

HF 130 - Budget Reductions (as passed the House)

HF 130 (SF 60) Budget Reductions (as passed the Senate)

HF 130 Conference Committee Report

	FY 2011	FY 2012	FY 2013	FY 2012-13	FY 2014-15	FY 2011	FY 2012	FY 2013	FY 2012-13	FY 2014-15	FY 2011	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15
1 Article 1 - Higher Education																	
2 University of Minnesota		-44,606	-44,606	-89,212	-89,212		-44,606	-44,606	-89,212	-89,212		-44,606	-44,606	-89,212	-44,606	-44,606	-89,212
3 Minnesota State Colleges & Universities		-47,921	-47,921	-95,842	-95,842		-47,921	-47,921	-95,842	-95,842		-47,921	-47,921	-95,842	-47,921	-47,921	-95,842
4 Subtotal - Higher Education	0	-92,527	-92,527	-185,054	-185,054	0	-92,527	-92,527	-185,054	-185,054	0	-92,527	-92,527	-185,054	-92,527	-92,527	-185,054
6 Article 2 - Human Services																	
7 Basic Care Services - Additional 1.5% Reduction		-3,786	-4,370	-8,156	-11,073		-3,786	-4,370	-8,156	-11,073		-3,786	-4,370	-8,156	-5,051	-6,022	-11,073
8 Children & Community Service Grants		-13,659	-13,659	-27,318	-27,318		-13,659	-13,659	-27,318	-27,318		-13,659	-13,659	-27,318	-13,659	-13,659	-27,318
9 Emergency General Assistance		-5,267	-5,267	-10,534	-10,534		-5,267	-5,267	-10,534	-10,534		-5,267	-5,267	-10,534	-5,267	-5,267	-10,534
10 Emergency Mn Supplemental Aid Grants		-733	-733	-1,466	-1,466		-733	-733	-1,466	-1,466		-733	-733	-1,466	-733	-733	-1,466
11 Subtotal - Human Services	0	-23,445	-24,029	-47,474	-50,391	0	-23,445	-24,029	-47,474	-50,391	0	-23,445	-24,029	-47,474	-24,710	-25,681	-50,391
13 Article 3 - State Government																	
14 FY 2011 General Reductions	-199,236			0	0	-125,000			0	0	-100,000			0			0
15 House	-96			0	0	-96			0	0	-96			0			0
Senate																	
16 State Auditor	-41			0	0	-41			0	0	-41			0			0
17 Attorney General	-500			0	0	-500			0	0	-500			0			0
18 Secretary of State	-127			0	0	-127			0	0	-127			0			0
19 No savings are shown for the proposed salary freeze because that language would only freeze salaries. It avoids future cost																	
20 increases but does not reduce any appropriations or appropriation bases.																	
21 Subtotal - State Government	-200,000	0	0	0	0	-125,836	0	0	0	0	-100,836	0	0	0	0	0	0
23 Article 4 - Tax Aids & Credits (For more detail on tax aid and credit changes, see attached spreadsheet)																	
24 Renter's Credits from 19% to 15%	0	-52,600	-53,300	-105,900	-108,600	0	-52,600	-53,300	-105,900	-108,600	0	-52,600	-53,300	-105,900	-54,000	-54,600	-108,600
25 Sustainable Forest Incentive Program Limit	0	-8,100	-8,400	-16,500	-17,700	0	-11,500	-12,400	-23,900	-27,600	0	-7,800	-8,700	-16,500	-9,700	-10,700	-20,400
26 Political Contribution Refund Repealed	0	-5,400	-6,400	-11,800	-12,000	0	-5,400	-6,400	-11,800	-12,000	0	-5,400	-6,400	-11,800	-5,500	-6,500	-12,000
27 Aids to Cities & Counties	0	-242,436	-245,061	-487,497	0	0	-242,329	-245,061	-487,390	-456,944	0	-242,284	-245,016	-487,300	0	0	0
28 Property Tax Interactions - Property Tax Refunds	0	0	13,510	13,510	0	0	0	13,510	13,510	12,660	0	0	13,510	13,510	0	0	0
29 Property Tax Interactions - Income Tax	0	0	13,660	13,660	0	0	0	13,660	13,660	13,140	0	0	13,660	13,660	0	0	0
30 Subtotal - Property Tax Aids & Credits	0	-308,536	-285,991	-594,527	-138,300	0	-311,829	-289,991	-601,820	-579,344	0	-308,084	-286,246	-594,330	-69,200	-71,800	-141,000
32 Article 5 - Tax Conformity (For more detail on tax conformity changes, see attached spreadsheet)																	
33 Revenue changes - negative number is revenue loss, positive number is revenue gain																	
34 Federal Update - Health Care Acts	-2,280	-4,110	-4,260	-8,370	6,780	-2,280	-4,110	-4,260	-8,370	6,780	-2,280	-4,110	-4,260	-8,370	3,840	2,940	6,780
35 Federal Update - Small Business Jobs Act	-16,630	-2,650	7,100	4,450	-4,075	-16,630	-2,650	7,100	4,450	-4,075	-16,630	-2,650	7,100	4,450	1,305	-5,380	-4,075
36 Federal Update - Tax Relief, Un Comp & Job Act TY 10 only						-5,065	1,955	-660	1,295	-5,460	-5,065	1,955	-660	1,295	-2,395	-3,065	-5,460
37 Subtotal - Federal Update	-18,910	-6,760	2,840	-3,920	2,705	-23,975	-4,805	2,180	-2,625	-2,755	-23,975	-4,805	2,180	-2,625	2,750	-5,505	-2,755
38																	
39 Spending Changes	-200,000	-424,508	-402,547	-827,055	-373,745	-125,836	-427,801	-406,547	-834,348	-814,789	-100,836	-424,056	-402,802	-826,858	-186,437	-190,008	-376,445
40 Revenue Changes	-18,910	-6,760	2,840	-3,920	2,705	-23,975	-4,805	2,180	-2,625	-2,755	-23,975	-4,805	2,180	-2,625	2,750	-5,505	-2,755
41 Total General Fund Effect - All Articles	-181,090	-417,748	-405,387	-823,135	-376,450	-101,861	-422,996	-408,727	-831,723	-812,034	-76,861	-419,251	-404,982	-824,233	-189,187	-184,503	-373,690
42																	

HF130 (SF60) TAX PROVISIONS IN ARTICLES 4 & 5

Revised 2/8/2011

Dollars in 000s

	HOUSE			SENATE			CONFERENCE AGREEMENT									
	FY 2010-11	FY 2012-13	FY 2014-15	FY 2010-11	FY 2012-13	FY 2014-15	FY 2011	FY 2010-11	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15		
1 Tax Aids and Credits - Article 4																
2 Repeal Political Contribution Refund		(11,800)	(12,000)		(11,800)	(12,000)			(5,400)	(6,400)	(11,800)	(5,500)	(6,500)	(12,000)		
3 Cap SFIA Payments at \$100,000		(16,500)	(17,700)						0	0	0	0	0	0		
4 Cap SFIA Payments at \$100,000 and Cap the Payment at \$7.75 Per Acre					(23,900)	(27,600)										
Cap SFIA Payments at \$7.75 Per Acre, no Cap (A14 amdmt)									(7,800)	(8,700)	(16,500)	(9,700)	(10,700)	(20,400)		
5 Adjust Renter Property Tax Refund (19% to 15%)		(105,900)	(108,600)		(105,900)	(108,600)			(52,600)	(53,300)	(105,900)	(54,000)	(54,600)	(108,600)		
6																
7 Reduce Local Government Aids - City		(203,766)	-		(203,766)	(201,326)			(101,883)	(101,883)	(203,766)	-	-	-		
8 Reduce Residential Market Value Credit - City		(97,250)	-		(97,250)	(86,572)			(48,076)	(49,174)	(97,250)	-	-	-		
9 Reduce Ag. Market Value Credit - City		(64)	-		(64)	(46)			(32)	(32)	(64)	-	-	-		
10 Adjustment for City of Houston		-	-		107	0						-	-	-		
Adj for City of Houston (A15 amdmt)		-	-						152	45	198	-	-	-		
11 City Aid Reductions		(301,080)	-		(300,973)	(287,944)			(149,839)	(151,044)	(300,883)	-	-	-		
12																
13 Reduce County Program Aid - County		(72,702)	-		(72,702)	(64,000)			(36,354)	(36,348)	(72,702)	-	-	-		
14 Reduce Residential Market Value Credit - County		(113,715)	-		(113,715)	(105,000)			(56,091)	(57,624)	(113,715)	-	-	-		
15 County Aid Reductions		(186,417)	-		(186,417)	(169,000)			(92,445)	(93,972)	(186,417)	-	-	-		
16																
17 Total City / County Aid Reductions		(487,497)	-		(487,390)	(456,944)			(242,284)	(245,016)	(487,300)	-	-	-		
18																
19 Subtotal Tax Aids and Credits Reductions		(621,697)	(138,300)		(628,990)	(605,144)			(308,084)	(313,416)	(621,500)	(69,200)	(71,800)	(141,000)		
20																
21 Income Tax Interaction		13,660	-		13,660	13,140			0	13,660	13,660	-	-	-		
22 Property Tax Refund Interaction		13,510	-		13,510	12,660			0	13,510	13,510	-	-	-		
23																
24 Subtotal, Tax Aids and Credits		(594,527)	(138,300)		(601,820)	(579,344)			(308,084)	(286,246)	(594,330)	(69,200)	(71,800)	(141,000)		
25																
26 Federal Update - Article 5 - See attached spreadsheet for details.																
27 Revenue Changes: negative numbers are revenue losses, positive numbers are revenue gains																
28 Heath Care Acts		(2,280)	(8,370)	6,780		(2,280)	(8,370)	6,780		(2,280)	(4,110)	(4,260)	(8,370)	3,840	2,940	6,780

HF130 (SF60) TAX PROVISIONS IN ARTICLES 4 & 5

Revised 2/8/2011

Dollars in 000s

		HOUSE			SENATE			CONFERENCE AGREEMENT							
		FY 2010-11	FY 2012-13	FY 2014-15	FY 2010-11	FY 2012-13	FY 2014-15	FY 2011	FY 2010-11	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15
29	Small Business Jobs Act	(16,630)	4,450	(4,075)	(16,630)	4,450	(4,075)	(16,630)	(16,630)	(2,650)	7,100	4,450	1,305	(5,380)	(4,075)
30	Tax Relief Act, for tax year 2010 only				(5,065)	1,295	(5,460)	(5,065)	(5,065)	1,955	(660)	1,295	(2,395)	(3,065)	(5,460)
31															
32	Subtotal, Federal Update	(18,910)	(3,920)	1,225	(23,975)	(2,625)	(2,755)	(23,975)	(23,975)	(4,805)	2,180	(2,625)	2,750	(5,505)	(2,755)
33															
34	TOTAL FOR TAX PROVISIONS	(18,910)	(584,927)	(135,595)	(23,975)	(599,195)	(576,589)	(23,975)	(23,975)	(303,279)	(288,426)	(591,705)	(71,950)	(66,295)	(138,245)
35															
36															
37	Federal Update - Article 5 Detail - Revenue Changes: negative numbers are revenue losses, positive numbers are revenue gains														
38	Patient Protection and Affordable Care Act and Reconciliation Act of 2010														
39	For the Itemized Deduction for Medical Expenses, Increase AGI Floor from 7.5% to 10% (1/1/13)	0	0	18,400	0	0	18,400	0	0	0	0	0	8,900	9,500	18,400
40	Income Exclusion for Specified Indian Tribe Health Benefits (3/24/10)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
41	Exclusion Under State Loan Forgiveness Programs for Certain Health Professionals (1/1/09)	(180)	(120)	(120)	(180)	(120)	(120)	(180)	(180)	(60)	(60)	(120)	(60)	(60)	(120)
42	Exclusion for Employer-Provided Adoption Assistance: Increase Maximum (TY 2010); Extend for One year (TY 2011)	(200)	(150)	0	(200)	(150)	0	(200)	(200)	(150)	0	(150)	0	0	0
43	Health Benefits for Children up to Age 26: Exclusion for Employer-Provided Amounts, Deduction for Self-Employed Plans	(1,900)	(8,100)	(11,500)	(1,900)	(8,100)	(11,500)	(1,900)	(1,900)	(3,900)	(4,200)	(8,100)	(5,000)	(6,500)	(11,500)
44	Health Care Reform Total (Individual Income & Corporate Franchise Tax)	(2,280)	(8,370)	6,780	(2,280)	(8,370)	6,780	(2,280)	(2,280)	(4,110)	(4,260)	(8,370)	3,840	2,940	6,780
45															
46	Small Business Jobs Act of 2010														
47	Individual Income Tax Provisions														
48	Reduce from 10 to 5 years the Recognition Period for Built-In Gains Tax (TY 2011)	(100)	(250)	0	(100)	(250)	0	(100)	(100)	(250)	0	(250)	0	0	0

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	FY 2010-11	FY 2012-13	FY 2014-15	FY 2010-11	FY 2012-13	FY 2014-15	FY 2011	FY 2010-11	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15
49 Section 179 Expensing: Increase Limits and Expand Eligible Property, with 80% Addback and 5-Year Recovery (TY 2010)	500	1,550	(1,700)	500	1,550	(1,700)	500	500	1,500	50	1,550	(700)	(1,000)	(1,700)
50 Section 179 Expensing: Fully Conform to Increased Limits & Expansion of Eligible Property (TY 2011)	(10,700)	(9,300)	10,800	(10,700)	(9,300)	10,800	(10,700)	(10,700)	(13,300)	4,000	(9,300)	6,400	4,400	10,800
51 50% Bonus Depreciation for TY 2010, with 80% Addback and 5-Year Recovery	600	4,000	(6,000)	600	4,000	(6,000)	600	600	4,300	(300)	4,000	(2,500)	(3,500)	(6,000)
52 Increase in Allowable Deduction for Start-Up Expenditures (TY 2010)	(950)	(400)	140	(950)	(400)	140	(950)	(950)	(450)	50	(400)	70	70	140
53 Remove Cellular Phones from Listed Property (1/1/10)	(80)	(245)	(290)	(80)	(245)	(290)	(80)	(80)	(120)	(125)	(245)	(140)	(150)	(290)
54 Rollovers from Elective Deferral Plans to Roth Designated Accounts in 2010: Income Reported 50% in 2011 and 50% in 2010	(100)	100	0	(100)	100	0	(100)	(100)	70	30	100	0	0	0
55 Permit Partial Annuitization of Nonqualified Annuity Contract (1/1/11)	0	275	675	0	275	675	0	0	100	175	275	275	400	675
56 Individual Income Tax Provisions	(10,830)	(4,270)	3,625	(10,830)	(4,270)	3,625	(10,830)	(10,830)	(8,150)	3,880	(4,270)	3,405	220	3,625
57														
58 Corporate Franchise Tax Provisions														
59 Increase from 75% to 100% the Capital Gains Exclusion for Small Business Stock (acq. 9/28/10 - 12/31/10) (Revenue loss occurs after FY2015)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 Section 179 Expensing: Increase Limits and Expand Eligible Property, with 80% Addback and 5-Year Recovery (TY 2010)	200	620	(700)	200	620	(700)	200	200	600	20	620	(300)	(400)	(700)

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	FY 2010-11	FY 2012-13	FY 2014-15	FY 2010-11	FY 2012-13	FY 2014-15	FY 2011	FY 2010-11	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15
61 Section 179 Expensing: Fully Conform to Increased Limits & Expansion of Eligible Property (TY 2011)	(4,600)	(4,000)	4,600	(4,600)	(4,000)	4,600	(4,600)	(4,600)	(5,700)	1,700	(4,000)	2,700	1,900	4,600
62 50% Bonus Depreciation for TY 2010, with 80% Addback and 5-Year Recovery	1,500	9,500	(14,200)	1,500	9,500	(14,200)	1,500	1,500	10,100	(600)	9,500	(6,000)	(8,200)	(14,200)
63 Special Rule for Long-Term Contract Accounting (TY 2010)	(3,300)	1,400	1,400	(3,300)	1,400	1,400	(3,300)	(3,300)	(100)	1,500	1,400	900	500	1,400
64 Source Rules for Income on Guarantees (9/28/10)	400	1,200	1,200	400	1,200	1,200	400	400	600	600	1,200	600	600	1,200
65 Corporate Franchise Tax Provisions	(5,800)	8,720	(7,700)	(5,800)	8,720	(7,700)	(5,800)	(5,800)	5,500	3,220	8,720	(2,100)	(5,600)	(7,700)
66 Small Business Jobs Act Total (Individual Income & Corporate Franchise Tax)	(16,630)	4,450	(4,075)	(16,630)	4,450	(4,075)	(16,630)	(16,630)	(2,650)	7,100	4,450	1,305	(5,380)	(4,075)
67														
68 Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 for Tax Year 2010 Only (A-5 Amendment)														
69 100% Bonus Depreciation (9/9/10-12/31/10) with 80% Adback and 5-Year Recovery														
70 Individual Income Tax				400	600	(1,400)	400	400	700	(100)	600	(600)	(800)	(1,400)
71 Corporate Franchise Tax				1,000	1,550	(3,300)	1,000	1,000	1,700	(150)	1,550	(1,400)	(1,900)	(3,300)
72 Suspension of 100% of Net Income Limit on Percentage Depletion for Oil and Natural Gas from Marginal Properties				(25)	0	0	(25)	(25)	0	0	0	0	0	0
73 Deduction for Educator Classroom Expenses up to \$250				[(1000)]*	0	0								
74 Special Rule for Contributions of Qualified Conservation Property				(250)	0	0	(250)	(250)	0	0	0	0	0	0
75 Deduction for Qualified Tuition and Related Expenses				[(4200)]*	0	0								

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76 Tax -Free IRA Distributions, up to \$100,000, to Certain Public Charities for Individual Age 70½ and Older				(1,400)	(120)	(120)	(1,400)	(1,400)	(60)	(60)	(120)	(60)	(60)	(120)
77 15-Year Straight-Line Depreciation for Leasehold, Restaurant, and Retail Improvements and New Restaurants														
78 Individual Income Tax				(200)	(400)	(400)	(200)	(200)	(200)	(200)	(400)	(200)	(200)	(400)
79 Corporate Franchise Tax				(300)	(600)	(600)	(300)	(300)	(300)	(300)	(600)	(300)	(300)	(600)
80 Accelerated Depreciation for Business Property on Indian Reservations														
81 Individual Income Tax				(100)	(20)	30	(100)	(100)	(20)	Negl.	(20)	10	20	30
82 Corporate Franchise Tax				(75)	(10)	10	(75)	(75)	(10)	Negl.	(10)	Negl.	10	10
83 Enhanced Charitable Contribution Deduction of Food Inventory by Other than C Corporations				(250)	0	0	(250)	(250)	0	0	0	0	0	0
84 Enhanced Charitable Contribution Deduction of Book Inventory to Public Schools														
85 Corporate Franchise Tax				(70)	0	0	(70)	(70)	0	0	0	0	0	0
86 Enhanced Charitable Contribution Deduction for Computer Inventory for Educational Purposes														
87 Corporate Franchise Tax				[(500)]*	0	0								
88 Election to Expense Mine Safety Equipment														
89 Corporate Franchise Tax				(15)	Negl.	Negl.	(15)	(15)	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
90 Special Expensing Rules for Certain Film and Television Productions														
91 Individual Income Tax				(250)	75	55	(250)	(250)	40	35	75	30	25	55
92 Corporate Franchise Tax				(150)	65	45	(150)	(150)	35	30	65	25	20	45
93 Expensing of Brownfields Environmental Remediation Costs														

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		FY 2010-11	FY 2012-13	FY 2014-15	FY 2010-11	FY 2012-13	FY 2014-15	FY 2011	FY 2010-11	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15
94	Individual Income Tax				(600)	65	90	(600)	(600)	30	35	65	40	50	90
95	Corporate Franchise Tax				(900)	110	150	(900)	(900)	50	60	110	70	80	150
96	Treatment of Certain Payments to Controlling Exempt Organizations for Unrelated Business Income Tax														
97	Corporate Franchise Tax				(150)	0	0	(150)	(150)	0	0	0	0	0	0
98	Treatment of Certain Dividends of Regulated Investment Companies				(400)	0	0	(400)	(400)	0	0	0	0	0	0
99	Exception under Subpart F for Active Financing Income														
100	Corporate Franchise Tax				(1,200)	0	0	(1,200)	(1,200)	0	0	0	0	0	0
101	Basis Adjustments to S Corporation Stock for Charitable Contributions of Property				(130)	(20)	(20)	(130)	(130)	(10)	(10)	(20)	(10)	(10)	(20)
102															
103	Individual Income Tax Provisions				(3,205)	180	(1,765)	(3,205)	(3,205)	480	(300)	180	(790)	(975)	(1,765)
104	Corporate Franchise Tax Provisions				(1,860)	1,115	(3,695)	(1,860)	(1,860)	1,475	(360)	1,115	(1,605)	(2,090)	(3,695)
105	Tax Relief Act Total (Individual Income & Corp. Franchise Tax)				(5,065)	1,295	(5,460)	(5,065)	(5,065)	1,955	(660)	1,295	(2,395)	(3,065)	(5,460)
106															
107	Total Federal Update	(18,910)	(3,920)	2,705	(23,975)	(2,625)	(2,755)	(23,975)	(23,975)	(4,805)	2,180	(2,625)	2,750	(5,505)	(2,755)
108															

109 * The intent of the Senate floor amendment was to conform to these provisions for tax year 2010.