

GENERAL FUND TAX REVENUES, AIDS AND CREDITS

February 2013 General Fund Forecast - Governor II (Certain provisions) AND Reform Division Report

Note; Negative numbers represent revenue losses (tax expenditures) or appropriations

Positive numbers represent revenue gains or appropriation reductions

Line #	SF#	Dollars in Thousands nm indicates "not meaningful"	A Gov II FY 2014-15	B Gov II FY 2016-17	C Reform FY 2014	D Reform FY 2015	E Reform FY 2014-15	F Reform FY 2016	G Reform FY 2017	H Reform FY 2016-17	I Reform-GovI FY 2014-15	J Reform-GovII FY 2016-17
1		<b>TAX REVENUES</b>										
2												
3		<b>Individual Income Tax</b>										
4	11	Income Tax Credit (Clothing)	0	0	(22,150)	(44,800)	(66,950)	(45,300)	(45,800)	(91,100)	(66,950)	(91,100)
5	1310	Shortline RR Subtraction	0	0	(120)	0	(120)	0	0	0	(120)	0
6	285	Increase Angel Investment Credit	0	0	(5,000)	(5,000)	(10,000)	(17,000)	0	(17,000)	(10,000)	(17,000)
7	10	Modify R & D Credit (Incr. 2 Tier from 2.5 to 4.5%)	0	0	(700)	(700)	(1,400)	(700)	(700)	(1,400)	(1,400)	(1,400)
8	1491	Income Tax Interaction- LGA Modify	2,240	4,660	0	1,450	1,450	1,450	1,460	2,910	(790)	(1,750)
9		<b>Subtotal Individual Income Tax</b>	<b>2,240</b>	<b>4,660</b>	<b>(27,970)</b>	<b>(49,050)</b>	<b>(77,020)</b>	<b>(61,550)</b>	<b>(45,040)</b>	<b>(106,590)</b>	<b>(79,260)</b>	<b>(111,250)</b>
10												
11		<b>Corporate Income Tax</b>										
12	Gov	Foreign Source Royalty Repeal	189,200	155,700	111,600	77,600	189,200	77,300	78,400	155,700	0	0
13	Gov	FOC Repeal	44,000	36,700	25,800	18,200	44,000	18,200	18,500	36,700	0	0
14	Gov	Interaction for FOC/Royalty Repealers	4,000	4,000	2,000	2,000	4,000	2,000	2,000	4,000	0	0
15	Gov	Measurement of MN Sales	46,000	40,000	26,000	20,000	46,000	20,000	20,000	40,000	0	0
16	Gov	Foreign Partnerships	12,000	12,000	6,000	6,000	12,000	6,000	6,000	12,000	0	0
17	Gov	Economic Substance Doctrine	400	1,750	0	0	0	0	0	0	(400)	(1,750)
18	Gov	REIT Dividends	2,000	2,000	1,000	1,000	2,000	1,000	1,000	2,000	0	0
19	1010	NOL Transfer	0	0	(15,000)	(15,000)	(30,000)	(15,000)	(15,000)	(30,000)	(30,000)	(30,000)
20	Gov	Index minimum fee	18,700	19,400	9,300	9,400	18,700	9,600	9,800	19,400	0	0
21	1310	Shortline RR Subtraction	0	0	(80)	0	(80)	0	0	0	(80)	0
22	10	Modify R & D Credit (Incr. 2 Tier from 2.5 to 4.5%)	0	0	(35,600)	(28,500)	(64,100)	(29,700)	(30,900)	(60,600)	(64,100)	(60,600)
23		Reduce Rate 9%/5.3% AMT	0	0	(95,500)	(65,500)	(161,000)	(67,500)	(68,800)	(136,300)	(161,000)	(136,300)
24		Reduce Rate on Expanded Provisions	0	0	(10,700)	(7,400)	(18,100)	(7,300)	(7,300)	(14,600)	(18,100)	(14,600)
25	1491	Levy Change Interactions: Corporate Franchise Tax	620	1,290	0	400	400	400	400	800	(220)	(490)
26		<b>Subtotal Corporate Franchise Tax Changes</b>	<b>316,920</b>	<b>272,840</b>	<b>24,820</b>	<b>18,200</b>	<b>43,020</b>	<b>15,000</b>	<b>14,100</b>	<b>29,100</b>	<b>(273,900)</b>	<b>(243,740)</b>
27												
28												
29		<b>Sales</b>										
30		Rate Reduction on Items currently taxed to 5.677%	0	0	(561,300)	(631,100)	(1,192,400)	(650,300)	(667,600)	(1,317,900)	(1,192,400)	(1,317,900)
31	Gov	Affiliate Nexus	9,700	12,460	3,800	4,700	8,500	5,200	5,700	10,900	(1,200)	(1,560)
32		Digital Products	0	0	4,700	5,400	10,100	5,900	6,200	12,100	10,100	12,100
33		Custom Software			11,900	13,800	25,700	14,700	15,600	30,300	25,700	30,300
34		Parallel Taxation of Direct Satellite Services	0	0	1,000	1,200	2,200	1,200	1,300	2,500	2,200	2,500
35		Parallel Taxation of Remote Access Software	0	0	2,100	2,800	4,900	3,200	3,700	6,900	4,900	6,900
36		Admission to Stadium Box Seats and Suites - Pro Sports	0	0	2,000	2,100	4,100	2,100	2,200	4,300	4,100	4,300
38		Admission to Exhibitions	0	0	580	680	1,260	700	720	1,420	1,260	1,420
39		Clothing	0	0	254,700	287,200	541,900	296,900	306,100	603,000	541,900	603,000

Line #	SF#	Dollars in Thousands nm indicates "not meaningful"	A	B	C	D	E	F	G	H	I	J
			Gov II	Gov II	Reform	Reform	Reform	Reform	Reform	Reform	Reform-GovI	Reform-GovI
			FY 2014-15	FY 2016-17	FY2014	FY 2015	FY 2014-15	FY 2016	FY 2017	FY 2016-17	FY 2014-15	FY 2016-17
41		<i>Over The Counter Drugs</i>	0	0	38,400	43,300	81,700	44,800	46,100	90,900	81,700	90,900
42		<i>Personal services (e.g. hair, nails, tattoos)</i>	0	0	70,900	79,900	150,800	82,700	85,200	167,900	150,800	167,900
43		<i>Other Personal Services (e.g. wedding planning, dating services, personal shopping)</i>	0	0	8,800	9,900	18,700	10,200	10,600	20,800	18,700	20,800
45		<i>Cosmetic Surgery</i>	0	0	8,900	10,200	19,100	10,800	11,400	22,200	19,100	22,200
46		<i>Personal Instruction (e.g. dance, golf, tennis)</i>	0	0	5,500	6,300	11,800	6,400	6,700	13,100	11,800	13,100
51		<i>Auto Repair Services</i>	0	0	130,300	147,600	277,900	153,900	160,200	314,100	277,900	314,100
52		<i>Household Goods Repair &amp; Maintenance</i>	0	0	28,100	32,100	60,200	33,900	35,900	69,800	60,200	69,800
53		<i>Electronic and commercial equipment repair &amp; maintenance (incl. farm machinery)</i>	0	0	61,800	71,300	133,100	76,900	82,700	159,600	133,100	159,600
54		<i>Warehousing &amp; Storage Services (Excl. Storage of Farm Products, Refrigerated Storage, or Electronic Data)</i>	0	0	76,800	88,800	165,600	95,600	103,000	198,600	165,600	198,600
74		<i>Tecommunications Equipment</i>	0	0	26,600	31,600	58,200	34,500	37,300	71,800	58,200	71,800
75		<i>Court Reporter Documents</i>	0	0	1,700	1,800	3,500	1,800	1,800	3,600	3,500	3,600
77		<i>Publications (excl. Newspapers)</i>	0	0	2,600	2,800	5,400	2,800	2,800	5,600	5,400	5,600
78	326	<i>MV Paint Purchased by Auto Repair Shops Exempt.</i>	0	0	(8,300)	(9,500)	(17,800)	(9,800)	(10,300)	(20,100)	(17,800)	(20,100)
79	78	<i>Sales Tax Upfront Capital Equip Exemption Phase-in</i>	0	0	(16,500)	(9,100)	(25,600)	(78,100)	(43,100)	(121,200)	(25,600)	(121,200)
80	1492	<i>Nursing home exemption</i>	0	0	(negl)	(negl)	(negl)	(negl)	(negl)	(negl)	(negl)	(negl)
81	1433	<i>Multiple points of use</i>	0	0	(560)	(640)	(1,200)	(660)	(700)	(1,360)	(1,200)	(1,360)
82		<i>Religious Affiliation Sales Tax Exemption</i>	0	0	(81)	(44)	(125)	(45)	(46)	(91)	(125)	(91)
83	104	<i>Sales and use tax exemption for cities &amp; counties</i>	0	0	(95,700)	(106,700)	(202,400)	(109,500)	(112,500)	(222,000)	(202,400)	(222,000)
84		<b>Subtotal Sales Tax Changes</b>	<b>0</b>	<b>0</b>	<b>58,739</b>	<b>86,396</b>	<b>145,135</b>	<b>35,795</b>	<b>90,974</b>	<b>126,769</b>	<b>145,135</b>	<b>126,769</b>
85												
86		<b>Other Excise Taxes</b>										
87		<i>Aviation Fuels/Registration Modifications</i>	0	0	(6,100)	(6,700)	(12,800)	(6,900)	(7,000)	(13,900)	(12,800)	(13,900)
88		<i>Sports Memorabilia</i>	0	0	*	*	*	*	*	*	*	*
89												
90		<b>Estate</b>										
91	900	<i>Modify qualified farm and small business provisions</i>	0	0	9,200	14,600	23,800	20,400	26,800	47,200	23,800	47,200
92		<i>Decouple from the federal estate tax</i>	0	0	(4,000)	(16,900)	(20,900)	(17,800)	(18,600)	(36,400)	(20,900)	(36,400)
93		<b>Subtotal Estate Tax</b>	<b>0</b>	<b>0</b>	<b>5,200</b>	<b>(2,300)</b>	<b>2,900</b>	<b>2,600</b>	<b>8,200</b>	<b>10,800</b>	<b>2,900</b>	<b>10,800</b>
94												
95		<b>Tobacco</b>										
96	Gov	<i>Cigarette Excise Tax</i>	318,800	329,600	285,700	313,200	598,900	315,600	317,100	632,700	280,100	303,100
97	Gov	<i>Sales tax on Cigarettes</i>	2,300	2,500	900	1,000	1,900	1,000	1,000	2,000	(400)	(500)
98	Gov	<i>Cigarette Floor Stocks Tax</i>	17,900	0	17,900	0	17,900	0	0	0	0	0
99	209	<i>Nonsettlement Fee</i>	0	0	600	600	1,200	600	600	1,200	1,200	1,200
100	Gov	<i>Tobacco Excise Tax (incl. moist snuff)</i>	25,200	28,400	38,400	59,100	97,500	61,300	63,500	124,800	72,300	96,400
101	Gov	<i>Sales tax on Tobacco</i>	800	900	600	1,700	2,300	1,700	1,700	3,400	1,500	2,500
102	791	<i>Little Cigars - Cigarette Excise Tax Equivalent</i>	0	0	10,000	11,000	21,000	11,000	11,000	22,000	21,000	22,000
103	791	<i>Little Cigars - Tobacco Products Excise Tax</i>	0	0	(1,900)	(2,100)	(4,000)	(2,100)	(2,100)	(4,200)	(4,000)	(4,200)
104	791	<i>Little Cigars - Sales Tax</i>	0	0	300	300	600	200	200	400	600	400
105		<i>Premium Cigars</i>	0	0	(600)	(600)	(1,200)	(600)	(700)	(1,300)	(1,200)	(1,300)
106		<i>Cigarette and Other Tobacco Refunds</i>	0	0	(200)	(200)	(400)	(200)	(200)	(400)	(400)	(400)
107	209	<i>Appropriation to Commissioner of Rev for Study</i>	0	0	(100)	0	(100)	0	0	0	(100)	0
108		<b>Subtotal Tobacco Tax</b>	<b>365,000</b>	<b>361,400</b>	<b>351,600</b>	<b>384,000</b>	<b>735,600</b>	<b>388,500</b>	<b>392,100</b>	<b>780,600</b>	<b>370,600</b>	<b>419,200</b>

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109												
110		<b>TOTAL TAX REVENUE CHANGE ITEMS</b>	684,160	638,900	406,289	430,546	836,835	373,445	453,334	826,779	152,675	187,879
111												
112		TAX AIDS AND CREDITS										
113	1491	LGA Increase and Formula Change	(80,000)	(160,000)	0	(80,000)	(80,000)	(80,000)	(80,000)	(160,000)	0	0
114	1491	PTR Interactions	2,870	5,960	0	1,860	1,860	1,860	1,860	3,720	(1,010)	(2,240)
115		<b>Subtotal Tax Aids and Credits</b>	(77,130)	(154,040)	0	(78,140)	(78,140)	(78,140)	(78,140)	(156,280)	(1,010)	(1,100)
116												
117		<b>TAX AIDS AND CREDITS TOTAL CHANGES</b>	(77,130)	(154,040)	0	(78,140)	(78,140)	(78,140)	(78,140)	(156,280)	(1,010)	(2,240)
118												
119		TRANSFERS										
120		HIF Transfer	(48,100)	(49,400)	(180,400)	(196,000)	(376,400)	(195,900)	(195,200)	(391,100)	(328,300)	(170,900)
121		HIF Transfer of Balance after Repeal	0	0	16,370	0	16,370	0	0	0	16,370	0
122												
123		<b>TOTAL TRANSFERS</b>	(48,100)	(49,400)	(164,030)	(196,000)	(360,030)	(195,900)	(195,200)	(391,100)	(311,930)	(341,700)
124												
125		<b>TOTAL</b>	558,930	435,460	242,259	156,406	398,665	99,405	179,994	279,399	(160,265)	(156,061)

**OTHER FUND TAX REVENUES, AIDS AND CREDITS**  
**Governor II (Certain Recommendations) and Senate**

Note: Negative numbers represent revenue losses (tax expenditures) or appropriations

Positive numbers represent revenue gains or appropriation reductions

Line #	Dollars in Thousands nm indicates "not meaningful"	A	B			C	D	E	F	G	H			I	J
		Gov. II FY 2014-15	Gov. II FY 2016-17	Senate FY2014	Senate FY 2015	Senate FY 2014-15	Senate FY 2016	Senate FY 2017	Senate FY 2016-17	Sen - GovII FY 2014-15	Sen - GovII FY 2016-17				
1	LEGACY FUNDS														
2															
	Rate Reduction on Currently Taxed Items (to 0.323%)	0	0	(35,500)	(39,900)	(75,400)	(41,100)	(42,200)	(83,300)	(75,400)	(83,300)			(75,400)	(83,300)
3	Broaden the Tax Base (at 0.323%)	0	0	42,150	48,010	90,160	50,310	52,490	102,800	90,160	102,800			90,160	102,800
4	Sales and use tax exemption for cities and counties	0	0	(5,400)	(6,100)	(11,500)	(6,200)	(6,400)	(12,600)	(11,500)	(12,600)			(11,500)	(12,600)
5	Multiple points of use	0	0	(30)	(40)	(70)	(40)	(40)	(80)	(70)	(80)			(70)	(80)
6	Exempt vehicle paint and supplied purchased by auto repair shops	0	0	(500)	(500)	(1,000)	(600)	(600)	(1,200)	(1,000)	(1,200)			(1,000)	(1,200)
7	Religious Affiliation Sales Tax Exemption	0	0	(5)	(2)	(7)	(3)	(3)	(6)	(7)	(6)			(7)	(6)
8	Nursing home exemption	0	0	(negl)	(negl)	(negl)	(negl)	(negl)	(negl)	(negl)	(negl)			(negl)	(negl)
9	Upfront Cap Equip. Sales Tax Exemption	0	0	(900)	(500)	(1,400)	(4,400)	(2,500)	(6,900)	(1,400)	(6,900)			(1,400)	(6,900)
10	Affiliate Nexus	569	708	0	0	0	0	0	0	(569)	(708)				
11	Sales Tax on Other Tobacco Products	42	51	40	100	140	100	100	200	98	149				
12	Sales Tax on Little Cigars	0	0	10	10	20	10	10	20	20	20			20	20
13	Subtotal Legacy Funds	611	759	(135)	1,078	943	(1,923)	857	(1,066)	332	(1,825)				
14															
15	HEALTH IMPACT FUND														
16	Cigarette Fee (Sen repeals)	(44,700)	(45,500)	(154,500)	(166,500)	(321,000)	(165,300)	(163,300)	(328,600)	(276,300)	(283,100)				
17	Tobacco Fee (Sen Repeals)	(3,400)	(3,900)	(25,900)	(29,500)	(55,400)	(30,600)	(31,900)	(62,500)	(52,000)	(58,600)				
18	Balance Transfer After Repeal	0	0	(16,370)	0	(16,370)	0	0	0	(16,370)	0				
19	Subtotal Health Impact Fund	(48,100)	(49,400)	(196,770)	(196,000)	(392,770)	(195,900)	(195,200)	(391,100)	(344,670)	(341,700)				
20															
21	STATE AIRPORTS FUND														
22	Sales Tax on Aircraft	0	0	2,700	2,900	5,600	2,900	2,900	5,800	5,600	5,800				
23	Aviation fuels Tax Increase	0	0	1,900	2,100	4,000	2,100	2,200	4,300	4,000	4,300				
24	Aircraft Registration Tax	0	0	(3,900)	(4,000)	(7,900)	(4,100)	(4,200)	(8,300)	(7,900)	(8,300)				
25	Subtotal State Airports Fund	0	0	700	1,000	1,700	900	900	1,800	1,700	1,800				
26															
27	TOTAL OTHER FUNDS	(47,489)	(48,641)	(196,205)	(193,922)	(390,127)	(196,923)	(193,443)	(390,366)	(342,638)	(341,725)				