


DATE: June 12, 2017

TO: Governor Mark Dayton
Lt. Governor Tina Smith

FROM: Myron Frans, Commissioner 

SUBJECT: May Revenue Review

Net general fund revenues totaled \$1.466 billion in May, \$63 million (4.1 percent) less than forecast in the February 2017 *Budget and Economic Forecast*. Net individual income tax receipts in May were \$117 million lower than forecast, more than offsetting larger than expected net receipts from the sales tax, corporate tax, and other revenues. So far in fiscal year 2017, net individual income tax collections that are clearly connected to tax year 2016 are estimated to be \$235 million below forecast. Total year to date receipts are now \$18.328 billion, \$126 million (0.7 percent) lower than forecast.

Monthly Receipts for May 2017

(\$ in millions)	February 2017		
	Forecast	Actual	\$ Difference
Individual Income Tax	\$705	\$588	\$(117)
General Sales Tax	408	429	21
Corporate Franchise Tax	28	33	5
Other Revenues	388	416	28
Total Revenues¹	\$1,529	\$1,466	\$(63)

1. Totals may not add due to rounding.

All results are preliminary and subject to revision. Monthly revenue variances should be interpreted with great caution. Wide swings in variances may be caused by variations in the rate at which receipts are received and processed and differences in the rate at which refunds are issued. Other revenues often include unallocated accounts receivable which will be added to receipts for the appropriate tax when identified. A more complete report covering April, May, and June receipts will be issued as part of Minnesota Management and Budget's *July Revenue and Economic Update*.

cc: Senator Paul Gazelka, Majority Leader
 Senator Tom Bakk, Minority Leader
 Representative Kurt Daudt, Speaker of the House
 Representative Joyce Peppin, Majority Leader
 Representative Melissa Hortman, Minority Leader