	X	
15		Shakopee TIF	Local appvl + file		X
16	Local Lodging / Food & Beverage Taxes (no state fund impact)				
17	HF 3074	Ecklund Cook County local 1% lodging tax extended from 15 to 30 yrs	Local appvl + file	X	X
18	HF 551	Klevorn Plymouth 3% local lodging, eliminate 10-yr sunset	DFE	X	
19	HF 1676	Sandell Woodbury 3% local lodging tax (current authority), allow 2/3 use	Local appvl + file	X	
20		Lake of the Woods 3% local lodging tax for Event/Visitors Bureau	Local appvl + file		X
21	Local Option Sales Taxes (no state fund impact)				
22	HF 3381	Youakim Local taxes; resolution submission and referendum requirements clarified for modifying new & existing local sales tax	Local appvl + file	X	
23		Temp authority pandemic-related construction cost incrs, up to \$3M, sbjct to local approval	Local appvl		X
24	HF 3107	Igo Grand Rapids modify 0.5% local sales for \$10.6M/12y IRA Cvc Cntr	Local appvl + file	X	
25	HF 3443	Gruenhagen Henderson new 0.5% local sales for \$240K Allanson Pk Cmpgrmd	Local appvl + file	X	X
26	HF 3716	Murphy Proctor addl 0.5% to exst 1.0% local sales for \$3.85M/ 20y	Local appvl + file	X	X
27	HF 2923	Pelowski Winona County new 0.25% local sales for \$28M / 25y Corrcrtn Facilty	Local appvl + file	X	X
28	HF3748	Lippert Rice County new 3/8% for \$77M/ 30y public sfty facilty	Local appvl + file	X	X
29	HF 3606	Carlson Bloomington addl 0.5% local sales for \$135M/ 20y Ice Gdn/Well Cntr+	Local appvl + file	X	X
30	HF2702	Edelson Edina expand 0.5% local sale rev to \$46.9M/17y Braemar Pk + impvmts	Local appvl + file	X	
31	HF3760	Vang Brooklyn Center new 0.5% local sales for \$55M/20y for Com Cntr	Local appvl + file	X	X
32	HF 3194	Becker-Finn Roseville new 0.5% local sales for \$65M/ 16y Maintnc Facilty/Psspt Cntr+	Local appvl + file	X	X
33	HF 3829	Lueck Aitkin new 1.0% local sales for \$9.3M/ 20y Muny Bldg/pk impvmts	Local appvl + file	X	X
34	HF 3473	Freiberg Golden Valley new 0.75% local sales for \$73M/ 30y Public Wks +Safety	Local appvl + file	X	X
35	HF 3703	Grossell Blackduck new 0.5% local sales for \$1.0M/ 20y 4 projcts	Local appvl + file	X	X
36	HF 3763	Kiel East Grand Forks new 1.25% local sales for \$21.5M/20y CvcCntr/VFW	Local appvl + file	X	X
37	HF 3822	Liebling Rochester extnd 0.5% local sales \$155M/16.5y St constr/flood contrl/Rec	Local appvl + file	X	X
38	HF 3969	Swedzinski Marshall extnd 0.5% for \$16M/ 30y for aquatic cntr	Local appvl + file	X	X
39		Waite Park modfy 0.5% local sales use for \$15M 10th Ave Corridor Pjct	Local appvl + file		X
40		Park Rapids new 0.5% locals sales for \$8.8M /20 y for 5 pjcts	Local appvl + file		X
41		Moorehead extnd 0.5% local sales from 22 y to 30 y, \$31.6M for Reg Llb	Local appvl + file		X
42		Oakdale extnd 0.5% local sales 25 y to 30 y, \$37M for Pub Wk/Police Cntr	Local appvl + file		X

APPENDIX A

PRELIMINARY FISCAL IMPACT OF HF 3669-3E: Budget Reserve Priority Modifications in Article 10, section 3

Note: Positive numbers = revenue gain, negative numbers = revenue reduction

	FY 2022	FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25
Priority #6: June Accelerated Requirement in 16A.152 (Assumes: June 2023 liabilities)						
Repeal of Payment Requirement for Remaining Tax Types - General Fund Subtotal		(70,100)	(70,100)	(600)	-	(600)
Repeal of Payment Requirement for Remaining Tax Types - Penalty Impact - General Fund Subtotal		(9)	(9)	(9)	(9)	(18)
Repeal of Payment Requirement for Remaining Tax Types - Legacy Funds Subtotal		(4,100)	(4,100)	-	100	100
			-			-
Total All Funds - Priority #6	-	(74,209)	(74,209)	(609)	91	(518)
Priority #7: Aid Payment Shifts			-			-
Selected State Aid Payments in Article 10, Section 26 - General Fund Subtotal			-	(488,813)	-	(488,813)
			-			-
Total General Fund - Priority #7	-	-	-	(488,813)	-	(488,813)
			-			-
(a) Estimated Total Net Change to the General Fund for Priority 6-7	-	(74,209)	(74,209)	(489,422)	91	(489,331)
(b) Estimated Total Net Change to the Legacy Funds for Priority 6	-	(4,100)	(4,100)	-	100	100

Note (a) reflects the estimated amount of a positive unrestricted general fund balance that would need to be allocated in the November 2022 forecast to address priorities 6 & 7 in Minnesota Statute 16A.152.

Note (b) reflects the estimated impact to the Legacy Funds: Outdoor Heritage (33%), Arts and Cultural Heritage (19.75%), Clean Water (33%), and Parks and Trails (14.25%)

Source:

HF 3827 - Revenue Estimate by MN Dept. of Revenue, Published on March 2, 2022

HF 3827 Fiscal Note, Legislative Budget Office, Published on March 28, 2022