

**2018 LEGISLATIVE SESSION - HF 947 - CONFORMITY AND SUPPLEMENTAL TAX (with K-12 EDUCATION) PROVISIONS - AS REPORTED BY CONFERENCE**

ALL FUNDS - Changes only

\$\$\$ in thousands | BOLD indicates rows included in total

May 20, 2018, 12:15 PM

PROPERTY TAX REFUNDS, AIDS, & CREDITS: Positive change indicates expenditure increase

LINE	ITEM	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE	
		FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21
	<b>GENERAL FUND FORECAST:</b>								
1	TAX POLICY (REVENUE)	42,963,853	46,830,377	42,963,853	46,830,377	42,963,853	46,830,377	42,963,853	46,830,377
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS	3,655,702	3,652,469	3,655,702	3,652,469	3,655,702	3,652,469	3,655,702	3,652,469
	<b>GENERAL FUND PROPOSED CHANGES:</b>								
6	TAX POLICY	24,786	417,108	(104,229)	(41,879)	(171,405)	(94,525)	(85,780)	(42,099)
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	12,564	7,441	5,370	(25,508)	(346)	76	53,960	465
8	<b>SUBTOTAL: GENERAL FUND IMPACT</b>	<b>12,222</b>	<b>409,667</b>	<b>(109,599)</b>	<b>(16,371)</b>	<b>(171,059)</b>	<b>(94,601)</b>	<b>(139,740)</b>	<b>(42,564)</b>
	<b>GENERAL FUND BUDGET RESERVE:</b>								
11	BUDGET RESERVE FORECAST, CURRENT LAW	1,608,364	1,608,364	1,608,364	1,608,364	1,608,364	1,608,364	1,608,364	1,608,364
12	LESS BUDGET RESERVE PROPOSED CHANGE							(50,000)	
13	<b>SUBTOTAL: BUDGET RESERVE WITH PROPOSED CHANGE</b>							<b>1,558,364</b>	
	<b>NON-GENERAL FUND PROPOSED CHANGES:</b>								
16	LEGACY FUNDS	390	3,970	(465)	(820)	(30)	(60)	(50)	(70)
17	STATE AIRPORTS FUND			(15)	(30)				
18	HEALTH CARE ACCESS FUND			700	500				
19	MNSURE ACCOUNT					-	-		
20	SPECIAL REVENUE FUND			(3,411)	-				
21	TACONITE PROPERTY TAX RELIEF ACCOUNT			(3,211)	-	(3,211)	-	(3,211)	-
22	IRON RANGE RESOURCES AND REHABILITATION ACCOUNT			3,211	-	3,211	-	3,211	-
23	IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED SCHOOL ACCOUNT			-	-	-	4,900	-	-
24	TACONITE ENVIRONMENTAL PROTECTION ACCOUNT			-	(121)	-	(4,068)	-	703
25	DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND			-	(863)	-		-	(130)
26	TACONITE MUNICIPAL AID ACCOUNT			-	-	-		-	-
27	TACONITE ECONOMIC DEVELOPMENT FUND			-	(832)	-	(832)	-	(832)
30	<b>SUBTOTAL: NON-GENERAL FUND IMPACT</b>	<b>390</b>	<b>3,970</b>	<b>(3,191)</b>	<b>(2,166)</b>	<b>(30)</b>	<b>(60)</b>	<b>(50)</b>	<b>(329)</b>

# 2018 Legislative Session - HF 947 - TAX POLICY

## GENERAL FUND, CHANGE ITEMS ONLY

\$ in thousands | BOLD indicates rows included in total

TAX POLICY: Positive amounts indicate revenue increase

AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

LINE	ITEM	EFFECTIVE DATE	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT										
			A FY 18-19	B FY 20-21	C FY 18-19	D FY 20-21	E FY 18-19	F FY 20-21	H FY 18	I FY 19	J FY 18-19	K FY 20	L FY 21	M FY 20-21					
<b>TAX POLICY:</b>																			
<b>TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS</b>																			
1	Reverse Forecast Adjustment/Repeal Consistent Election Requirement	TY18	-26,500	-55,000	-26,500	-55,000	-26,500	-55,000	0	-26,500	-26,500	-27,100	-27,900	-55,000					
2	Create a MN Standard Deduction , \$14,000, MJ Filers/\$7,000 Single & Married Separate	TY 18			-119,300	-153,000													
3	FAGI Starting Point/Adopt Chained CPI/Allow federal itemized deductions like TCJA deductions	TY 18			122,900	214,100													
4	FAGI Starting Point/Adopt Chained CPI/Allow prior law federal itemized deductions	TY18			0	0	-23,500	14,800	0	-23,200	-23,200	-2,700	13,000	10,300					
5	Increased Limit for Property/Real Estate Deduction to \$30,000	TY 18			-23,900	-40,500													
6	Allow Exclusion of Discharged Student Loan Debt in Case of Death or Disability	TY18	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)					
7	Allow Section 529 Withdrawals of up to \$10,000	TY18					-800	-1,700											
8	Expand Eligibility for Medical Expense Deduction by Reducing FAGI Floor to 7.5% from 10%	TY17-18			-25,300	0	-26,400	0	0	-26,400	-26,400	0	0	0					
9	Repeal Deduction for Alimony Payments and Corresponding Inclusion of Received Alimony	TY19			500	3,400	500	3,400	0	500	500	1,100	2,300	3,400					
10	Subtraction for Qualified Moving Expenses	TY19					-5,000	-7,600	0	-5,000	-5,000	-3,700	-3,900	-7,600					
11	Suspend Deduction for moving expenses other than service members	TY19			5,000	7,900	5,000	7,900	0	5,000	5,000	3,900	4,000	7,900					
12	Suspend Exclusion of Qualified Moving Expenses				5,600	7,800													
13	Clarify Limit on Wagering Losses	TY18			150	180	150	180	0	150	150	90	90	180					
14	Conform to Disallowing the Charitable Deduction for College Athletic Seating Payments	TY18	2,000	2,400	2,000	2,400	2,000	2,400	0	2,000	2,000	1,200	1,200	2,400					
15	Repeal Exclusion for Certain Employer-Provided Bicycle Fringe Benefits	TY18			40	60	40	60	0	40	40	30	30	60					
16	Allow Increased Contributions to ABLE Accounts	TY18			(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)					
17	Extend Rollover Period for Certain Retirement Plan Loan Offsets	TY18			(NegL)	(NegL)	(NegL)	(NegL)	0	(NegL)	(NegL)	(NegL)	(NegL)	(NegL)					
18	Repeal Special Rule Permitting Recharacterization of IRA Contributions	TY18			450	600	450	600	0	450	450	300	300	600					
19	<b>SUBTOTAL: TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS</b>		<b>-24,500</b>	<b>-52,600</b>	<b>-58,360</b>	<b>-12,060</b>	<b>-74,060</b>	<b>-34,960</b>	<b>0</b>	<b>-72,960</b>	<b>-72,960</b>	<b>-26,880</b>	<b>-10,880</b>	<b>-37,760</b>					
<b>TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS</b>																			
22	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY18	-81,600	-85,200	-81,600	-85,200			-19,800	-61,800	-81,600	-48,600	-36,600	-85,200					
23	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY 19					-20,300	-113,700											
24	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18	400	19,400	400	19,400	400	19,400	-600	1,000	400	8,700	10,700	19,400					
25	Disallow Certain Active Pass Through Losses, \$500,000 Married Joint Filers	TY18	58,000	98,500	58,000	98,500	58,000	98,500	0	58,000	58,000	52,200	46,300	98,500					
26	Tax Gain on Sale of Partnership on a Look-Through Basis	TY18	1,100	3,700	1,100	3,700	1,100	3,700	0	1,100	1,100	1,800	1,900	3,700					
27	Expand Definition of Built-in Loss for Purposes of Partnership Loss Transfers	TY18	400	600	400	600	400	600	0	400	400	300	300	600					
28	Charitable Contributions & Foreign Taxes Accounted for in Determining Limit on Partner's Share of Loss	TY18	700	1,500	700	1,500	700	1,500	0	700	700	700	800	1,500					
29	Repeal Rollover of Publicly Traded Securities Gain	TY18	300	600	300	600	300	600	0	300	300	300	300	600					
30	Small Business Accounting Method Reform and Simplification	TY18	-67,000	-34,200	-67,000	-34,200	-67,000	-34,200	-4,300	-62,700	-67,000	-22,000	-12,200	-34,200					
31	Conform to Limitation on Net Interest Deduction to 30% of Income with Carryforward	TY18	102,100	183,000	102,100	183,000	102,100	183,000	4,400	97,700	102,100	90,500	92,500	183,000					
32	Conform to Modifications of Net Operating Loss Deduction	TY18	40,900	75,200	40,900	75,200	40,900	75,200	2,100	38,800	40,900	31,900	43,300	75,200					
33	Repeal Deferred Gain on Like-Kind Exchanges	TY18	2,400	5,800	2,400	5,800	2,400	5,800	100	2,300	2,400	2,500	3,300	5,800					
34	Reduce Recovery Period for Certain Real Property	TY18	-200	-1,000	-200	-1,000	-200	-1,000	0	-200	-200	-400	-600	-1,000					
35	Repeal Deduction for Local Lobbying Expenses (Day following Enactment)	7/1/2018	200	200	200	200	200	200	0	200	200	100	100	200					
36	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18	3,800	5,300	3,800	5,300	3,800	5,300	200	3,600	3,800	2,600	2,700	5,300					
37	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18	2,900	4,000	2,900	4,000	2,900	4,000	200	2,700	2,900	2,000	2,000	4,000					
38	Prohibit Deduction for Employee Achievement Awards	TY18	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL	NegL					
39	Limit Deduction for FDIC Premiums	TY18	2,000	3,600	2,000	3,600	2,000	3,600	100	1,900	2,000	1,800	1,800	3,600					

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LINE	ITEM	EFFECTIVE DATE	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
			A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
40	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enactm	7/1/2018	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
41	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018	300	1,100	300	1,100	300	1,100	0	300	300	400	700	1,100
42	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19	-1,600	-900	-1,600	-900	-1,600	-900	-100	-1,500	-1,600	-900	0	-900
43	Modify Limit on Excessive Compensation	TY18	500	1,200	500	1,200	500	1,200	0	500	500	600	600	1,200
44	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18	3,600	8,700	3,600	8,700	3,600	8,700	100	3,500	3,600	3,900	4,800	8,700
45	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18	6,600	12,700										
46	Inclusion of foreign derived intangible income(FDII) from domestic trade or business, with deduction	TY18	2,000	7,700										
47	<b>SUBTOTAL: TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS</b>		<b>77,800</b>	<b>311,500</b>	<b>69,200</b>	<b>291,100</b>	<b>130,500</b>	<b>262,600</b>	<b>-17,600</b>	<b>86,800</b>	<b>69,200</b>	<b>128,400</b>	<b>162,700</b>	<b>291,100</b>
	<b>TCJA CONFORMITY - CORPORATE FRANCHISE TAX</b>													
50	Full conformity with Section 179 Expensing, Eliminate 80% Addback		-30,900	-32,300	-30,900	-32,300			-7,500	-23,400	-30,900	-18,400	-13,900	-32,300
51	Full conformity with Section 179 Expensing, Eliminate 80% Addback	TY19	0	0	0	0	-7,700	-43,000						
52	Index Corporate Minimum Fee Using Chained CPI	TY18	0	0	0	200	0	200	0	0	0	100	100	200
53	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18	800	40,900	800	40,900	800	40,900	-1,300	2,100	800	18,300	22,600	40,900
54	Repeal Rollover of Publicly Traded Securities Gain	TY18	700	1,200	700	1,200	700	1,200	0	700	700	600	600	1,200
55	Small Business Accounting Method Reform and Simplification	TY18	-7,400	-3,700	-7,400	-3,700	-7,400	-3,700	-500	-6,900	-7,400	-2,400	-1,300	-3,700
56	Conform to Limitation on Net Interest Deduction to 30% of Income	TY18	17,300	31,100	17,300	31,100	17,300	31,100	700	16,600	17,300	15,400	15,700	31,100
57	Repeal Deferred Gain on Like-Kind Exchanges	TY18	3,000	7,300	3,000	7,300	3,000	7,300	100	2,900	3,000	3,100	4,200	7,300
58	Reduce Recovery Period for Certain Real Property	TY18	-500	-1,900	-500	-1,900	-500	-1,900	0	-500	-500	-800	-1,100	-1,900
59	Repeal Deduction for Local Lobbying Expenses (Day of Enactment)	7/1/2018	400	600	400	600	400	600	0	400	400	300	300	600
60	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18	10,400	14,300	10,400	14,300	10,400	14,300	600	9,800	10,400	7,000	7,300	14,300
61	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18	7,700	11,000	7,700	11,000	7,700	11,000	400	7,300	7,700	5,400	5,600	11,000
62	Prohibit Deduction for Employee Achievement Awards	TY18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
63	Limit Deduction for FDIC Premiums	TY18	5,200	9,800	5,200	9,800	5,200	9,800	200	5,000	5,200	4,900	4,900	9,800
64	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enactm	7/1/2018	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
65	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018	800	3,100	800	3,100	800	3,100	0	800	800	1,100	2,000	3,100
66	Conform to Modifications of Historic Rehabilitation Credit (TY 2018)	TY18	14,900	37,700	14,900	37,700	14,900	37,700	0	14,900	14,900	25,000	12,700	37,700
67	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19	-2,000	-1,100	-2,000	-1,100	-2,000	-1,100	-100	-1,900	-2,000	-1,100	0	-1,100
68	Modify Limit on Excessive Compensation	TY18	2,800	7,200	2,800	7,200	2,800	7,200	0	2,800	2,800	3,600	3,600	7,200
69	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18	1,900	4,600	1,900	4,600	1,900	4,600	100	1,800	1,900	2,100	2,500	4,600
70	Deemed Repatriation of Foreign Income	TY18	172,800	210,600	0	0								
71	Deemed Repatriation of Foreign Income, Net Amount	TY 18			56,000	68,200			3,500	52,500	56,000	33,500	34,700	68,200
72	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18	62,000	120,000										
73	Inclusion of Foreign Derived Intangible Income (FDII) from domestic trade or business, with deduction	TY18	12,300	47,000										
74	Other Modifications to Subpart F	TY 18			Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
75	<b>SUBTOTAL: TCJA CONFORMITY - CORPORATE FRANCHISE TAX</b>		<b>272,200</b>	<b>507,400</b>	<b>81,100</b>	<b>198,200</b>	<b>48,300</b>	<b>119,300</b>	<b>-3,800</b>	<b>84,900</b>	<b>81,100</b>	<b>97,700</b>	<b>100,500</b>	<b>198,200</b>
	<b>TCJA CONFORMITY - PROPERTY TAX REFUND - INTERACTION</b>													
78	Modifications to FAGI - Homestead Credit Refund				0	70								
79	Modifications to FAGI - Renters Property Tax Refund				0	30								
80	Chained CPI-U - Homestead Credit Refund	Payable 19							0	0	0	700	1,500	2,200
81	Chained CPI-U - Renters Property Tax Refund	Payable 19							0	0	0	300	600	900
82	<b>SUBTOTAL: TCJA CONFORMITY - PROPERTY TAX REFUND</b>				<b>0</b>	<b>100</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>2,100</b>	<b>3,100</b>

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			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
<b>UNRELATED BUSINESS INCOME TAX</b>														
85	Unrelated Business Income of Charitable Organizations Separately Computed	TY18							3,100	4,400				
86	<b>SUBTOTAL: UNRELATED BUSINESS INCOME TAX</b>							<b>3,100</b>	<b>4,400</b>					
<b>OTHER CONFORMITY</b>														
89	Make Permanent Mortgage Insurance Premiums Deduction	TY18	-7,000	-16,800					-7,000	-16,800				
90	Make Permanent Tuition Expenses Deduction	TY18	-2,600	-5,300					-2,600	-5,300				
91	<b>SUBTOTAL: OTHER CONFORMITY</b>		<b>-9,600</b>	<b>-22,100</b>					<b>-9,600</b>	<b>-22,100</b>				
<b>BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME</b>														
94	Exclusion of Discharge of Indebtedness on Principal Residence	TY 17	-6,700	0	-6,700	0	-6,700	0	-6,700	0	-6,700	0	0	0
95	Premium for Mortgage Insurance Deductible as Qualified Residence Interest	TY 17	-6,500	0	-6,500	0	-6,500	0	-6,500	0	-6,500	0	0	0
96	Deduction for Tuition & Related Expenses	TY 17	-2,500	0	-2,500	0	-2,500	0	-2,500	0	-2,500	0	0	0
97	Extend Limitation Period for Exclusion for Wrongfully Incarcerated Individuals	2/9/2018	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
98	Expand the Deduction of Legal Fees for Whistleblowers	TY 18	-100	-200	-100	-200	-100	-200	0	-100	-100	-100	-100	-200
99	Expand Foreign Earned Income Exclusion, Individuals Supporting Armed Forces in Combat Zones	TY 18	-600	-800	-600	-800	-600	-800	0	-600	-600	-400	-400	-800
100	Classification of Certain Racehorses as 3-year Property	TY 17	-75	20	-75	20	-75	20	-50	-25	-75	10	10	20
101	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-290	35	-290	35	-290	35	-230	-60	-290	10	25	35
102	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,600	700	-1,600	700	-1,600	700	-2,100	500	-1,600	400	300	700
103	Special Depreciation Allowance for Second Generation Biofuel Property	TY 17	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
104	Energy Efficiency Commercial Deduction	TY 17	-140	5	-140	5	-140	5	-150	10	-140	5	Negli.	5
105	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-100	45	-100	45	-100	45	-150	50	-100	25	20	45
106	Modify Special Rule for Qualified Casualty Losses	TY 17	-100	0	-100	0	-100	0	-100	0	-100	0	0	0
107	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
108	<b>SUBTOTAL: BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME TAX</b>		<b>-18,705</b>	<b>-195</b>	<b>-18,705</b>	<b>-195</b>	<b>-18,705</b>	<b>-195</b>	<b>-18,480</b>	<b>-225</b>	<b>-18,705</b>	<b>-50</b>	<b>-145</b>	<b>-195</b>
<b>BIPARTISAN BUDGET ACT - CORPORATE TAX</b>														
111	Seven Year Period for Motor Sports Entertainment Complexes	TY 17	-35	-15	-35	-15	-35	-15	-20	-15	-35	-10	-5	-15
112	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-270	25	-270	25	-270	25	-220	-50	-270	5	20	25
113	Election to Expense Mine Safety Equipment	TY 17	-10	Negli.	-10	Negli.	-10	0	-10	Negli.	-10	Negli.	Negli.	Negli.
114	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,450	600	-1,450	600	-1,450	600	-1,900	450	-1,450	350	250	600
115	Energy Efficiency Commercial Deduction	TY 17	-105	5	-105	5	-105	5	-110	5	-105	5	Negli.	5
116	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-30	15	-30	15	-30	15	-50	20	-30	10	5	15
117	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
118	<b>SUBTOTAL: BIPARTISAN BUDGET ACT - CORPORATE TAX</b>		<b>-1,900</b>	<b>630</b>	<b>-1,900</b>	<b>630</b>	<b>-1,900</b>	<b>630</b>	<b>-2,310</b>	<b>410</b>	<b>-1,900</b>	<b>360</b>	<b>270</b>	<b>630</b>

# 2018 Legislative Session - HF 947 - TAX POLICY

## GENERAL FUND, CHANGE ITEMS ONLY

\$ in thousands | BOLD indicates rows included in total

TAX POLICY: Positive amounts indicate revenue increase

AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

LINE	ITEM	EFFECTIVE DATE	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT							
			A	B	C	D	E	F	H	I	J	K	L	M		
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21		
	<b>DISASTER RELIEF ACT &amp; AIRPORTS &amp; AIRWAYS EXTENSION ACT - INDIVIDUAL INCOME</b>															
121	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-1,900	900	-1,900	900	-1,900	<b>900</b>	-3,700	1,800	-1,900	600	300	900		
122	Modify & Expand Casualty Loss Deduction for Damage in Disaster Areas	TY 17	-1,400	0	-1,400	0	-1,400	<b>0</b>	-1,400	0	-1,400	0	0	0		
123	Special Rules for Qualified Early ITRA Distributions	TY 17	-50	20	-50	20	-50	<b>20</b>	-40	-10	-50	10	10	20		
124	<b>SUBTOTAL: DISASTER TAX RELIEF ACT - INDIVIDUAL INCOME TAX</b>		<b>-3,350</b>	<b>920</b>	<b>-3,350</b>	<b>920</b>	<b>-3,350</b>	<b>920</b>	<b>-5,140</b>	<b>1,790</b>	<b>-3,350</b>	<b>610</b>	<b>310</b>	<b>920</b>		
	<b>DISASTER RELIEF ACT &amp; AIRPORTS &amp; AIRWAYS EXTENSION ACT - CORPORATE TAX</b>															
127	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-200	100	-200	100	-200	<b>100</b>	-400	200	-200	100	0	100		
128	<b>SUBTOTAL: DISASTER TAX RELIEF ACT - CORPORATE TAX</b>		<b>-200</b>	<b>100</b>	<b>-200</b>	<b>100</b>	<b>-200</b>	<b>100</b>	<b>-400</b>	<b>200</b>	<b>-200</b>	<b>100</b>	<b>0</b>	<b>100</b>		
130	<b>REFERENCE SUBTOTAL: NET EFFECT OF CONFORMITY-RELATED ITEMS</b>		<b>291,745</b>	<b>745,655</b>	<b>67,785</b>	<b>478,795</b>	<b>74,085</b>	<b>330,695</b>	<b>-47,730</b>	<b>100,915</b>	<b>53,185</b>	<b>201,240</b>	<b>254,855</b>	<b>456,095</b>		

# 2018 Legislative Session - HF 947 - TAX POLICY

## GENERAL FUND, CHANGE ITEMS ONLY

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LINE	ITEM	EFFECTIVE DATE	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT						
			A	B	C	D	E	F	H	I	J	K	L	M	
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21	
<b>OTHER INDIVIDUAL INCOME TAX PROVISIONS</b>															
133	New MN non-refundable Personal and Dependent Credit, phase out starts at \$90K and \$180K	TY18	-233,200	-475,600											
134	Expand the Working Family Tax Credit	TY18	-52,100	-101,600											
135	Rate Reduction on 2nd Bracket	TY18													
136	Rate Reduction on 1st Bracket (to 5.10% from 5.35%)	TY18						-237,800	-337,500						
137	Rate Reduction on 2nd Tier (from 7.05% to 6.95%, 6.90%, 6.75% in TY 18, TY19, TY 20 respectively)	TY18			-106,300	-336,100									
138	Rate Reductions: (1) 1st Tier from 5.35% to 5.30% in TY 18 & TY19, 5.25% in TY 20; (2) 2nd Tier from 7.05% to 6.95% in TY18 & TY 19, 6.85% in TY 20.	TY 18								0	-136,200	-136,200	-141,200	-197,400	-338,600
139	Interaction Impact with Full Section 179 Expensing, Rate Reductions, Pass through changes				-100	-1,700				0	-500	-500	-700	-1,200	-1,900
140	Angel Tax Credit	TY18	-10,000	0	-10,000	0	-5,000	0	0	-5,000	-5,000	0	0	0	
141	New Non Refundable Credit, Donation of Prepared Food	TY18			-300	-600									
142	New Non Refundable Credit, Railroad Crossing Improvement	10/2/2018			-80	-600									
143	Modify Credit, Master's Degree Credit	TY18			-80	-320									
144	DOR Tax Policy Bill - Partnership Audit Rules, Reporting Residency Information	TY18			-2,500	-7,100									
145	Stillbirth Credit Modification	Retro 1/1/2016			<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	
146	Tax Rate Reduction Contingent on Budget Surplus	7/1/2018					0	(Unkn.)							
147	Cannabis Expense Subtraction	TY18			(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	
148	Income Tax Interactions (See Appendix)	Various	0	-1,950	50	160	0	-80	0	0	0	0	0	0	
149	<b>SUBTOTAL: OTHER INDIVIDUAL INCOME TAX PROVISIONS</b>		<b>-295,300</b>	<b>-579,150</b>	<b>-119,310</b>	<b>-346,260</b>	<b>-242,800</b>	<b>-337,580</b>	<b>0</b>	<b>-141,700</b>	<b>-141,700</b>	<b>-141,900</b>	<b>-198,600</b>	<b>-340,500</b>	
<b>OTHER CORPORATE FRANCHISE TAX PROVISIONS</b>															
152	Apportionment Sales Factor-Exclude Derivatives	TY 18	0	0											
153	Dividend Received Deduction on Debt Financed Stock	TY 18	100	200											
154	Base Year %-R&D Credit	TY 18	-900	-1,800											
155	Establishing Economic Substance Requirement	TY 18	0	1,800											
156	Mutual Fund Manager Consistent Apportionment	TY 18	6,300	21,500											
157	Rate Reduction from 9.8% to 9.64% in TY 2018-19 and 9.06% in TY2020 and after	TY 18			-24,300	-129,700									
158	Rate Reduction from 9.8% to 9.65% in TY 2018-19 and 9.1% in TY2020 and after	TY 18							0	-22,900	-22,900	-37,600	-85,100	-122,700	
159	Repeal Corporate Alternative Minimum Tax "AMT"	TY 18			-23,000	-29,600			0	-23,000	-23,000	-15,400	-14,200	-29,600	
160	Captive Insurance Company Definition (Conference/A91 language)	Retro 2017			0	-400	0	-400	0	0	0	0	-300	-300	
161	Tax Rate Reduction Contingent on Budget Surplus	7/1/2018					0	(Unkn.)							
162	<b>SUBTOTAL: OTHER CORPORATE TAX PROVISIONS</b>		<b>5,500</b>	<b>21,700</b>	<b>-47,300</b>	<b>-159,700</b>	<b>0</b>	<b>-400</b>	<b>0</b>	<b>-45,900</b>	<b>-45,900</b>	<b>-53,000</b>	<b>-99,600</b>	<b>-152,600</b>	
<b>SALES TAX</b>															
165	Vapor Products - Excise Tax	7/1/2018	-120	-640											
166	Modify Data Center Exemption	7/1/2018	6,600	68,000											
167	Tobacco Indexing	7/1/2018	10	160											
168	Premium Cigars	7/1/2018	-30	-80											
169	Exemption: Construction of Minnetonka Public Safety Facility (Expires 1/1/21)	DFE			-110	-700	-110	-700	0	-110	-110	-520	-180	-700	
170	Exemption: Inver Grove Heights Fire Station (Expires 1/1/21)	DFE			-220	0	-220	0	0	-220	-220	0	0	0	
171	Exemption: Game Release Fees	FY19					-160	-330							

# 2018 Legislative Session - HF 947 - TAX POLICY

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			A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
172	Exemption: Extend Exemption of Construction Materials for City of Melrose (Expires 1/1/23)	Retro 9/30/16			0	0			100	-100	0	0	0	0
173	Exemption, Admissions - College Preferred Seating Based on Criteria	DFE			-810	-1,690								
174	Exemption, Conservation Clubs	7/1/2018			-10	-20			0	-10	-10	-10	-10	-20
175	Exemption, Invasive Aquatic Herbicides	7/1/2018			-130	-280								
176	Various exemptions, Medical Facilities in Underserved Areas	7/1/2018			-150	-390			0	-150	-150	-180	-210	-390
177	Construction Exemption by refund, Duluth School Property Redevelopment	7/1/2018 -12/31/19			-950	-3,800								
178	Construction Exemption, Virginia Fire station	DFE to 12/31/20			-200	-200			0	-200	-200	-200	0	-200
179	Construction Exemption by refund, Second Harvest	1/2/18 to 12/31/21			-400	-270								
180	Construction Exemption by refund, Mazeppa Property Affected by Fire	3/12/18 to 12/31/20			-10	0			0	-10	-10	0	0	0
181	Construction Exemption by refund, Elko New Market, Water Treatment. Facility	6/1/14 to 5/31/16			-240	0			0	-240	-240	0	0	0
182	Modify Exemption, Bullion Coins	7/1/2018			-260	-580								
183	Modify Exemption for Gambling Equipment/Prizes	7/1/2018			-2,200	-5,200								
184	Modify Exemption, Non Profit Ice Arena	7/1/2018			-10	-20			0	-10	-10	-10	-10	-20
185	Modify Exemption, Non Profit Snowmobile Clubs	7/1/2018			-15	-30			0	-15	-15	-15	-15	-30
186	Massage Therapy Services subject to Provider Tax	7/1/2018			-2,400	-1,500								
187	Collecting Sales Tax - Remote Sellers, Revenue Neutral Rate Reduction	DFE			0	0								
188	<b>SUBTOTAL: SALES TAX</b>		<b>6,460</b>	<b>67,440</b>	<b>-8,115</b>	<b>-14,680</b>	<b>-490</b>	<b>-1,030</b>	<b>100</b>	<b>-1,065</b>	<b>-965</b>	<b>-935</b>	<b>-425</b>	<b>-1,360</b>
	<b>CIGARETTE/TOBACCO TAXES</b>													
191	Tobacco Indexing - Excise Tax	7/1/2018	1,900	20,100										
192	Tobacco Indexing - In-Lieu of Sales Tax	7/1/2018	-70	-430										
193	Moist Snuff - Excise Tax	7/1/2018	300	3,400										
194	Premium Cigars - Excise Tax	7/1/2018	1,100	2,400										
195	Vapor Products - Excise Tax	7/1/2018	1,000	4,900										
196	Nicotine Definition Change	7/1/2018	Negli.	Negli.										
197	<b>SUBTOTAL: CIGARETTE/TOBACCO TAXES</b>		<b>4,230</b>	<b>30,370</b>										
	<b>STATEWIDE PROPERTY TAX</b>													
200	Statewide Property Tax - State General Levy Inflation Reinstated subtotal		12,140	91,560										
201	Property tax exemption Expansion to Indian Tribe-owned pharmacy	Payable 19						-10	0	0	0	0	0	0
202	Intrastate Natural Gas Transportation or Distribution Pipeline Exemption	Payable 20			0	-10	0	-10	0	0	0	(Negl.)	-10	-10
203	Special Refund Authorized for Aitkin, Crow Wing, and Mille Lacs Counties	Payable 18			-300	0								
204	Medical facility property tax abatement	Payable 19			0	-24			0	(Negli.)	0	-9	-15	-24
205	Reclassification of "Ma and Pa" Resorts Property (Moved to Aids & Credits, line 10)													
206	Abatement, Non Profit Property Development/Operated as a Community Health Center (Duluth)	Payable 18			0	0								
207	<b>SUBTOTAL: STATEWIDE PROPERTY TAX</b>		<b>12,140</b>	<b>91,560</b>	<b>-300</b>	<b>-34</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>-25</b>	<b>-34</b>
	<b>ESTATE TAX</b>													
210	Freeze Estate Tax Exclusion at \$2.4 million subtotal	1/1/2019	0	38,600										
211	Increase Estate Tax Exclusion to \$5 million	1/1/2019						0	-82,500					
212	Modify Business/Farm Subtraction, Recapture Tax Changes (Retro for decedents dying after 12/31/11 to 12/31/2016)	Retro 1/1/2012			-400	0			0	-400	-400	0	0	0
213	Modification to Definition of Qualified Property	Retro 1/1/2018			(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)	(Unkn.)
214	<b>SUBTOTAL: ESTATE TAX</b>		<b>0</b>	<b>38,600</b>	<b>-400</b>	<b>0</b>	<b>0</b>	<b>-82,500</b>	<b>0</b>	<b>-400</b>	<b>-400</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 2018 Legislative Session - HF 947 - TAX POLICY

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			A	B	C	D	E	F	H	I	J	K	L	M		
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21		
	<b>GROSS EARNINGS TAXES</b>															
217	Insurance Tax Fairness - Insurance Gross Premiums		0	800												
218	<b>SUBTOTAL: GROSS EARNINGS TAXES</b>		<b>0</b>	<b>800</b>												
	<b>OCCUPATION TAX</b>															
221	Occupation Tax Refund	FY19	0	0			-2,200	-3,700								
222	Occupation Tax Refund	FY20	0	0					0	0	0	-1,900	-1,800	-3,700		
223	<b>SUBTOTAL: OCCUPATION TAX</b>		<b>0</b>	<b>0</b>			<b>-2,200</b>	<b>-3,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,900</b>	<b>-1,800</b>	<b>-3,700</b>		
	<b>OTHER TAX &amp; NON TAX PROVISIONS</b>															
226	DOR Tax Policy Bill - Modify Minimum DEED Transfer Tax Calculation	1/1/2019	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
227	Special Revenue Fund - DOR Service and Recovery Transfer to General Fund, One-time	FY18			3,411	0										
228	Impose New Penalty, Cigarette & Tobacco Retailers/Sub jobbers	FY 19	0	109												
229	License Fee Increase, Cigarette & Tobacco Distributors/Sub jobbers	FY 19	11	24												
230	Transfer from the Budget Reserve								0	50,000	50,000	0	0	0		
231	<b>SUBTOTAL: OTHER TAX &amp; NON TAX REVENUE PROVISIONS</b>		<b>11</b>	<b>133</b>	<b>3,411</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>		
233	<b>TOTAL: TAX POLICY</b>		<b>24,786</b>	<b>417,108</b>	<b>-104,229</b>	<b>-41,879</b>	<b>(171,405)</b>	<b>(94,525)</b>	<b>(47,630)</b>	<b>(38,150)</b>	<b>(85,780)</b>	<b>3,496</b>	<b>(45,595)</b>	<b>(42,099)</b>		

\* The Consolidated Appropriations Act of 2018 (3/23/18), a federal conformity act, was included in the Governor, House and Senate omnibus tax bills. Conformity to that act has a zero revenue impact.



**2018 LEGISLATIVE SESSION - HF 947- PROPERTY TAX, AIDS & CREDITS  
GENERAL FUND Change items only**

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Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT										
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21					
	<b>Property tax refunds<sup>1</sup></b>																	
	<b>Homeowners property tax refund</b>																	
1	GOV Change: Homestead Classification Allow ITIN	<b>\$0</b>	<b>\$2,200</b>															
3	SENATE Change Item: Certain ground lease pymnts (Mfg Home Pk Coops) elig for Homestead Credit Refund- Pay 19						<b>360</b>											
4	SENATE Change Item: Cloquet Area Fire & Ambulance Tax District Modifications, Effective Aug 1 2018						<b>100</b>											
5	HOUSE Change Item: Residential property classification consolidation, class rates modified. B&B chg to 5+ units. Effective taxes payable in 2020																	
6																		
7	PTR interactions			<b>0</b>	<b>1,510</b>													
8	PTR Manufactured homes			<b>0</b>	<b>180</b>													
9	PTR for Homeowners Blind/Disabled			<b>0</b>	<b>4,550</b>													
9	Subtotal - Residential Property Class Consolidation			<b>0</b>	<b>6,240</b>													
10	Modify Classifications, Change 4c(1) to 1c property, "Ma & Pa" Resort Qualifications				<b>10</b>													
11	HOUSE Change Item: Agricultural homestead classification requirements for business "entities" (2a homestead) amended. Effective pay 2019																	
12	Property Tax Refund interaction			<b>0</b>	<b>200</b>													
13	Ag Homestead Market Value Credit			<b>0</b>	<b>460</b>													
14	Subtotal - Agricultural homestead class chgs			<b>0</b>	<b>660</b>													
15																		
16	Homestead MVE for spouses disabled veteran- applictn date chg'd from July 1 to Dec 15; transfer MVE to other property PTR interactions				<b>(730)</b>		<b>(730)</b>											
17	Retroactive refund of taxes paid in 2017 and 2018 for veterans eligible for MVE																	
18	HOUSE Change Item: Agricultural homestead rules modified for properties owned by trusts																	
19	Property Tax Refund interaction			<b>0</b>	<b>negligible</b>													
20	Ag Homestead Market Value Credit			<b>0</b>	<b>negligible</b>													
21	Subtotal - Agricultural homestead rules for trusts chgs			<b>0</b>	<b>negligible</b>													

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		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21	
22	HOUSE Change Item: Agricultural classification of land converted from agricultural use for environmental purposes -modified. Effective Assmt 2019.		-											
23	Property Tax Refund interaction		-	0	negligible			-	-	-		negligible	negligible	negligible
24	Ag Homestead Market Value Credit		-	0	negligible			-	-	-		negligible	negligible	negligible
25	Subtotal - Agricultural class to environmental use chg		-	0	negligible			-	-	-		negligible	negligible	negligible
26														
27	HOUSE: Acres exempt under the agricultural historical society property exemption increased to 40 acres			0	negligible									
28	SENATE: Property tax exemption Expansion to Indian Tribe-owned pharmacy							-	negligible			-	negligible	negligible
29	BOTH Facilities used as retreat houses or craft houses classification - modified to resort property status			0	negligible			-	negligible					
30	HOUSE Change Child care facilities property, owned/ operated as part of church mission, property tax expt		-	0	negligible									
31	HOUSE Change Item: Land used to provide environmental benefits allowed (buffers ponds, forest restore) to be defined as an agricultural purpose. Grtr 3 acres or 10%. Effect Assmt 2019		-											
32	Property Tax Refund interaction		-	0	negligible			-	-	-		negligible	negligible	negligible
33	Ag Homestead Market Value Credit		-	0	negligible			-	-	-		negligible	negligible	negligible
34	Subtotal - Environmental use as ag purpose		-	0	negligible			-	-	-		negligible	negligible	negligible
35														
36	HOUSE Change Item: Fractional homestead determined on percentage of ownership in county land records - modified		-											
37	Property Tax Refund interaction		-	0	unknown			-	-	-		unknown	unknown	unknown
38	Ag Homestead Market Value Credit		-	0	unknown			-	-	-		unknown	unknown	unknown
39	Subtotal - Fractional homestead determ'd percent ownership		-	0	unknown			-	-	-		unknown	unknown	unknown
40														
41	HOUSE Change Item: Standardized referendum dates			0	(unknown)									
42	HOUSE Change Item: Reverse referendum approval for qualified leases			0	(unknown)									
43	HOUSE Change Item: Biennial notice + referendum if muny to use public utiity license/fees to raise revenue			0	unknown									
44	<b>Subtotal: Homeowner PTR base + change items</b>	<b>\$0</b>	<b>\$2,200</b>	<b>0</b>	<b>6,170</b>									
45	Forest Land Credits (SFIA)	-	-	-	-	-	-	-	-	-	-	-	-	-
46	GOV Change: SFIA Timber Harvest Credits	<b>\$8,000</b>	<b>\$0</b>	-	-	-	-	-	-	-	-	-	-	-

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Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
47	<b>Subtotal - All Property Tax Refund changes</b>	<b>8,000</b>	<b>2,200</b>	-	<b>6,170</b>	-	<b>(270)</b>	-	-	-	<b>(100)</b>	<b>495</b>	<b>395</b>
48	<b>OTHER REFUNDS</b>												
49	<b>Political Contribution Refund</b>												
50	<i>HOUSE Change Item: Repeal Political Contrib Refund</i>			<b>(5,500)</b>	<b>(10,000)</b>								
51	<b>Subtotal: Political Contrib Refund base + change items</b>			<b>(5,500)</b>	<b>(10,000)</b>								
53	<b>Subtotal - Other Refund changes</b>			<b>(5,500)</b>	<b>(10,000)</b>								
54	<b>LOCAL AIDS</b>												
55	<b>Local Government Aid (LGA)</b>	-	-										
56	<i>HOUSE Change Item: Special property tax abatement aid authorized for Aitkin, Crow Wing and Mille Lacs</i>												
57	<i>Local property tax abatement reimbursmt</i>			<b>1,100</b>	-								
58	<i>HOUSE Change Item: Lilydale one-time LGA adjustment (\$150K within LGA FY 2019 only)</i>			<b>150</b>	-			-	-	-	-	-	-
59	<i>HOUSE Change Item: Hermantown aid adjustment for previously reduced LGA (\$97K within LGA FY 2019 only)</i>			<b>97</b>	-			-	-	-	-	-	-
60	<i>HOUSE Change Item: Mazeppa fire remediation aid - money appropriated.</i>			<b>5</b>	-			-	<b>5</b>	<b>5</b>	-	-	-
61	<i>BOTH Chg Item: Melrose Fire Recov grant 3-yr exten</i>			<b>(346)</b>	<b>346</b>	<b>(346)</b>	<b>346</b>						
62	<i>BOTH Change Item: Melrose Fire Recovery grant 1-yr extension</i>							-	-	-	-	-	-
63	<b>Subtotal LGA Changes -</b>			<b>1,006</b>	<b>346</b>	-	-	-	<b>5</b>	<b>5</b>	-	-	-
64	<b>Subtotal- Local Government Aid (LGA)</b>	<b>0</b>	<b>0</b>						<b>5</b>	<b>5</b>			
66	<b>Senior Deferral Reimbursement loans</b>	-	-	-	-	-	-						
67	<b>Senior Deferral Reimbursement loan repayments</b>	-	-	-	-	-	-						
68													
69	<i>GOV Change: Lower occupancy reqmt from 15 yr to 5 yrs, chg application date from July 1 to Nov 1</i>	-	<b>420</b>	-	-	-	-						
	<i>HOUSE Change Item: Due dates related to property tax modified, effective pay 2021 (include Senior Deferral with impact in FY 2022)</i>			-	-	-	-						
70	<i>HOUSE Change Item: Senior citizens' property tax deferral - 60 day reconsideration following denial. Effective Pay 2020</i>			-	-	-	-						
71	<i>Application due date changed from July 1 to Nov 1, early notification, notice by DOR reasons for denial. Effective pay 2019</i>			-	-	-	-				<b>70</b>	-	<b>70</b>
72	<b>Subtotal: Senior Deferral Reimbursement base + change items</b>	-	<b>420</b>	-	-	-	-						

**2018 LEGISLATIVE SESSION - HF 947- PROPERTY TAX, AIDS & CREDITS**

**GENERAL FUND Change items only**

**\$\$\$ in thousands | BOLD indicates rows included in total | Positive change indicates expenditure increase**

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
73	<b>Subtotal - All Aid Changes</b>	-	<b>420</b>	<b>1,006</b>	<b>346</b>	-	-	-	<b>5</b>	<b>5</b>	<b>70</b>	-	<b>70</b>
74	<b>Other Aids and One-Time Appropriations, and Transfers</b>												
75	City of Minneapolis Library debt service	-	-	-	-	-	-						
76	<i>HOUSE Change: Repeal Minneapolis Library debt service aid</i>			<b>(4,120)</b>	<b>(8,240)</b>	-	-						
77	<i>Property tax refund interactions</i>	-	-	-	<b>200</b>	-	-						
78	<i>Subtotal - Repeal Mpls Library debt service aid</i>			<b>(4,120)</b>	<b>(8,040)</b>	-	-						
82	<i>HOUSE Change: Prepay Local Govm't Aid one-time</i>			13,984	(13,984)	-	-						
83	<i>Student and School Safety Aid, One-time</i>					-	-	-	50,000	50,000	-	-	-
85	<b>DOR Administration</b>												
86	<i>GOV Change: MN Response to 2017 Federal Tax Act</i>	3,151	3,078	-	-	-	-						
87	<i>GOV Change: Tobacco Products Tax chgs</i>	417	887	-	-	-	-						
88	<i>GOV Change: DOR Admin - Working Family Credit</i>	276	856	-	-	-	-						
89	<i>GOV Change: SFIA Timber Harvest Credits- DNR admin</i>	<b>\$720</b>	<b>\$0</b>	0	0	-	-						
90	<i>DOR Administration</i>							1,977	1,978	3,955	-	-	-
91	<b>Subtotal: DOR Administration base + chg items</b>	<b>4,564</b>	<b>4,821</b>	-	-	-	-	<b>1,977</b>	<b>1,978</b>	<b>3,955</b>	-	-	-
92	<b>Subtotal - All Other Aids, One-Time Changes, and Transfers</b>	<b>4,564</b>	<b>4,821</b>	<b>9,864</b>	<b>(22,024)</b>	-	-	<b>1,977</b>	<b>51,978</b>	<b>53,955</b>	-	-	-
93	<b>TOTAL Property Tax Aids and Credits, GF Revenues + Spending Changes</b>	<b>\$12,564</b>	<b>\$7,441</b>	<b>\$5,370</b>	<b>(\$25,508)</b>	<b>(346)</b>	<b>76</b>	<b>1,977</b>	<b>51,983</b>	<b>53,960</b>	<b>(30)</b>	<b>495</b>	<b>465</b>

<sup>1</sup> Additional general fund property tax refund impacts (Homestead Credit State Refund and Renters Property Tax Refund) can be found on page 3, lines 78-82, attributable to income tax interactions with federal TCJA conformity changes.

**2018 LEGISLATIVE SESSION - HF 947 - NON-GENERAL FUND TAX CHANGE ITEMS**

NON-GENERAL FUND CHANGES

\$\$\$ in thousands | BOLD indicates rows included in total | Negative change indicates revenue decrease

Line	Non General Fund Tax Revenues	GOV		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
7	<b>Total - Changes, Non-General Funds</b>	<b>390</b>	<b>3,970</b>	<b>(3,191)</b>	<b>(2,166)</b>	<b>(30)</b>	<b>(60)</b>	<b>5</b>	<b>(55)</b>	<b>(50)</b>	<b>(50)</b>	<b>(279)</b>	<b>(329)</b>
	<b>Legacy Funds</b>												
10	Exemption modified, qualifying data centers	400	4,000										
11	Vapor Product Excise Tax Modifications (including June Acceleration)	(10)	(40)										
12	Premium Cigars, Restore Maximum Rate of \$3.50 per	(negli.)	(negli.)										
13	Restore Indexing, Moist Snuff	negli.	10										
14	Exemption: Construction of Minnetonka Public Safety Facility (Expires 1/1/21)			(10)	(40)	(10)	(40)	-	(10)	(10)	(30)	(10)	(40)
15	Exemption: Inver Grove Heights Fire Station (Expires 1/1/21)			(10)	-	(10)	-	-	(10)	(10)	-	-	-
16	Exemption: Extend Exemption of Construction Materials for City of Melrose (Expires 1/1/23)			-				5	(5)	-			
17	Exemption: Game Release Fees					(10)	(20)						
18	Exemption, Admissions - College Preferred Seating Based on Criteria (DFE)			(50)	(100)								
19	Exemption, Conservation Clubs (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
20	Exemption, Invasive Aquatic Herbicides (7/1/2018)			(10)	(20)								
21	Various exemptions, Medical Facilities in Underserved Areas (7/1/2018)			(10)	(20)			-	(10)	(10)	(10)	(10)	(20)
22	Construction Exemption by refund, Duluth School Property Redvlpmnt. (7/1/2018 to 12/31/19)			(50)	(200)								
23	Construction Exemption, Virginia Fire station (DFE to 12/31/20)			(10)	(10)			-	(10)	(10)	(10)	-	(10)
24	Construction Exemption by refund, Second Harvest (1/1/18 to 12/31/21)			(20)	(20)								
25	Construction Exemption by refund, Mazeppa Property Affected by Fire (Retro 3/11/18 to 12/31/20)			(negli.)	-			-	(negli.)	(negli.)	-	-	-
26	Construction Exemption by refund, Elko New Market, Water Trtmnt. Facility (Retro 6/1/14 to 5/31/16)			(10)	-			-	(10)	(10)	-	-	-
27	Modify Exemption, Bullion Coins (7/1/2018)			(15)	(30)								
28	Modify Exemption for Gambling Equipment/Prizes (7/1/2018)			(130)	(290)								
29	Modify Exemption, Non Profit Ice Arena (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
30	Modify Exemption, Non Profit Snowmobile Clubs (7/1/2018)			(negli.)	(negli.)			-	(negli.)	(negli.)	(negli.)	(negli.)	(negli.)
31	Massage Therapy Services subject to Provider Tax (7/1/2018)			(140)	(90)								
32	Collecting Sales Tax - Remote Sellers, Revenue Neutral Rate Reduction (DFE)			-	-			-	-	-	-	-	-
33	<b>Legacy Fund Changes - Subtotal</b>	<b>390</b>	<b>3,970</b>	<b>(465)</b>	<b>(820)</b>	<b>(30)</b>	<b>(60)</b>	<b>5</b>	<b>(55)</b>	<b>(50)</b>	<b>(50)</b>	<b>(20)</b>	<b>(70)</b>
35	<b>State Airports Fund</b>												
36	HF 858 - Modifies Aircraft Registration Tax , Unmanned Aircraft Changes			(15)	(30)								
37	<b>State Airports Fund Changes - Subtotal</b>			<b>(15)</b>	<b>(30)</b>								
39	<b>Health Care Access Fund</b>												
40	Massage Therapy Services subject to Provider Tax (not sales tax)			700	500								
41	<b>Health Care Access Fund Changes - Subtotal</b>			<b>700</b>	<b>500</b>								
43	<b>MNSURE ACCOUNT</b>												
44	Revenue reduction					(4,676)	(18,253)						
45	Expenditure reduction					4,676	18,253						
46	<b>MNsre Account - Subtotal</b>					<b>-</b>	<b>-</b>						

## 2018 LEGISLATIVE SESSION - HF 947 - NON-GENERAL FUND TAX CHANGE ITEMS

### NON-GENERAL FUND CHANGES

\$\$\$ in thousands | BOLD indicates rows included in total | Negative change indicates revenue decrease

Line	Non General Fund Tax Revenues	GOV		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
48	<b>Special Revenue Fund</b>												
49	DOR Service and Recovery - one-time transfer to General Fund			(3,411)	-								
50	<b>Special Revenue Fund - Subtotal</b>			<b>(3,411)</b>	-								
52	<b>TACONITE PROPERTY TAX RELIEF ACCOUNT</b>												
53	10 cents/ton transfer from Taconite Property Tax Relief to IRRRB - 2018 distribution only*			(3,211)	-	(3,211)	-	-	(3,211)	(3,211)	-	-	-
54	<b>Taconite Property Tax Relief - Subtotal</b>			<b>(3,211)</b>	-	<b>(3,211)</b>	-	-	<b>(3,211)</b>	<b>(3,211)</b>	-	-	-
56	<b>IRON RANGE RESOURCES AND REHABILITATION (IRRRB) ACCOUNT</b>												
57	Transfer 10 cents/ton to IRRRB from Taconite Property Tax Relief -2018 distribution only*			3,211	-	3,211	-	-	3,211	3,211	-	-	-
58	<b>Iron Range Resources and Rehabilitation Account - Subtotal</b>			<b>3,211</b>	-	<b>3,211</b>	-	-	<b>3,211</b>	<b>3,211</b>	-	-	-
60	<b>IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED SCHOOL ACCT</b>												
61	Increased Allocation of Production Tax Revenues*					-	4,900						
62	<b>Iron Range School Consolidation Coop School Account - Subtotal</b>					-	<b>4,900</b>						
64	<b>TACONITE ENVIRONMENTAL PROTECTION FUND</b>												
65	Taconite Municipal Aid distribution (100% max guarantee)			-	(953)	-	-	-	-	-	-	(129)	(129)
66	Modify Pellet Chips and Fines TEDF Credit*			-	832	-	832	-	-	-	413	419	832
67	Decreased Allocation of Production Tax Revenues*			-	-	-	(4,900)	-	-	-	-	-	-
68	<b>Taconite Environmental Protection Fund - Subtotal</b>			-	(121)	-	<b>(4,068)</b>	-	-	-	<b>413</b>	<b>290</b>	<b>703</b>
70	<b>DOUGLAS J JOHNSON ECONOMIC PROTECTION FUND</b>												
71	Taconite Municipal Aid distribution modification			-	(863)	-	-	-	-	-	-	(130)	(130)
72	<b>Douglas J Johnson Economic Protection Fund- Subtotal</b>			-	<b>(863)</b>	-	-	-	-	-	-	<b>(130)</b>	<b>(130)</b>
74	<b>TACONITE MUNICIPAL AID ACCOUNT</b>												
75	Taconite Municipal Aid distribution (100% max guarantee)			-	1,816	-	-	-	-	-	-	259	259
76	Distributions to Municipalities			-	(1,816)	-	-	-	-	-	-	(259)	(259)
77	<b>Taconite Municipal Aid Account- Subtotal</b>			-	-	-	-	-	-	-	-	-	-
79	<b>TACONITE ECONOMIC DEVELOPMENT FUND</b>												
80	Modify Pellet Chips and Fines TEDF Credit*			-	(832)	-	(832)	-	-	-	(413)	(419)	(832)
81	<b>Taconite Economic Development Fund - Subtotal</b>			-	<b>(832)</b>	-	<b>(832)</b>	-	-	-	<b>(413)</b>	<b>(419)</b>	<b>(832)</b>

\*These provisions are also included in HF3763 & HF3763-1UE

# APPENDIX A: TAX ITEMS WITHOUT STATE FUNDS IMPACTS

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

Line	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
1	<b>Property tax changes (no state fund impact)</b>												
2	<i>Metro Agri preserve early termination for purchase by state or local government</i>		-	-	-	-	-	-	-	-	-	-	-
3	<i>Local governments prohibited from imposing excise tax or fee on food or food containers</i>			-	-	-	-	-	-	-	-	-	-
4	<i>Sustainable Forest Incentive Act (SFIA) Effective Date clarification "for applications and certifications"</i>			-	-	-	-	-	-	-	-	-	-
5	<i>County veterans service officer allowed disclose data for MVE</i>			-	-	-	-	-	-	-	-	-	-
6	<i>City and town expenditures for historical societies permitted.</i>			-	-	-	-	-	-	-	-	-	-
7	<i>Rail project expenditures and other powers restricted and project insurance required (ZIP RAIL)</i>			-	-								
8	<i>Standardizing referendum dates</i>			-	-								
9	<i>Hennepin County; cities (Plymouth, Maple Grove) authorized to receive a portion of transportation, sales and use tax to spend on roads and bridges within city limits</i>			-	-								
10	<i>Tax-forfeited land sale documentation - state deed issuance</i>			-	-			-	-	-	-	-	-
11	<i>Border City Enterprise zones clarifying language for restrictions on a retail food or beverage facility</i>			-	-			-	-	-	-	-	-
12	<i>School Property Tax Reform (HG+1) Working Group</i>			-	-			-	-	-	-	-	-
13	<i>Pipeline and Utilities Property Valuation Study and Report</i>					-	-						
14	<b>Property tax changes for Local Taxes (no state fund impact)</b>												
15	<i>St Cloud; local tax increase allowed, 1% liquor, food, bev to 1.5% and 0.5% to 1.0% lodging- MODIFIED no operating costs</i>			-	-	-	-	-	-	-	-	-	-
16	<i>Excelsior; local option sales tax 0.5% for Commons MODIFIED</i>					-	-	-	-	-	-	-	-

# APPENDIX A: TAX ITEMS WITHOUT STATE FUNDS IMPACTS

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [ ] are for information purposes only and are not reflected in spreadsheet totals.

Line	General Fund Expenditures	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018-19	FY2020-21	FY2018	FY2019	FY2018-19	FY2020	FY2021	FY2020-21
17	Fire Protection Special taxing District					-	-						
18	Watershed District Levy Authority modified					-	-						
19	Increase City of Mpls Max allowable lodging tax cap from 13% to 13.875%					-	-	-	-	-	-	-	-
20	Authority for St. Paul lodging tax increase from 3% to 4%					-	-	-	-	-	-	-	-
21	Wind Energy Production Tax modification					-	-						
22	<b>Property tax changes for Tax Increment Financing (TIF)</b>												
23	Levy authority for NW MN multicounty housing and redevelopment authorities extended 5 yrs to Pay 2024					-	-	-	-	-	-	-	-
24	Champlin; tax increment financing authority modified (Mississippi Crossings).					-	-	-	-	-	-	-	-
25	Minneapolis; special tax increment financing rules authorized (Upper Harbor Terminal).					-	-	-	-	-	-	-	-
26	Cloquet; local sales tax authority -uses of proceeds modified, orig proj total \$16.5M unchgd.					-	-	-	-	-	-	-	-
27	Bloomington TIF modifications (Central Station)- Extends current 5 yr rule exemption of 15 years to 20 years for project phase-in					-	-	-	-	-	-	-	-
28	<b>Public Finance</b>												
29	Bond Allocation Act definition of a public facilities project modified					-	-	-	-	-	-	-	-
30	Drainage lien principal interest rate modification					-	-	-	-	-	-	-	-
31	<b>Miscellaneous</b>												
32	Department of Revenue Technical Bill - with modifications					-	-	-	-	-	-	-	-
33	Department of Revenue Policy Bill - with modifications					-	-	-	-	-	-	-	-
34	Minnesota Housing Tax Credit Program study					-	-	-	-	-	-	-	-
35	Report on Heat and Power Processing Plants					-	-	-	-	-	-	-	-

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**APPENDIX B: INTERACTIONS WITH TAX POLICY**

GENERAL FUND Change Items only

\$\$\$ in thousands | BOLD indicates rows included in total | Negative change indicates revenue decrease

Line	ITEM	GOVERNOR		HOUSE		SENATE		HF 947 CONFERENCE AGREEMENT					
		FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018-19	FY 2020-21	FY 2018	FY 2019	FY 2018-19	FY 2020	FY 2021	FY 2020-21
	<u>INDIVIDUAL INCOME TAX INTERACTIONS</u>												
1	Senate Change Item: Cloquet Area Fire and Ambulance Taxing District					-	(80)	0	0	-	-40	-40	(80)
2	Senate Change Item: Intrastate Natural Gas Transportation or Distribution Pipeline Exemption from state general levy. Max 12 yr. Effective pay 2020			-	negligible	-	-	0	0	-	0	negligible	negligible
3	House Change Item: Special State General Levy Refund aid authorized for Aitkin, Crow wing and Mille Lacs Counties			50	-								
4	House Change: Medical facility tax abatement			-	(negligible)			0	0	-	(negligible)	(negligible)	(negligible)
5	House Change: Property tax abatement for nonprofit Mental Health Center (Duluth)			negligible	-								
6	House Change: Repeal Mpls Library debt service - Income tax interactions			-	160								
7	Gov Change: State General levy inflation	-	(1,950)										
8	<b>TOTAL: INDIVIDUAL INCOME TAX INTERACTIONS</b>	-	(1,950)	50	160	-	(80)	-	-	-	(40)	(40)	(80)