

Tom Emmer's FY 2012–13 Budget Proposal

REVENUES

Revenues collected/projected **\$32.907 billion**

Job Creating Tax Relief **(0.626 billion)**

(see Emmer Budget Plan, Part 1: Jobs-creation agenda to put Minnesotans back to work for full details)

- ▶ Provide tax relief to encourage job creation and business investment.
- ▶ Reduce the current rate of the business (corporate franchise) tax of 9.8%
 - Reduce to 8.8% in 2011, 7.8% in 2012, further phased-in reductions to 3% by 2015, and eventual repeal.
- ▶ Provide tax relief to small business to get them hiring again.
 - Provide a 10% subtraction beginning in 2011 of active pass-through income for S-corporations, partnerships, and LLCs.
- ▶ Reduce the state general property tax.
 - Prevent this tax levy from increasing by inflation adjustment and will reduce the levy amount by \$100 million in FY2012–13, with further reductions in future biennia.
- ▶ Increase Minnesota employers' opportunities to grow knowledge and technology jobs by expanding the state Research and Development Tax Credit.
 - Expand the R&D credit to regain Minnesota's competitive footing with other high-tech intensive states.
- ▶ Accelerate the growth of start-up companies and subsequent jobs through expansion of the angel investor tax credit.
 - Expand existing credit to provide more help to early-stage enterprises, many of which are highly mobile technology companies.
- ▶ Prevent delays in business reinvestment by making the capital equipment sales tax refund an upfront exemption.
 - Change the refund to an outright exemption.
- ▶ Extend the capital equipment exemption to service companies subject to the sales tax.

Tax Increases **Tom Emmer will not raise taxes of any kind**

(See Emmer Budget Plan, Part 1: Jobs-creation agenda to put Minnesotans back to work for full details)

Gaming Revenue

- ▶ Tom Emmer will not expand gaming funds to balance the state budget.

Total Revenues **\$32.281 billion**

SPENDING

K-12 Education

\$13.836 billion

Tom Emmer calls for holding K-12 education funding harmless in the next biennium. Tom Emmer is committed to ensure that this critical spending of the budget is not reduced.

An Emmer administration will be focused on reprioritizing existing K-12 funding to address critical needs. Changes in priorities can be accomplished without undermining local school districts'. Additionally an Emmer administration will create urban school district empowerment zones and reduce state mandates by allowing school districts to have greater authority to operate their districts and reduce state mandates for all school districts.

K-12 Shift

Net Savings (1.947 billion)

An Emmer Administration will begin identifying a repayment schedule in FY2012-13 and plan to begin repaying the shift in FY2014-15. Enacting the Emmer Jobs Agenda and putting Minnesotans back to work, the economy will grow and repayment may be triggered more quickly.

Higher Education

2.500 billion

An Emmer administration will be focused on redesigning and reforming our higher education system to meet the needs of 21st century student. Minnesota's College and University system must produce the highest quality graduates possible allowing our young adults and businesses to compete in the global marketplace.

Health and Human Services

9.750 billion

The Emmer budget plan calls for Health and Human Services budget of \$9.75 billion; an over \$650 million increase in state funding.

An Emmer administration will refocus spending on programs for children and seniors which have been historically underfunded; calls for additional funding of top priorities: Nursing homes and Children's mental health.

Emmer will achieve major cost containment by: pursuing administrative simplification; redesign government programs such as GAMC and Minnesota Care; reduce waste and fraud and seek private market alternatives to state programs without reducing coverage and access.

Additionally an Emmer administration will enact the following cost-savings measures:

- ▶ \$360 million savings from no early MA expansion
- ▶ \$230 million one-time FMAP savings carried forward

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Aids and credits **2.295 billion**

The Emmer plan calls for reforming Local Government Aid to focus solely on public safety and critical infrastructure needs. Over several decades, LGA expanded to an often politically targeted subsidy for many local governments – in the process paying for non-critical services. An Emmer administration will reform local government aid giving certainty to local units of government as they plan their budgets.

An Emmer Administration will immediately sit down with the League of Minnesota Cities, Coalition of Greater Minnesota Cities and Association of Minnesota Counties to identify mandate reforms that will elevate unnecessary burdens on local units of government.

Agencies, and other state spending **3.900 billion**

An Emmer administration will focus on reorganizing bureaucracies and programs which are not fundamental to state government's mission; merging agencies to streamline decision making and reduce costs; reduce the government workforce through attrition and early-retirement.

Total Spending **\$32.281 billion**

BONDING BILLS

Bonding

Emmer bonding bills will focus on critical needs, such as flood relief and infrastructure.

Tom Emmer FY 2012–13 Budget	Total Revenues	\$32.281 billion
	Total Spending	\$32.281 billion
	Deficit	\$0