

November MVST and Sales & Use Tax Forecast and 2024 Final Adopted Unified Budget

December 13, 2023

Management Committee



2023 Legislative Changes to Motor Vehicle Sales Tax (MVST)

- Effective July 1, 2023
 - Tax rate on motor vehicle sales increased from 6.5% to 6.875%
 - Overall share of MVST receipts to Council reduced from 36.0% to 34.3%

November 2023 MMB Motor Vehicle Sales Tax (MVST) Forecast (\$ in millions)

- Released December 6

Total \$ to Council	SFY20	SFY21	SFY22	SFY23	SFY24	SFY25	SFY26	SFY27
Actual	\$291.6	\$353.4	\$355.0	\$381.9				
November 2023					\$381.2	\$372.6	\$381.2	\$394.8
February 2023				\$358.8	\$355.8	\$360.3	\$373.2	\$387.3
November 2022				\$369.4	\$364.4	\$369.4	\$380.2	\$392.5



2023 Legislative Enactment Regional Transportation Sales and Use Tax

- Effective October 1, 2023
 - Additional sales and use tax of .75% on seven county metro region' sales enacted and dedicated to metropolitan transportation projects
 - 17% dedicated to metro counties
 - 83% dedicated to Metropolitan Council
 - Of the 83%, 5% is directed to active transportation projects and 95% is dedicated to transit operations, maintenance, and capital projects
 - Additional sales and use tax of .25% also enacted for housing support, not dedicated to Council

November 2023 MMB Forecast for Metro Area Sales and Use Tax for Transportation (\$ in millions)

- Released December 6

	SFY24	SFY25	SFY26	SFY27
November 2023	\$294.3	\$456.5	\$474.3	\$492.3
End of Session Estimates (unofficial)	\$300.3	\$465.5	\$479.9	\$493.7



Changes to Proposed Final Budget from Public Comment Budget

- Insert revised MVST Forecast
 - Increase revenues for Bus Operations \$13.62m, and decrease use of reserves by same amount
 - Increase revenue and pass-through grants to Suburban Transit Providers by \$3.69m
- Insert revised Sales and Use Tax Forecast
 - Reduce Sales Tax Reserve by \$6.4m



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