

2021 Regular Session - OMNIBUS TAX BILL (SF 961, as amended by the A-1 DE)

BUDGET EFFECTS RELATIVE TO FEBRUARY 2021 FORECAST BASELINE (\$ IN THOUSANDS)

Tax Revenue Section: Positive amounts = Increased revenue

Expenditures Section: Positive amounts = Increased spending

4/21/21
7:00 PM

SENATE

LINE	ITEM	FY 2022-23	FY 2024-25	ALL YEARS
	<u>GENERAL FUND FORECAST:</u>			
1	TAX POLICY (REVENUE)	49,110,146	52,555,077	101,665,223
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES)	4,164,181	4,306,710	8,470,891
	<u>GENERAL FUND PROPOSED CHANGES:</u>			
3	TAX POLICY	(533,415)	(148,520)	(681,935)
4	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	19,820	32,110	51,930
5	NET: GENERAL FUND BUDGET EFFECTS	(553,235)	(180,630)	(733,865)
	<u>NON-GENERAL FUND PROPOSED CHANGES:</u>			
6	LEGACY FUNDS	(980)	(590)	(1,570)
7	SPECIAL REVENUE FUND	-	-	-
8	NET: NON-GENERAL FUND BUDGET EFFECTS	(980)	(590)	(1,570)

2021 Regular Session - OMNIBUS TAX BILL (SF 961, as amended by A-1 DE)

BUDGET EFFECTS RELATIVE TO FEBRUARY 2021 FORECAST BASELINE (\$ IN THOUSANDS)

Tax Revenue Changes: Positive amounts = Increased revenue | Expenditure Changes: Positive amounts = Increased spending

SENATE

LINE	SF	AUTHOR	ITEM	EFFECTIVE	A		B		C		D		E		F		G		H	
					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25	All Years	%								
<u>I. GENERAL FUND TAX REVENUE CHANGES:</u>																				
<u>INDIVIDUAL INCOME TAX</u>																				
1	1866	Nelson	Credit: Establish Minnesota Housing Tax Credit	TY 23-24 Only	-	-	-	(10,000)	(10,000)	(20,000)	(20,000)	(20,000)	(20,000)							
2	685	Miller	Credit: Extend Historic Structure Rehabilitation Sunset by 1 Year (Capped)	Allocations FY 22	(2,300)	(2,900)	(5,200)	(2,900)	(2,900)	(5,800)	(11,000)	(11,000)								
3	918	Weber	Credit: Nonrefundable Ethanol Tax Credit	TY 21-30	(2,400)	(2,900)	(5,300)	(3,500)	(4,200)	(7,700)	(13,000)	(13,000)								
4	1314	Nelson	Credit: Small Business (Angel) Investor	TY 22 Only	-	(10,000)	(10,000)	-	-	-	(10,000)	(10,000)								
5	2064	Bigham	Credit: Liquor Spoilage due to COVID-19 Restrictions	TY 20-21 Only	(3,400)	-	(3,400)	-	-	-	(3,400)	(3,400)								
6	1251	Rest	Credit: Index K12 Credit Amount and Income Threshold to Inflation	TY 21	(200)	(400)	(600)	(500)	(700)	(1,200)	(1,800)	(1,800)								
7	1251	Rest	Subtraction: Index K12 Subtraction Amounts to Inflation	TY 21	(400)	(800)	(1,200)	(1,200)	(1,600)	(2,800)	(4,000)	(4,000)								
8	1766	Howe	Subtraction: Volunteer Drivers	TY 21	(30)	(30)	(60)	(30)	(30)	(60)	(120)	(120)								
9	263	Bakk	Subtraction: Modify Educator Expense Deduction to Include PPE Expenses	TY 20-21 Only	(25)	-	(25)	-	-	-	(25)	(25)								
10	263	Bakk	Subtraction: 18% of Federal Pandemic Unemployment Compensation	TY 20 Only	(28,400)	-	(28,400)	-	-	-	(28,400)	(28,400)								
11	263	Bakk	Exclusion: PPP Loans from Calculation of Income	TY 20-21	(191,500)	(18,200)	(209,700)	(14,400)	(9,900)	(24,300)	(234,000)	(234,000)								
12	263	Bakk	Modify Section 179 Carryovers	TY 20	(3,800)	1,000	(2,800)	1,000	1,000	2,000	(800)	(800)								
13	263	Bakk	Allow Pass-Through Entities to File at Entity Level	TY 21	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)								
14	2169	Nelson	Partnership Audit Rules	Various	(600)	(1,400)	(2,000)	(1,500)	(1,600)	(3,100)	(5,100)	(5,100)								
15	2232	Weber	Interaction: Statewide Property Tax, Increase Exclusion & Decrease Levy	Payable 22	-	600	600	600	600	1,200	1,800	1,800								
16	2232	Weber	Interaction: Additional CI & SRR Levy Reduction	Payable 22	-	250	250	250	250	500	750	750								
17	2334	Weber	Interaction: Establish In-Home Childcare Provider Credit	Payable 22	-	80	80	90	90	180	260	260								
18	SUBTOTAL: INDIVIDUAL INCOME TAX					(233,055)	(34,700)	(267,755)	(32,090)	(28,990)	(61,080)	(328,835)	48.2%							
<u>CORPORATE FRANCHISE TAX</u>																				
21	263	Bakk	Exclusion: PPP Loans from Calculation of Income	TY 20-21	(183,500)	(15,900)	(199,400)	(12,200)	(9,200)	(21,400)	(220,800)	(220,800)								
22	263	Bakk	Modify Section 179 Carryovers	TY 20	(1,400)	400	(1,000)	400	400	800	(200)	(200)								
23	SUBTOTAL: CORPORATE FRANCHISE TAX					(184,900)	(15,500)	(200,400)	(11,800)	(8,800)	(20,600)	(221,000)	32.4%							
<u>ESTATE TAX</u>																				
26	834	Jasinski	Interaction: Modifications to Ag Homestead Determination	Payable 22	-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)								
27	SUBTOTAL: ESTATE TAX					-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	0.0%						
<u>SALES & USE TAX</u>																				
30	1318	Nelson	Exemption: COVID-19 PPE Expenses by Restaurants	3/1/20-12/31/21	(9,450)	-	(9,450)	-	-	-	(9,450)	(9,450)								
31	2251	Nelson	Exemption: Public Safety Facility Construction	FY 22	(1,980)	(4,140)	(6,120)	(4,290)	(4,440)	(8,730)	(14,850)	(14,850)								
32	366	Chamberlain	Exemption: Purchases for K12 Fundraising	DFFE	(640)	(670)	(1,310)	(690)	(720)	(1,410)	(2,720)	(2,720)								
33	SUBTOTAL: SALES & USE TAX					(12,070)	(4,810)	(16,880)	(4,980)	(5,160)	(10,140)	(27,020)	4.0%							
35	REFERENCE LINE: NET EFFECT OF SALES & USE TAX PROVISIONS ON LEGACY FUNDS					(700)	(280)	(980)	(290)	(300)	(590)									

2021 Regular Session - OMNIBUS TAX BILL (SF 961, as amended by A-1 DE)

BUDGET EFFECTS RELATIVE TO FEBRUARY 2021 FORECAST BASELINE (\$ IN THOUSANDS)

Tax Revenue Changes: Positive amounts = Increased revenue | Expenditure Changes: Positive amounts = Increased spending

SENATE

LINE	SF	AUTHOR	ITEM	EFFECTIVE	SENATE					All Years	%	
					A	B	C	D	E			F
					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25		
38	743	Nelson	CIGARETTE TAX									
			Dedication of Cigarette Tax Revenue, Tobacco Use/Cessation Projects	FY 22	(5,000)	-	(5,000)	-	-	-	(5,000)	
39			SUBTOTAL: CIGARETTE TAX		(5,000)	-	(5,000)	-	-	-	(5,000)	0.7%
			STATEWIDE PROPERTY TAX									
42	2232	Weber	Increase Exclusion by \$50,000 (to \$150,000) & Decrease Levy to Prevent Shifting	Payable 22	(10,650)	(20,100)	(30,750)	(20,100)	(20,100)	(40,200)	(70,950)	
43	2232	Weber	Additional CI & SRR Levy Reduction	Payable 22	(4,380)	(8,250)	(12,630)	(8,250)	(8,250)	(16,500)	(29,130)	
44			SUBTOTAL: STATEWIDE PROPERTY TAX		(15,030)	(28,350)	(43,380)	(28,350)	(28,350)	(56,700)	(100,080)	14.7%
45			TOTAL: GENERAL FUND TAX REVENUE CHANGES		(450,055)	(83,360)	(533,415)	(77,220)	(71,300)	(148,520)	(681,935)	100%
			II. GENERAL FUND EXPENDITURE CHANGES:									
			REFUNDS									
51	1201	Howe	Exclude Veteran's Disability Income from PTR Calculation	Payable 22	-	4,700	4,700	4,800	4,900	9,700	14,400	
52	27	Howe	PTR Interaction: Modifications to Homestead Application Deadline	Assessments 21	-	70	70	Negl.	Negl.	Negl.	-	
53	27	Howe	PTR Interaction: Veterans' Exclusion	Assessments 21	-	(30)	(30)	(Negl.)	(Negl.)	(Negl.)	(30)	
54	316	Senjem	PTR Interaction: Modifications to 4d Class Rate	Payable 22	-	2,930	2,930	2,930	2,930	5,860	8,790	
55	2334	Weber	PTR Interaction: Establish In-Home Childcare Provider Credit	Payable 22	-	(2,800)	(2,800)	(2,880)	(2,970)	(5,850)	(8,650)	
56	834	Jasinski	PTR Interaction: Modifications to Ag Homestead Determination	Payable 22	-	Unknown	Unknown	Unknown	Unknown	Unknown	-	
57			SUBTOTAL: REFUNDS		-	4,870	4,870	4,850	4,860	9,710	14,510	27.9%
			AIDS									
60	888	Nelson	One-time Supplemental LGA Distribution	Payable 22 Only	-	5,053	5,053	-	-	-	5,053	
61			SUBTOTAL: AIDS		-	5,053	5,053	-	-	-	5,053	9.7%
			CREDITS									
64	808	Bakk	Estimated Repayments from Allowing Early SFIA Withdrawal (FY21)	DFFE	(403)	-	(403)	-	-	-	(403)	
65	2334	Weber	Establish In-Home Childcare Provider Credit	Payable 22	-	10,300	10,300	10,900	11,500	22,400	32,700	
66	834	Jasinski	Ag Homestead MV Interaction: Modifications to Homestead Determination	Payable 22	-	Unknown	Unknown	Unknown	Unknown	Unknown	-	
67			SUBTOTAL: CREDITS		(403)	10,300	9,897	10,900	11,500	22,400	32,297	62.2%
70			TOTAL: GENERAL FUND EXPENDITURE CHANGES		(403)	20,223	19,820	15,750	16,360	32,110	51,930	100%
75			TOTAL: GENERAL FUND BUDGET EFFECTS		(449,652)	(103,583)	(553,235)	(92,970)	(87,660)	(180,630)	(733,865)	

2021 Regular Session - OMNIBUS TAX BILL (SF 961, as amended by A-1 DE)

BUDGET EFFECTS RELATIVE TO FEBRUARY 2021 FORECAST BASELINE (\$ IN THOUSANDS)

Tax Revenue Changes: Positive amounts = Increased revenue | Expenditure Changes: Positive amounts = Increased spending

SENATE

LINE	SF	AUTHOR	ITEM	EFFECTIVE	A		B		C		D		E		F		G		H	
					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25	All Years	%								
III. NON-GENERAL FUND CHANGES:																				
LEGACY FUNDS																				
76	1318	Nelson	Exemption: COVID-19 PPE Expenses by Restaurants	3/1/20-12/31/21	(550)	-	(550)	-	-	-	-	-	-	-	-	-	(550)			
77	2251	Nelson	Exemption: Public Safety Facility Construction	6/30/2021	(110)	(240)	(350)	(250)	(260)	(510)	(860)						(860)			
78	366	Chamberlain	Exemption: Purchases for K12 Fundraising	DFFE	(40)	(40)	(80)	(40)	(40)	(80)	(160)						(160)			
79			SUBTOTAL: LEGACY FUNDS		(700)	(280)	(980)	(290)	(300)	(590)	(1,570)	100%								
SPECIAL REVENUE FUND																				
82	743	Nelson	Cigarette Tax Revenue to Tobacco Use Prevention & Cessation Account	FY 22	5,000	-	5,000	-	-	-	5,000						5,000			
83	743	Nelson	Appropriation to MDH for Tobacco Use Prevention & Cessation Projects	FY 22	(5,000)	-	(5,000)	-	-	-	(5,000)						(5,000)			
84			SUBTOTAL: SPECIAL REVENUE FUND		-	-	-	-	-	-	-	0%								
85			TOTAL: NON-GENERAL FUND CHANGES		(700)	(280)	(980)	(290)	(300)	(590)	(1,570)	100%								
IV. NON-BUDGET ITEMS:																				
SPECIAL TAXING DISTRICTS																				
90	2232	Weber	Allow Fire and/or Emergency Medical Services Special Taxing Districts																	
TAX INCREMENT FINANCE (TIF) DISTRICTS																				
94	564	Port	Burnsville TIF																	
95	1411	Weber	Mountain Lake TIF																	
96	1711	Wiklund	Bloomington TIF																	
97	1921	Osmek	Wayzata TIF																	
98	1752	Abeler	Ramsey TIF																	
99	1412	Weber	Windom TIF																	
LOCAL TAXES																				
102	1387	Rarick	Carlton County																	
103	453	Tomassoni	Itasca County																	
104	1231	Mathews	Mille Lacs County																	
105	493	Rarick	Cloquet																	
106	1377	Ruud	Crosslake																	
107	1309	Franzen	Edina																	
108	1297	Ingebritsen	Fergus Falls																	
109	1219	Bakk	Hermantown																	
110	997	Litchfield	Litchfield																	
111	1213	Weber	Little Falls																	

2021 Regular Session - OMNIBUS TAX BILL (SF 961, as amended by A-1 DE)

BUDGET EFFECTS RELATIVE TO FEBRUARY 2021 FORECAST BASELINE (\$ IN THOUSANDS)

Tax Revenue Changes: Positive amounts = Increased revenue | Expenditure Changes: Positive amounts = Increased spending

SENATE

LINE	SF	AUTHOR	ITEM	EFFECTIVE	A	B	C	D	E	F	G	H
					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25	All Years	%
112	1727	Eken	Moorhead									
113	123	Wiger	Oakdale									
114	1672	Putnam	St. Cloud									
115	542	Frentz	St. Peter									
116	1816	Weber	Staples									
117	1579	Weber	Wadena									
118	1289	Putnam	Waite Park									
119	1369	Johnson	Warren									
120	624	Howe	Sartell (Food & Beverage)									
			<u>OTHER</u>									
123	2232	Weber	Affordable Housing Development Tax Assistance Report									
124	1799	Senjem	Energy Improvement Special Assessments									
125		Nelson	Reporting Requirement: Private Nonprofit Hospital Lease Agreements									
126	1982	Nelson	Private Letter Ruling									
127	2194	Dziedzic	June Accelerated Forecast Repayment									