




DATE: February 10, 2022

TO: Governor Tim Walz
Lt. Governor Peggy Flanagan

FROM: Jim Schowalter, Commissioner 

SUBJECT: January Revenue Review

Net general fund revenues totaled \$3.240 billion in January, \$649 million (25.0 percent) more than forecast. Net receipts from the corporate, sales, and other taxes were above the forecast, while net individual income tax receipts were lower than forecast. For fiscal year 2022, year to date receipts are now \$16.163 billion, \$1.482 billion (10.1 percent) more than forecast. However, a substantial portion of December and January individual and corporate tax collections are Pass-Through Entity Tax (PTE) estimated payments that will be credited against business owners’ individual income tax liability for TY 2021, lowering income tax final payments and raising refunds in CY 2022. We estimate that about \$1.2 billion of the fiscal-year-to-date overall variance arises from the PTE timing shift.

Monthly Receipts for January 2022

(\$ in millions)	November 2021 Forecast	Actual	\$ Difference
Individual Income Tax	\$1,617	\$1,575	\$(42)
General Sales Tax	666	668	2
Corporate Franchise Tax	80	722	642
Other Revenues	229	275	46
Total Revenues¹	\$2,592	\$3,240	\$649

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 detailed report covering the January, February, and March receipts will be issued as part of Minnesota Management and Budget’s *April Revenue and Economic Update*.

cc: Senator Jeremy Miller, Majority Leader
 Senator Melisa Lopez Franzen, Minority Leader
 Representative Melissa Hortman, Speaker of the House
 Representative Ryan Winkler, Majority Leader
 Representative Kurt Daudt, Minority Leader