

HF 130 - Budget Reductions (bill as proposed to be amended in Ways & Means)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2012-13</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014-15</u>
1 Article 1 - Higher Education							
2 University of Minnesota	0	-44,606	-44,606	-89,212	-44,606	-44,606	-89,212
3 Minnesota State Colleges & Universities	0	-47,921	-47,921	-95,842	-47,921	-47,921	-95,842
4 Subtotal - Higher Education	0	-92,527	-92,527	-185,054	-92,527	-92,527	-185,054
5							
6 Article 2 - Human Services							
7 Basic Care Services - Additional 1.5% Reduction	0	-2,775	-4,370	-7,145	-5,051	-6,022	-11,073
8 Child Support Enforcement Grants	0	-3,355	-3,355	-6,710	-3,355	-3,355	-6,710
9 Children & Community Service Grants	0	-19,259	-19,259	-38,518	-19,259	-19,259	-38,518
10 Emergency General Assistance	0	-7,890	-7,890	-15,780	-7,890	-7,890	-15,780
11 Emergency Mn Supplemental Aid Grants	0	-1,100	-1,100	-2,200	-1,100	-1,100	-2,200
12 State Operated Services	0	-584	-584	-1,168	-584	-584	-1,168
13 Subtotal - Human Services	0	-34,963	-36,558	-71,521	-37,239	-38,210	-75,449
14							
15 Article 3 - State Government							
16 FY 2011 General Reductions	-199,236	0	0	0	0	0	0
17 House	-96	0	0	0	0	0	0
18 State Auditor	-41	0	0	0	0	0	0
19 Attorney General	-500	0	0	0	0	0	0
20 Secretary of State	-127	0	0	0	0	0	0
21 No savings are shown for the proposed salary freeze because that language would only freeze salaries. It avoids future cost							
22 increases but does not reduce any appropriations or appropriation bases.							
23 Subtotal - State Government	-200,000	0	0	0	0	0	0
24							
25 Article 4 - Tax Aids & Credits (For more detail on tax aid and credit changes, see attached spreadsheet)							
26 Renter's Credits from 19% to 15%	0	-52,600	-53,300	-105,900	-54,000	-54,600	-108,600
27 Sustainable Forest Incentive Program Limit	0	-8,100	-8,400	-16,500	-8,700	-9,000	-17,700
28 Political Contribution Refund Repealed	0	-5,400	-6,400	-11,800	-5,500	-6,500	-12,000
29 Aids to Cities & Counties	0	-228,930	-228,431	-457,361	-228,451	-228,493	-456,944
30 Property Tax Interactions - Property Tax Refunds	0	0	12,680	12,680	6,330	6,330	12,660
31 Property Tax Interactions - Income Tax	0	0	12,820	12,820	6,570	6,570	13,140
32 Subtotal - Property Tax Aids & Credits	0	-295,030	-271,031	-566,061	-283,751	-285,693	-569,444
33							
34 Article 5 - Tax Conformity (For more detail on tax conformity changes, see attached spreadsheet)							
35 Revenue changes - negative number is revenue loss, positive number is revenue gain							
36 Federal Update - Health Care Acts	-2,280	-4,110	-4,260	-8,370	3,840	2,940	6,780
37 Federal Update - Small Business Jobs Act	-16,630	-2,650	7,100	4,450	1,305	-5,380	-4,075
38 Subtotal - Federal Update	-18,910	-6,760	2,840	-3,920	5,145	-2,440	2,705
39							
40 Spending Changes	-200,000	-422,520	-400,116	-822,636	-413,517	-416,430	-829,947
41 Revenue Changes	-18,910	-6,760	2,840	-3,920	5,145	-2,440	2,705
42 Total General Fund Effect - All Articles	-181,090	-415,760	-402,956	-818,716	-418,662	-413,990	-832,652
43							

	F	H	I	J	K	L	M	N	O
1	HF 129 as passed by the House Tax Committee with A2 amendment on 1/19/11								
2	General Fund Impacts - Tax Revenues and Tax Aids & Credits								
3									
4	HF 129A2 Change Summary								
5	(Positive numbers show revenue gain, negative numbers show revenue loss)								
6	General Fund Expenditures			Nov 10 Forecast			Nov 10 Forecast		
7		FY2011	FY2010-11	FY2012	FY2013	FY2012-13	FY2014	FY2015	FY2014-15
8	Total Tax Revenue Changes - All Federal Conformity	(18,910)	(18,910)	(6,760)	2,840	(3,920)	5,145	(2,440)	2,705
9	Less Total Net Spending Reductions - Tax Refunds, Aids & Credits	0	0	295,030	271,031	566,061	283,751	285,693	569,444
10	General Fund Grand Total Revenue Changes + Net Reductions Tax Aids & Credits	(18,910)	(18,910)	288,270	273,871	562,141	288,896	283,253	572,149
11									
12	General Fund Tax Revenue Impacts - Federal Conformity Only								
13	(Positive numbers show revenue gain, negative numbers show revenue loss)								
14		Dollars In Thousands							
14	Description	FY 11	FY 10-11	FY 12	FY 13	FY 12-13	FY 14	FY 15	FY 14-15
15									
16	Federal Update Detail: The Patient Protection & Affordable Care Act & The Reconciliation Act (Public Law 111-152)								
17	For the Itemized Deduction for Medical Expenses, Increases AGI Floor from 7.5% to 10% (1/1/13)	0	0	0	0	0	8,900	9,500	18,400
18	Income Exclusion for Specified Indian Tribes Health Benefits (3/24/10)	(Negligible)	(Negligible)	(Negligible)	(Negligible)	(Negligible)	(Negligible)	(Negligible)	(Negligible)
19	Exclusion Under State Loan Foregiveness Programs for Certain Health Professions (Retroactive to 1/1/09)	(180)	(180)	(60)	(60)	(120)	(60)	(60)	(120)
20	Exclusion for Employer-Provided Adoption Assistance: Increase Maximum (tax year 2010) and Extend for One Year (tax year 2011)	(200)	(200)	(150)	0	(150)	0	0	0
21	Health Benefits to Children up to Age 26: Exclusion for Employer-Provided Amounts, Deduction for Self-Employed Persons	(1,900)	(1,900)	(3,900)	(4,200)	(8,100)	(5,000)	(6,500)	(11,500)
22	Health Care Acts (Individual Income & Corporate Franchise Tax)	(2,280)	(2,280)	(4,110)	(4,260)	(8,370)	3,840	2,940	6,780
23									
24	Federal Update Detail: The Small Business Jobs Act (Public Law 111-240)								
25	Individual Income Tax Provisions:								
26	Reduce from 10 to 5 Years the Recognition Period for Built-In Gains Tax (tax year 2010)	(100)	(100)	(250)	0	(250)	0	0	0
27	Increase Section 179 Expensing Limits, with 80% Add back and 5-Year Recovery (tax years 2010)	500	500	1,500	50	1,550	(700)	(1,000)	(1,700)
28	Increase Section 179 Expensing Limits, Fully conform to Section 179 Expensing (tax years 2011)	(10,700)	(10,700)	(13,300)	4,000	(9,300)	6,400	4,400	10,800
29	50% Bonus Depreciation for Tax Year 2010, with 80% Add back and 5-Year Recovery (tax year 2010)	600	600	4,300	(300)	4,000	(2,500)	(3,500)	(6,000)
30	Increase in Allowable Deduction for Start-Up Expenditures (tax year 2010)	(950)	(950)	(450)	50	(400)	70	70	140
31	Remove Cellular Phones from Listed Property (1/1/10)	(80)	(80)	(120)	(125)	(245)	(140)	(150)	(290)
32	Rollovers from Elective Deferral Plans to Roth Designated Accounts in 2010: Income Reported 50% in 2011 and 50% in 2012	(100)	(100)	70	30	100	0	0	0

	F	H	I	J	K	L	M	N	O
14	Description	FY 11	FY 10-11	FY 12	FY 13	FY 12-13	FY 14	FY 15	FY 14-15
33	Permit Partial Annuizations of a Nonqualified Annuity Contract (1/1/11)	0	0	100	175	275	275	400	675
34	Individual Income Tax Provisions	(10,830)	(10,830)	(8,150)	3,880	(4,270)	3,405	220	3,625
35									
36	Corporate Tax Provisions:								
37	Increase from 75% to 100% the Capital Gains Exclusion for Small Business Stock	0	0	0	0	0	0	0	0
38	Increase Section 179 Expensing Limits, with 80% Add back and 5-Year Recovery (tax years 2010)	200	200	600	20	620	(300)	(400)	(700)
39	Increase Section 179 Expensing Limits, Fully conform to Section 179 Expensing (tax years 2011)	(4,600)	(4,600)	(5,700)	1,700	(4,000)	2,700	1,900	4,600
40	50% Bonus Depreciation for Tax Year 2010, with 80% Add back and 5-Year Recovery (tax year 2010)	1,500	1,500	10,100	(600)	9,500	(6,000)	(8,200)	(14,200)
41	Special Rule for Long-Term Contract Accounting (tax year 2010)	(3,300)	(3,300)	(100)	1,500	1,400	900	500	1,400
42	Source Rules for Income on Guarantees (9/28/10)	400	400	600	600	1,200	600	600	1,200
43	Corporate Tax Provisions	(5,800)	(5,800)	5,500	3,220	8,720	(2,100)	(5,600)	(7,700)
44	Small Business Jobs Act Total (Individual Income & Corporate Franchise Tax)	(16,630)	(16,630)	(2,650)	7,100	4,450	1,305	(5,380)	(4,075)
45									
46	Total - All Federal Conformity Acts as of September 27, 2010	(18,910)	(18,910)	(6,760)	2,840	(3,920)	5,145	(2,440)	2,705
47									
48	General Fund Spending - Tax Aids & Credits								
49	(Positive numbers show budget increases (revenue loss), negative numbers show budget savings (revenue gains).)	Dollars In Thousands							
50	Description	FY 11	FY 10-11	FY 12	FY 13	FY 12-13	FY 14	FY 15	FY 14-15
51	HF 129 Proposed Permanent Unallotments								
52	Reduce Renter's PTR @ 15% rent paid	0	0	(52,600)	(53,300)	(105,900)	(54,000)	(54,600)	(108,600)
53	Cap Sustainable Forest Credits @ \$100K	0	0	(8,100)	(8,400)	(16,500)	(8,700)	(9,000)	(17,700)
54	Eliminate Political Contribution Refund	0	0	(5,400)	(6,400)	(11,800)	(5,500)	(6,500)	(12,000)
55	Subtotal Reductions to Refunds & Credits			(66,100)	(68,100)	(134,200)	(68,200)	(70,100)	(138,300)
56									
57	Freeze Local Government Aid (cities) @ FY 2011 levels	0	0	(100,663)	(100,663)	(201,326)	(100,663)	(100,663)	(201,326)
58	Freeze County Program Aid @ FY 2011 levels	0	0	(32,519)	(32,000)	(64,519)	(32,000)	(32,000)	(64,000)
59	Reduce Market Value Credit								
60	Cities	0	0	(43,225)	(43,245)	(86,470)	(43,265)	(43,307)	(86,572)
61	Counties	0	0	(52,500)	(52,500)	(105,000)	(52,500)	(52,500)	(105,000)
62	Subtotal Market Value Credit Reductions	0	0	(95,725)	(95,745)	(191,470)	(95,765)	(95,807)	(191,572)

	F	H	I	J	K	L	M	N	O
14	Description	FY 11	FY 10-11	FY 12	FY 13	FY 12-13	FY 14	FY 15	FY 14-15
63									
64	Reduce Agriculture Market Value Credit Cities	0	0	(23)	(23)	(46)	(23)	(23)	(46)
65	Subtotal All Reductions to Local Government Aids			(228,930)	(228,431)	(457,361)	(228,451)	(228,493)	(456,944)
66									
67	Subtotal Selected Reductions: Tax Refunds, Aids & Credits	0	0	(295,030)	(296,531)	(591,561)	(296,651)	(298,593)	(595,244)
68	Plus Tax Interactions								
69	Property Tax Refunds from levy changes			0	12,680	12,680	6,330	6,330	12,660
70	Income Tax Revenue Changes from levy changes			0	12,820	12,820	6,570	6,570	13,140
71	Total Net Spending Reductions: Tax Refunds, Aids & Credits	0	0	(295,030)	(271,031)	(566,061)	(283,751)	(285,693)	(569,444)
72									
73	Expenditure Summary with HF 129A2 Adjustments								
74									
75	General Fund	FY2011²	FY2010-11	Nov 10 Forecast			Nov 10 Forecast		
76				FY2012	FY2013	FY2012-13	FY2014	FY2015	FY2014-15
77	November 2010 Forecast - Property Tax Aids and Credits, GF Total³	\$1,404,300	\$1,404,300	\$1,758,512	\$1,763,725	\$3,522,237	\$1,786,589	\$1,814,364	\$3,600,953
78	Less HF129A2 Proposed Permanent Spending Reductions	\$ -	\$ -	(295,030)	(271,031)	(566,061)	(283,751)	(285,693)	(569,444)
79	GF Total w/Proposed HF 129A2 Permanent Spending Reductions	\$1,404,300	\$1,404,300	\$1,463,482	\$1,492,694	\$2,956,176	\$1,502,838	\$1,528,671	\$3,031,509
80	² FY 2010-11 totals already include SS1 reductions.								
81	³ These GF Totals include PILT payments for all years.								
82									
83	The term "Negligible" in the revenue estimates published by the Minnesota Dept. of Revenue denotes less than \$10,000 depending on the positive or negative								
84	signs used in the estimate.								