

ESTIMATED BUDGET EFFECTS

SF 3843-1, As Passed by Senate Taxes Committee

\$\$\$ in Thousands | Based on February 2020 forecast | Negative indicates revenue reduction or increased appropriation

LINE	PROVISION	A CITATION	B EFFECTIVE	C FY 2020	D FY 2021	E FY 20-21	F FY 2022	G FY 2023	H FY 22-23
GENERAL FUND									
INDIVIDUAL INCOME									
1	Eliminate Sunset of Angel Investor Tax Credit (Newly allowed for TY20, TY22 and later)	II: 1	DFE	-	(10,000)	(10,000)	-	(10,000)	(10,000)
2	Eliminate MN Treatment of Section 179 Expensing (Full Conformity)	II: 5, 16	Retro TY18 and later	-	(172,600)	(172,600)	(27,500)	(15,200)	(42,700)
3	Enhance Non-itemizers' Subtraction for Charitable Contributions	II: 6	TY20 and later	-	(26,900)	(26,900)	(27,500)	(28,100)	(55,600)
4	Enhance Credit for K-12 Expenses Credit (Net of Interaction w/ Subtraction)	II: 8	TY20 and later	-	(12,900)	(12,900)	(13,200)	(13,400)	(26,600)
5	Exclude from Taxable Income Paycheck Protection Program Loans Forgiven	II: 2-4, 9-10, 20	DFE	-	-	-	-	-	-
6	Delay Estimated Tax Payments for TY19/TY20 ^(a)	II: 18	Various	(430,000)	430,000	-	-	-	-
7	SUBTOTAL:			(430,000)	207,600	(222,400)	(68,200)	(66,700)	(134,900)
CORPORATE FRANCHISE									
10	Eliminate MN Treatment of Section 179 Expensing (Full Conformity)	II: 7, 16	Retro TY18 and later	-	(65,500)	(65,500)	(10,500)	(5,900)	(16,400)
11	Exclude from Taxable Income Paycheck Protection Program Loans Forgiven	II: 2-4, 9-10, 20	DFE	-	-	-	-	-	-
12	Delay Final Filing and Tax Payments for TY19 ^(a)	II: 15	DFE	(80,000)	80,000	-	-	-	-
13	Delay Estimated Tax Payments for TY19/20 ^(a)	II: 18	Various	(211,000)	211,000	-	-	-	-
14	SUBTOTAL:			(291,000)	225,500	(65,500)	(10,500)	(5,900)	(16,400)
GENERAL SALES & USE, LIQUOR GROSS RECEIPTS									
17	Suspend June Accelerated Payment Requirement for June 2020 ^{(a) (b)}	II: 19	DFE	(293,500)	293,500	-	-	-	-
18	SUBTOTAL:			(293,500)	293,500	-	-	-	-
CHARITABLE GAMBLING									
21	Reduce Combined Net Receipts Rates; Hold Harmless Stadium Reserve	II: 11, 12	FY21 and later	-	(10,200)	(10,200)	(11,100)	(12,000)	(23,100)
22	SUBTOTAL:			-	(10,200)	(10,200)	(11,100)	(12,000)	(23,100)
PROPERTY									
25	Enhance School Referendum Equalization (Net of Interactions) ^(c)	I: 1	FY22 and later	-	-	-	(15,720)	(15,705)	(31,425)
26	Modify Class Rate for 4D Property	I: 2	Pay 21 and later	-	-	-	(2,590)	(2,590)	(5,180)
27	Extend First-half Payment Deadlines for Statewide Levy from May 15 to July 15 ^(a)	I: 3	DFE	(207,200)	207,200	-	-	-	-
28	Enact Two-Year Moratorium on Reclassifying Short-term Rental Properties	I: 4	Pay 21 & 22 only	-	-	-	(40)	(40)	(80)
29	SUBTOTAL:			(207,200)	207,200	-	(18,350)	(18,335)	(36,685)

	PENALTIES & INTEREST								
32	Section 179 Special Penalty Exception/Waiver	II: 17	Retro 6/1/2019	-	-	-	-	-	-
33	Reduction in P&I due to Deferrals: Individual Income Tax	II: 15	Various	-	(20,007)	(20,007)	-	-	-
34	Reduction in P&I due to Deferrals: Corporate Franchise Tax and UBIT	II: 15, 18	Various	-	(5,891)	(5,891)	-	-	-
35	Reduction in P&I due to Deferrals: Sales and Use Tax	II: 19	Various	-	(3,504)	(3,504)	-	-	-
36	SUBTOTAL:			-	(29,402)	(29,402)	-	-	-
40	TOTAL: ESTIMATED GENERAL FUND EFFECTS			(1,221,700)	894,198	(327,502)	(108,150)	(102,935)	(211,085)
	<u>NON-GENERAL FUND</u>								
	LEGACY FUNDS								
48	Suspend June Accelerated Payment Requirement for June 2020 ^(a) ^(b)	II: 19	DFE	(17,000)	17,000	-	-	-	-
49	SUBTOTAL:			(17,000)	17,000	-	-	-	-
50	TOTAL: ESTIMATED NON-GENERAL FUND EFFECTS			(17,000)	17,000	-	-	-	-

NOTES:

Revenue estimates were provided by DOR Research & DOR Property Tax Research

Other estimates, including penalty and interest estimates, were provided by the Legislative Budget Office

Collection risks and cash flow effects associated with modifications to payment deadlines are not accounted for in these estimates.

DFE = Day Following Enactment

^(a) This estimate assumes an equal and offsetting amount of revenue will be shifted between FY20 and FY21.

^(b) Local effects of this provision are not included in this tracking.

^(c) This amount is net of positive income and property tax interactions, which together total \$1.26 million each for FY22 and FY23 (\$2.52 million for the biennium).