

2024 REGULAR SESSION - HF 5247 -3E As Passed the House

CHANGE SUMMARY - ALL FUNDS

ALL FUNDS, DOLLARS IN THOUSANDS

5/8/2024  
7:12 PM

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

AIDS & CREDITS: Positive amounts indicate expenditure

LINE	ITEM	Forecast	HOUSE	
		FY 2022-23	FY 2024-25	FY 2026-27
	<b><u>CURRENT LAW GENERAL FUND FORECAST:</u></b>			
1	TAX POLICY (REVENUE) <sup>1</sup>	58,529,189	58,324,253	62,739,012
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) <sup>1</sup>	4,622,185	5,482,116	4,649,430
3				
4	<b><u>GENERAL FUND - CHANGE ITEMS:</u></b>			
5	TAX POLICY		(10,271)	(32,230)
6	LESS GENERAL FUND PROPERTY TAX REFUNDS, AIDS, & CREDITS		42,729	(28,640)
7	<b>TOTAL: GENERAL FUND CHANGE ITEMS</b>		<b>(53,000)</b>	<b>(3,590)</b>
8	<b>General Fund Target</b>		<b>(53,000)</b>	<b>(5,230)</b>
9	<i>Over Target</i>		-	-
10	<i>Under Target</i>		-	<b>1,640</b>
11	<b><u>NON-GENERAL FUND - CHANGE ITEMS:</u></b>			
12	LEGACY FUNDS		(40)	-
13	HEALTH CARE ACCESS FUND		-	-
14	SPECIAL REVENUE FUND - CHILD TAX CREDIT ACCOUNT		32,300	(32,300)
15	SPECIAL REVENUE FUND - TAX MODERNIZATION ACCOUNT		(5,000)	-
16	SPECIAL REVENUE FUND - REVENUE SERVICE AND RECOVERY ACCOUNT		-	-
17	SPECIAL REVENUE FUND - STATE AUDITOR SERVICE AND RECOVERY ACCOUNT		-	-
18	SPECIAL REVENUE FUND - LOCAL SALES TAX EQUALIZATION DISTRIBUTION ACCOUNT		-	-
19	ENVIRONMENT FUND		1,821	-
20	RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS ACCOUNT		98	131
21	IRON RANGE SCHOOL CONSOLIDATION FUND		2,750	(4,200)
22	TACONITE ECONOMIC DEVELOPMENT FUND		(300)	-
23	TACONITE MUNICIPAL AID ACCOUNT		(98)	(131)
24	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND		(2,750)	(6,000)
25	TACONITE PROPERTY TAX RELIEF FUND		(3,520)	(14,100)
26	<b>SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS</b>		<b>25,261</b>	<b>(56,600)</b>

(1) General Fund state tax revenues and expenditures are based on the Minnesota Management & Budget, February 2024 Forecast

**Minnesota House of Representatives - House Fiscal Analysis Department**

**2024 REGULAR SESSION - HF 5247 -3E As Passed the House**

February 2024 Forecast - Estimated General Fund Fiscal Impact

**Tax Policy/Tax Revenue**

All Numbers in Thousands

Note : Positive numbers represent revenue gains, negative numbers or numbers in parenthesis represent revenue losses.

Row #	HF	Author	Provisions	Effective Date	Actual FY 2022-23	HOUSE FY 2024	HOUSE FY 2025	HOUSE FY 24-25 Biennium	HOUSE FY2026	HOUSE FY2027	HOUSE FY 26-27 Biennium
1			<b>GENERAL FUND SUMMARY</b>								
2											
3			Total - Current Law, Tax Revenues		58,529,189	28,322,380	30,001,873	58,324,253	30,764,630	31,974,382	62,739,012
4			Total - Net Changes, Tax Revenues		-	-	(10,271)	(10,271)	(15,965)	(16,265)	(32,230)
5			<b>Total - Non Dedicated Tax Revenue</b>		58,529,189	28,322,380	29,991,602	58,313,982	30,748,665	31,958,117	62,706,782
6			<b>INDIVIDUAL INCOME TAX</b>								
7			Change Items:								
8	4823	Norris	Child Tax Credit, Expand Eligibility 18 yrs. ^	TY25		-	(7,800)	(7,800)	(7,700)	(7,800)	(15,500)
9	5247	Gomez	Child Tax Credit, Minimum Credit Allowed ^	TY 25		-	-	-	(8,300)	(8,500)	(16,800)
10	4572	Greenman	Section 530 Exclusion	TY 25			Unknown	Unknown	Unknown	Unknown	Unknown
11	3667	Norris	Discharged Debt Subtraction	TY 24		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
12	2277	Vang	Beginning Farmer Tax Credit, Allocation/Timing Changes	TY 24		-	-	-	-	-	-
13	5198	Lislegard	Interaction with PTAC: Taconite Homestead Credit Change						40	40	80
14			<i>Subtotal</i>		-	-	(7,800)	(7,800)	(15,960)	(16,260)	(32,220)
15			<b>CORPORATE FRANCHISE TAX</b>								
16			Change Items:								
17	4463	Tabke	Housing Tax Credit Carryover	Retro TY23		-	-	-	-	-	-
			<i>Subtotal</i>		-	-	-	-	-	-	-
18			<b>SALES &amp; USE TAXES</b>								
19			Change Items								
20											
21	3559	Cha	Const. Material Purchases Exempt, City of Woodbury	2/1/24-6/30/25		-	(650)	(650)			-
22	4575	Davids	Exemption, Coin-Operated Amusement Devices	10/1/2024		-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
23			<i>Subtotal</i>			-	(650)	(650)	-	-	-
24			<b>OTHER NET REVENUE TAXES</b>								
25			Change Items:								
26	4575	Davids	Amusement Devices Gross Receipts Tax Established	7/1/2024		-	Unknown	Unknown	Unknown	Unknown	Unknown
27	3788	Hanson	Controlled Substances/Illegal Substances, Repeal	8/1/2024		-	(Negli.)	(Negli.)	(5)	(5)	(10)
28	4915	Hornstein	Solid Waste Management Account, Add'l One-time Dedication	7/1/2024		-	(1,821)	(1,821)	-	-	-
29			<i>Subtotal</i>			-	(1,821)	(1,821)	(5)	(5)	(10)
30											
31			<b>TOTAL: Net, Non Dedicated Tax Revenue</b>		58,529,189	28,322,380	29,991,602	58,313,982	30,748,665	31,958,117	62,706,782

"PTAC" denotes Property Tax and Aids/Credits

^ This provision is estimated to have a revenue reduction (cost) to the general fund in FY 2028 and thereafter.

\*\* "Feb" denotes MMB's February 2024 General Fund [https://mn.gov/mmb/forecast/forecast/]

Minnesota House of Representatives - House Fiscal Analysis Department

2024 REGULAR SESSION - HF 5247 -3E As Passed the House

February 2024 Forecast - Estimated General Fund Fiscal Impact

Property Tax, Aids and Credit (PTAC) Expenditures

Dollars in Thousands

Positive numbers are expenditures, negative numbers (in parenthesis) are cost savings

Row #	HF #	Author	Item	Effective Date	Actual FY22-23	House			House			House-Feb 24
						FY24	FY25	FY24-25	FY26	FY27	FY26-27	FY26-27
1			<b>Property Tax, Aids &amp; Credits</b>									
2			Total Current Law		4,622,185	2,832,316	2,649,800	5,482,116	2,279,450	2,369,980	4,649,430	-
3			Total Net Changes		-	100	42,629	42,729	(15,318)	(13,322)	(28,640)	(28,640)
4			<b>Total Property Tax, Aids &amp; Credits</b>		<b>4,622,185</b>	<b>2,832,416</b>	<b>2,692,429</b>	<b>5,524,845</b>	<b>2,264,132</b>	<b>2,356,658</b>	<b>4,620,790</b>	<b>(28,640)</b>
5			<b>Property Tax Refunds</b>									
6			<i>Homestead Credit Refund - Change Items:</i>									
7	1342	Elkins	Creation of Land-Value Taxation Districts	Pay 2025	-	-	-	-	+/- unknown	+/- unknown	+/- unknown	+/- unknown
8	4265	Norris	Property Tax Abatement for Land Bank Property	DFE	-	-	-	-	-	-	-	-
9	4265	Norris	Property Tax Refund Interaction - HF 4265		-	-	-	-	10	10	20	20
10			<b>Total</b>		-	-	-	-	10	10	20	20
11	4301	Gomez	Property Tax Exemption for Red Lake Nation Tribal College	DFE	-	-	122	122	-	-	-	-
12	4540	Kozlowski	Property Tax Exemption for Grand Portage Band - 5 Parcels	Assmt Yr 2025	-	-	-	-	-	-	-	-
13	4540	Kozlowski	School Building Bond Credit - HF4540		-	-	-	-	-	(negl.)	(negl.)	(negl.)
14	4540	Kozlowski	Property Tax Refund Interaction - HF4540		-	-	-	-	-	negl.	negl.	negl.
15			<b>Total</b>		-	-	-	-	-	-	-	-
16	4990	Davids	Homestead Resort Property Tax Modifications	Assmt Yr 2025	-	-	-	-	-	30	30	30
17	5062	Sencer-Mura	Property Tax Exemption for Leech Lake Band (Minneapolis)	Assmt Yr 2025	-	-	-	-	-	-	-	-
18	5062	Sencer-Mura	Property Tax Refund Interaction - HF5062		-	-	-	-	-	10	10	10
19			<b>Total</b>		-	-	-	-	-	10	10	10
20	5247	Gomez	Class 4d(2) Property Modifications - Community Land Trusts	Assmt Yr 2024	-	-	-	-	(230)	(230)	(460)	(460)
21	5247	Gomez	Public Charity Exemption Modification for Rental Housing	Pay 2025	-	-	-	-	-	-	-	-
22	4826	Robbins	Advance Property Tax Refund for Seniors	Pay 2026	-	-	-	-	-	-	-	-
23	1171	Brand	Cooperative Associations Electrical Distribution Systems Exemption	Assmt Yr 2024	-	-	-	-	30	30	60	60
24	3667	Norris	Discharged Debt Subtraction	Pay 2025	-	-	-	-	negl.	negl.	negl.	negl.

Minnesota House of Representatives - House Fiscal Analysis Department

**Property Tax, Aids and Credit (PTAC) Expenditures**

*Dollars in Thousands*

*Positive numbers are expenditures, negative numbers (in parenthesis) are cost savings*

Row #	HF #	Author	Item	Effective Date	Actual FY22-23	House			House			House-Feb 24
						FY24	FY25	FY24-25	FY26	FY27	FY26-27	FY26-27
			<b>Property Tax Refunds, Cont'd</b>									
25	3505	Knudsen	Disabled Veterans Homestead Exclusion Increase	Assmt Yr	-	-	-	-	-	-	-	-
26			Property Tax Refund Interaction - Veteran Homesteads	2024	-	-	-	-	(1,360)	(1,470)	(2,830)	(2,830)
27			Property Tax Refund Interaction - Other Homesteads		-	-	-	-	570	620	1,190	1,190
28			<b>Total</b>		-	-	-	-	(790)	(850)	(1,640)	(1,640)
29			<i>Political Contribution Refunds - Change Item:</i>									
30	4728	Bahner	Political Contribution Refund Electronic Requirements	Contrib. after 12.31.25	-	-	-	-	negl.	negl.	negl.	negl.
31			<b>Subtotal: All Change Items</b>		-	-	122	122	(980)	(1,000)	(1,980)	(1,980)
32			<b>Local Aids</b>									
33			<i>Local Homeless Prevention Aid - Change Items:</i>									
34	5247	Gomez	One Time Aid Increase to Counties	Pay 2024	-	-	4,400	4,400	-	-	-	-
35	5247	Gomez	One Time Aid Increase to MN Tribes		-	-	600	600	-	-	-	-
36			Repeal MS4771.30 (Aid Expiration)^		-	-	-	-	-	-	-	-
37			<b>Total</b>		-	-	5,000	5,000	-	-	-	-
38	5075	Lee	<i>Change Item:</i> Aid for Emerald Ash Borer Financial Assistance	DFE	-	-	1,000	1,000	-	-	-	-
39			<b>Subtotal: All Change Items</b>		-	-	6,000	6,000	-	-	-	-
40			<b>Taconite Tax Relief Area Aids &amp; Credits</b>									
41			<i>Change Item:</i>									
42	5198	Lislegard	Taconite Homestead Credit Adjustment	Pay 2025	-	-	-	-	-	-	-	-
43	5198	Lislegard	Property Tax Refund Interaction - HF5198		-	-	-	-	(850)	(850)	(1,700)	(1,700)
44			<b>Total</b>		-	-	-	-	(850)	(850)	(1,700)	(1,700)
45			<b>Subtotal: All Change Items</b>		-	-	-	-	(850)	(850)	(1,700)	(1,700)

^ The fiscal impact of the repeal would be a cost to the general fund of \$20M starting in FY30 and on-going

Minnesota House of Representatives - House Fiscal Analysis Department

Property Tax, Aids and Credit (PTAC) Expenditures

Dollars in Thousands

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Row #	HF #	Author	Item	Effective Date	Actual FY22-23	House			House			House-Feb 24
						FY24	FY25	FY24-25	FY26	FY27	FY26-27	FY26-27
46			<b>Other Aids &amp; Credits</b>									
47			<i>Change Items:</i>									
48	5177	Gillman	Penalty Forgiveness for the City of Stewart	DFE	-	-	-	-	-	-	-	-
49	4892	Wiener	Browerville Public Schools Roof Collapse Remediation Grant	7.1.24	-	-	580	580	-	-	-	-
50	2436	Hansen	One-Time Grant to South St. Paul for Planning and Development	DFE	-	100	-	100	-	-	-	-
51	4658	Koegel	Grant to Anoka County Soil and Water Conservation District	DFE	-	-	50	50	-	-	-	-
52			<b>Subtotal: All Change Items</b>		-	<b>100</b>	<b>630</b>	<b>730</b>	-	-	-	-
53			<b>Other Non-Property Tax Expenditures/Transfers</b>									
54			<i>Change Items:</i>									
55	5247	Gomez	Transfer Out - Child Tax Credit	FY 25 only	-	-	32,300	32,300	-	-	-	-
56	5247	Gomez	Transfer In - Child Tax Credit	FY 26-27	-	-	-	-	(16,000)	(16,300)	(32,300)	(32,300)
57	4826	Robbins	Appropriation: Advance Property Tax Refund for Seniors Administration	Pay 2026	-	-	158	158	118	116	234	234
58	4728	Bahner	Appropriation: Political Contribution Refund Electronic Requirements	Contrib. after 12.31.25	-	-	147	147	59	59	118	118
59	4830	Gomez	Appropriation: Direct Free File System, Minnesota Income Tax	DFE	-	-	5,000	5,000	-	2,300	2,300	2,300
60	1938	Gomez	Transfer In: Tax Modernization Account in Special Revenue Fund, Repeal	7/1/24	-	-	(5,000)	(5,000)	-	-	-	-
61	4831	Gomez	Appropriation: Tax Credit Outreach Grants	FY 2025	-	-	1,237	1,237	1,277	1,289	2,566	2,566
62	4831	Gomez	Appropriation: Taxpayer Assistance Grants	FY 2025	-	-	750	750	750	750	1,500	1,500
63	4535	Gomez	Appropriation: Corporate Tax Base Erosion Study	DFE	-	-	655	655	-	-	-	-
64	4513	Gomez	Appropriation: Corporate Franchise Tax Information Disclosure Requirements	TY 2025	-	-	480	480	198	198	396	396
65	5335	Gomez	Appropriation: Local Sales Tax Authorization, State Auditor Administration	7/1/2024	-	-	150	150	110	116	226	226
66			<b>Subtotal: All Other Change Items</b>		-	-	<b>35,877</b>	<b>35,877</b>	<b>(13,488)</b>	<b>(11,472)</b>	<b>(24,960)</b>	<b>(24,960)</b>
67			<b>Total Property Tax, Aids &amp; Credits Change Items</b>		<b>4,622,185</b>	<b>2,832,416</b>	<b>2,692,429</b>	<b>5,524,845</b>	<b>2,264,132</b>	<b>2,356,658</b>	<b>4,620,790</b>	<b>(28,640)</b>

**Minnesota House of Representatives - House Fiscal Analysis Department**

**2024 REGULAR SESSION - HF 5247 -3E As Passed the House**

**February 2024 Forecast**

**All Numbers in Thousands**

*Note : Positive numbers represent revenue gains or cost-savings , negative numbers or numbers in parenthesis represent revenue losses or expenditures.*

	Effective Date	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE
		FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
<b>1 NON GENERAL FUND - TOTAL</b>		-	25,261	25,261	(26,950)	(29,650)	(56,600)
<b>2 Health Care Access Fund - Subtotal</b>		-	-	-	-	-	-
3 Provider Tax - Research Credit, Fix Rate at 0.5%		-	-	-	-	-	-
<b>4 Special Revenue - Child Tax Credit Account - Subtotal</b>		-	32,300	32,300	(16,000)	(16,300)	(32,300)
5 Transfer In, Child Tax Credit Payment Protection Pilot	TY 25-28	-	32,300	32,300	-	-	-
6 Transfer Out, Child Tax Credit Payment Protection Pilot	TY 25-28			-	(16,000)	(16,300)	(32,300)
<b>7 Special Revenue - Tax Modernization Account - Subtotal</b>		-	(5,000)	(5,000)	-	-	-
8 Transfer Out, Tax Modernization Account	7/1/2024		(5,000)	(5,000)	-	-	-
<b>9 Special Revenue - DOR Service &amp; Recovery Account- Subtotal</b>		-	-	-	-	-	-
10 Transfer In, DOR Service & Recovery Account	DFE		-	-	-	-	-
<b>11 Special Revenue - Equalization Distribution Account - Subtotal</b>		-	-	-	-	-	-
12 Transfer In, DOR Service & Recovery Account	DFE		-	-	-	-	-
<b>13 Special Revenue - State Auditor Service &amp; Recovery Account - Subtotal</b>		-	-	-	-	-	-
14 Transfer In, State Auditor Service and Recovery Account	DFE		-	-	-	-	-
<b>15 Legacy Funds * - Subtotal</b>		-	(40)	(40)	-	-	-
16 Const. Material Purchases Exempt, City of Woodbury	various 7/1/2024	-	(40)	(40)	-	-	-
17 Coin-Operated Amusement Devices Gross Receipts Tax Established -Sales Tax	7/1/2024	-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
18 Coin-Operated Amusement Devices Gross Receipts Tax Established - Gross Receipts	7/1/2024	-	Unknown	Unknown	Unknown	Unknown	Unknown
<b>19 Environment Fund - Subtotal</b>		-	1,821	1,821	-	-	-
20 Solid Waste Management Account, Additional One-time Dedication	FY 25	-	1,821	1,821	-	-	-
<b>21 Taconite Property Tax Relief Fund - Subtotal</b>		-	(3,520)	(3,520)	(7,050)	(7,050)	(14,100)
22 Taconite Homestead Credit Adjustment	Pay 2025	-	(3,520)	(3,520)	(7,050)	(7,050)	(14,100)

**Minnesota House of Representatives - House Fiscal Analysis Department**

**All Numbers in Thousands**

*Note : Positive numbers represent revenue gains or cost-savings , negative numbers or numbers in parenthesis represent revenue losses or expenditures.*

	Effective Date	HOUSE FY 2024	HOUSE FY 2025	HOUSE FY2024-25	HOUSE FY2026	HOUSE FY2027	HOUSE FY2026-27
23 <b>Range Association of Municipalities and Schools Account - Subtotal</b>		-	98	<b>98</b>	65	66	<b>131</b>
24     Distribution Increase	2024 Distribution	-	98	<b>98</b>	65	66	<b>131</b>
25 <b>Taconite Municipal Aid Account- Subtotal</b>		-	(98)	<b>(98)</b>	(65)	(66)	<b>(131)</b>
26     Transfer out to Range Association of Municipalities and Schools Account	2024 Distribution	-	(98)	<b>(98)</b>	(65)	(66)	<b>(131)</b>
27 <b>Taconite Economic Development Fund - Subtotal</b>		-	(300)	<b>(300)</b>	-	-	-
City of Chisholm: Senator David Tomassoni Bridge of Peace	DFE	-	(300)	<b>(300)</b>	-	-	-
28 <b>Iron Range School Consolidation and Cooperatively Operated School Fund - Subtotal **</b>		-	2,750	<b>2,750</b>	(900)	(3,300)	<b>(4,200)</b>
29     Distribution Increase^	2024 Distribution	-	2,750	<b>2,750</b>	3,000	3,000	<b>6,000</b>
30     Authorization of IRRR Bonds (49M) ^^	DFE	-	-	-	(3,900)	(3,900)	<b>(7,800)</b>
31     Authorization of IRRR Bonds (31M) ^^	DFE	-	-	-	-	(2,400)	<b>(2,400)</b>
32 <b>Douglas J Johnson Economic Protection Fund - Subtotal</b>		-	(2,750)	<b>(2,750)</b>	(3,000)	(3,000)	<b>(6,000)</b>
33     Transfer out to Iron Range School Consolidation Account^	2024 Distribution	-	(2,750)	<b>(2,750)</b>	(3,000)	(3,000)	<b>(6,000)</b>

" \* " Amounts in the Legacy funds aggregate the revenue changes that affect these funds: outdoor heritage; arts and cultural heritage; clean water and parks and trails.

"DFE" denotes an effective date of Day Following Enactment

^The distribution increase via transfer will continue with the \$3M increase until FY2029. For FY2030-2034, the increase will be \$2M. For FY2035-2036, the increase will be \$1.5M. Starting in FY 2037, the transfer will revert to the base amount of \$3.5M.

^^ The Revenue Bonds have an expected fiscal impact of 20 years

\*\* This account is proposed to be renamed to the Iron Range School and Community Development Account