

## 2025 SESSION - Preliminary 2025 Governor's Tax Recommendations - Change Item Summary

NOVEMBER 2024 FORECAST BASELINE

Dollars in Thousands

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

Property Tax, Aids & Credits: Negative #s = Spending Reduction

LINE	ITEM	Forecast	GOVERNOR	
		FY 2024-25	FY 2026-27	FY 2028-29
	<b>CURRENT LAW GENERAL FUND FORECAST:</b>			
1	TAX POLICY (REVENUE) <sup>1</sup>	58,021,635	61,412,257	65,746,731
2	PROPERTY TAX REFUNDS, AIDS, & CREDITS (EXPENDITURES) <sup>1</sup>	5,548,638	4,729,274	4,929,227
3	<b>GENERAL FUND - CHANGE ITEMS:</b>			
4	Tax Revenue	-	153,021	242,282
5	Less General Fund Property Tax Refunds, Aids, & Credits	(5,000)	(6,904)	(16,946)
6	<b>TOTAL: NET GENERAL FUND CHANGE ITEMS</b>	<b>5,000</b>	<b>159,925</b>	<b>259,228</b>
7	<b>NON-GENERAL FUND - CHANGE ITEMS:</b>			
8	Outdoor Heritage Fund		6,600	8,349
9	Arts & Cultural Heritage Fund		3,951	4,997
10	Clean Water Fund		6,600	8,349
11	Parks & Trails Fund		2,849	3,605
12	Special Revenue Fund		-	-
13	<b>SUBTOTAL: NET NON-GENERAL FUND CHANGE ITEMS</b>	<b>-</b>	<b>20,000</b>	<b>25,300</b>

<sup>1</sup> Based on the November 2024 Forecast

November 2024 Forecast  
General Fund Fiscal Impact

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	Row
		Nov 24	Nov 24	Nov 24	GOV (Jan 25)			GOV (Jan 25)			
		FY 2024-25	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29	
1	<b>Summary</b>										1
2	<b>Total - Current Law - Tax Revenues</b>	58,021,635	61,412,257	65,746,731	30,124,860	31,287,397	61,412,257	32,374,027	33,372,704	65,746,731	2
3	<b>Total - Net Changes - Tax Revenues</b>	-	-	-	50,400	102,621	153,021	116,838	125,444	242,282	3
4	<b>Total - Net, Non Dedicated Tax Revenue</b>	58,021,635	61,412,257	65,746,731	30,175,260	31,390,018	61,565,278	32,490,865	33,498,148	65,989,013	4
	<b>Individual Income Tax</b>										
5	Change Items						-			-	5
6	Repeal K-12 Education Credit Assignment				-	Unknown	Unknown	Unknown	Unknown	Unknown	6
7	Short Line Railroad Infrastructure Modernization Credit Transfer				-	-	-	-	-	-	7
8	Certificate of Rent Paid, Landlord Penalty				-	-	-	60	60	120	8
9	Expand Research & Development Credit				(25,700)	(19,800)	(45,500)	(19,800)	(19,800)	(39,600)	9
10	Interaction: Personal Property Tax Exemption				-	30	30	1,160	1,210	2,370	10
11	Interaction: Aquatic Invasive Species Aid Reduction				-	(50)	(50)	(50)	(50)	(100)	11
12	<b>Subtotal: Change Items</b>				(25,700)	(19,820)	(45,520)	(18,630)	(18,580)	(37,210)	12
	<b>Corporate Franchise Tax</b>										
14	Change Items										14
15	Sustainable Aviation Fuel Tax Credit				(5,300)	(5,300)	(10,600)	(2,100)	(2,100)	(4,200)	15
16	Establish a Pass-through Audit Unit - Tax Revenue				-	1,141	1,141	3,168	4,224	7,392	16
17	<b>Subtotal: Change Items</b>				(5,300)	(4,159)	(9,459)	1,068	2,124	3,192	17
	<b>Sales and Use Tax</b>										
19	Change Items						-			-	19
20	Rate Change, Broaden Base to Professional Services (Effective 10/1/25)				135,400	209,700	345,100	216,500	223,000	439,500	20
21	Rate Change, Reduce the Rate to 6.425% (Effective 10/1/25)				(61,200)	(94,800)	(156,000)	(97,900)	(100,700)	(198,600)	21
22	Interaction of Rate & Base Changes				(1,500)	(2,400)	(3,900)	(2,500)	(2,600)	(5,100)	22
23	<b>Subtotal: Change Items</b>				72,700	112,500	185,200	116,100	119,700	235,800	23

November 2024 Forecast  
 General Fund Fiscal Impact

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	
		Nov 24	Nov 24	Nov 24	GOV (Jan 25)			GOV (Jan 25)			
Row		FY 2024-25	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2028	FY 2029	FY 2028-29	Row
24	<b>Cannabis Gross Receipts Tax</b>										24
25	Change Items										25
26	Repeal, Local Cannabis Gross Receipt Tax, 20% Dedication				8,700	14,100	22,800	18,300	22,200	40,500	26
27	<b>Subtotal: Change Items</b>				8,700	14,100	22,800	18,300	22,200	40,500	27
<p><i>EOS is End of Session, MMB General Fund Balance</i>  <i>Nov 24 is November 2024 General Fund Balance Analysis</i>  <i>Gov (Jan 25) is the Governor's 2025 Tax Recommendations based on the November 2024 Forecast</i></p>											

November 2024 Forecast  
 Additional Funds Fiscal Impact

All Dollars in Thousands

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

Row		Nov 24	Nov 24	Nov 24	GOV (Jan 25)			GOV (Jan 25)		
		FY 2024-25	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2027	FY 2028	FY 2027-28
1	<b>Summary</b>									
2	<b>Total - Current Law - Tax Revenues</b>	885,514	932,822	997,757	458,631	474,191	932,822	490,521	507,236	997,757
3	<b>Total - Net Changes - Tax Revenues</b>	-	-	-	7,800	12,200	20,000	12,400	12,900	25,300
4	<b>Total - Net, Non Non General Fund Tax Revenue</b>	885,514	932,822	997,757	466,431	486,391	952,822	502,921	520,136	1,023,057
	<b>Outdoor Heritage Fund (Legacy/33%/2300 Fund)</b>									
5	Receipts	292,236	307,831	329,260	151,348	156,483	307,831	161,872	167,388	329,260
6	Change Items	-	-	-			-			-
7	Rate Change, Broaden Base to Professional Services (Effective 10/1/25)		-	-	2,574	4,026	6,600	4,092	4,257	8,349
8	Subtotal	-	-	-	2,574	4,026	6,600	4,092	4,257	8,349
9	<b>TOTAL: Outdoor Heritage Fund</b>	292,236	307,831	329,260	153,922	160,509	314,431	165,964	171,645	337,609
	<b>Arts &amp; Cultural Heritage (Legacy/19.75%/2301 Fund)</b>									
11	Receipts	174,809	184,233	197,057	90,580	93,653	184,233	96,878	100,179	197,057
12	Change Items									
13	Rate Change, Broaden Base to Professional Services (Effective 10/1/25)				1,541	2,410	3,951	2,449	2,548	4,997
14	Subtotal	-	-	-	1,541	2,410	3,951	2,449	2,548	4,997
15	<b>TOTAL: Arts &amp; Cultural Heritage Fund</b>	174,809	184,233	197,057	92,121	96,063	188,184	99,327	102,727	202,054
	<b>Clean Water (Legacy/33%/2302 Fund)</b>									
17	Receipts	292,276	307,831	329,260	151,348	156,483	307,831	161,872	167,388	329,260
18	Change Items	-	-	-			-			-
19	Rate Change, Broaden Base to Professional Services (Effective 10/1/25)				2,574	4,026	6,600	4,092	4,257	8,349
20	Subtotal	-	-	-	2,574	4,026	6,600	4,092	4,257	8,349
21	<b>TOTAL: Clean Water Fund</b>	292,276	307,831	329,260	153,922	160,509	314,431	165,964	171,645	337,609

November 2024 Forecast  
 Additional Funds Fiscal Impact

All Dollars in Thousands

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

Row		Nov 24	Nov 24	Nov 24	GOV (Jan 25)			GOV (Jan 25)		
		FY 2024-25	FY 2026-27	FY 2028-29	FY 2026	FY 2027	FY 2026-27	FY 2027	FY 2028	FY 2027-28
1	<b>Summary</b>									
22	<b>Parks &amp; Trails (Legacy/ 14.25%/2303 Fund)</b>									
23	Receipts	126,193	132,927	142,180	65,355	67,572	132,927	69,899	72,281	142,180
24	Change Items			-			-			-
25	Rate Change, Broaden Base to Professional Services (Effective 10/1/25)	-	-	-	1,111	1,738	2,849	1,767	1,838	3,605
26	Subtotal: Parks & Trails Fund	-	-	-	1,111	1,738	2,849	1,767	1,838	3,605
27	<b>TOTAL: Parks &amp; Trails Fund</b>	<b>126,193</b>	<b>132,927</b>	<b>142,180</b>	<b>66,466</b>	<b>69,310</b>	<b>135,776</b>	<b>71,666</b>	<b>74,119</b>	<b>145,785</b>
28	<b>Local Cannabis Tax (Special Revenue Fund/2000 Fund)</b>									
29	Receipts	3,100	132,927	142,180	8,700	14,100	22,800	18,300	22,200	40,500
30	Change Items			-			-			-
31	Repeal, Cannabis Gross Tax 20% Dedication	-	-	-	(8,700)	(14,100)	(22,800)	(18,300)	(22,200)	(40,500)
32	Subtotal: Special Revenue Fund	-	-	-	(8,700)	(14,100)	(22,800)	(18,300)	(22,200)	(40,500)
	<b>TOTAL: Special Revenue Fund</b>	<b>3,100</b>	<b>132,927</b>	<b>142,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
33	<b>TOTAL: Net, Non Dedicated Tax Revenue</b>		<b>932,822</b>	<b>997,757</b>	<b>466,431</b>	<b>486,391</b>	<b>952,822</b>	<b>502,921</b>	<b>520,136</b>	<b>1,023,057</b>

Nov 24 is November 2024 General Fund Balance Analysis

November 2024 Forecast

General Fund Fiscal Impact

All Dollars in Thousands												
Note: Positive numbers represent expenditures, negative numbers represent cost savings.												
	A	B	C	D	E	F	G	H	I	J		
	Nov 24	Nov 24	Nov 24	Gov (Jan 25)				Gov (Jan 25)				
Row	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	Row	
1	<b>Summary</b>										1	
2	Total - Current Law - Property Tax, Aids, and Credits	5,548,638	4,736,178	4,946,173	2,728,404	2,323,704	2,412,474	4,736,178	2,453,077	2,493,096	4,946,173	2
3	Total - Net Changes - Property Tax, Aids, and Credits	-	-	-	(5,000)	(3,768)	(8,068)	(6,904)	(8,338)	(8,608)	(16,946)	3
4	<b>Total - Property Tax, Aids, and Credits</b>	<b>5,548,638</b>	<b>4,736,178</b>	<b>4,946,173</b>	<b>2,723,404</b>	<b>2,319,936</b>	<b>2,404,406</b>	<b>4,729,274</b>	<b>2,444,739</b>	<b>2,484,488</b>	<b>4,929,227</b>	4
5	<b>Property Tax Refunds</b>										5	
6	<i>Change Items</i>										6	
7	Electrical Coop. Distribution Lines Exemption					-	40	40	40	40	80	7
8	Low-Income Personal Property Tax Exemption					-	10	10	60	60	120	8
9	Reduce Sustainable Forest Incentive Payments					-	(5,240)	(5,240)	(5,510)	(5,780)	(11,290)	9
10	<b>Subtotal: Change Items</b>					-	(5,190)	(5,190)	(5,410)	(5,680)	(11,090)	10
11	<b>Local Aids</b>										11	
12	<i>Change Items</i>										12	
13	Reduce Aquatic Invasive Species Prevention Aid				-	-	(4,860)	(4,860)	(4,860)	(4,860)	(9,720)	13
14	<b>Subtotal: Change Items</b>				-	-	(4,860)	(4,860)	(4,860)	(4,860)	(9,720)	14
15	<b>Other</b>										15	
16	<i>Change Items</i>										16	
17	DOR Admin 2025 Tax Bill R&D Credit Expansion				-	50	50	100	-	-	-	17
18	DOR Admin 2025 Tax Bill Sales Tax Rate Change & Expansion				-	422	500	922	500	500	1,000	18
19	DOR Admin Pass-Through Audit Unit				-	692	1,432	2,124	1,432	1,432	2,864	19
20	TR-IN: Special Revenue Cannabis Aid Carryforward				-	(4,932)	-	-	-	-	-	20
21	Repeal Tax Filing Modernization Account				(5,000)	-	-	-	-	-	-	21
22	<b>Subtotal: Change Items</b>				(5,000)	(3,768)	1,982	3,146	1,932	1,932	3,864	22

November 2024 Forecast

General Fund Fiscal Impact

**All Dollars in Thousands**  
**Note:** Positive numbers represent expenditures, negative numbers represent cost savings.

		A	B	C	D	E	F	G	H	I	J		
		Nov 24	Nov 24	Nov 24	Gov (Jan 25)				Gov (Jan 25)				
Row		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	Row	
23	<b>TOTAL: Property Tax, Aids and Credits</b>	<b>5,548,638</b>	<b>4,736,178</b>	<b>4,946,173</b>	<b>2,723,404</b>	<b>2,319,936</b>	<b>2,404,406</b>	<b>4,729,274</b>	<b>2,444,739</b>	<b>2,484,488</b>	<b>4,929,227</b>	23	

*EOS is End of Session, MMB General Fund Balance Analysis*  
*Nov 24 is November 2024, General Fund Balance Analysis*  
*Gov (Jan 25) is Governor's Recommendations, January 2025*  
*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*  
*SPTRFA is the St Paul Teachers Retirement Fund Association. TRA is the Teachers Retirement Association*  
*TR-IN is Transfer In*

November 2024 Forecast

Additional Funds Fiscal Impact - Property Tax, Aids, and Credits

**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	Row
		Nov 24	Nov 24	Nov 24	Gov (Jan 25)				Gov (Jan 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	<b>Summary</b>											1
2	Total - Current Law - Non-General Fund	(118,180)	(358,504)	(399,178)	(91,103)	(171,958)	(186,546)	(358,504)	(194,175)	(205,003)	(399,178)	2
3	Total - Net Changes - Non-General Fund	-	-	-	-	310	13,100	13,410	14,100	18,300	32,400	3
4	<b>Total - Additional Funds</b>	<b>(118,180)</b>	<b>(358,504)</b>	<b>(399,178)</b>	<b>(91,103)</b>	<b>(171,648)</b>	<b>(173,446)</b>	<b>(345,094)</b>	<b>(180,075)</b>	<b>(186,703)</b>	<b>(366,778)</b>	4
5	<b>Special Revenue Fund</b>											5
6	<b>Local Government Cannabis Aid</b>											6
7	<i>Change Items</i>											7
8	Carryforward					5,242	-	5,242	-	-	-	8
9	Repeal Local Government Cannabis Aid					-	13,100	13,100	14,100	18,300	32,400	9
10	TR OUT - Remaining Balance to General Fund					(4,932)	-	(4,932)	-	-	-	10
11	<b>Subtotal: Change Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310</b>	<b>13,100</b>	<b>13,410</b>	<b>14,100</b>	<b>18,300</b>	<b>32,400</b>	11
12	<b>TOTAL: Special Revenue Fund - Local Gov. Cannabis Aid Account</b>	<b>(184)</b>	<b>(13,410)</b>	<b>(32,400)</b>	<b>(184)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	12
13	<b>TOTAL: Additional Funds</b>	<b>(118,180)</b>	<b>(358,504)</b>	<b>(399,178)</b>	<b>(91,103)</b>	<b>(171,648)</b>	<b>(173,446)</b>	<b>(345,094)</b>	<b>(180,075)</b>	<b>(186,703)</b>	<b>(366,778)</b>	13

*EOS is End of Session, MMB General Fund Balance Analysis*

*Nov 24 is November 2024, General Fund Balance Analysis*

*Gov (Jan 25) is Governor's Recommendations, January 2025*

*TR-OUT is Transfer Out*