

# GOVERNOR'S BUDGET RECOMMENDATIONS - TAXES & PTRAC SUMMARY

## 2021 GOVERNOR'S BUDGET RECOMMENDATIONS | NOVEMBER 2020 FORECAST BASELINE (FY21-FY25)

\$\$\$ in thousands | BOLD indicates rows that total | Tax Policy: Negative = Revenue Reduction | Refunds, Aids, & Credits: Negative = Spending Reduction

		A	B	C	D	E	F
LINE	ITEM	GOV FY 2022	GOV FY 2023	GOV FY 2022-23	GOV FY 2024	GOV FY 2025	GOV FY 2024-25
	<b>GENERAL FUND TAX REVENUES:</b>						
	<b>INDIVIDUAL INCOME TAX</b>						
1	GOV - Establish 5th Tier Income Tax Bracket and Rate	214,700	188,000	402,700	178,600	185,400	364,000
2	GOV - Capital Gains Tax	256,500	229,600	486,100	218,200	224,600	442,800
3	GOV - Expand 1st Tier Bracket/Lower 3rd Tier Bracket Start	(58,800)	(36,400)	(95,200)	(46,600)	(48,400)	(95,000)
4	GOV - Increase WFC Amounts	(50,300)	(50,700)	(101,000)	(51,400)	(51,800)	(103,200)
5	GOV - Allow ITIN Usage for WFC	(9,800)	(9,800)	(19,600)	(9,900)	(9,900)	(19,800)
6	GOV - Angel Tax Credit	(7,000)	-	(7,000)	-	-	-
7	GOV - Resident Trust Definition	3,100	3,100	6,200	3,100	3,100	6,200
8	GOV - Minnesota Itemized Deduction for Casualty and Theft	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)
9	Interaction: ITIN for WFC w/ 5th Tier Income Tax	(1,800)	(1,800)	(3,600)	(1,800)	(1,800)	(3,600)
10	Interaction: Casualty and Theft Losses w/ 5th Tier Income Tax	(10)	(10)	(20)	(10)	(10)	(20)
12	Interaction: Resident Trust Definition w/ 5th Tier Income Tax	300	300	600	300	300	600
13	<b>SUBTOTAL: INDIVIDUAL INCOME TAX</b>	<b>345,890</b>	<b>321,290</b>	<b>667,180</b>	<b>289,490</b>	<b>300,490</b>	<b>589,980</b>
	<b>CORPORATE FRANCHISE TAX</b>						
16	GOV - Corporate Franchise Tax Rate Increase	236,500	187,300	423,800	200,500	206,200	406,700
17	GOV - Previously Taxed Foreign Income	283,700	41,000	324,700	41,100	41,400	82,500
18	Interaction: Previously Taxed Foreign Income w/ 5th Tier Income Tax	70	160	230	160	160	320
19	Interaction: Previously Taxed Foreign Income and CFT Rate Increase	5,500	5,800	11,300	5,800	5,800	11,600
21	<b>SUBTOTAL: CORPORATE FRANCHISE TAX</b>	<b>525,770</b>	<b>234,260</b>	<b>760,030</b>	<b>247,560</b>	<b>253,560</b>	<b>501,120</b>
	<b>SALES TAX</b>						
24	GOV - Modify Exemption for Qualified Data Centers Sales Tax	10,200	20,500	30,700	30,000	40,000	70,000
25	GOV - Restore Exemption for School Fundraising	(640)	(670)	(1,310)	(690)	(720)	(1,410)
26	<b>SUBTOTAL: SALES TAX</b>	<b>9,560</b>	<b>19,830</b>	<b>29,390</b>	<b>29,310</b>	<b>39,280</b>	<b>68,590</b>
	<b>ESTATE TAX</b>						
29	GOV - Reduce Estate Tax Exclusion Amount	11,600	16,500	28,100	17,500	18,500	36,000
30	<b>SUBTOTAL: ESTATE TAX</b>	<b>11,600</b>	<b>16,500</b>	<b>28,100</b>	<b>17,500</b>	<b>18,500</b>	<b>36,000</b>
	<b>CIGARETTE &amp; TOBACCO PRODUCTS TAX</b>						
33	GOV - Increase Cigarette & Moist Snuff Taxes	71,750	67,020	138,770	68,140	69,160	137,300
34	GOV - Vapor Tax	3,320	8,290	11,610	8,580	8,870	17,450
35	<b>SUBTOTAL: CIGARETTE &amp; TOBACCO TAX</b>	<b>75,070</b>	<b>75,310</b>	<b>150,380</b>	<b>76,720</b>	<b>78,030</b>	<b>154,750</b>
	<b>INSURANCE GROSS EARNINGS / FIRE MARSHALL</b>						
38	GOV - Non-Admitted Surplus Lines Tax	-	800	800	800	800	1,600
39	<b>SUBTOTAL: INSURANCE GROSS EARNINGS / FIRE MARSHALL</b>	<b>-</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>1,600</b>
40	<b>TOTAL: GENERAL FUND TAX REVENUES</b>	<b>967,890</b>	<b>667,990</b>	<b>1,635,880</b>	<b>661,380</b>	<b>690,660</b>	<b>1,352,040</b>
	<b>GENERAL FUND PROPERTY TAX REFUNDS, AIDS &amp; CREDITS:</b>						
	<b>PROPERTY TAX REFUNDS</b>						
45	GOV - Allow ITIN Filers to Claim Homestead Credit Refund	-	1,800	1,800	1,800	1,800	3,600
46	<b>SUBTOTAL: PROPERTY TAX REFUNDS</b>	<b>-</b>	<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>3,600</b>
	<b>TACONITE PRODUCTION TAX REPLACEMENT AID</b>						
47	GOV - Iron Ore Bearing Material Update	110	220	330	220	220	440
48	<b>SUBTOTAL: TACONITE PRODUCTION TAX REPLACEMENT AID</b>	<b>110</b>	<b>220</b>	<b>330</b>	<b>220</b>	<b>220</b>	<b>440</b>
	<b>OTHER</b>						
47	GOV - Administration of Tax Changes (DOR Operating Budget)	2,209	1,860	4,069	1,860	1,860	3,720
48	<b>SUBTOTAL: OTHER</b>	<b>2,209</b>	<b>1,860</b>	<b>4,069</b>	<b>1,860</b>	<b>1,860</b>	<b>3,720</b>
50	<b>TOTAL: PROPERTY TAX REFUNDS, AIDS, &amp; CREDITS</b>	<b>2,319</b>	<b>3,880</b>	<b>6,199</b>	<b>3,880</b>	<b>3,880</b>	<b>7,760</b>
55	<b>NET ESTIMATED BUDGET EFFECTS</b>	<b>965,571</b>	<b>664,110</b>	<b>1,629,681</b>	<b>657,500</b>	<b>686,780</b>	<b>1,344,280</b>