

LINE	ITEM	CONFERENCE	
		FY 2024-25	FY 2026-27
1	TAX POLICY ITEMS, Change from General Fund Forecast		
2			
3	Revenue Increases		
4	Fed. Conformity: Limitation on Excess Business Losses (ARPA)	-	69,000
5	Fed. Conformity: Extend Limitation on Excess Business Losses (IRA)	-	21,400
6	Fed. Conformity: Modify Nonresident Adjustment Calculation (Ch. 1, 2023 Session)	3,700	(2,400)
7	Fed. Conformity: Secure Act 2.0 - Def. Sales, Stock to An Empl. Stock Ownership Plan	-	-
8	Fed. Conformity: Secure Act 2.0 - Retirement Account Withdrawals Emergency Exp.	(1,300)	(2,600)
9	Fed. Conformity: Secure Act 2.0 - Simplified Employee Pension Plans	(200)	(200)
10	Fed. Conformity: Secure Act 2.0 - Distributions 529 Plans to a Roth IRAs	(1,200)	(2,500)
11	Fed. Conformity: Secure Act 2.0 - Qualified Charitable Contrib. from IRA	(1,500)	(2,200)
12	Fed. Conformity: Secure Act 2.0 - Exclusion, First Responder Retirement Benefits	-	-
13	Fed. Conformity: Secure Act 2.0 - Distributions from IRA for Federal Disasters	(1,400)	-
14	Fed. Conformity: Secure Act 2.0 - Limit Deduction for Charitable Conserv. Easements	7,500	4,700
15	Federal Conformity - GILTI with 50% DRD, No Section 250 Deduction (Effective TY23)	437,000	379,100
16	Standard/Itemized Deduction Phaseout Modifications (10% over \$304k, 20% over \$1.0 million)	354,300	385,400
17	Reduced Deductions for Dividends Received (50/40), effective TY23	128,100	111,000
18	Net Investment Income Tax (1.0% above \$1m, excl. ag land sale gains, effective TY24)	86,200	176,500
19	Corporate NOL modified from 80% to 70%, effective TY24	22,500	35,500
20	TOTAL REVENUE INCREASES	1,033,700	1,172,700
21			
22	Individual Income Tax		
23	Child Tax Credit, \$1,750 per dependent, phaseout at \$35,000/\$29,500	(794,500)	(816,300)
24	Onetime Advance Refundable Credit (\$520 married, \$260 single, +\$260/child up to 3, max \$1300). Administrative Costs Included.	(1,152,000)	
25	Social Security Subtraction, 100% subtraction, FAGI below \$100K, \$140K phaseout	(496,200)	(576,800)
26	Public Pension Subtraction, \$25K Max. Subtraction for MJ Filer with FAGI below \$100K	(82,400)	(81,800)
27	--Interaction - Social Security & Public Pension	2,000	2,000
28	Renter's Income Tax Credit (NET of Credit and Repealed Refund)	(378,600)	(275,500)
29	Child and Dependent Care Credit - Newborn Credit for Unmarried Filers	(3,200)	(3,200)
30	K-12 Education Credit Modifications (Senate position)	(24,800)	(26,300)
31	--Interaction - K-12 Subtraction	2,000	2,100
32	Angel Tax Credit Reinstatement	(10,000)	-
33	Working Family Credit expansion for ITIN filers	(19,800)	(20,600)
34	Political Contribution Refund Increase (to \$75 single /\$150 married)	(2,100)	(2,800)
35	Beginning Farmer Tax Credit (Senate Allocation language, other language to be discussed)	(8,000)	(8,000)
36	Short Line Railroad Construction Credit (\$3k/mile)	(2,800)	(2,800)
37	Manufactured Home Park Credit to cooperatives	(730)	(830)
38	Modify Film Production Credit	(18,600)	(25,700)
39	Subtraction, Certain Sexual Harassment/Abuse Settlements	(200)	(200)
40	Modify Military Tax Credit	(200)	-
41	Modify Discharged Student Loan	-	(100)
42	Subtraction, Unemployment Compensation Received by Teenagers	(10)	-
43	Pass-through Entity Modification with A92 amendment (Effective FY 2023)	Unknown	Unknown
44			
45	Corporate Franchise Tax		
46	Historic Rehabilitation Tax Credit Reinstatement	(3,800)	(22,800)
47			
48	Sales Tax Exemptions - Local Government Construction Projects		
49	Construction materials exemption mod. - Mazeppa fire-damaged building	(20)	-
50	Construction materials exemption mod. - North Metro Range	(290)	-
51	Construction materials exemption - City of Chanhassen	(260)	(520)

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52	Construction materials exemption - Chisholm public schools	(840)	-
53	Construction materials exemption - Duluth public schools	(510)	-
54	Construction materials exemption - Edina Community Health and Safety Center	-	(910)
55	Construction materials exemption - Ely public schools	(360)	-
56	Construction materials exemption - Hibbing public schools	(260)	-
57	Construction materials exemption - MSP Airport (\$8 million cap)	(7,560)	-
58	Construction materials exemption - City of Moorhead	(240)	(480)
59	Construction materials exemption - Nashwauk-Keewatin public schools	(1,240)	-
60	Construction materials exemption - Northern Lights Academy	(320)	-
61	Construction materials exemption - Northland learning center	(380)	-
62	Construction materials exemption - City of Oakdale	(250)	(500)
63	Construction materials exemption - City of Ramsey	(700)	(700)
64	Construction materials exemption - Red Lake County School District	(400)	-
65	Construction materials exemption - Red Rock Central School District	(1,060)	-
66	Construction materials exemption - Rock Ridge Public Schools	(3,050)	-
67	Construction materials exemption - City of Spring Grove	(130)	-
68	Construction materials exemption - Springfield School District	(740)	-
69	Construction materials exemption - City of Wayzata	(1,080)	-
70	Construction materials exemption - Woodbury Central Park	(520)	(520)
71			
72	<u>Sales Tax Exemptions - Other Exemptions</u>		
73	County fair exemption expansion	(60)	(60)
74	Firearm storage units exemption	(40)	(40)
75	Exemption, Disregarded Single Member Entities	(1,470)	(1,670)
76	Exemption for Suite Licenses and Amenities included with Admission to Athletic Events	(2,740)	(1,900)
77	Exemption for Sales to Nonprofit Blood Centers	(1,700)	(600)
78	Retroactive and ongoing exemption for natural gas fees	(9,940)	(3,690)
79			
80	<u>Other Revenue Changes</u>		
81	Mortgage & Deed Tax, Dedication to Workforce Housing Dev. Account, Onetime	(40,000)	
82	Combined Net Receipts Rate Reduction (General Fund Impact)	(29,200)	(32,700)
83	Repeal \$50 Fee for Payment Agreement Plan	(3,000)	(3,000)
84	Minerals Article Net Revenue, Gross Proceeds Tax	-	1,400
85	City of Minneapolis, Stadium Forgiveness - Eliminate Interest on Construction	(12,344)	(12,344)
86			
87	SUBTOTAL: TAX POLICY ITEMS	(2,080,944)	(745,164)
88			

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		FY 2024-25	FY 2026-27
89	EXPENDITURE ITEMS		
90			
91	Aids		
92	Onetime Public Safety Aid	300,000	-
94	Tribal Nations Aid	35,000	70,000
96	LGA increase \$80M per year, no inflation, sans Hibbing adjustment (interactions needed)	80,000	160,000
97	CPA increase, \$80M per year, no inflation, (interactions needed)	80,000	160,000
98	LGA prepayment	68,295	(68,295)
99			
100	Morton and Echo Aid Forgiveness (FY23 Appropriations)	125	-
101	Mahnomen County/City Property Tax Reimbursement Aid	160	320
102	Grant for City of Spring Grove - fire recovery	250	-
104	City of Northfield	300	
105	Windom Relief	14,000	
106	Crane Lake Watershed District Debt Service Relief	1,294	
107	City of Minneapolis - Hiawatha Campus Holding Costs	2,000	
108	City of Minneapolis - Lake Street Rebuilding	8,000	
109			
110	Payment in lieu of Taxes (PILT) Modifications (House Position)	8,960	20,410
111	SWCD Aid	30,000	24,000
112	Electric Utility Transition Aid	1,996	4,576
113	Repeal Utility Valuation Transition Aid	(17)	(37)
114			
115	Local Homeless Prevention Aid: <i>May 15- House Offer: With 12% Tribal Nations Earmark (current law)</i>		.
116	Statewide Local Housing Aid \$45 M in FY 24-25, \$20M in FY 26-27	45,000	20,000
117			
118	Property Tax Refunds		
119	Homestead eligibility/PTR expansion for ITIN filers	2,000	4,000
120	Homestead Credit State Refund Copays 3.0%	25,400	51,600
121	One-time boost Homeowner PTR (approx 20%)	130,804	
122	One-time boost Renter PTR (approx 20%)	44,457	
123	Targeting PTR - One-time FY 24	23,300	-
125	Enhanced Taxpayer Assistance (VITA) including PTR , Working Family Credit	2,000	2,000
126			
127	Property Tax Changes		
128	Homestead Market Value Exclusion changes \$95,000 threshold, maximum exclusion \$38,000, maximum market value \$517,200	-	(12,160)
129	Community Land Trust 4d @ 0.75%		520
130	Class 4d - PTR Interaction (net includes income tax interaction)		5,260
131	Class 4d Transition Aid		1,160
132	Saint Ann's senior residence exemption	10	20
133	Indian tribal owned property tax exemptn (incl. CI levy reduction)	10	Negligible
134	Classification change for solar energy systems		(Negligible)
136	Green Acres deferment modification for certain property	-	Negligible
137	Spouses Disabled Vets' MVE application/reapply	30	80
141	Agricultural homesteads, first tier valuation increase		1,280
143	Watershed Districts Levy Authority with Interactions (PTR and income, net)		920
144	Property Tax exemption ISD 745 Albany (Stearns County) Pay 2023	46	
145			
146	Other Changes		
148	Solid Waste Tax Distribution to SCORE Grants, 3 percent	6,900	7,300
151	Disallow Revenue Recapture	402	402
152	IRS Tax Filing Modernization Account Established	5,000	
153	Free File Report	175	
154	Taxpayer Receipt	191	94
155	Interaction impact with Combined Net Tax Receipts - 1% Problem Gambling	(292)	(327)

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		FY 2024-25	FY 2026-27
156	Senior citizens' property tax deferral requirements: occupancy 5 years, HH income to \$96K	260	1,290
157	TRA - School Pension Adjustment Aid (may need adjustment)	-	97,423
163	Administration of Tax Act, DOR (Base in FY2028 is zero)	3,000	3,000
164			
165	SUBTOTAL: EXPENDITURE ITEMS	919,056	554,836
168			
171			
172	TOTAL	(3,000,000)	(1,300,000)