

Omnibus Tax Bill - Joint House/Senate Fiscal Tracking

2022 REGULAR SESSION - TAX POLICY AND TAX AIDS & CREDITS - SUMMARY

Updated: 5/21/22 3:28 PM

House HF 3669 - 3E/ Senate HF 3669 - 2UE - Summary of Change Items

ALL FUNDS, DOLLARS IN THOUSANDS

TAX POLICY & NON GENERAL FUND CHANGE ITEMS: Positive amounts indicate revenue increase

AIDS & CREDITS: Positive amounts indicate expenditure

LINE	ITEM	Actual	Conference	
		FY 2021-22	FY 2022-23	FY 2024-25
1	<u>GENERAL FUND FORECAST:</u>			
2	TAX POLICY (REVENUE) ¹	47,737,661	54,594,416	58,105,887
3	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	3,892,681	4,153,638	4,342,803
4				
5	<u>GENERAL FUND - CHANGE ITEMS:</u>			
6	TAX POLICY		(1,374,690)	(2,590,240)
7	LESS PROPERTY TAX REFUNDS, AIDS, & CREDITS		66,465	(144,850)
8	SUBTOTAL: GENERAL FUND CHANGE ITEMS		(1,441,155)	(2,445,390)
10	<u>NON-GENERAL FUND - CHANGE ITEMS:</u>			
11	LEGACY FUNDS		(650)	(1,270)
12	ENVIRONMENTAL FUND		(3,100)	(6,400)
13	SPECIAL REVENUE FUND		290	640
14	RESTRICTED MISCELLANEOUS SPECIAL REVENUE FUND		-	-
15	HOUSING DEVELOPMENT FUND		-	-
16	IRON RANGE SCHOOL CONSOLIDATION FUND		-	2,775
17	TACONITE ENVIRONMENTAL PROTECTION FUND		-	-
18	DJJ ECONOMIC PROTECTION FUND		-	-
19	COUNTY ROAD & BRIDGE FUND		-	(2,775)
20	SUBTOTAL: NON-GENERAL FUND CHANGE ITEMS		(3,460)	(7,030)

(1) General Fund state tax revenues are based on the February 2022 Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)		EFFECTIVE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	
			FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	
1	TOTAL - Non Dedicated General Fund Tax Revenue, Current Law Forecast		26,552,098	28,042,318	54,594,416		28,768,606	29,337,281	58,105,887
2	Tax Policy -Change Items - Summary								
3	Tax Policy - Change Items		-	(1,272,810)	(1,272,810)		(1,253,920)	(1,305,740)	(2,559,660)
4	Tax Policy - Federal Conformity - Change Items		-	(101,880)	(101,880)		(15,360)	(15,220)	(30,580)
5	Total - General Fund, Tax Policy - All Change Items		-	(1,374,690)	(1,374,690)		(1,269,280)	(1,320,960)	(2,590,240)
6	INDIVIDUAL INCOME TAX								
7	Change Items - Federal Conformity								
8	*FCAA: Expansion of Section 529 Plans	Retro, TY 19	-	(530)	(530)		(160)	(160)	(320)
9	*CARES: Increase Limitation, Charitable Deduction Limit - Food Inventory to 25%	TY 20 only	-	(190)	(190)		40	10	50
10	*CARES: Exclusion of Certain Employer Student Loan Payments	TY 20 only		(5,000)	(5,000)				
11	*CARES: Inclusion of certain over-the-counter medical products as medical expenses	TY 20	-	(Negli.)	(Neli.)		(Negli.)	(Negli.)	(Negli.)
12	*CAA: Exclusion, Discharge of Indebtedness, Qual. Principle Residence (Full Retro.	TY 21-25	-	(2,800)	(2,800)		(1,600)	(1,600)	(3,200)
13	*CAA: Exclusion of Benefits for Volunteer Firefighters & Emergency Medical	TY 21 only	-	(590)	(590)		(400)	(400)	(800)
14	*CAA: Exclusion of Certain Employer Student Loan Payments (Full Retroactive	TY 21-25	-	(14,300)	(14,300)		(7,300)	(7,400)	(14,700)
15	*CAA: Partial Above the Line Deduction of Charitable Contributions	TY 21 only	-	(13,900)	(13,900)		-	-	-
16	*CAA: Increase Limitation, Charitable Contributions Deductions, 60% to 100% FAGI	TY 21 only	-	(6,500)	(6,500)		2,700	1,200	3,900
17	*CAA: Special disaster-related rules for use of retirement funds (Full Retroactive Conformity)	TY 21 only	-	(10)	(10)		10	-	10
18	*CAA: Temporary increase in limitation on qualified contributions	TY 21-22	-	(900)	(900)		(400)	(400)	(800)
19	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21	-	(2,800)	(2,800)		(300)	(100)	(400)
20	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21	-	(2,400)	(2,400)		(400)	(200)	(600)
21	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY21	-	(80)	(80)		(10)	(Negli.)	(10)
22	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro, TY18	-	(8,200)	(8,200)		(1,100)	(900)	(2,000)
23	*CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical	TY 21-25	-	(3,300)	(3,300)		(600)	(600)	(1,200)
24	*CAA: Energy-Efficient Commercial Building Deduction	TY 21	-	(410)	(410)		(200)	(200)	(400)
25	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	-	(120)	(120)		(40)	(40)	(80)
26	*ARPA: Employer-Provided Dependent Care Assistance, Exclusion Increased	TY 21 only	-	(760)	(760)		-	-	-
27	*ARPA: Discharged Student Loans, Exclusion Provided (Fully Retroactive Conformity)	TY 21-25	-	(200)	(200)		(100)	(100)	(200)
28	*ARPA: Increase maximum unearned income for Working Family Credit	TY 21	-	(900)	(900)		(500)	(500)	(1,000)
29	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only	-	(6,300)	(6,300)		(600)	(300)	(900)
30	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only	-	(4,400)	(4,400)		(400)	(200)	(600)
31	*ARPA: Extend Limitation on Excess Business Losses	TY 26	-	-	-		-	-	-
32	*IIJA: Private Activity Bonds for Qualified Broadband Projects	TY22	-	(80)	(80)		(170)	(290)	(460)
33	*IIJA: Tax Exempt Bonds for Qualified Carbon Dioxide Capture Facilities	TY22	-	(20)	(20)		(20)	(40)	(60)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

	EFFECTIVE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)							
34 Subtotal - Change Items - Income Tax, Federal Conformity		-	(74,690)	(74,690)	(11,550)	(12,220)	(23,770)
35 Change Items							
36 Renters Income Tax Credit to Replace Renters Credit (Refundable)	TY 2022	-	(372,600)	(372,600)	(378,200)	(386,100)	(764,300)
37 Repeal of Renter Property Tax Credit (See Property Tax Expenditure Section) ^^	Pay 2023	-	-	-	[231,600]	[234,700]	[466,300]
38 Beginning Farmer Tax Management and Incentive Credits: Eligibility Modified	TY 2022	-	(3,700)	(3,700)	(4,000)	-	(4,000)
39 K-12 Education Tax Credit: Phaseout \$70,000 FAGI and Indexed	TY 2022	-	(13,300)	(13,300)	(14,000)	(14,200)	(28,200)
40 <i>K-12 Education Tax Credit Interaction: K-12 Subtraction</i>		-	1,100	1,100	1,100	1,100	2,200
41 Child & Dependent Care Tax Credit: Increased Credit, Income Phaseout & Other Changes		-	(55,500)	(55,500)	(57,100)	(57,600)	(114,700)
42 <i>Child & Dependent Care Tax Credit Interaction: Addition- Dependent Care Expenses</i>			2,700	2,700	2,800	2,800	5,600
43 Small Business Investment (Angel) Tax Credit: Allocation Increase	TY 22 only	-	(7,000)	(7,000)			
44 Credit for Taxes Paid to Another State, Disregarded LLCs	TY 2022			-			-
45 Film Production Tax Credit, Modifies the Minimum Expense for Eligibility	TY 2022			-			-
46 Pass-Through Entity (PTE), Various Modifications	Retro TY 2021		(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)
47 Military Pension Subtraction, Eligibility Expanded	Retro TY 2021	-	(1,300)	(1,300)	(700)	(700)	(1,400)
48 Emergency Assistance Post-Secondary Grants, Subtraction	TY 2022	-	(10)	(10)	(10)	(10)	(20)
49 Reduce 1st Bracket Rate to 5.1% (from 5.35%)		-	(276,700)	(276,700)	(191,400)	(199,100)	(390,500)
50 <i>Interaction: Rate Reduction & Other Income Tax Base Modifications</i>		-	4,610	4,610	4,780	5,190	9,970
51 100% Subtraction of Social Security Income	TY22	-	(509,600)	(509,600)	(547,300)	(578,600)	(1,125,900)
52 R&D Credit: Increase 2nd Tier Rate to 4.25% (from 4%)	TY22	-	(1,200)	(1,200)	(900)	(1,000)	(1,900)
53 Establish Credit for New Markets ³	TY23	-	-	-	-	(1,800)	(1,800)
54							
55 <i>Interaction with Property Taxes: Public Safety Aid</i>							
56 <i>Interaction with Property Taxes: Local Government Aid</i>					310	310	620
57 <i>Interaction with Property Taxes: County Program Aid</i>					310	310	620
58 <i>Interaction with Property Taxes: School LOR Levy</i>					470	660	1,130
59 <i>Interaction with Property Taxes: School Building Bond Agricultural Aid, 85%</i>						580	580
60 <i>Interaction with Property Taxes: School District LTFM Levy</i>					(10)	(10)	(20)
61 <i>Interaction with Property Taxes: Payment-in-Lieu of Taxes (PILT)</i>					90	100	190
62 <i>Interaction with Property Taxes: Ely School Bond Debt Service</i>					(10)	(10)	(20)
63 <i>Interaction: State General Levy Reduction</i>					900	900	1,800
64 <i>Interaction: Class 4d Modifications</i>						10	10
65 <i>Interaction: Cook county & Lake county property tax refunds</i>			10	10			
66							
67							
68 Subtotal - Other Income Tax Change Items		-	(1,232,490)	(1,232,490)	(1,182,870)	(1,227,170)	(2,410,040)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25	
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)		EFFECTIVE						
70	CORPORATE FRANCHISE TAX							
71	Change Items - Federal Conformity							
72	*FCAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY18-20	-	(360)	(360)	(40)	(20)	(60)
73	*CARES: Modify Charitable Contributions Deductions Limitation, 20% of FTI	TY 20 only	-	(550)	(550)	170	100	270
74	*CARES: Charitable Deduction Limitation Increased for Food Inventory from 15% to 25%	TY 20 only	-	(90)	(90)	30	-	30
75	*CAA: Exclusion of SBA Loan Assistance (Full Retroactive Conformity)	TY 21	-	(2,600)	(2,600)	(100)	(100)	(200)
76	*CAA: Exclusion of Shuttered Venue Grants (Full Retroactive Conformity)	TY 21	-	(2,400)	(2,400)	(400)	(200)	(600)
77	*CAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY 21-25	-	(190)	(190)	(100)	(110)	(210)
78	*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY 21	-	(60)	(60)	(10)	-	(10)
79	*CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro TY18	-	(4,100)	(4,100)	(500)	(400)	(900)
80	*CAA: Special Expensing Rules- Certain Film, Television and Live Theatrical Productions	TY 21-25	-	(3,800)	(3,800)	(700)	(700)	(1,400)
81	*CAA: Energy-Efficient Commercial Building Deduction	TY 21	-	(660)	(660)	(320)	(320)	(640)
82	*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	-	(180)	(180)	(70)	(70)	(140)
83	*CAA: Special Disaster-Related Rules	TY 21-22	-	(100)	(100)	30	20	50
84	*ARPA: Exclusion of EIDL Loan Advances (Full Retroactive Conformity)	TY 21 only	-	(6,100)	(6,100)	(600)	(300)	(900)
85	*ARPA: Exclusion of Restaurant Revitalization Grants (Full Retroactive Conformity)	TY 21 only	-	(4,300)	(4,300)	(400)	(200)	(600)
86	*ARPA: Worldwide Interest Allocation Rules, Repeal	TY21	-	Unknown	Unknown	Unknown	Unknown	Unknown
87	*ARPA: Deny Deduction for Highly Compensated Executives	TY26	-	-	-	-	-	-
88	*IJA: Tax Treatment of Contributions to the Capital of a Corporation Modified	TY21	-	(1,700)	(1,700)	(800)	(700)	(1,500)
89	Subtotal - Change Items - Corporate Franchise Tax, Federal Conformity		-	(27,190)	(27,190)	(3,810)	(3,000)	(6,810)
90	Change Items							
91	Historic Structure Rehabilitation Credit: Repeal Sunset ⁴	DFE	-	(6,700)	(6,700)	(12,600)	(19,600)	(32,200)
92	R&D Credit: Increase 2nd Tier Rate to 4.25% (from 4%)	TY22	-	(2,200)	(2,200)	(1,700)	(1,800)	(3,500)
94	Subtotal - Other Corporate Franchise Tax, Change Items		-	(8,900)	(8,900)	(14,300)	(21,400)	(35,700)
95	SALES AND USE TAXES							
96	Change Items							
97	Construction Exemption, Duluth - I.S.D. 709 ⁷	various	-	[(240)]	[(240)]	[(250)]		[(250)]
98	Construction Exemption, Ely - I.S.D. 696 ⁷	various	-	[(320)]	[(320)]			-
99	Construction Exemption, Various School Building Projects	various	-	(1,320)	(1,320)	(4,050)	(1,300)	(5,350)

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

		CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)		EFFECTIVE	FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
100	Construction Exemption, Itasca County Courts & Courthouses	various	-	-	-	(250)	(250)	(500)
101	Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	various	-	(290)	(290)	-	-	-
102	Construction Exemption, City of Wayzata, Various Projects	various	-	-	-	(520)	-	(520)
103	Construction Exemption, Minneapolis - St. Paul Airport	DFE	-	(190)	(190)	(1,300)	(800)	(2,100)
104	Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022	-	(660)	(660)	(710)	(760)	(1,470)
105	Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	(290)	(290)	(320)	(320)	(640)
106	Exemption, Pre-sales by Agricultural Societies	DFE	(Negli.)	(30)	(30)	(30)	(30)	(60)
107	Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	Retro 3/11/18	-	(20)	(20)	-	-	-
108	Establish Exemption for Suite License Food & Beverages, Amenities Included w/ Admis	7/1/2022	-	(1,140)	(1,140)	(1,170)	(1,190)	(2,360)
109	Establish Exemption for Nonprofit Animal Shelters	7/1/2022	-	(1,560)	(1,560)	(1,700)	(1,700)	(3,400)
110	Exempt Polar Vortex-related Natural Gas Charges	Retro 9/1/21	-	(5,180)	(5,180)	(2,380)	(2,380)	(4,760)
111	Exempt Selected Health Care Materials	7/1/2022	-	(630)	(630)	(720)	(740)	(1,460)
112	Subtotal - Sales & Use Tax, Change Items		-	(11,310)	(11,310)	(13,150)	(9,470)	(22,620)
113	ESTATE TAX							
114	Change Items							
115	Special Ag Homestead Market Value Credit	various	-	-	-	(Unknown)	(Unknown)	(Unknown)
116	Spousal Exclusion Portability	FY23	-	(1,100)	(1,100)	(3,600)	(6,800)	(10,400)
117	Subtotal - Estate Taxes, Change Items		-	(1,100)	(1,100)	(3,600)	(6,800)	(10,400)

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		CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	
		EFFECTIVE	FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
NON-DEDICATED TAX REVENUE (\$ IN THOUSANDS)								
118	STATEWIDE PROPERTY TAX (STATE GENERAL LEVY)							
<i>Change Items</i>								
119	Indian Tribe Owned Property - State General Levy refund	Pay 2022	-	(10)	(10)			-
121	Reduction to CI portion of SGL	Pay 2023		(15,900)	(15,900)	(30,000)	(30,000)	(60,000)
122	Subtotal - Statewide Property Tax, Change Items		-	(15,910)	(15,910)	(30,000)	(30,000)	(60,000)
LAWFUL GAMBLING TAXES								
<i>Change Items</i>								
125	Modify Combined Net Receipts 1st Bracket and 1st Rate	FY24	-	-	-	(6,800)	(7,700)	(14,500)
126	Subtotal - Lawful Gambling Taxes, Change Items		-	-	-	(6,800)	(7,700)	(14,500)
OTHER TAX REVENUE								
<i>Change Items</i>								
129	Solid Waste Management - % Reallocation Change, Environmental Fund to Gen. Fund	DFE	-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
130	Subtotal - Other Tax Revenue, Change Items		-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)

*Federal Conformity Act Acronyms:

- FCAA: Further Consolidated Appropriations Act (Public law 11-94)
- CARES: Coronavirus, Aid, Relief and Security Act (Public Law 116-127)
- CAA: Consolidated Appropriations Act (Public Law 116-260)
- ARPA: American Rescue Plan (Public Law 117-2)
- IJJA: Infrastructure, Investment and Jobs Act (Public Law - 117-58)

Commonly used spreadsheet acronyms:

- "Negli." denotes negligible cost/savings of plus or minus \$5,000
- "Feb-22" denotes current law estimates based on MMB's February 2022 Forecast
- ^^ The estimates in brackets "[]" are not included in the total.
- "DFE" denotes a provision is effective day following enactment
- "CONFERENCE" denotes Conference Committee Agreement

FOOTNOTES

- ¹ According to analysis by the Department of Revenue (DOR), "The fiscal impact of this subtraction grows linearly over time as the number of retirees who attained age 55 before December 31, 2022 makes up a larger share of annuitants. If the birth year restriction were not in place for tax year 2023, the fiscal impact would be about \$21,300,000."
- ² The full effects of this provision occur in FY 26 (-\$4.1 million) and will be ongoing.
- ³ The total amount of tax credits would equal \$60 million for all years through tax year 2030.
- ⁴ Due to the credit's five-year expensing schedule, FY 28 is the first fiscal year where the full revenue effect occurs (approx. -\$35 million).
- ⁵ The full effect of this provision is first realized in FY26 (-\$10 million).
- ⁶ This provision phases out the state general levy over 10 years, beginning in TY26. The full effect of this proposal in FY 36 is a General Fund revenue reduction of -\$749.4 million.
- ⁷ The revenue reductions for these bracketed construction exemption provisions are included in the line item for "various school building projects."

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

5/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
GENERAL FUND SUMMARY							
1 Property Tax Aids, Credits and Refunds							
2 February 2022 forecast		2,075,125	2,078,513	2,078,513	2,151,796	2,191,007	4,342,803
3 HF 3669 OTB -Total Proposed GF Changes		<u>2,500</u>	<u>66,465</u>	<u>66,465</u>	<u>(87,020)</u>	<u>(57,830)</u>	<u>(144,850)</u>
4 Property Tax Aids, Credits and Refunds - February 2022 + HF 3669 OTB Chgs		2,077,625	2,144,978	2,144,978	2,064,776	2,133,177	4,197,953
PROPERTY TAX REFUNDS							
Homestead Credit State Refund (HCSR) PTR changes							
8 Homeowner PTR - Incrs max refund \$200, reduce thrshds 0.1% incm \$21.8K-\$32.8K, reduce copays 5% incm \$33K-\$77K	2022 Rfds/ Pay 2023				35,200	36,800	72,000
11 Manufactured home park classification modified. PTR interaction	Pay 2024				0	270	270
13 Homestead Market Value Exclusion changes \$95K thrshld, max exclusion \$38K, max mkt value \$517,200 PTR interaction	Assmt 2023				0	(7,330)	(7,330)
15 Affordable Hsg Market Value Exclusion changes PTR interaction 7	Assmt 2023				0	0	0
16 Community land trust property class 4d(2) rate @ 0.75% - PTR	Pay 2023				(180)	(180)	(360)
20 Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$75K - PTR	Pay 2023	0		0	180	450	630
21 Elderly living facilities exempted from taxation - PTR	Assmt 2023				0	10	10
24 Energy storage system exemption established - PTR	Assmt 2023				0	20	20
26 Cooperative utility distribution line chg - PTR	Assmt 2023				0	20	20
28 Solar energy production tax exemption created - PTR	DFE				30	30	60
31 School District levy - Long-term Facilities Revenue - PTR	FY 2024				20	20	40
32 Ely School Bond debt service - PTR	Local appvl + file				30	30	60
34 Ag homestead property 1st tier valuation modification	Assmt 2023				0	360	360
35 Special Ag Hmstd- qualifying relatives expanded PTR	App filed 2022/ Pay 2023				Unknown	Unknown	Unknown
36 Class 2a land ag product def include hemp - PTR	Assmt 2023				0	30	30
38 Class 1c (Ma Pa Resorts) class tier modifications	Pay 2023				10	10	20

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

5/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
40 Disabled veterans' homestead market value exclusion application deadline extended for qualifying spouses PTR	Assmt 2022				(Negligible)	(Negligible)	(Negligible)
41 Airport property - exempt "manufacture" of aircraft - PTR	Pay 2023				20	20	40
42 Indian tribe-owned property, extnd p tax exmptn 8 yr - PTR	Pay 2023				Negligible	Negligible	Negligible
43 <u>Other HCSR Aid/Credit change related PTR interactions</u>							
45 PTR interaction - LGA approp increase	Pay 2023				(790)	(790)	(1,580)
46 PTR interaction - CPA approp increase	Pay 2023				(790)	(790)	(1,580)
47 PTR interaction - PILT valuation increase	Pay 2023				(240)	(260)	(500)
49 PTR interaction - School Equalization LOR levy/aid	FY 2024				(2,240)	(3,190)	(5,430)
50 PTR interaction - Increase SBB Ag Credit 85%	Pay 2024				0	680	680
53 PTR interaction - Class 4d modifications	Pay 2024-25				0	2,920	2,920
54 Subtotal - Homestead Credit State Refund PTR changes		0	0	0	31,250	29,130	60,380
55 <u>Renter / Targeting Property Tax Refund changes</u>							
56 Renters Credit - Convert to Income Tax Credit							
57 Repeal Renter PTR, sunset rent paid 2022, taxes filed in 2023	Rnt Pd 2022				(231,600)	(234,700)	(466,300)
58 Special (Targeting) PTR -Thrshd to 10%, max rfnd to \$2,000	2022 Rfnds / Pay 2023				1,900	2,000	3,900
59 Subtotal - Renter / Targeting PTR changes		0	0	0	(229,700)	(232,700)	(462,400)
61 <u>AIDS AND CREDITS</u>							
62 <u>Local Aid changes</u>							
63 Local Government Aid approp increase with one year no reduction provision	Pay 2023				30,000	30,000	60,000
64 City of Echo 2021 LGA penalty forgiveness (\$46,060)	DFE		0	0	0	0	0
65 City of Morton 2021 LGA penalty forgiveness (\$79,476)	DFE		0	0	0	0	0
66 City of Roosevelt 2019 LGA penalty forgiveness (\$25,410)	DFE		25	25	0	0	0
67 City of Bena 2021 LGA penalty forgiveness (\$43,774)	DFE		0	0	0	0	0
68 City of Boy River 2021 LGA penalty forgiveness (\$19,578)	DFE		0	0	0	0	0
69							
73 County Program Aid appropriation increase	Pay 2023				30,000	30,000	60,000
76 Career Workforce Academies - DEED grants to Community Workforce Dev Bds	FY 2023 only		24,000	24,000	0	0	0
79 County Pandemic Rental Assistance payments	FY 2023 only		20,000	20,000	0	0	0
86 Transition Aid to Cities - Class 4d modifications	Pay 2024-25				0	810	810

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

5/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
88							
95 Soil and Water Conservation District Aid created	Pay 2023		0	0	6,000	6,000	12,000
96 Increase Payments in Lieu of Taxes (PILT) valuation/report	Pay 2023				9,200	9,800	19,000
97 School District Equalization Aid - Local Option Rev levy/aid	FY 2024				<u>26,170</u>	<u>40,090</u>	<u>66,260</u>
Subtotal - Local Aid changes		0	44,025	44,025	101,370	116,700	218,070
Property Tax Credit changes							
101 Ag Homestead Market Value Credit intct - Class 2a incld hemp	Assmt 2023				0	10	10
102 Special Ag Hmstd- qualifying relatives expanded Ag MVC	Pay 2023				Unknown	Unknown	Unknown
103 Increase School Building Bond Agricultural Credit to 85%	Pay 2024				0	21,800	21,800
104 SBB intct Ag homestead property 1st tier valuation modfy	Assmt 2023				0	(360)	(360)
105 School Bldg Bond Ag Credit intct - LTFM chg	FY 2024				10	10	20
106 School Bldg Bond Ag Credit intct - Ely School bond debt serv	Local appvl + file				30	30	60
107 School Bldg Bond Ag Credit intct - Class 2a land, hemp	Assmt 2023				0	30	30
108 School Bldg Bond Ag Credit intct - Solar engy tax exmptn	DFE				<u>20</u>	<u>20</u>	<u>40</u>
Subtotal - Property Tax Credit changes		0	0	0	60	21,540	21,600
Other changes							
111 Housing Development Fund, Workforce & Affordable Homeownership account ⁸	Beg 7/1/22 FYs 23-30		7,500	7,500	7,500	7,500	15,000
112 Polar Vortex Energy Credit			14,700	14,700			
117 Legislative Auditor admin - Review county costs child protection	FY 2023				0	0	0
119 Cook County and Lake County Property Tax Refunds (one-time, Pay 2022 only)	Beg 7/1/22		240	240			
122 Dept of Revenue administration		2,500	0	0	2,500	0	2,500
Subtotal - Other changes		2,500	22,440	24,940	10,000	7,500	17,500
Total GF Changes, Tax Aids, Credits & Refunds		\$2,500	\$66,465	\$66,465	(\$87,020)	(\$57,830)	(\$144,850)
GF Summary PTAC		FY 2022	FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25
129 Subtotal - Homestead Credit State Refund PTR changes		0	0	0	31,250	29,130	60,380
130 Subtotal - Renter / Targeting PTR changes		0	0	0	(229,700)	(232,700)	(462,400)
131 Subtotal - Local Aid changes		0	44,025	44,025	101,370	116,700	218,070
132 Subtotal - Property Tax Credit changes		0	0	0	60	21,540	21,600
133 Subtotal - Other changes		2,500	22,440	24,940	10,000	7,500	17,500

2022 Legislature - House HF 3669 -3E, Senate HF 3669-2UE, Omnibus Tax Bills

5/21/2022

Changes to General Fund Tax Aids, Credits & Refunds - 2022 February Forecast

Dollars in Thousands

Note: Positive numbers are program expenditures/revenue losses, negative numbers are cost savings/revenue gains.

Change Item Description	Effective Date	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE	CONFERENCE
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
134 TOTAL GF Changes, Property Tax Aids & Credits		2,500	66,465	66,465	(87,020)	(57,830)	(144,850)

FOOTNOTES

⁷ The Department of Revenue (DOR) is unable to estimate the number of participating municipalities. Therefore, the amount of property tax refunds paid beginning in FY 26 is estimated as "unknown."

⁸ With a term of 8 years ending in FY 2030, the total value of this appropriation in the Conference Agreement will be \$75 million.

2022 Legislature - HF 3669 3E, HF 3669-2UE - Non General Fund Tax Revenue - Summary of Change Items, February (Feb 2022) Forecast

Note: Positive numbers = revenue gains, negative numbers = revenue reduction, bracketed numbers and are not included in the total

	EFFECTIVE	CONF FY2022	CONF FY2023	CONF FY2022-23	CONF FY2024	CONF FY2025	CONF FY2024-25
Total Non General Fund		-	(10,960)	(10,960)	(10,195)	(9,060)	(19,255)
Total - Legacy Funds:		-	(650)	(650)	(740)	(530)	(1,270)
Construction Exemption, Duluth - I.S.D. 709	Varous		[(10)]	[(10)]	[(20)]		[(20)]
Construction Exemption, Ely - I.S.D. 696	Varous		[(20)]	[(20)]			-
Construction Exemption, Various School Building Projects	Varous		(80)	(80)	(230)	(80)	(310)
Construction Exemption, Itasca County Courts & Courthouses	Varous			-	(10)	(10)	(20)
Construction Exemption, North Metro Regional Public Safety Training Facility - Maple Grove	Varous		(20)	(20)			-
Construction Exemption, City of Wayzata, Various Projects	1/1/2024			-	(30)		(30)
Construction Exemption, Minneapolis - St. Paul Airport	DFE	-	(10)	(10)	(80)	(50)	(130)
Exemption for Sole Member of Disregarded LLC and the Disregarded LLCs	7/1/2022		(40)	(40)	(40)	(40)	(80)
Exemption, National Sports Center- Blaine, Amateur Sports Comm	7/1/2022	-	-	-	-	-	-
Exemption, Pre-sales by Agricultural Societies	DFE	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
Construction Exemption Extended, City of Mazeppa - Properties Destroyed by Fire	retro 3/11/18		(Negli.)	(Negli.)	-	-	-
Establish Exemption for Suite License Food & Beverages, Amenities Included w/ Admission	7/1/2022		(70)	(70)	(70)	(70)	(140)
Establish Exemption for Nonprofit Animal Shelters	7/1/2022		(90)	(90)	(100)	(100)	(200)
Exempt Polar Vortex-related Natural Gas Charges	Retro 9/1/21		(300)	(300)	(140)	(140)	(280)
Exempt Selected Health Care Materials	7/1/2022		(40)	(40)	(40)	(40)	(80)
Total - Environmental Fund:		-	(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
Solid Waste Management - Reallocation of Tax Revenue from General Fund	DFE		(3,100)	(3,100)	(3,200)	(3,200)	(6,400)
Total - Special Revenue Fund:		-	290	290	320	320	640
Exemption, National Sports Center- Blaine, Amateur Sports Comm	DFE		290	290	320	320	640
Total - Housing Development Fund				-			-
Workforce & Affordable Homeownership from general fund (REV)	FYs 23-30		(7,500)	(7,500)	(7,500)	(7,500)	(15,000)
Workforce & Affordable Homeownership program	FYs 23-30		7,500	7,500	7,500	7,500	15,000
Total - Iron Range School Consolidation		-	-	-	925	1,850	2,775
Extend 10 cnt/ton distribution (Conference to 2043) then 5 cnt/ton beyond	DFE				925	1,850	2,775
Total - County Road & Bridge Fund:		-	-	-	(925)	(1,850)	(2,775)
Eliminates 5 cnt increased allocation that would begin in 2024	DFE				(925)	(1,850)	(2,775)