

Fund Summary (Dollars in Thousands)		2014 Session, Chapter 150 (HF 1777)						
	Fund	FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17
1	General Fund - - Summary							
2	General Fund Tax Change Items	0	(93,725)	(349,570)	(443,295)	(462,275)	(494,115)	(956,390)
3	General Fund Expenditure Change Items	0	(1,000)	(2,380)	(3,380)	(27,790)	(28,516)	(56,306)
4	General Fund Transfer to Budget Reserve	0	0	(150,000)	(150,000)	0	0	0
5								
6	General Fund Subtotal	0	(94,725)	(501,950)	(596,675)	(490,065)	(522,631)	(1,012,696)
7								
8	Other Funds - - Summary							
9	Non General Fund Change Items	0	(1,700)	(7,900)	(9,600)	(14,200)	(14,700)	(28,900)
10								
11	All Funds Total (General Fund + Non General Fund)	0	(96,425)	(509,850)	(606,275)	(504,265)	(537,331)	(1,041,596)

General Fund Tax Revenues: HF 1777 based on the February Forecast 2014

(\$ in Thousands)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

	Effective Date	Chapter 150 (HF 1777)						
		Closing FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17
1 Individual Income Tax								
2 Current Law Receipts		19,482,774	10,848,700	11,404,600	22,253,300	12,085,300	12,547,300	24,632,600
3 Current Law Refunds		(2,497,814)	(1,330,500)	(1,363,200)	(2,693,700)	(1,297,700)	(1,189,100)	(2,486,800)
4 Change Items:								
5 Federal Conformity Provisions, see attached detailed spreadsheet	various		(52,670)	(143,025)	(195,695)	(106,880)	(110,405)	(217,285)
6 Modify Working Family Credit; Match Federal Phase-out, Increase Credit	TY 2013		0	(30,200)	(30,200)	(31,100)	(31,700)	(62,800)
7 Increase & Extend Business (Angel) Investment Credit	TY 2014		0	(3,000)	(3,000)	(15,000)	(15,000)	(30,000)
8 Interaction Impact - Local Optional Revenue Income Tax			0	0	0	(940)	(950)	(1,890)
9 Interaction Impact- Supplemental County Prog. Aid for Beltrami, Mahnomens			0	0	0	70	60	130
10 Interaction Impact- Met Council Bond Authorization			0	0	0	0	(40)	0
11 Total (Current law items + Change items)		16,984,960	9,465,530	9,865,175	19,330,705	10,633,750	11,200,165	21,833,915
12 Subtotal: Current Law Tax items		16,984,960	9,518,200	10,041,400	19,559,600	10,787,600	11,358,200	22,145,800
13 Subtotal: Net Change Items			(52,670)	(176,225)	(228,895)	(153,850)	(158,035)	(311,885)
14								
15 Corporate Franchise Tax								
16 Current Law Receipts		2,656,823	1,507,884	1,521,012	3,028,896	1,545,019	1,571,591	3,116,610
17 Current Law Refunds		(331,921)	(166,511)	(148,868)	(315,379)	(201,819)	(190,910)	(392,729)
18 Change Items:								
19 Federal Conformity Provisions, see attached detailed spreadsheet	various		(4,055)	(545)	(4,600)	(425)	(380)	(805)
20 Total (Current law items + Change items)		2,324,902	1,337,318	1,371,599	2,708,917	1,342,775	1,380,301	2,723,076
21 Subtotal: Current Law Tax items		2,656,823	1,341,373	1,372,144	2,713,517	1,343,200	1,380,681	2,723,881
22 Subtotal: Net Change Items			(4,055)	(545)	(4,600)	(425)	(380)	(805)
23								
24 Sales and Use Tax								
25 Current Law Receipts		9,957,337	5,394,826	5,528,024	10,922,850	5,751,489	6,028,645	11,780,134
26 Current Law Refunds		(463,924)	(267,680)	(193,030)	(460,710)	(135,760)	(108,760)	(244,520)
27 Current Law Refunds, Indian Sales Tax			(12,500)	(11,400)	(23,900)	(11,600)	(11,800)	(23,400)
28 Current Law Transfer Sales Tax on Motor Vehicle Leases		(41,307)	(36,580)	(43,370)	(79,950)	(49,950)	(55,120)	(105,070)
29 Current Law, City of Mpls Sales Tax to MSFA (Minn. Stat. 16A.726, sub. (b))			813	1,780	2,593	2,941	4,744	7,685
30 Change Items:								
31 Repeal - - Electronic & Commercial Equipment & Repair	4/1/2014		(12,900)	(81,700)	(94,600)	(88,000)	(94,700)	(182,700)
32 Repeal - - Storage & Warehousing	4/1/2014		(13,000)	(82,400)	(95,400)	(88,800)	(95,600)	(184,400)
33 Reinstate - - Exemption for Telecomm., Cap. Eptmt & Other Modifications	4/1/2014		(5,500)	(36,200)	(41,700)	(39,500)	(42,700)	(82,200)
34 Delay Effective Date for Up-Front Capital Equipment Exemption from 9/1/2014	7/1/2015		0	64,600	64,600	(29,400)	(20,700)	(50,100)
35 Total (Current law items + Change items)		9,452,106	5,047,479	5,146,304	10,193,783	5,311,420	5,604,009	10,915,429
36 Subtotal: Current Law Tax items		9,452,106	5,078,879	5,282,004	10,360,883	5,557,120	5,857,709	11,414,829
37 Subtotal: Net Change Items			(31,400)	(135,700)	(167,100)	(245,700)	(253,700)	(499,400)
38								
39 Statewide Property Tax								
40 Current law receipts		1,610,721	832,057	833,304	1,665,361	845,459	864,755	1,710,214
41 Total		1,610,721	832,057	833,304	1,665,361	845,459	864,755	1,710,214
43								

General Fund Tax Revenues: HF 1777 based on the February Forecast 2014

(\$ in Thousands)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

	Effective Date	Closing	Chapter 150 (HF 1777)						
		FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17	
44 Cigarette & Tobacco Products Tax									
45 Current Law Receipts		393,306	615,751	587,100	1,202,851	593,020	601,260	1,194,280	
46 Current Law Refunds			(17,850)	(10,750)	(28,600)	(9,250)	(9,250)	(18,500)	
47 Total		393,306	597,901	576,350	1,174,251	583,770	592,010	1,175,780	
49									
50									
51 Liquor, Wine and Beer Tax									
52 Current Law Receipts		163,365	84,310	85,980	170,290	87,680	89,430	177,110	
53 Current Law Refunds			(800)	(800)	(1,600)	(800)	(800)		
54 Total		163,365	83,510	85,180	168,690	86,880	88,630	175,510	
56									
57 Lawful Gambling Taxes									
58 Current Law Pari-Mutuel Gross Earnings		0			0			0	
59 Current Law Lawful Gambling Tax		0			0			0	
60 Current Law Pull-tab and Tip board Tax		25,789			0			0	
61 Current Law Lawful Gambling Combined Receipts Tax		58,269	41,100	42,200	83,300	43,400	44,600	88,000	
62 Current Law Gambling Tax Refunds		(6,232)	(200)	(100)	(300)	(50)	(50)	(100)	
63 Total		77,826	40,900	42,100	83,000	43,350	44,550	87,900	
64									
65									
66 Estate Tax									
67 Current Law Receipts		341,650	193,000	210,500	403,500	229,900	248,200	478,100	
68 Current Law Refunds			(14,000)	(9,600)	(23,600)	(10,300)	(11,100)	(21,400)	
69 Change Items:									
70 Repeal Gift Tax	7/1/2013		(5,600)	(12,100)	(17,700)	(14,500)	(18,200)	(32,700)	
71 Modify Estate Tax Rates and Exemption	1/1/2014		0	(25,000)	(25,000)	(47,800)	(63,800)	(111,600)	
72 Total		341,650	173,400	163,800	337,200	157,300	155,100	312,400	
73 Subtotal: Current Law Tax Receipts			179,000	200,900	379,900	219,600	237,100	456,700	
74 Subtotal: Net Change Items			(5,600)	(37,100)	(42,700)	(62,300)	(82,000)	(144,300)	
75									
76									
77									
78 Insurance Gross Earning & Fire Marshall Tax									
79 Current Law Receipts		632,350	351,978	366,624	718,602	383,211	398,698	781,909	
80 Current Law Refunds		0	(2,500)	(2,500)	(5,000)	(2,500)	(2,500)	(5,000)	
81 Total		632,350	349,478	364,124	713,602	380,711	396,198	776,909	
83									
84 Other Net Tax Revenue									
85 Current Law Receipts:									
86 Taconite Occupation Tax		44,432	12,505	14,000	26,505	14,700	14,700	29,400	
87 Mortgage Registry Tax		242,965	99,341	95,831	195,172	98,375	97,681	196,056	
88 Deed Transfer Tax		132,987	88,319	99,355	187,674	106,949	106,130	213,079	

General Fund Tax Revenues: HF 1777 based on the February Forecast 2014

(\$ in Thousands)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

	Effective Date	Closing	Chapter 150 (HF 1777)					
		FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17
89	Controlled Substance Tax	7	5	5	10	5	5	10
90	Other Gross Earnings	100	50	50	100	50	50	100
91	Medical Assistance Surcharges	471,317	289,219	306,700	595,919	269,774	264,356	534,130
92	Income Tax Reciprocity	182			0			0
93	Motor Vehicle Registration Tax	1,245	650	650	1,300	650	650	1,300
94	Fur Gross Receipts Tax	0			0			0
95	Other Tax Refunds	(75,975)	(7,025)	(5,825)	(12,850)	(5,825)	(5,825)	(11,650)
96	Other Excise Tax & All Other	0			0			0
97	Total	817,260	483,064	510,766	993,830	484,678	477,747	962,425
98								
99	General Fund Total (Current law items + Change items)	32,798,446	18,410,637	18,958,702	37,369,339	19,870,093	20,803,465	40,673,558
100	Subtotal: Current Law Tax items		18,504,362	19,308,272	37,812,634	20,332,368	21,297,580	41,629,948
101	Subtotal: Change Items		(93,725)	(349,570)	(443,295)	(462,275)	(494,115)	(956,390)

2014 Session - General Fund Expenditure Impact (Dollars in 000's)

Note: Positive numbers reflect expenditure cost, negative numbers reflect an expenditure savings

		Chapter 150 (HF 1777)						
Fund		FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17
General Fund changes								
1	Tax Aids & Credits changes							
2	Supplemental County Program Aid (CPA) - Beltrami, Mahnomen		0	0	0	4,500	3,000	7,500
3	Property Tax Refund interactions		<u>0</u>	<u>0</u>	<u>0</u>	<u>(100)</u>	<u>(80)</u>	<u>(180)</u>
4	Total Supplemental County Program Aid CPA)		0	0	0	4,400	2,920	7,320
5								
6	Appropriations							
7	Dept Revenue Administration of Laws of 2014, Chapter 150 (HF 1777)	0	1,000	0	1,000	0	0	0
8	Iron Range Resources and Rehabilitation Board (IRRRB) in the Special Revenue Fund (SR) for school consolidation account		0	2,380	2,380	2,400	2,430	4,830
9								
10	Education Aids							
11	Edu Local Optional Revenue eligibility modification (formerly LER)	0	0	0	0	19,050	21,166	40,216
12	Education Local Optional Revenue - PTR impact		0	0	0	1,940	1,970	3,910
13								
14	Property Tax changes							
15	Conservation easement modifications		0	0	0	0	0	0
16								
17	Public Finance changes							
18	Itasca County nursing home general obligation bond authorization		0	0	0	0	0	0
19	St. Paul - Authority to spend tax increment expanded.		0	0	0	0	0	0
20	Detroit Lakes Authority to approve TIF extended 2 years. Local approval required		0	0	0	0	0	0
21	State agricultural society-issued bond requirements modified (State Fair)		0	0	0	0	0	0
22	Metro area transit and paratransit capital expenditure - add'l financing							
23	Property Tax Refund (PTR) interactions		0	0	0	0	30	30
24								
25	Subtotal - Tax Aids & Credits, Appropriations, Education Aids, Property Tax and Public Finance changes	0	1,000	2,380	3,380	27,790	28,516	56,306
26								
27	Transfer							
28	Transfer from the General Fund to the Budget Reserve		0	150,000	150,000	0	0	0
29								
30	Total - General Fund Expenditures	0	1,000	152,380	153,380	27,790	28,516	56,306

2014 Session - Non General Fund Tax Revenue Impact (Dollars in 000's)

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Chapter 150 (HF 1777)							
Fund	Effective Date	FY 12-13	2014	2015	FY 14-15	2016	2017	FY 16-17	
1	Legacy Funds								
2	Change Items								
3	Repeal - - Electronic & Commercial Equipment & Repair	4/1/2014	0	(700)	(4,700)	(5,400)	(5,100)	(5,500)	(10,600)
4	Repeal - - Storage & Warehousing	4/1/2014	0	(700)	(4,800)	(5,500)	(5,100)	(5,500)	(10,600)
5	Reinstate - - Exemption for Telecomm., Cap. Eqptmt & Other Modifications	4/1/2014	0	(300)	(2,100)	(2,400)	(2,300)	(2,500)	(4,800)
6	Delay Effective Date for Up-Front Capital Equipment Exemption from 9/1/2014	7/1/2015	0	0	3,700	3,700	(1,700)	(1,200)	(2,900)
7	Subtotal - Legacy Funds			(1,700)	(7,900)	(9,600)	(14,200)	(14,700)	(28,900)
8									
9	Special Revenue Fund								
10	Change Item								
	Iron Range Resources and Rehabilitation Board (IRRRB) 6 cents/ton transfer from General Fund			0	2,380	2,380	2,400	2,430	4,830
11	IRRRB transfer to Iron Range School Consolidation Account			0	(2,380)	(2,380)	(2,400)	(2,430)	(4,830)
12									
13									
14	Taconite Production Tax and Iron Range School account								
15	Change Items								
	County Distribution Fund (5 cents to Iron Range School acct)			0	(990)	(990)	(1,990)	(2,020)	(4,010)
	Taconite Economic Development Fund (5 cents to Iron Range School acct)			0	(990)	(990)	(1,990)	(2,020)	(4,010)
	Taconite Environmental Protection Fund (2/3 inflationTaconite Production tax for 3 yrs)			0	(490)	(490)	(1,640)	(3,200)	(4,840)
	Iron Range School Consolidation Account								
16	10 cents /ton to Iron Range School acct			0	1,980	1,980	3,980	4,040	8,020
17	Capture 2/3 inflationTaconite Production tax for 3 yrs			0	490	490	1,640	3,200	4,840
18									
19	All Funds Total		0	(1,700)	(7,900)	(9,600)	(14,200)	(14,700)	(28,900)
20									
21	Total - All Non General Fund		0	(1,700)	(7,900)	(9,600)	(14,200)	(14,700)	(28,900)

Levy Tracking		FY 12-13	2014	2015	FY 14-15	2015	2016	FY 16-17
22	Education Levy Change							
23								
24	Local Optional Revenue - revenue eligibility change, spread on Referendum Market Value (formely LER)		0	0	0	23,322	23,667	46,989

2014 Session- Federal Conformity in Chapter 150 (HF 1777) based on the 2014 February Forecast

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Estimated General Fund Tax Revenue Changes (\$'s in thousands)					
Description		FY 14	FY 15	FY 14-15	FY 16	FY 17	FY 16-17
Federal Update: The American Taxpayer Relief Act of 2012, Public Law 112-240							
Detail by Category:							
1	Individual Income Tax						
2	I. Education-Related Provisions:						
3	For education savings accounts, increase contribution limit and other changes (conform beginning TY 2013).	(100)	(100)	(200)	(100)	(100)	(200)
4	Exclusion of employer-provided education assistance (conform beginning TY 2013).	(4,400)	(4,500)	(8,900)	(4,600)	(4,700)	(9,300)
5	For the student loan interest deduction, increase the income phase-out (conform beginning TY 2013).	(5,900)	(6,000)	(11,900)	(6,100)	(6,400)	(12,500)
6	Exclusion for awards under the national health service corps scholarship program and similar programs (conform beginning TY 2013).	(600)	(600)	(1,200)	(600)	(600)	(1,200)
7	Deduction for Educator Classroom Expenses to \$250 (conform TY 2013, Federal provision expires after TY 2013)	(1,100)	0	(1,100)	0	0	0
8	Deduction of Qualified Tuition and Related Expenses (conform TY 2013, Federal provision expires after TY 2013)	(5,600)	0	(5,600)	0	0	0
9	Subtotal	(17,700)	(11,200)	(28,900)	(11,400)	(11,800)	(23,200)
10	II. Restricted Deductions for High-Income Taxpayers						
11	*Increase the thresholds for the Limitations on Itemized Deductions (not conformed to)			0			0
12	*Increase the threshold for the Phase-out of Personal Exemptions (not conformed to).			0			0
13	Subtotal	0	0	0	0	0	0
14	III. Marriage Penalty Relief						
15	*Increase the standard deduction for married filers (state add-back for TY 2013, conform beginning TY 2014) .	0	(111,000)	(111,000)	(74,700)	(77,600)	(152,300)
16	*For working family credit, increase the phase-out range for married joint filers by \$5,000, Indexed (match federal increase beginning in TY 2013)	(17,800)	(18,000)	(35,800)	(18,100)	(18,300)	(36,400)
17	Subtotal	(17,800)	(129,000)	(146,800)	(92,800)	(95,900)	(188,700)
18	IV. Homeownership Provisions						
19	Exclusion of Discharge of Indebtedness Income on Principal Residence (conform for TY 2013; federal provision expires after TY 2013).	(7,200)	0	(7,200)	0	0	0
20	Premiums for mortgage insurance deductible as qualified residence interest (conform for TY 2013; federal provision expires after TY 2013)	(3,900)	0	(3,900)	0	0	0
21	Subtotal	(11,100)	0	(11,100)	0	0	0
22	V. Charitable Contribution Provisions						
23	Special rule for contributions of qualified conservation property (conform for TY 2013; federal provision expires after TY 2013)	(320)	(30)	(350)	(20)	(10)	(30)

2014 Session- Federal Conformity in Chapter 150 (HF 1777) based on the 2014 February Forecast

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Estimated General Fund Tax Revenue Changes (\$'s in thousands)					
Description		FY 14	FY 15	FY 14-15	FY 16	FY 17	FY 16-17
24	Tax-free IRA distribution, up to \$1,000 to Certain Public Charities for Individuals Age 70.5 years and Older (conform for TY 2013; federal provision expires after TY 2013)	(2,520)	(120)	(2,640)	(120)	(120)	(240)
25	Enhanced Charitable Contribution Deduction for Food Inventory by Other than C Corporations (conform for TY 2013, federal provision expires after TY 2013)	(700)	0	(700)	0	0	0
26	Basis Adjustment to S Corporation Stock for Charitable Contributions of Property (conform for TY 2013; federal provision expires after TY 2013)	(380)	(30)	(410)	(30)	(30)	(60)
27	Subtotal	(3,920)	(180)	(4,100)	(170)	(160)	(330)
28	VI. Other Provisions Affecting Individuals						
29	*For the dependent care credit, increase eligible expenses and credit rate that affect the state credit (state credit recalculated in TY 2013, conform to increased federal credit beginning in TY 2014).		(1,900)	(1,900)	(1,900)	(2,000)	(3,900)
30	Exclusion for Employer-Provided Adoption Assistance (conform beginning TY 2013).	(400)	(400)	(800)	(400)	(400)	(800)
31	Parity for exclusion for employer provided mass transit and parking benefits (conform TY 2013, federal provision expires after TY 2013)	(Negli.)	0	0	0	0	0
32	Subtotal	(400)	(2,300)	(2,700)	(2,300)	(2,400)	(4,700)
33	Individual Income Tax & Corporate Tax Provisions						
34	VII. Business & Investment Provisions (TY 2013)						
35	15-Year straight-line depreciation for leasehold, restaurant, and retail improvements and new restaurants (conform for TY 2013; federal provision expires after TY 2013)						
36	Individual Income Tax	(400)	(300)	(700)	(300)	(300)	(600)
37	Corporate Tax	(650)	(500)	(1,150)	(500)	(500)	(1,000)
38	7-Year Recovery Period for Certain Motorsports Racing Track Facilities (conform for TY 2013; federal provision expires after TY 2013)						
39	Corporate Tax	(60)	(10)	(70)	(5)	(5)	(10)
40	Accelerated Depreciation for Business Property on Indian Reservations (conform for TY 2013; federal provision expires after TY 2013)						
41	Individual Income Tax	(500)	(100)	(600)	50	120	170
42	Corporate Tax	(435)	(80)	(515)	45	100	145
43	Election to expense mine safety equipment (conform for TY 2013; federal provision expires after TY 2013)						
44	Corporate Tax	(20)	Negligible	Negligible	Negligible	Negligible	Negligible
45	Special expensing rules for certain film and television productions (conform for TY 2013; federal provision expires after TY 2013)						
46	Individual Income Tax	(450)	55	(395)	40	35	75
47	Corporate Tax	(340)	45	(295)	35	25	60

2014 Session- Federal Conformity in Chapter 150 (HF 1777) based on the 2014 February Forecast

NOTE: Positive dollars show revenue gain and negative dollars show revenue reduction

		Estimated General Fund Tax Revenue Changes (\$'s in thousands)					
Description		FY 14	FY 15	FY 14-15	FY 16	FY 17	FY 16-17
48	Treatment of certain payments to controlling exempt organizations for the unrelated business income tax (conform for TY 2013; federal provision expires after TY 2013)						
49	Corporate Tax	(150)	0	(150)	0	0	0
50	Treatment of certain dividends of regulated investments companies (state addback for TY 2013, federal provision expires after TY 2013)						
51	Individual Income Tax	(400)	0	(400)	0	0	0
52	Exception under subpart F for active financing income (conform for TY 2013; federal provision expires after TY 2013)						
53	Corporate Tax	(1,700)	0	(1,700)	0	0	0
54	Reduction in recognition period for S corporation Built-In Gains Tax (conform for TY 2013; federal provision expires after TY 2013).						
55	Corporate Tax	(700)	0	(700)	0	0	0
56	Summary - Business & Investment Provisions - Indiv. Income Tax	(1,750)	(345)	(2,095)	(210)	(145)	(355)
57	Summary: Business & Investment Provisions - Corporate Tax	(4,055)	(545)	(4,600)	(425)	(380)	(805)
58	Subtotal	(5,805)	(890)	(6,695)	(635)	(525)	(1,160)
59	Summary 2 - All Provisions by Tax Type						
60	Individual Income Tax	(52,670)	(143,025)	(195,695)	(106,880)	(110,405)	(217,285)
61	Corporate Tax	(4,055)	(545)	(4,600)	(425)	(380)	(805)
62	General Fund Total for All Categories	(56,725)	(143,570)	(200,295)	(107,305)	(110,785)	(218,090)
63	Other Notes:						
64	* Estimates revised for the February Forecast 2014 in the HITS model.						
65	** Revenue Loss occurs after FY 2017.						