

MINNESOTA SENATE

2019 SPECIAL SESSION - FISCAL SUMMARY OF OMNIBUS TAX BILL (HF 5)

ALL FUNDS

May 24, 2019, 5:30 PM

\$ in thousands | BOLD indicates rows included in total

TAX POLICY: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

LINE	ITEM	GOVERNOR			HOUSE - HF2125-3E			SENATE - HF 2125-1UE			HF 5		
		FY 2018-19	FY 2020-21	FY 2022-23	FY 2018-19	FY 2020-21	FY 2022-23	FY 2018-19	FY 2020-21	FY 2022-23	FY 2018-19	FY 2020-21	FY 2022-23
GENERAL FUND FORECAST:													
1	TAX POLICY (REVENUE)	43,135,875	46,061,695	48,479,024	43,135,875	46,061,695	48,479,024	43,135,875	46,061,695	48,479,024	43,135,875	46,061,695	48,479,024
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES)	3,657,822	3,738,896	3,944,094	3,657,822	3,738,896	3,944,094	3,657,822	3,738,896	3,944,094	3,657,822	3,738,896	3,944,094
GENERAL FUND PROPOSED CHANGES:													
6	TAX POLICY	31,730	861,265	1,041,610	28,230	1,347,860	1,695,670	14,472	-	36,495	22,612	69,310	223,894
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	-	83,119	158,898	773	154,178	331,136	-	21,179	40,360	-	101,861	222,630
8	SUBTOTAL: GENERAL FUND EFFECT	31,730	778,146	882,712	27,457	1,193,682	1,364,534	14,472	(21,179)	(3,865)	22,612	(32,551)	1,264
BUDGET RESERVE ACCOUNT													
11	CURRENT LAW	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733
12	PROPOSED CHANGE - Reduction to Budget Reserve Account	-	-	-	-	-	-	-	-	-	-	-	(491,369)
13	SUBTOTAL BUDGET RESERVE + PROPOSED CHANGES	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	2,074,733	1,583,364
NON-GENERAL FUND PROPOSED CHANGES:													
16	LEGACY FUNDS	-	(2,090)	2,540	-	650	2,590	-	(370)	(340)	-	1,110	(800)
17	SPECIAL REVENUE FUND	-	166	160	-	6,566	7,260	-	36	276	-	9	(266)
18	ENVIRONMENTAL FUND	-	-	-	-	14,900	16,400	-	-	(14)	-	-	-
19	HEALTH CARE ACCESS FUND	-	-	-	-	(141)	39	-	-	(78)	-	873,040	1,422,040
20	REMEDIATION FUND	-	-	-	-	-	-	-	-	(Negl.)	-	-	-
21	TACONITE MUNICIPAL AID ACCOUNT	-	-	-	-	-	-	-	-	-	-	-	-
22	DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND	-	-	-	-	(192)	(345)	-	-	-	-	(192)	(345)
23	TACONITE ENVIRONMENTAL PROTECTION FUND	-	-	-	-	(232)	(551)	-	-	-	-	(232)	(551)
24	TACONITE ECONOMIC DEVELOPMENT FUND	-	-	-	-	-	-	-	8,000	6,277	-	-	-
25	MINNESOTA HOUSING FINANCE AGENCY FUND	-	-	-	-	-	-	-	4,000	8,000	-	-	-
26	HIGHWAY USER TAX DISTRIBUTION FUND (HUTDF)	-	-	-	-	-	-	-	-	-	-	-	-
27	SUBTOTAL: NON-GENERAL FUND EFFECTs	-	(1,924)	2,700	-	21,551	25,393	-	11,666	14,121	-	873,735	1,420,078

2019 Special Session Omnibus Tax Bill (HF 5) - TAX POLICY

GENERAL FUND, CHANGE ITEMS ONLY

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HF 5									
LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
TAX POLICY:									
<u>TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS</u>									
1	Switch Minnesota Starting Point to AGI	TY 19	-	(1,800)	(1,800)	(3,600)	(1,800)	(1,800)	(3,600)
2	Conform to TCJA Standard Deduction, Eliminate Personal Exemptions, Deduction Changes	TY 19	-	(107,400)	(57,500)	(164,900)	(44,700)	(37,200)	(81,900)
4	Indexing/COLA Provisions - with Chained CPI-U	TY 20	-	12,700	30,500	43,200	39,300	56,400	95,700
5	Allow Exclusion of Discharged Student Loan Debt in Case of Death or Disability, Temporary	TY 19	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
7	Repeal Deduction for Alimony Payments and Corresponding Inclusion of Received Alimony	Agrmnts. TY 19	-	1,600	2,300	3,900	3,100	4,300	7,400
8	Modify Limit on Wagering Losses, Temporary	TY 19	-	150	90	240	90	90	180
9	Disallow the Charitable Deduction for College Athletic Seating Payments	TY 19	-	1,900	1,200	3,100	1,200	1,200	2,400
10	Limit Mortgage Interest Deduction for Amounts Above \$750,000	TY 19	-	200	500	700	700	1,000	1,700
12	Disallow Exclusion for Qualified Moving Expense Reimbursement (Permanent)	TY 19	-	5,600	3,900	9,500	3,900	3,900	7,800
13	Suspend Exclusion for Certain Employer-provided Bicycle Commuter Fringe Benefits, Temporary	TY 19	-	40	30	70	30	30	60
14	Allow Increased Contributions to ABLE Accounts, Temporary	TY 19	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
15	Extend Rollover Period for Certain Retirement Plan Loan Offsets	TY 19	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
16	Repeal Special Rule Permitting Recharacterization of IRA Contributions	TY 19	-	450	300	750	350	400	750
17	SUBTOTAL: TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS		-	(86,560)	(20,480)	(107,040)	2,170	28,320	30,490
<u>TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS</u>									
20	Conform to Expanded Bonus Depreciation, But Maintain 80% MN Addback	TY 18	400	8,700	10,700	19,400	10,500	3,700	14,200
23	Full Conformity with Section 179 Expensing in TY18, Maintain 80% addback	TY 18	560	2,600	2,800	5,400	2,000	800	2,800
25	Disallow Certain Active Pass Through Losses (Above \$250k for Single and \$500k for Joint Filers), Temporary	TY 19	4,400	47,800	46,300	94,100	40,400	41,600	82,000
26	Tax Gain on Sale of Partnership on a Look-through Basis	TY 19	200	1,600	1,900	3,500	2,400	3,100	5,500
27	Expand Definition of Built-in Loss for Purposes of Partnership Loss Transfers	TY 18	30	670	300	970	300	400	700
28	Charitable Contributions and Foreign Taxes Accounted for in Determining Limit on Partner's Share of Loss	TY 18	100	1,300	800	2,100	800	900	1,700
29	Repeal Rollover of Publicly Traded Securities Gain into Specialized Small Business Investment Companies	TY 18	30	570	300	870	300	200	500
30	Limit Net Interest Deduction to 30% of Income	TY 19	8,100	89,600	92,500	182,100	111,100	136,000	247,100
31	Modify the Net Operating Loss (NOL) Deduction	TY 19	3,200	35,600	43,300	78,900	67,400	93,900	161,300
33	Repeal Deferred Gain on Like-kind Exchanges	TY 18	200	4,700	3,300	8,000	4,300	5,600	9,900
34	Reduce Recovery Period for Real Property	TY 18	(30)	(570)	(600)	(1,170)	(700)	(1,000)	(1,700)
35	Repeal Deduction for Local Lobbying Expenses	TY 19	20	180	100	280	100	100	200
36	Limit Deduction for Employer-provided Meals	TY 19	300	6,100	2,700	8,800	2,700	2,800	5,500
37	Limit Deduction for Employer-provided Transportation Benefits	TY 19	200	2,700	2,000	4,700	2,100	2,200	4,300
38	Prohibit Deduction for Achievement Awards (Cash, Gift Cards, etc.)	TY 19	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
39	Disallow Deduction for Sexual Harassment Payments Made Subject to Non Disclosure Agreement	TY 19	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
40	Revise Treatment of Contributions to Capital	TY 19	30	370	700	1,070	1,100	1,200	2,300

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HF 5									
LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
41	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY 18-19	(100)	(2,400)	-	(2,400)	-	-	-
42	Modify Limit on Excessive Compensation	TY 19	50	550	600	1,150	600	600	1,200
43	Repeal Exclusion of Interest on Advance Refunding Bonds	TY 19	300	3,300	4,800	8,100	5,700	6,100	11,800
46	SUBTOTAL: TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS		17,990	203,370	212,500	415,870	251,100	298,200	549,300
	<u>TCJA CONFORMITY - CORPORATE FRANCHISE TAX</u>								
49	Conform to Expanded Bonus Depreciation, But Maintain 80% MN Addback, Temporary	TY 18	800	18,300	22,600	40,900	22,100	7,800	29,900
52	Full Conformity with Section 179 Expensing in TY18, Maintain 80% addback	TY 18	180	1,000	1,100	2,100	800	300	1,100
53	Repeal Rollover of Publicly Traded Securities Gain into Specialized Small Business Investment Companies	TY 18	50	1,250	600	1,850	500	400	900
54	Conform to Limit on Net Interest Ded. to 30% of Income (Excluding Small Businesses)	TY 18	1,400	31,300	15,700	47,000	18,900	23,100	42,000
57	Repeal Deferred Gain on Like-kind Exchanges	TY 18	200	5,900	4,200	10,100	5,400	7,100	12,500
58	Reduce Recovery Period for Real Property	TY 18	(70)	(1,230)	(1,100)	(2,330)	(1,400)	(2,000)	(3,400)
59	Repeal Deduction for Local Lobbying Expenses	TY 18	30	670	300	970	300	300	600
60	Limit Deduction for Employer-provided Meals	TY 18	800	16,600	7,300	23,900	7,400	7,600	15,000
61	Limit Deduction for Employer-provided Transportation Benefits	TY 18	600	12,500	5,600	18,100	5,700	5,900	11,600
62	Prohibit Deduction for Achievement Awards (Cash, Gift Cards, Nontangible Personal Property, etc.)	TY 18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
63	Limit Deduction for FDIC Premiums	TY 18	500	12,100	6,100	18,200	6,200	6,300	12,500
64	Disallow the Deduction for Sexual Harassment Payments Made Subject to NDA	TY 18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
65	Revise Treatment of Contributions to Capital	TY 18	90	1,850	2,000	3,850	3,000	3,200	6,200
66	Conform to the Modified Historic Rehabilitation Credit, Credit Claimed over a 5-year Period	TY 18	-	39,900	16,400	56,300	9,800	(18,800)	(9,000)
67	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits, Temporary	TY 18-19	(200)	(2,900)	-	(2,900)	-	-	-
68	Modify Limit on Excessive Compensation	TY 18	300	6,100	3,600	9,700	3,600	3,600	7,200
69	Repeal Exclusion of Interest on Advance Refunding Bonds	TY 18	200	3,800	2,500	6,300	3,000	3,200	6,200
74	Other Modifications to Subpart F Provisions	TY 18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
75	Indexing Changes - Chained CPI-U, Corporate Minimum Fee	TY 20	-	-	100	100	100	100	200
76	SUBTOTAL: TCJA CONFORMITY - CORPORATE FRANCHISE TAX		4,880	147,140	87,000	234,140	85,400	48,100	133,500
	<u>TCJA CONFORMITY - PROPERTY TAX REFUND - INTERACTION</u>								
83	Chained CPI-U - Homestead Credit Refund	TY 19	-	-	800	800	1,500	2,500	4,000
84	Chained CPI-U - Renters Property Tax Refund	TY 19	-	-	300	300	500	800	1,300
85	SUBTOTAL: TCJA CONFORMITY - PROPERTY TAX REFUND - INTERACTION		-	-	1,100	1,100	2,000	3,300	5,300
	<u>BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME</u>								
88	Exclusion of Discharge of Indebtedness on Principal Residence	TY17	-	(6,700)	-	(6,700)	-	-	-
91	Extend Limitation Period for Exclusion for Wrongfully Incarcerated Individuals	2/9/2018	-	(Negl.)	-	(Negl.)	-	-	-
92	Expand the Deduction of Legal Fees for Whistleblowers	TY18	-	(200)	(100)	(300)	(100)	(100)	(200)

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LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
93	Expand Foreign Earned Income Exclusion, Individuals Supporting Armed Forces in Combat Zones	TY18	-	(1,000)	(400)	(1,400)	(400)	(400)	(800)
94	Classification of Certain Racehorses as 3-year Property	TY17	-	(65)	10	(55)	15	15	30
95	Accelerated Depreciation for Business Property on an Indian Reservation	TY17	-	(280)	25	(255)	50	45	95
96	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY17	-	(1,200)	300	(900)	200	150	350
97	Special Depreciation Allowance for Second Generation Biofuel Property	TY17	-	Negli.	Negli.	Negli.	Negli.	Negli.	(Negli.)
98	Energy Efficiency Commercial Deduction	TY17	-	(135)	Negli.	(135)	Negli.	Negli.	Negli.
99	Modify Temporary Suspension of Limits on Charitable Contributions, Temporary	TY17&18	-	(75)	20	(55)	10	Negli.	10
100	Modify Special Rule for Qualified Casualty Losses	TY17	-	(100)	-	(100)	-	-	-
101	Modify Disaster Related Rules for Use of Retirement Funds	TY17	-	(Negli.)	Negli.	-	Negli.	Negli.	Negli.
102	SUBTOTAL: BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME TAX		-	(9,755)	(145)	(9,900)	(225)	(290)	(515)
	<u>BIPARTISAN BUDGET ACT - CORPORATE TAX</u>								
105	Seven Year Period for Motor Sports Entertainment Complexes	TY17	-	(45)	(5)	(50)	(5)	(5)	(10)
106	Accelerated Depreciation for Business Property on an Indian Reservation	TY17	-	(265)	20	(245)	50	45	95
107	Election to Expense Mine Safety Equipment	TY17	-	(10)	Negli.	(10)	Negli.	Negli.	Negli.
108	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY17	-	(1,000)	250	(750)	200	150	350
109	Energy Efficiency Commercial Deduction	TY17	-	(100)	Negli.	(100)	Negli.	Negli.	Negli.
110	Modify Temporary Suspension of Limits on Charitable Contributions	TY17	-	(20)	5	(15)	Negli.	Negli.	Negli.
112	SUBTOTAL: BIPARTISAN BUDGET ACT - CORPORATE TAX		-	(1,440)	270	(1,170)	245	190	435
	<u>DISASTER RELIEF ACT & AIRPORTS & AIRWAYS EXTENSION ACT - INDIVIDUAL INCOME</u>								
115	Modify Temporary Suspension of Limits on Charitable Contributions	TY17	-	(1,300)	300	(1,000)	200	100	300
116	Modify & Expand Casualty Loss Deduction for Damage in Disaster Areas	TY17	-	(1,400)	-	(1,400)	-	-	-
117	Special Rules for Qualified Early IRA Distributions	TY17	-	(40)	10	(30)	Negli.	(Negli.)	-
118	SUBTOTAL: DISASTER TAX RELIEF ACT - INDIVIDUAL INCOME TAX		-	(2,740)	310	(2,430)	200	100	300
	<u>DISASTER RELIEF ACT & AIRPORTS & AIRWAYS EXTENSION ACT - CORPORATE TAX</u>								
121	Modify Temporary Suspension of Limits on Charitable Contributions	TY17	-	(100)	40	(60)	30	10	40
122	SUBTOTAL: DISASTER TAX RELIEF ACT - CORPORATE TAX		-	(100)	40	(60)	30	10	40
124	REFERENCE SUBTOTAL: NET EFFECT OF CONFORMITY PROPOSAL		22,870	249,915	280,595	530,510	340,920	377,930	718,850
	<u>OTHER INDIVIDUAL INCOME TAX PROVISIONS</u>								
128	Reduce 2nd Bracket Rate to 6.8, Modify 4th Tier Starting Pointing	TY 19	-	(216,800)	(144,000)	(360,800)	(155,900)	(162,400)	(318,300)
137	Medical Cannabis Subtraction	TY 19	-	(200)	(200)	(400)	(200)	(200)	(400)
142	Working Family Credit - Increase credit, modify phaseouts	TY 19	-	(30,300)	(30,800)	(61,100)	(31,200)	(31,600)	(62,800)

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146	Social Security Subtraction - Increase Max. Subtraction	TY 19	-	(4,400)	(4,700)	(9,100)	(4,900)	(5,300)	(10,200)
149	Small Business Investment (Angel Investor) Tax Credit	TY 19 / TY 21	-	(10,000)	-	(10,000)	(10,000)	-	(10,000)
150	Section 529 Plan Credit Phase-out	TY 20	-	-	(Negl.)	(Negl.)	(Negl.)	(5)	(5)
152	<i>INTERACTIONS with Property Taxes, Aids and Credits (DETAILS IN APPENDIX A)</i>	See Appendix	-	-	590	590	680	690	1,370
153	SUBTOTAL: OTHER INDIVIDUAL INCOME TAX PROVISIONS		-	(261,700)	(179,110)	(440,810)	(201,520)	(198,815)	(400,335)
	<u>OTHER CORPORATE FRANCHISE TAX PROVISIONS</u>								
158	Modify the Net Operating Loss (NOL) Deduction	TY 18	-	49,500	21,500	71,000	21,500	21,500	43,000
160	Limit Dividends Received Deduction for Debt Financed Stock	TY 19	-	130	100	230	100	100	200
161	Captive Insurance Definition Modified	Retro TY 17	-	-	-	-	(400)	(400)	(800)
163	Modify Mutual Fund Manger Apportionment	TY 19	-	6,300	9,000	15,300	12,500	12,500	25,000
164	<i>INTERACTIONS with Property Taxes, Aids and Credits (DETAILS IN APPENDIX A)</i>	See Appendix	-	-	1,660	1,660	1,630	1,520	3,150
165	SUBTOTAL: OTHER CORPORATE TAX PROVISIONS		-	55,930	32,260	88,190	35,330	35,220	70,550
	<u>SALES TAX</u>								
174	Marketplace Provider Collection Rqmnts. Modifications including a Remote Seller Threshold Change	10/1/2019	-	230	350	580	350	350	700
176	Exemption by Refund, Construction, Materials Purchases, City of Minnetonka - Public Safety Facility	5/24/2019	-	-	(800)	(800)	-	-	-
177	Exemption by Refund, Construction, Materials Purchases, City of Inver Grove Heights - Fire Station	7/1/2018	-	(280)	-	(280)	-	-	-
179	Exemption by Refund, Construction, Materials Purchases, City of Mendota Heights - Fire Station	1/1/2019	-	-	(180)	(180)	-	-	-
180	Exemption by Refund, Construction, Materials Purchases, City of Monticello - Fire Station	2/1/2019	-	(170)	-	(170)	-	-	-
182	Exemption by Refund, Construction, Materials Purchases, City of Melrose - Property Replacement	1/1/2019	-	(80)	(80)	(160)	(20)	-	(20)
183	Exemption by Refund, Construction, Materials Purchases, City of Mazeppa - Property Replacement	3/11/2018	-	-	(15)	(15)	-	-	-
184	Exemption by Refund, Construction Materials Purchases, Dakota Co. Law Enforcement Ctr.	7/1/2019	-	(190)	(60)	(250)	-	-	-
185	Exemption by Refund, Construction, Materials Purchases, I.S.D. 414 - School Building	1/1/2018	-	(140)	-	(140)	-	-	-
190	Exemption, Sales by County Agricultural Societies at County Fairs	7/1/2019	-	(1,200)	(1,500)	(2,700)	(1,500)	(1,500)	(3,000)
192	Exemption, Sales to Non Profit Ice Arena David M. Thaler Sports Center	7/1/2019	-	(10)	(10)	(20)	(10)	(10)	(20)
193	Exemption, Sales of Herbicides - Aquatic Invasive Species	7/1/2019	-	(130)	(140)	(270)	(140)	(140)	(280)
196	Exemption, Admissions - Non Profit Agricultural Society Organizations	DFE	-	(10)	(10)	(20)	(10)	(10)	(20)
198	Increase Accelerated June Payment Requirement in FY20 and Lower in FY22	7/1/2019	-	23,100	700	23,800	(11,300)	300	(11,000)
204	SUBTOTAL: SALES TAX		-	21,120	(1,745)	19,375	(12,630)	(1,010)	(13,640)
206	REFERENCE LINE: NET EFFECT OF SALES TAX PROVISIONS ON LEGACY FUNDS		-	1,215	(105)	1,110	(740)	(60)	(800)
	<u>STATEWIDE PROPERTY TAX</u>								
209	Reduce Statewide Levy Amount on CI and SRR	Payable 20	-	(27,500)	(50,000)	(77,500)	(50,000)	(50,000)	(100,000)
210	Natural Gas Pipeline Property Tax Abatement	Payable 21	-	-	(Negl.)	(Negl.)	(Negl.)	(10)	(10)

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213	SUBTOTAL: STATEWIDE PROPERTY TAX		-	(27,500)	(50,000)	(77,500)	(50,000)	(50,010)	(100,010)
	<u>CIGARETTE & TOBACCO PRODUCTS TAXES</u>								
222	Tobacco Products Definition Modified - Vapor Products	DFE	-	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
223	SUBTOTAL: CIGARETTE & TOBACCO PRODUCTS TAXES		-	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
	<u>ESTATE TAX</u>								
231	Expand Eligibility for Farm and Small Business Subtraction for Spouse of Decedent	Decedents 2018	-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
233	SUBTOTAL: ESTATE TAX		-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
	<u>OTHER TAX & NON-TAX REVENUE PROVISIONS</u>								
243	Tax Penalties Waived: Special TCJA Waiver for Tax Years 2018 and 2019	TY 17 / TY 18	(258)	(709)	(176)	(885)	-	-	-
246	Deed Transfer Tax - Modify Threshold	Deeds CY 20	-	(Negl.)	(5)	(5)	(5)	(10)	(15)
248	Border City Allocation (Permanent)	7/1/2020	-	-	(750)	(750)	(750)	(750)	(1,500)
249	Eliminate TANF Transfer for Working Family Credit	FY 20	-	(24,294)	(24,521)	(48,815)	(24,873)	(25,133)	(50,006)
250	SUBTOTAL: OTHER TAX & NON TAX REVENUE PROVISIONS		(258)	(25,003)	(25,452)	(50,455)	(25,628)	(25,893)	(51,521)
252	TOTAL: TAX POLICY		22,612	12,762	56,548	69,310	86,472	137,422	223,894

2019 Special Session Omnibus Tax Bill (HF 5) - PROPERTY TAX AIDS & CREDITS

GENERAL FUND, CHANGE ITEMS ONLY

\$ in thousands | BOLD indicates rows included in total

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AIDS & CREDITS: Positive amounts indicate expenditure

HF 5

LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
PROPERTY TAX AIDS & CREDITS:									
REFUNDS									
1	Property Tax Refund for Manufactured Home Cooperatives (same)	Payable 20	-	-	220	220	220	220	440
2	Homeowner PTR interactions - LGA increase	Pay 20 / FY 21	-	-	(630)	(630)	(730)	(730)	(1,460)
3	Homeowner PTR interactions - CPA increase	Pay 20 / FY 21	-	-	(630)	(630)	(730)	(730)	(1,460)
7	Homeowner PTR Interaction: School Ag Building Bond Credit Increase to 60%	Pay 20 / FY 21	-	-	120	120	390	810	1,200
11	Homeowner PTR Interaction: Exemption for Pharmacy Owned by Indian Tribe (Sen w/appl deadline)	Payable 20	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
12	Homeowner PTR Interaction: Modify Ag Homestead Rules for Property Owned by Trusts (similar)	Payable 20	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
13	Homeowner PTR Interaction: Ag Hmstd Market Value Credit Fractional Homesteads pct ownership (sim)	Payable 20	-	-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
14	Homeowner PTR Interactions: Increase Acre Limit of Ag Historical Society Property Exemption (same)	Assessments 19	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
17	Homeowner PTR Interaction: Ag Class converted from Ag Use for Envir. Purposes	Assessments 19	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
18	Homeowner PTR Interaction-Disabled Veteran Market Value Exclusion: Apptn due date Dec. 15	Assessments 19	-	-	(600)	(600)	(Negl.)	(Negl.)	(Negl.)
19	Homeowner PTR Interaction: Disabled Veteran Market Value Exclusion: Remove 8 yr. Limit for Spouse	Payable 20	-	-	(30)	(30)	(70)	(110)	(180)
21	Homeowner PTR Interaction: Disabled Veteran Market Value Exclusion for special refund	App rec'd CY 2019	-	(Negl)	-	(Negl.)	-	-	-
22	Homeowner PTR Interaction: Cloquet Fire & Ambulance Tax District (Sen: no levy limit lang)	Local Compliance	-	-	-	-	10	20	30
23	Property Tax Refunds Interactions: Modify Determination of Homesteads for Business Entities	Payable 20	-	-	60	60	60	60	120
26	Property Tax Refunds Interactions: School Referendum Equalization Aid	Pay 20 / FY 21	-	-	(450)	(450)	(430)	(370)	(800)
27	Property Tax Refunds Interactions: Child Care Facilities Exemption	Payable 20	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
28	Property Tax Refunds Interactions: Metropolitan Agricultural Preserves Early Termination	DFE	-	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
30	SUBTOTAL: REFUNDS		-	-	(1,940)	(1,940)	(1,280)	(830)	(2,110)
AIDS									
34	Local Government Aid Increase	Pay 20 / FY 21	-	-	26,000	26,000	30,000	30,000	60,000
35	One-time LGA Increase to City of Virginia, Tom Rukavina Memorial Bridge	Pay 21 / FY 22	-	-	-	-	5,400	-	5,400
38	County Program Aid increase	Pay 20 / FY 21	-	-	26,000	26,000	30,000	30,000	60,000
41	Melrose Fire Remediation Grant (same but for pymt year)	FY 20	-	644	-	644	-	-	-
42	City of Mazeppa and Wabasha County-Fire Remediation Grant for 7/1/2019	7/1/2019	-	5	-	5	-	-	-
44	School Referendum Equalization Aid	Pay 20 / FY 21	-	-	8,990	8,990	9,400	8,150	17,550
47	Child Welfare Svcs Grant to Mahnomen Health Center & White Earth Band of Ojibwe	FY 20	-	500	-	500	-	-	-
48	ICWA Grant for Beltrami County	FY 20	-	3,000	-	3,000	-	-	-
49	City of Lilydale Grant	FY 20	-	275	-	275	-	-	-
50	Wadena County Grant	FY 20	-	600	600	1,200	-	-	-
51	City of Austin Fire Aid Grant	Local Approval	-	129	-	129	-	-	-
52	City of Flensburg LGA Forgiveness Grant	FY 20	-	38	-	38	-	-	-

2019 Special Session Omnibus Tax Bill (HF 5) - PROPERTY TAX AIDS & CREDITS

GENERAL FUND, CHANGE ITEMS ONLY

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HF 5

LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
53	Otter Tail County Residential Treatment Facility Debt Service Grant	FY 20	-	500	-	500	-	-	-
54	SUBTOTAL: AIDS		-	5,691	61,590	67,281	74,800	68,150	142,950
	CREDITS								
59	School Ag Building Bond Credit: Increase to 70% by TY23	Pay 20 / FY 21	-	-	9,810	9,810	17,480	26,290	43,770
60	Ag. Homestead Market Value Credit: Modify Determination of Homesteads	Payable 20	-	-	250	250	260	260	520
62	Ag. Homestead Market Value Credit: Fractional Homestead Determination (similar)	Payable 20	-	-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
63	Ag. Homestead Market Value Credit: Modify Homestead Rules for Trusts (similar)	Payable 20	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
64	Ag Market Value Credit: Ag Class converted from Ag Use for Envir. Purposes	Assessments 19	-	-	Negl.	Negl.	Negl.	Negl.	Negl.
65	Ag. Preservation Credit: Metropolitan Agricultural Preserves Early Termination	DFE	-	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
66	SUBTOTAL: CREDITS		-	-	10,060	10,060	17,740	26,550	44,290
	OTHER								
70	Net Loan Activity: Senior Property Tax Deferral Apply Date Moved from July 1 to November 1	DFE	-	-	60	60	(Negl.)	(Negl.)	(Negl.)
72	MERF Aid	DFE	-	10,000	10,000	20,000	10,000	10,000	20,000
73	Appropriation: Debt Service Aid Essentia/Duluth	Local Compliance	-	-	-	-	3,000	8,100	11,100
74	Appropriation: Taxpayer Assistance Grants	DFE	-	200	200	400	200	200	400
76	Appropriation: DOR Admin for OTB	DFE	-	3,000	3,000	6,000	3,000	3,000	6,000
77	SUBTOTAL: OTHER		-	13,200	13,260	26,460	16,200	21,300	37,500
79	TOTAL: PROPERTY TAX AIDS & CREDITS		-	18,891	82,970	101,861	107,460	115,170	222,630

NOTES

The Ag Bond Credit tracked on line 64 carries budget effects outside of the forecast window due to it not being fully phased in to 70% until TY 23/FY 24

2019 Special Session Omnibus Tax Bill (HF 5) - NON-GENERAL FUND CHANGES

NON GENERAL FUND, CHANGE ITEMS ONLY

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HF 5

LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
NON-GENERAL FUND CHANGES:									
LEGACY FUNDS									
1	Marketplace Provider Collection Requirements Modifications including a Remote Seller Threshold Change	10/1/2019	-	10	20	30	20	20	40
4	Refund, Construction, Materials Purchases, City of Minnetonka - Public Safety Facility	5/24/2019	-	-	(50)	(50)	-	-	-
5	Refund, Construction, Materials Purchases, City of Inver Grove Heights - Fire Station	7/1/2019	-	(20)	-	(20)	-	-	-
7	Refund, Construction, Materials Purchases, City of Mendota Heights - Fire Station	1/1/2019	-	-	(10)	(10)	-	-	-
11	Refund, Construction, Materials Purchases, City of Monticello - Fire Station	2/1/2019	-	(10)	-	(10)	-	-	-
12	Refund, Construction, Materials Purchases, City of Melrose - Property Replacement	1/1/2019	-	(5)	(5)	(10)	(Negl.)	-	(Negl.)
13	Refund, Construction, Materials Purchases, City of Mazeppa - Property Replacement	3/11/2018	-	-	(Negl.)	(Negl.)	-	-	-
14	Refund, Construction Materials Purchases, Dakota Co. Law Enforcement Ctr.	7/1/2019	-	(10)	(Negl.)	(10)	-	-	-
15	Refund, Construction, Materials Purchases, ISD #414, Minneota	Retro 1/1/2018	-	(10)	-	(10)	-	-	-
20	Exemption, Sales by County Agricultural Societies	7/1/2019	-	(60)	(90)	(150)	(90)	(90)	(180)
22	Exemption, Sales to Non Profit Ice Arena	7/1/2019	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
23	Exemption, Sales of Herbicides - Aquatic Invasive Species	7/1/2019	-	(10)	(10)	(20)	(10)	(10)	(20)
26	Exemption, Admissions - Non Profit Agricultural Society Organizations	DFE	-	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
30	June Accelerated Payment Shift	7/1/2019	-	1,330	40	1,370	(660)	20	(640)
36	SUBTOTAL: LEGACY FUNDS		-	1,215	(105)	1,110	(740)	(60)	(800)
SPECIAL REVENUE FUND									
40	DEED, Angel Tax Credit (Revenue from Application Fees/Report Filings)	7/1/2019	-	232	289	521	181	125	306
41	Angel Tax Credit Administration	TY 19	-	(226)	(286)	(512)	(286)	(286)	(572)
43	SUBTOTAL: SPECIAL REVENUE FUND		-	6	3	9	(105)	(161)	(266)

2019 Special Session Omnibus Tax Bill (HF 5) - NON-GENERAL FUND CHANGES

NON GENERAL FUND, CHANGE ITEMS ONLY

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HF 5

LINE	ITEM	EFFECTIVE	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
HEALTH CARE ACCESS FUND									
52	90 Day Interest on Tax refunds	1/1/2020	-	150	310	460	320	340	660
53	Provider Tax, Rate Change from 2.0% to 1.8% , Repeal of Sunset	1/1/2020	-	213,000	659,600	872,600	693,400	728,000	1,421,400
54	Wayfair Nexus Threshold Modified	DFE	(Negl.)	(10)	(10)	(20)	(10)	(10)	(20)
55	SUBTOTAL: HEALTH CARE ACESS FUND			213,140	659,900	873,040	693,710	728,330	1,422,040
TACONITE MUNICIPAL AID ACCOUNT									
62	Taconite Municipal Aid Distribution (100% max guarantee), allocation indexed	Distributions 2020	-	-	(424)	(424)	(422)	(474)	(896)
63	Distribution to Municipalities	Distributions 2020	-	-	424	424	422	474	896
64	SUBTOTAL: TACONITE MUNICIPAL AID ACCOUNT		-	-	-	-	-	-	-
DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND									
67	Taconite Municipal Aid Distribution (100% max guarantee), allocation indexed	Distributions 2020	-	-	(192)	(192)	(170)	(175)	(345)
68	SUBTOTAL: DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND		-	-	(192)	(192)	(170)	(175)	(345)
TACONITE ENVIRONMENTAL PROTECTION FUND									
71	Taconite Municipal Aid Distribution (100% max guarantee), allocation indexed	Distributions 2020	-	-	(232)	(232)	(252)	(299)	(551)
72	SUBTOTAL: TACONITE ENVIRONMENTAL PROTECTION FUND		-	-	(232)	(232)	(252)	(299)	(551)
86	TOTAL: NON-GENERAL FUND CHANGES		-	214,361	659,374	873,735	692,443	727,635	1,420,078

APPENDIX A: INTERACTIONS

GENERAL FUND, CHANGE ITEMS ONLY

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HF 5

LINE	ITEM	FY 19	FY 20	FY 21	FY 20-21	FY 22	FY 23	FY 22-23
TAX POLICY INTERACTIONS:								
<u>INDIVIDUAL INCOME TAX INTERACTIONS</u>								
1	Reduce Statewide Levy Amount on CI/SRR property	-	-	90	90	90	90	180
2	State General Levy Tax abatement for pipelines	-	-	-	-	Negl.	Negli.	Negli.
5	LGA	-	-	140	140	160	160	320
6	CPA	-	-	140	140	160	160	320
7	School Building Bond Ag Credit	-	-	120	120	180	200	380
8	School Referendum Equalization Aid	-	-	100	100	90	80	170
10	Cloquet Area Fire and Amblance Taxing District modified	-	-	-	-	(Negl.)	(Negl.)	(Negl.)
12	SUBTOTAL: INDIVIDUAL INCOME TAX INTERACTIONS	-	-	590	590	680	690	1,370
<u>CORPORATE FRANCHISE TAX INTERACTIONS</u>								
28	Reduce Statewide Levy Amount on CI/SRR property	-	-	1,280	1,280	1,280	1,280	2,560
29	LGA	-	-	150	150	170	170	340
30	CPA	-	-	150	150	170	170	340
31	School Building Bond Ag Credit	-	-	(30)	(30)	(90)	(190)	(280)
32	School Referendum Equalization Aid	-	-	110	110	100	90	190
34	SUBTOTAL: CORPORATE FRANCHISE TAX INTERACTIONS	-	-	1,660	1,660	1,630	1,520	3,150
TOTAL: NET EFFECT OF INTERACTIONS		-	-	2,250	2,250	2,310	2,210	4,520