

2025 SESSION - HF 2437 with the A25-0042 - Governor's Tax Recommendations - Change Items Summary

FEBRUARY 2025 FORECAST BASELINE

Dollars in Thousands

Tax Revenues, and Non-General Fund Total: Negative #s = Revenue Reduction

Property Tax, Aids & Credits, and General Fund Total: Negative #s = Spending Reduction

LINE	ITEM	Forecast	GOVERNOR (March 25)		
		FY 2024-25	FY 2025	FY 2026-27	FY 2028-29
	CURRENT LAW GENERAL FUND FORECAST:				
1	TAX POLICY (REVENUE) ¹	58,021,635		61,794,511	65,943,938
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) ¹	5,556,139		4,753,249	4,941,000
3	GENERAL FUND - CHANGE ITEMS:				
4	Tax Revenue		-	160,211	252,132
5	Less General Fund Property Tax Refunds, Aids, & Credits		(5,000)	(32,906)	(59,726)
6	TOTAL: NET GENERAL FUND CHANGE ITEMS	-	(5,000)	(193,117)	(311,858)
7	NONGENERAL FUND - CHANGE ITEMS:				
8	Outdoor Heritage Fund			6,666	8,448
9	Arts & Cultural Heritage Fund			3,989	5,057
10	Clean Water Fund			6,666	8,448
11	Parks & Trails Fund			2,879	3,649
12	Special Revenue Fund - Local Cannabis Aid Account			(28,742)	(40,900)
13	Special Revenue Fund - Transportation Advancement Account			3,280	3,180
14	Highway User Tax Distribution Fund			(3,310)	(4,230)
15	County State Aid Highway Fund			(670)	(860)
16	Transit Assistance Fund			(670)	(860)
17	Housing Assistance Fund			7,810	10,030
18	Housing Assistance Fund - Local Affordable Housing Aid Payments			(5,858)	(7,523)
19	SUBTOTAL: NET NONGENERAL FUND CHANGE ITEMS	-	-	(7,960)	(15,561)

¹ Based on the February 2025 Forecast

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All Dollars in Thousands											
Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses											
Row	A	B	C	D	E	F	G	H	I	J	
	Effective Date	Feb 25 FY 2024-25	Feb 25 FY 2026-27	Feb 25 FY 2028-29	GOV (March 25)			GOV (March 25)			
					FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29	
1	Summary										
2	Total - Current Law - Tax Revenues		58,087,737	61,794,511	65,943,938	30,526,966	31,267,545	61,794,511	32,451,374	33,492,564	65,943,938
3	Total - Net Changes - Tax Revenues		-	-	-	58,150	102,061	160,211	121,778	130,354	252,132
4	Total - Net, Non Dedicated Tax Revenue		58,087,737	61,794,511	65,943,938	30,585,116	31,369,606	61,954,722	32,573,152	33,622,918	66,196,070
5	Percent Change from Prior Year or Biennium			6.38%	6.71%	3.59%	2.76%	6.66%	4.18%	3.61%	7.12%
6	Individual Income Tax										
7	Change Items										
8	Repeal K-12 Education Credit Assignment	TY 26	-	-	-	-	Unknown	Unknown	Unknown	Unknown	Unknown
9	Short Line Railroad Infrastructure Modernization Credit Transfer	TY 25	-	-	-	-	-	-	-	-	-
10	Certificate of Rent Paid, Landlord Penalty Fee Changes	12/31/25	-	-	-	-	-	60	60	120	
11	Expand Research & Development Credit	TY 25	-	-	-	(300)	(300)	(600)	(300)	(300)	(600)
12	Establish a Pass-through Audit Unit - Tax Revenue	FY 2025	-	-	-	-	1,141	1,141	3,168	4,224	7,392
13	Interaction: Reduce Payment in Lieu of Taxes (PILT)		-	-	-	-	(170)	(170)	(170)	(170)	(340)
14	Interaction: Low-Income Housing, Personal Property Tax Exemption		-	-	-	-	30	30	1,160	1,210	2,370
15	Interaction: Aquatic Invasive Species Aid Reduction		-	-	-	-	(50)	(50)	(50)	(50)	(100)
16	Subtotal: Change Items		-	-	-	(300)	651	351	3,868	4,974	8,842
17	TOTAL: Individual Income Tax		30,425,986	32,998,674	35,738,052	16,331,681	16,667,344	32,999,025	17,537,370	18,209,524	35,746,894
18	Corporate Franchise Tax										
19	Change Items										
20	Expand Research & Development Credit	TY 25	-	-	-	(25,400)	(19,500)	(44,900)	(19,500)	(19,500)	(39,000)
21	Sustainable Aviation Fuel Tax Credit, Allocation/ Credit Changes	Retro TY 24	-	-	-	-	(10,600)	(10,600)	(2,100)	(2,100)	(4,200)
22	Subtotal: Change Items		-	-	-	(25,400)	(30,100)	(55,500)	(21,600)	(21,600)	(43,200)
23	TOTAL: Corporate Franchise Tax		6,475,628	6,375,445	6,515,531	3,157,446	3,162,499	6,319,945	3,195,772	3,276,559	6,472,331
24	Sales and Use Tax										
25	Change Items										
26	Rate Change, Broaden Base to Professional Services	10/1/2025	-	-	-	136,300	211,900	348,200	218,900	225,000	443,900
27	Rate Change, Reduce the Rate to 6.425%	10/1/2025	-	-	-	(61,900)	(96,100)	(158,000)	(99,200)	(101,800)	(201,000)

All Dollars in Thousands										
Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses										
Row	A	B	C	D	E	F	G	H	I	J
		Feb 25	Feb 25	Feb 25	GOV (March 25)			GOV (March 25)		
	Effective Date	FY 2024-25	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
28	Interaction of Rate & Base Changes				(1,500)	(2,400)	(3,900)	(2,600)	(2,600)	(5,200)
29	Interaction: Sales Tax Transfer (Leases)				680	1,080	1,760	1,100	1,160	2,260
30	Interaction: Sales Tax Transfer (Autoparts)				1,370	2,230	3,600	2,610	3,020	5,630
	Interaction: Lottery Tickets In Lieu				-	-	-	-	-	-
	Interaction: Cigarette Sales Tax				-	-	-	-	-	-
31	Subtotal: Change Items				74,950	116,710	186,300	120,810	124,780	237,700
32	TOTAL: Sales and Use Tax	15,108,098	16,049,239	16,957,492	7,956,126	8,284,773	16,240,899	8,496,569	8,706,513	17,203,082
	Estate Tax									
33	TOTAL: Estate Tax	629,985	551,100	589,800	270,700	280,400	551,100	290,100	299,700	589,800
	Statewide Property Tax/State General Levy									
34	TOTAL: Statewide Property Tax	1,462,255	1,491,633	1,490,308	746,604	745,029	1,491,633	745,138	745,170	1,490,308
	Cigarette & Tobacco Products Tax									
35	TOTAL: Cigarette & Tobacco Products Tax	1,023,405	992,600	969,100	499,350	493,250	992,600	487,150	481,950	969,100
	Liquor, Wine and Beer Tax									
36	TOTAL: Liquor, Wine and Beer Tax	222,658	230,830	242,210	114,040	116,790	230,830	119,630	122,580	242,210
	Cannabis Gross Receipts Tax									
38	Change Items									
39	Repeal, 20% Dedication of Cannabis Gross Receipt Tax for Local Aid	7/1/2025			8,900	14,800	23,700	18,700	22,200	40,900
40	Subtotal: Change Items				8,900	14,800	23,700	18,700	22,200	40,900
41	TOTAL: Cannabis Gross Receipts Tax	22,202	94,600	163,500	44,500	73,800	118,300	93,500	110,900	204,400
	Lawful Gambling Taxes									
42	TOTAL: Lawful Gambling Taxes	386,458	374,000	388,900	183,250	190,750	374,000	193,550	195,350	388,900
	Insurance Gross Earning & Fire Marshall Tax									
43	TOTAL: Insurance Gross Earning & Fire Marshall Tax	1,154,228	1,226,709	1,322,454	602,386	624,323	1,226,709	649,715	672,739	1,322,454

All Dollars in Thousands										
Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses										
	A	B	C	D	E	F	G	H	I	J
		Feb 25	Feb 25	Feb 25	GOV (March 25)			GOV (March 25)		
Row	Effective Date	FY 2024-25	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
44		1,176,834	1,409,681	1,566,591	679,033	730,648	1,409,681	764,658	801,933	1,566,591
45		58,087,737	61,794,511	65,943,938	30,585,116	31,369,606	61,954,722	32,573,152	33,622,918	66,196,070
							-			-

Feb 25 is February 2025, General Fund Balance Analysis
 MSFA is Minnesota Sports Facilities Authority
 PILT is Payment in Lieu of Taxes

End of General Fund Tax Revenue Tracking Sheet

All Dollars in Thousands											
Note: Positive numbers represent expenditures, negative numbers represent cost savings.											
Row	A	B	C	D	E	F	G	H	I	J	K
	Effective Date	Feb 25	Feb 25	Feb 25	Gov (March 25)			Gov (March 25)			
		FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
1	Summary										
2	Total - Current Law - Property Tax, Aids, and Credits	5,556,139	4,753,249	4,941,000	2,735,905	2,328,998	2,424,251	4,753,249	2,451,843	2,489,157	4,941,000
3	Total - Net Changes - Property Tax, Aids, and Credits	-	-	-	(5,000)	(3,878)	(29,028)	(32,906)	(29,598)	(30,128)	(59,726)
4	Total - Property Tax, Aids, and Credits	5,556,139	4,753,249	4,941,000	2,730,905	2,325,120	2,395,223	4,720,343	2,422,245	2,459,029	4,881,274
5	Percent Change from Prior Year or Biennium		-14.45%	3.95%	-3.17%	-15.01%	2.84%	-15.04%	-0.08%	0.29%	2.69%
6	Property Tax Refunds										
7	<i>Change Items</i>										
8	Electrical Coop. Distribution Lines Exemption	AY 2025			-	-	-	-	-	-	-
9	<i>Interaction - Property Tax Refund</i>				-	-	40	40	40	40	80
10	Low-Income Housing Tenants Pers. Prop. Tax Exemption	AY 2025			-	-	-	-	-	-	-
11	<i>Interaction - Property Tax Refund</i>				-	-	10	10	60	60	120
12	Reduce Sustainable Forest Incentive Payments	Pay 2026			-	-	(5,240)	(5,240)	(5,510)	(5,780)	(11,290)
13	Eliminate Political Contribution Refund	Refunds claimed after 4.15.26			-	-	(4,300)	(4,300)	(4,300)	(4,300)	(8,600)
14	Subtotal: Change Items				-	-	(9,490)	(9,490)	(9,710)	(9,980)	(19,690)
15	TOTAL: All Refunds	2,334,880	1,716,020	1,802,760	1,107,540	846,040	860,490	1,706,530	877,860	905,210	1,783,070
16	Local Aids										
17	<i>Change Items</i>										
18	Reduce PILT Payments	CY 2026			-	-	(17,160)	(17,160)	(17,470)	(17,740)	(35,210)
19	<i>Interaction - Property Tax Refund</i>				-	-	500	500	510	520	1,030
20	Reduce Aquatic Invasive Species Prevention Aid	Aids Pay 2026			-	-	(5,000)	(5,000)	(5,000)	(5,000)	(10,000)
21	<i>Interaction - Property Tax Refund</i>				-	-	140	140	140	140	280
22	Subtotal: Change Items				-	-	(21,520)	(21,520)	(21,820)	(22,080)	(43,900)
23	TOTAL: All Aids	2,522,851	2,275,464	2,339,342	1,244,251	1,107,018	1,146,926	2,253,944	1,147,788	1,147,654	2,295,442
24	Taconite Assistance and Relief Area Aids and Credits										
25	TOTAL: Taconite Area Aids and Credits	27,262	27,396	27,544	13,653	13,646	13,750	27,396	13,753	13,791	27,544

All Dollars in Thousands											
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Row	A	B	C	D	E	F	G	H	I	J	K
	Effective Date	Feb 25	Feb 25	Feb 25	Gov (March 25)				Gov (March 25)		
		FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
26	Property Tax Credits										
27		293,745	338,376	339,483	157,269	168,554	169,822	338,376	169,688	169,795	339,483
28	Other Aids and Credits										
29		30,302	1,797	1,755	28,702	922	875	1,797	876	879	1,755
30	Local Pension Aids										
31		347,099	394,196	430,116	184,490	192,818	201,378	394,196	210,348	219,768	430,116
32	Other										
33	<i>Change Items</i>										
34					-	50	50	100	-	-	-
35					-	422	500	922	500	500	1,000
36					-	692	1,432	2,124	1,432	1,432	2,864
37	DFE				-	(5,042)	-	(5,042)	-	-	-
38	DFE				(5,000)	-	-	-	-	-	-
39					(5,000)	(3,878)	1,982	(1,896)	1,932	1,932	3,864
41		5,556,139	4,753,249	4,941,000	2,730,905	2,325,120	2,395,223	4,720,343	2,422,245	2,459,029	4,881,274

Feb 25 is February 2025, General Fund Balance Analysis
 Gov (March 25) is Governor's Recommendations, March 2025
 MMB is Minnesota Management and Budget
 MDE is Minnesota Department of Education
 ICWA is the Indian Child Welfare Act
 PILT is Payment in Lieu of Taxes
 DNR is the Department of Natural Resources
 DOT is the Department of Transportation
 DPS is the Department of Public Safety
 SPTRFA is the St Paul Teachers Retirement Fund Association
 TRA is the Teachers Retirement Association
 DOR is the Department of Revenue
 TR-IN is Transfer In

End of General Fund Property Tax, Aids, and Credits Tracking Sheet

All Dollars in Thousands												
Note: Positive numbers represent cost savings, negative numbers represent expenditures.												
Row		A	B	C	D	E	F	G	H	I	J	K
		Effective Date	Feb 25	Feb 25	Feb 25	Gov (March 25)				Gov (March 25)		
			FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
1	Summary											
2	Total - Current Law - Additional Funds		(49,661)	(273,339)	(311,729)	(49,019)	(129,468)	(143,871)	(273,339)	(151,100)	(160,628)	(311,729)
3	Total - Net Changes - Non-General Fund		-	-	-	-	(1,968)	8,930	6,962	10,102	14,175	24,277
4	Total - Additional Funds		(49,661)	(273,339)	(311,729)	(49,019)	(131,436)	(134,941)	(266,377)	(140,998)	(146,453)	(287,452)
5	Percent Change from Prior Year or Biennium			450.41%	14.04%	18191%	167.13%	4.23%	436.39%	-2.00%	-3.08%	5.16%
6	Special Revenue Fund											
7	Local Government Cannabis Aid											
12	<i>Change Items</i>											
13	Carryforward					-	5,362	-	5,362	-	-	-
14	Repeal Local Government Cannabis Aid	Aids Pay 2026				-	-	12,500	12,500	13,800	18,000	31,800
15	TR OUT - Remaining Balance to General Fund	DFE				-	(5,042)	-	(5,042)	-	-	-
16	Subtotal: Change Items		-	-	-	-	320	12,500	12,820	13,800	18,000	31,800
17	TOTAL: Special Revenue Fund - Local Gov. Cannabis Aid Account		(184)	(12,820)	(31,800)	-	-	-	-	-	-	-
18	Housing Assistance Fund											
19	Local Affordable Housing Aid											
24	<i>Change Items</i>											
25	Sales Tax Rate Change and Base Expansion - LAHA - Counties	10/1/2025		-	-	-	(1,525)	(2,380)	(3,905)	(2,465)	(2,550)	(5,015)
26	Sales Tax Rate Change and Base Expansion - LAHA - Cities	10/1/2025		-	-	-	(763)	(1,190)	(1,953)	(1,233)	(1,275)	(2,508)
27	Subtotal: Change Items			-	-	-	(2,288)	(3,570)	(5,858)	(3,698)	(3,825)	(7,523)
28	TOTAL: Housing Assistance Fund		(48,314)	(258,600)	(277,101)	(48,314)	(130,588)	(133,870)	(264,458)	(139,698)	(144,925)	(284,624)
29	State Conservation Fund											
30	Agriculture Preservation Credit											
33	TOTAL: State Conservation Fund		(733)	(406)	(400)	(409)	(206)	(200)	(406)	(200)	(200)	(400)

All Dollars in Thousands											
Note: Positive numbers represent cost savings, negative numbers represent expenditures.											
	A	B	C	D	E	F	G	H	I	J	K
		Feb 25	Feb 25	Feb 25	Gov (March 25)				Gov (March 25)		
Row	Effective Date	FY 2024-25	FY 2026-27	FY 2028-29	FY 2025	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29
34	General Fund - Net Loan Activity										
35	Senior Property Tax Deferral										
40	TOTAL: General Fund - Net Loan Activity	(430)	(1,513)	(2,428)	(296)	(642)	(871)	(1,513)	(1,100)	(1,328)	(2,428)
41	TOTAL: Additional Funds	(49,661)	(273,339)	(311,729)	(49,019)	(131,436)	(134,941)	(266,377)	(140,998)	(146,453)	(287,452)
<p><i>Feb 25 is February 2025, General Fund Balance Analysis</i> <i>Gov (March 25) is Governor's Recommendations, March 2025</i> <i>TR-OUT is Transfer Out</i> <i>LAHA is Local Affordable Housing Aid</i></p> <p><i>End of Property Tax, Aids, and Credits Non-General Fund Tracking Sheet</i></p>											

All Dollars in Thousands

Note: Positive dollars show revenue gains, negative dollars or dollars in parenthesis show revenue losses

Row	A	B	C			D			E			F			G			
			Effective Date	GOV (March 25)			GOV (March 25)			GOV (March 25)			GOV (March 25)					
			FY 2026	FY 2027	FY 2026-27		FY 2027	FY 2028	FY 2027-28		FY 2027	FY 2028	FY 2027-28		FY 2027	FY 2028	FY 2027-28	
1																		
2			(3,482)	1,380	(2,102)		(2,359)	(5,679)	(8,038)									
3			152,058	157,781	309,839		162,942	167,914	330,856									
4		10/1/2025			-				-									
5			2,607	4,059	6,666		4,158	4,290	8,448									
6			2,607	4,059	6,666		4,158	4,290	8,448									
7																		
8			91,005	94,430	185,435		97,519	100,494	198,013									
9																		
10		10/1/2025	1,560	2,429	3,989		2,489	2,568	5,057									
11			1,560	2,429	3,989		2,489	2,568	5,057									
12																		
13			152,058	157,781	309,839		162,942	167,914	330,856									
14					-				-									
15		10/1/2025	2,607	4,059	6,666		4,158	4,290	8,448									
16			2,607	4,059	6,666		4,158	4,290	8,448									
17																		
18			65,662	68,133	133,795		70,362	72,508	142,870									
19					-				-									
20		10/1/2025	1,126	1,753	2,879		1,796	1,853	3,649									
21			1,126	1,753	2,879		1,796	1,853	3,649									
22																		
23			8,700	14,100	22,800		18,300	22,200	40,500									
24					-				-									
25		10/1/2025	(8,900)	(14,800)	(23,700)		(18,700)	(22,200)	(40,900)									
26			(5,042)		(5,042)				-									

Row	Effective Date	GOV (March 25)			GOV (March 25)		
		FY 2026	FY 2027	FY 2026-27	FY 2027	FY 2028	FY 2027-28
27		(13,942)	(14,800)	(28,742)	(18,700)	(22,200)	(40,900)
28							
29		532,332	561,958	1,094,290	590,522	620,080	1,210,602
30				-			-
31	10/1/25	(90)	(140)	(230)	(140)	(150)	(290)
32		(150)	(330)	(480)	(650)	(1,000)	(1,650)
33		1,560	2,430	3,990	2,520	2,600	5,120
34		1,320	1,960	3,280	1,730	1,450	3,180
35							
36		3,160,672	3,274,010	6,434,682	3,369,300	3,477,626	6,846,926
37				-			-
38	10/1/2025	(70)	(120)	(190)	(120)	(130)	(250)
39		(1,220)	(1,900)	(3,120)	(1,960)	(2,020)	(3,980)
40		(1,290)	(2,020)	(3,310)	(2,080)	(2,150)	(4,230)
41							
42		1,108,624	1,141,275	2,249,899	1,176,518	1,219,606	2,396,124
43				-			-
44	10/1/2025	(260)	(410)	(670)	(420)	(440)	(860)
45		(260)	(410)	(670)	(420)	(440)	(860)
46							
47		532,332	561,958	1,094,290	590,522	620,080	1,210,602
48				-			-
49	10/1/2025	(260)	(410)	(670)	(420)	(440)	(860)
50		(260)	(410)	(670)	(420)	(440)	(860)
51							
52							
53		178,900	186,000	364,900	192,500	198,700	391,200
54				-			-
55	10/1/25	3,050	4,760	7,810	4,930	5,100	10,030
56		3,050	4,760	7,810	4,930	5,100	10,030

Feb 24 is February 2025 General Fund Balance and Consolidated Fund Balance
 DFE is Day Following Enactment

End of Non General Fund Tax Revenue Tracking