

# 2021 Regular Session - OMNIBUS TAX BILL (SF 961, as passed by Taxes)

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

Tax Revenue Section: Positive amounts = Increased revenue

Expenditures Section: Positive amounts = Increased spending

4/26/21
4:00 PM

## SENATE

LINE	ITEM	FY 2022-23	FY 2024-25	ALL YEARS
	<b><u>GENERAL FUND FORECAST:</u></b>			
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
	<b><u>GENERAL FUND PROPOSED CHANGES:</u></b>			
3	TAX POLICY	(533,215)	(148,320)	(681,535)
4	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS	20,223	32,110	52,333
5	<b>NET: GENERAL FUND BUDGET EFFECTS</b>	<b>(553,438)</b>	<b>(180,430)</b>	<b>(733,868)</b>
	<b><u>NON-GENERAL FUND PROPOSED CHANGES:</u></b>			
6	LEGACY FUNDS	(980)	(590)	(1,570)
7	SPECIAL REVENUE FUND	-	-	-
8	TACONITE ENVIRONMENTAL PROTECTION FUND	-	2,500	2,500
9	DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND	-	1,260	1,260
10	ALL OTHER TACONITE FUNDS	-	(3,760)	(3,760)
11	<b>NET: NON-GENERAL FUND BUDGET EFFECTS</b>	<b>(980)</b>	<b>(590)</b>	<b>(1,570)</b>

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LINE	SF	AUTHOR	ITEM	EFFECTIVE	SENATE					All Years	%		
					A	B	C	D	E			F	G
					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25			
<b><u>I. GENERAL FUND TAX REVENUE CHANGES:</u></b>													
<b><u>INDIVIDUAL INCOME TAX</u></b>													
1	1866	Nelson	Credit: Establish Minnesota Housing Tax Credit	TY 23-24 Only	-	-	-	(10,000)	(10,000)	(20,000)	(20,000)		
2	685	Miller	Credit: Extend Historic Structure Rehabilitation Sunset by 1 Year (Capped)	Allocations FY 22	(2,200)	(2,800)	(5,000)	(2,800)	(2,800)	(5,600)	(10,600)		
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)		
4	1314	Nelson	Credit: Small Business (Angel) Investor	TY 22 Only	-	(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)		
6	1251	Rest	Credit: Index K12 Credit Amount and Income Threshold to Inflation	TY 21	(200)	(400)	(600)	(500)	(700)	(1,200)	(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)		
8	1766	Howe	Subtraction: Volunteer Drivers	TY 21	(30)	(30)	(60)	(30)	(30)	(60)	(120)		
9	263	Bakk	Subtraction: Modify Educator Expense Deduction to Include PPE Expenses	TY 20-21 Only	(25)	-	(25)	-	-	-	(25)		
10	263	Bakk	Subtraction: 18% of Federal Pandemic Unemployment Compensation	TY 20 Only	(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)		
12	263	Bakk	Modify Section 179 Carryovers	TY 20	(3,800)	1,000	(2,800)	1,000	1,000	2,000	(800)		
13	263	Bakk	Allow Pass-Through Entities to File at Entity Level	TY 21	(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)		
15	2232	Weber	Interaction: Statewide Property Tax, Increase Exclusion & Decrease Levy	Payable 22	-	600	600	600	600	1,200	1,800		
16	2232	Weber	Interaction: Additional CI & SRR Levy Reduction	Payable 22	-	250	250	250	250	500	750		
17	2334	Weber	Interaction: Establish In-Home Childcare Provider Credit	Payable 22	-	80	80	90	90	180	260		
18	<b>SUBTOTAL: INDIVIDUAL INCOME TAX</b>					<b>(232,955)</b>	<b>(34,600)</b>	<b>(267,555)</b>	<b>(31,990)</b>	<b>(28,890)</b>	<b>(60,880)</b>	<b>(328,435)</b>	<b>48.2%</b>
<b><u>CORPORATE FRANCHISE TAX</u></b>													
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)		
22	263	Bakk	Modify Section 179 Carryovers	TY 20	(1,400)	400	(1,000)	400	400	800	(200)		
23	<b>SUBTOTAL: CORPORATE FRANCHISE TAX</b>					<b>(184,900)</b>	<b>(15,500)</b>	<b>(200,400)</b>	<b>(11,800)</b>	<b>(8,800)</b>	<b>(20,600)</b>	<b>(221,000)</b>	<b>32.4%</b>
<b><u>ESTATE TAX</u></b>													
26	834	Jasinski	Interaction: Modifications to Ag Homestead Determination	Payable 22	-	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)		
27	<b>SUBTOTAL: ESTATE TAX</b>					<b>-</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>0.0%</b>
<b><u>SALES &amp; USE TAX</u></b>													
30	1318	Nelson	Exemption: COVID-19 PPE Expenses by Restaurants	3/1/20-12/31/21	(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)		
32	366	Chamberlain	Exemption: Purchases for K12 Fundraising	DFFE	(640)	(670)	(1,310)	(690)	(720)	(1,410)	(2,720)		
33	<b>SUBTOTAL: SALES &amp; USE TAX</b>					<b>(12,070)</b>	<b>(4,810)</b>	<b>(16,880)</b>	<b>(4,980)</b>	<b>(5,160)</b>	<b>(10,140)</b>	<b>(27,020)</b>	<b>4.0%</b>
35	REFERENCE LINE: NET EFFECT OF SALES & USE TAX PROVISIONS ON LEGACY FUNDS					(700)	(280)	(980)	(290)	(300)	(590)		

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					A	B	C	D	E			F
					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25		
<b>38</b>	743	Nelson	<b><u>CIGARETTE TAX</u></b>									
			Dedication of Cigarette Tax Revenue, Tobacco Use/Cessation Projects	FY 22	(5,000)	-	(5,000)	-	-	-	(5,000)	
<b>39</b>			<b>SUBTOTAL: CIGARETTE TAX</b>		<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>0.7%</b>
			<b><u>STATEWIDE PROPERTY TAX</u></b>									
<b>42</b>	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)	
<b>43</b>	2232	Weber	Additional CI & SRR Levy Reduction	Payable 22	(4,380)	(8,250)	(12,630)	(8,250)	(8,250)	(16,500)	(29,130)	
<b>44</b>			<b>SUBTOTAL: STATEWIDE PROPERTY TAX</b>		<b>(15,030)</b>	<b>(28,350)</b>	<b>(43,380)</b>	<b>(28,350)</b>	<b>(28,350)</b>	<b>(56,700)</b>	<b>(100,080)</b>	<b>14.7%</b>
<b>46</b>			<b>TOTAL: GENERAL FUND TAX REVENUE CHANGES</b>		<b>(449,955)</b>	<b>(83,260)</b>	<b>(533,215)</b>	<b>(77,120)</b>	<b>(71,200)</b>	<b>(148,320)</b>	<b>(681,535)</b>	<b>100%</b>
			<b><u>II. GENERAL FUND EXPENDITURE CHANGES:</u></b>									
			<b><u>REFUNDS</u></b>									
<b>51</b>	1201	Howe	Exclude Veteran's Disability Income from PTR Calculation	Payable 22	-	4,700	4,700	4,800	4,900	9,700	14,400	
<b>52</b>	27	Howe	PTR Interaction: Modifications to Homestead Application Deadline	Assessments 21	-	70	70	Negl.	Negl.	Negl.	-	
<b>53</b>	27	Howe	PTR Interaction: Veterans' Exclusion	Assessments 21	-	(30)	(30)	(Negl.)	(Negl.)	(Negl.)	(30)	
<b>54</b>	316	Senjem	PTR Interaction: Modifications to 4d Class Rate	Payable 22	-	2,930	2,930	2,930	2,930	5,860	8,790	
<b>55</b>	2334	Weber	PTR Interaction: Establish In-Home Childcare Provider Credit	Payable 22	-	(2,800)	(2,800)	(2,880)	(2,970)	(5,850)	(8,650)	
<b>56</b>	834	Jasinski	PTR Interaction: Modifications to Ag Homestead Determination	Payable 22	-	Unknown	Unknown	Unknown	Unknown	Unknown	-	
<b>57</b>			<b>SUBTOTAL: REFUNDS</b>		<b>-</b>	<b>4,870</b>	<b>4,870</b>	<b>4,850</b>	<b>4,860</b>	<b>9,710</b>	<b>14,510</b>	<b>27.7%</b>
			<b><u>AIDS</u></b>									
<b>60</b>	888	Nelson	One-time Supplemental LGA Distribution	Payable 22 Only	-	5,053	5,053	-	-	-	5,053	
<b>61</b>			<b>SUBTOTAL: AIDS</b>		<b>-</b>	<b>5,053</b>	<b>5,053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,053</b>	<b>9.7%</b>
			<b><u>CREDITS</u></b>									
<b>64</b>	2334	Weber	Establish In-Home Childcare Provider Credit	Payable 22	-	10,300	10,300	10,900	11,500	22,400	32,700	
<b>65</b>	834	Jasinski	Ag Homestead MV Interaction: Modifications to Homestead Determination	Payable 22	-	Unknown	Unknown	Unknown	Unknown	Unknown	-	
<b>66</b>			<b>SUBTOTAL: CREDITS</b>		<b>-</b>	<b>10,300</b>	<b>10,300</b>	<b>10,900</b>	<b>11,500</b>	<b>22,400</b>	<b>32,700</b>	<b>62.5%</b>
<b>68</b>			<b>TOTAL: GENERAL FUND EXPENDITURE CHANGES</b>		<b>-</b>	<b>20,223</b>	<b>20,223</b>	<b>15,750</b>	<b>16,360</b>	<b>32,110</b>	<b>52,333</b>	<b>100%</b>
<b>70</b>			<b>TOTAL: GENERAL FUND BUDGET EFFECTS</b>		<b>(449,955)</b>	<b>(103,483)</b>	<b>(553,438)</b>	<b>(92,870)</b>	<b>(87,560)</b>	<b>(180,430)</b>	<b>(733,868)</b>	

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					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25		
			<b>III. NON-GENERAL FUND CHANGES:</b>								-0.05%	
			<b>LEGACY FUNDS</b>									
75	1318	Nelson	Exemption: COVID-19 PPE Expenses by Restaurants	3/1/20-12/31/21	(550)	-	(550)	-	-	-	(550)	
76	2251	Nelson	Exemption: Public Safety Facility Construction	6/30/2021	(110)	(240)	(350)	(250)	(260)	(510)	(860)	
77	366	Chamberlain	Exemption: Purchases for K12 Fundraising	DFFE	(40)	(40)	(80)	(40)	(40)	(80)	(160)	
78			<b>SUBTOTAL: LEGACY FUNDS</b>		<b>(700)</b>	<b>(280)</b>	<b>(980)</b>	<b>(290)</b>	<b>(300)</b>	<b>(590)</b>	<b>(1,570)</b>	
			<b>SPECIAL REVENUE FUND</b>									
81	743	Nelson	Cigarette Tax Revenue to Tobacco Use Prevention & Cessation Account	FY 22	5,000	-	5,000	-	-	-	5,000	
82	743	Nelson	Appropriation to MDH for Tobacco Use Prevention & Cessation Projects	FY 22	(5,000)	-	(5,000)	-	-	-	(5,000)	
83			<b>SUBTOTAL: SPECIAL REVENUE FUND</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
			<b>TACONITE ENVIRONMENTAL PROTECTION FUND</b>									
86	A3	Bakk	Modify taconite distributions beginning in 2024	DFFE	-	-	-	1,250	1,250	2,500	2,500	
87			<b>SUBTOTAL: TACONITE ENVIRONMENTAL PROTECTION FUND</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,250</b>	<b>1,250</b>	<b>2,500</b>	<b>2,500</b>	
			<b>DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND</b>									
90	A3	Bakk	Modify taconite distributions beginning in 2024	DFFE	-	-	-	630	630	1,260	1,260	
91			<b>SUBTOTAL: DOUGLAS J. JOHNSON ECONOMIC PROTECTION FUND</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>630</b>	<b>630</b>	<b>1,260</b>	<b>1,260</b>	
			<b>ALL OTHER TACONITE FUNDS</b>									
94	A3	Bakk	Modify taconite distributions beginning in 2024	DFFE	-	-	-	(1,880)	(1,880)	(3,760)	(3,760)	
95			<b>SUBTOTAL: ALL OTHER TACONITE FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,880)</b>	<b>(1,880)</b>	<b>(3,760)</b>	<b>(3,760)</b>	
100			<b>TOTAL: NON-GENERAL FUND CHANGES</b>		<b>(700)</b>	<b>(280)</b>	<b>(980)</b>	<b>(290)</b>	<b>(300)</b>	<b>(590)</b>	<b>(1,570)</b>	

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					FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25	All Years	%
<b>IV. NON-BUDGET ITEMS:</b>												
<b>TAX INCREMENT FINANCE (TIF) DISTRICTS</b>												
102	564	Port	Burnsville TIF									
103	1411	Weber	Mountain Lake TIF									
104	1711	Wiklund	Bloomington TIF									
105	1921	Osmek	Wayzata TIF									
106	1752	Abeler	Ramsey TIF									
107	1412	Weber	Windom TIF									
<b>LOCAL TAXES</b>												
110	1387	Rarick	Carlton County									
111	453	Tomassoni	Itasca County									
112	1231	Mathews	Mille Lacs County									
113	493	Rarick	Cloquet									
114	1377	Ruud	Crosslake									
115	1309	Franzen	Edina									
116	1297	Ingebritsen	Fergus Falls									
117	1219	Bakk	Hermantown									
118	997	Litchfield	Litchfield									
119	1213	Weber	Little Falls									
120	1727	Eken	Moorhead									
121	123	Wiger	Oakdale									
122	1672	Putnam	St. Cloud									
123	542	Frentz	St. Peter									
124	1816	Weber	Staples									
125	1579	Weber	Wadena									
126	1289	Putnam	Waite Park									
127	1369	Johnson	Warren									
128	624	Howe	Sartell (Food & Beverage)									
<b>OTHER</b>												
131	A12	Chamberlain	Clarification of Education Savings Accounts Taxation									
132	A8	Weber	Prohibition on local fees/taxes									
133	2232	Weber	Allow Fire and/or Emergency Medical Services Special Taxing Districts									
134	2232	Weber	Affordable Housing Development Tax Assistance Report									
135	1799	Senjem	Energy Improvement Special Assessments									
136	961	Nelson	Reporting Requirement: Private Nonprofit Hospital Lease Agreements									
137	1982	Nelson	Private Letter Ruling									
138	2194	Dziedzic	June Accelerated Forecast Repayment									