

2024 REGULAR SESSION - HF 5247 -1E A12 amendment, As Referred to Ways and Means

CHANGE SUMMARY - ALL FUNDS

ALL FUNDS, DOLLARS IN THOUSANDS

4/28/2024

4:00 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
	<u>CURRENT LAW GENERAL FUND FORECAST:</u>			
1	TAX POLICY (REVENUE) ¹	58,529,189	58,324,253	62,739,012
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	4,622,185	5,482,116	4,649,430
3				
4	<u>GENERAL FUND - CHANGE ITEMS:</u>			
5	TAX POLICY		(10,271)	(32,230)
6	LESS GENERAL FUND PROPERTY TAX REFUNDS, AIDS, & CREDITS		42,729	(27,000)
7	TOTAL: GENERAL FUND CHANGE ITEMS		(53,000)	(5,230)
8	General Fund Target		(53,000)	(5,230)
9	<i>Over Target</i>		-	-
10	<i>Under Target</i>		-	-
11	<u>NON-GENERAL FUND - CHANGE ITEMS:</u>			
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	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS		25,261	(56,600)

(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 -1E A12 amendment, As Referred to Ways and Means

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			GENERAL FUND SUMMARY								
2			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
3			Total - Net Changes, Tax Revenues		-	-	(10,271)	(10,271)	(15,965)	(16,265)	(32,230)
4			Total - Non Dedicated Tax Revenue		58,529,189	28,322,380	29,991,602	58,313,982	30,748,665	31,958,117	62,706,782
5											
6			INDIVIDUAL INCOME TAX								
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			CORPORATE FRANCHISE TAX								
16			Change Items:								
17	4463	Tabke	Housing Tax Credit Carryover	Retro TY23	-	-	-	-	-	-	-
18			<i>Subtotal</i>		-	-	-	-	-	-	-
19			SALES & USE TAXES								
20			Change Items		-			-			-
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			OTHER NET REVENUE TAXES								
25			Change Items:								
26	4575	Davids	Coin-Operated 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, Additional One-time Dedication	7/1/2024	-	-	(1,821)	(1,821)	-	-	-
29			<i>Subtotal</i>		-	-	(1,821)	(1,821)	(5)	(5)	(10)
30											
31			TOTAL: Net, Non Dedicated Tax Revenue		58,529,189	28,322,380	29,991,602	58,313,982	30,748,665	31,958,117	62,706,782

Minnesota House of Representatives - House Fiscal Analysis Department

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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	Effective Date	Actual FY22-23	House			House-Feb 24	House			House-Feb 24
					FY24	FY25	FY24-25	FY24-25	FY26	FY27	FY26-27	FY26-27
					Property Tax, Aids & Credits							
1					Property Tax, Aids & Credits							
2				4,622,185	2,832,316	2,649,800	5,482,116	-	2,279,450	2,369,980	4,649,430	-
3				-	100	42,629	42,729	42,729	(14,528)	(12,472)	(27,000)	(27,000)
4				4,622,185	2,832,416	2,692,429	5,524,845	42,729	2,264,922	2,357,508	4,622,430	(27,000)
					Property Tax Refunds							
5					Property Tax Refunds							
6					<i>Homestead Credit Refund - Change Items:</i>							
7	1342	Elkins	Pay 2025	-	-	-	-	-	+/- unknown	+/- unknown	+/- unknown	+/- unknown
8	4265	Norris	Property Tax Abatement for Land Bank Property	-	-	-	-	-	-	-	-	-
9	4265	Norris	Property Tax Refund Interaction - HF 4265	-	-	-	-	-	10	10	20	20
10			Total	-	-	-	-	-	10	10	20	20
11	4301	Gomez	Property Tax Exemption for Red Lake Nation Tribal College	-	-	122	122	122	-	-	-	-
12	4540	Kozlowski	Property Tax Exemption for Grand Portage Band - 5 Parcels	-	-	-	-	-	-	-	-	-
13	4540	Kozlowski	School Building Bond Credit - HF4540	-	-	-	-	-	-	(negl.)	(negl.)	(negl.)
14	4540	Kozlowski	Property Tax Refund Interaction - HF4540	-	-	-	-	-	-	negl.	negl.	negl.
15			Total	-	-	-	-	-	-	-	-	-
16	4990	Davids	Homestead Resort Property Tax Modifications	-	-	-	-	-	-	30	30	30
17	5062	Sencer-Mura	Property Tax Exemption for Leech Lake Band (Minneapolis)	-	-	-	-	-	-	-	-	-
18	5062	Sencer-Mura	Property Tax Refund Interaction - HF5062	-	-	-	-	-	-	10	10	10
19			Total	-	-	-	-	-	-	10	10	10
20		Gomez	Class 4d(2) Property Modifications - Community Land Trusts	-	-	-	-	-	(230)	(230)	(460)	(460)
21		Gomez	Public Charity Exemption Modification for Rental Housing	-	-	-	-	-	-	-	-	-
22	4826	Robbins	Advance Property Tax Refund for Seniors	-	-	-	-	-	-	-	-	-
23	1171	Brand	Cooperative Associations Electrical Distribution Systems Exemption	-	-	-	-	-	30	30	60	60
24			<i>Renter's Property Tax Refund - Change Item:</i>									
25	3667	Norris	Discharged Debt Subtraction	-	-	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)	(negl.)
26			<i>Political Contribution Refunds - Change Item:</i>									
27	4728	Bahner	Political Contribution Refund Electronic Requirements	-	-	-	-	-	negl.	negl.	negl.	negl.
28			Subtotal: All Change Items	-	-	122	122	122	(190)	(150)	(340)	(340)

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-Feb 24	House			House-Feb 24
						FY24	FY25	FY24-25	FY24-25	FY26	FY27	FY26-27	FY26-27
29			Local Aids										
30			<i>Local Homeless Prevention Aid - Change Items:</i>										
31		Gomez	One Time Aid Increase to Counties	Pay 2024	-	-	4,400	4,400	4,400	-	-	-	-
32		Gomez	One Time Aid Increase to MN Tribes		-	-	600	600	600	-	-	-	-
33			Total		-	-	5,000	5,000	5,000	-	-	-	-
34			<i>Change Item:</i>										
35	5075	Lee	Aid to Cities for Emerald Ash Borer Financial Assistance	DFE	-	-	1,000	1,000	1,000	-	-	-	-
36			Subtotal: All Change Items		-	-	6,000	6,000	6,000	-	-	-	-
37			Taconite Tax Relief Area Aids & Credits										
38			<i>Change Item:</i>										
39	5198	Lislegard	Taconite Homestead Credit Adjustment	Pay 2025	-	-	-	-	-	-	-	-	-
40	5198	Lislegard	Property Tax Refund Interaction - HF5198		-	-	-	-	-	(850)	(850)	(1,700)	(1,700)
41			Total		-	-	-	-	-	(850)	(850)	(1,700)	(1,700)
42			Subtotal: All Change Items		-	-	-	-	-	(850)	(850)	(1,700)	(1,700)
43			Other Aids & Credits										
44			<i>Change Items:</i>										
45	5177	Gillman	Penalty Forgiveness for the City of Stewart	DFE	-	-	-	-	-	-	-	-	-
46	4892	Wiener	Browerville Public Schools Roof Collapse Remediation Grant	7.1.24	-	-	580	580	580	-	-	-	-
47	2436	Hansen	One-Time Grant to South St. Paul for Planning and Development	DFE	-	100	-	100	100	-	-	-	-
48	4658	Koegel	Grant to Anoka County Soil and Water Conservation District	DFE	-	-	50	50	50	-	-	-	-
49			Subtotal: All Change Items		-	100	630	730	730	-	-	-	-

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						FY24	FY25	FY24-25	FY24-25	FY26	FY27	FY26-27	FY26-27
50			Other Non-Property Tax Expenditures/Transfers										
51			<i>Change Items:</i>										
52	5247	Gomez	Transfer Out - Child Tax Credit	FY 25 only	-	-	32,300	32,300	32,300	-	-	-	-
53	5247	Gomez	Transfer In - Child Tax Credit	FY 26-27	-	-	-	-	-	(16,000)	(16,300)	(32,300)	(32,300)
54	4826	Robbins	Appropriation: Advance Property Tax Refund for Seniors Administration	Pay 2026	-	-	158	158	158	118	116	234	234
55	4728	Bahner	Appropriation: Political Contribution Refund Electronic Requirements	Contrib. after 12.31.25	-	-	147	147	147	59	59	118	118
56	4830	Gomez	Appropriation: Direct Free File System, Minnesota Income Tax	DFE	-	-	5,000	5,000	5,000	-	2,300	2,300	2,300
57	1938	Gomez	Transfer In: Tax Modernization Account in Special Revenue Fund, Repeal	7/1/24	-	-	(5,000)	(5,000)	(5,000)	-	-	-	-
58	4831	Gomez	Appropriation: Tax Credit Outreach Grants	FY 2025	-	-	1,237	1,237	1,237	1,277	1,289	2,566	2,566
59	4831	Gomez	Appropriation: Taxpayer Assistance Grants	FY 2025	-	-	750	750	750	750	750	1,500	1,500
60	4535	Gomez	Appropriation: Corporate Tax Base Erosion Study	DFE	-	-	655	655	655	-	-	-	-
61	4513	Gomez	Appropriation: Corporate Franchise Tax Information Disclosure Requirements	TY 2025	-	-	480	480	480	198	198	396	396
62	5335	Gomez	Appropriation Local Sales Tax Authorization, State Auditor Administration	7/1/2024	-	-	150	150	150	110	116	226	226
63			Subtotal: All Change Items		-	-	35,877	35,877	35,877	(13,488)	(11,472)	(24,960)	(24,960)

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February 2024 Forecast

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	Effective Date	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE	HOUSE
		FY 2024	FY 2025	FY2024-25	FY2026	FY2027	FY2026-27
1 NON GENERAL FUND - TOTAL		-	25,261	25,261	(26,950)	(29,650)	(56,600)
2 Health Care Access Fund - Subtotal		-	-	-	-	-	-
3 Provider Tax - Research Credit, Fix Rate at 0.5%		-	-	-	-	-	-
4 Special Revenue - Child Tax Credit Account - Subtotal		-	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)
7 Special Revenue - Tax Modernization Account - Subtotal		-	(5,000)	(5,000)	-	-	-
8 Transfer Out, Tax Modernization Account	7/1/2024		(5,000)	(5,000)	-	-	-
9 Special Revenue - DOR Service & Recovery Account- Subtotal		-	-	-	-	-	-
10 Transfer In, DOR Service & Recovery Account	DFE		-	-	-	-	-
11 Special Revenue - Equalization Distribution Account - Subtotal		-	-	-	-	-	-
12 Transfer In, DOR Service & Recovery Account	DFE		-	-	-	-	-
13 Special Revenue - State Auditor Service & Recovery Account - Subtotal		-	-	-	-	-	-
14 Transfer In, State Auditor Service and Recovery Account	DFE		-	-	-	-	-
15 Legacy Funds * - Subtotal		-	(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		-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
18 Coin-Operated Amusement Devices Gross Receipts Tax Established - Gross Receipts	7/1/2024	-	Unknown	Unknown	Unknown	Unknown	Unknown
19 Environment Fund - Subtotal		-	1,821	1,821	-	-	-
20 Solid Waste Management Account, Additional One-time Dedication	FY 25	-	1,821	1,821	-	-	-
21 Taconite Property Tax Relief Fund - Subtotal		-	(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)

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

" * " 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.