

TAX REVENUES, AIDS AND CREDITS

Governor's FY2012-13 General Fund Budget Recommendations based on May 16, 2011 Letter

Note: Negative numbers represent revenue losses (tax expenditures) or appropriations.
Positive numbers represent revenue gains or appropriation reductions.

June 2, 2011
\$ in thousands

L. #	TAX REVENUES	Gov. Rec. FY2012	Gov. Rec. FY 2013	Gov. Rec. FY 2012-13	Gov. Rec. FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY2014-15
1	Individual Income Tax						
2	Individual Income Tax: New 4th Bracket at 10.95% at \$250,000 taxable income for MJ; \$200,000 for HH; \$150,000 Single Filers, eff. tax year 2011	843,800	704,500	1,548,300	704,500	677,100	1,381,600
3	Individual Income Tax: Extend Income Tax to Part-Year Residents Maintaining a MN Abode, eff. tax year 2011	15,000	15,000	30,000	15,000	15,000	30,000
4	Estate Tax: Non-Resident Pass-Through Entity	5,400	7,600	13,000	7,900	8,300	16,200
5	Individual & Corporate Franchise Tax						
6	Federal Conformity - see attached detail						
7	Individual Income Tax	(37,315)	(18,610)	(55,925)	6,095	(9,505)	(3,410)
8	Corporate Franchise Tax	13,650	24,110	37,760	5,440	(20,510)	(15,070)
9	Federal Conformity Subtotal	(23,665)	5,500	(18,165)	11,535	(30,015)	(18,480)
10							
11	Enhanced Research & Development Credit, Increase from 10% to 15% on First \$2 m. Individual Income Tax	(600)	(700)	(1,300)	(800)	(800)	(1,600)
12	Enhanced Research & Development Credit, Increase from 10% to 15% on First \$2 m. Corporate Franchise Tax	(11,400)	(9,100)	(20,500)	(9,400)	(9,700)	(19,100)
13							
14	Corporate Franchise Tax						
15	FOC / Foreign Royalties Subtraction	-	-	135,000			0
16	Other Corporate Provisions						
17	Unitary Business Sales Attributable to Minnesota	26,000	20,000	46,000	20,000	20,000	40,000
18	Repeal Exemption for Insurance Companies	10,000	7,400	17,400	7,600	7,900	15,500
19	Index Minimum Fees and Tax Amounts, eff tax years after Dec. 31, 2011	7,100	7,100	14,200	7,100	7,100	14,200
20	Conform to Federal Law for Foreign Partnership Income	0	3,000	3,000	3,000	3,000	6,000
21	Exclude REIT Dividends from the Dividend Received Deduction	0	1,000	1,000	1,000	1,000	2,000
22	Clarify Research Credit Base Period Documentation	(200)	(200)	(400)	(200)	(200)	(400)
23	Adoption of Economic Substance Test	100	300	400	700	1,000	1,700
24	Other Corporate Provisions Subtotal	43,000	38,600	81,600	39,200	39,800	79,000
25							
26	Sales and Use Tax						
27	Affiliate Nexus	4,800	5,750	10,550	6,320	6,960	13,280
28	Exempt Ring Tones	(200)	(210)	(410)	(200)	(190)	(390)

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29	Expand Definition of Direct Satellite Services	1,070	1,240	2,310	1,310	1,390	2,700
30	On-line Lodging Reservations	4,000	4,550	8,550	4,700	4,800	9,500
31	Event Admissions	3,400	3,500	6,900	3,600	3,700	7,300
32	Apply Sales Tax to Charges for Remote Access Software	1,400	2,000	3,400	2,500	3,100	5,600
33	Sourcing Rules for Florist Sales	47	53	100	54	55	109
34	Sales and Use Tax Subtotal	14,517	16,883	31,400	18,284	19,815	38,099
35							
36	Miscellaneous / Other						
37	Repeal Credit for Cigarette and Tobacco Bad Debts	40	160	200	160	160	320
38	Nonadmitted Insurance Reform	400	900	1,300	900	900	1,800
39	Simplify the Non-Resident Entertainer Tax	0	28	28	30	31	61
40	Misc. / Other Subtotal	440	1,088	1,528	1,090	1,091	2,181
41							
42							
43	Total Tax Revenue Changes			1,800,863			
44							