



DATE: May 5, 2010
TO: Governor Tim Pawlenty
FROM: Tom J. Hanson, Commissioner *TJH*
SUBJECT: April Revenue Collections

Net general fund revenues totaled \$1.299 billion in April, \$18.5 million (1.4 percent), more than forecast. For the 2010 fiscal year revenues are now \$22.4 million below levels forecast in February. The April monthly revenue report is being released ahead of normal schedule due to the short time remaining before the end of the legislative session.

MONTHLY RECEIPTS FOR APRIL, 2010
(\$ MILLIONS)

	<u>Est.</u>	<u>Act.</u>	<u>Var.</u>
INDIVIDUAL INCOME TAX	\$ 821.8	\$ 764.8	\$-57.0
SALES TAX	323.6	358.3	34.7
CORPORATE INCOME TAX	32.2	39.3	7.1
MOTOR VEHICLE SALES TAX	7.2	7.4	0.2
OTHER REVENUE	<u>95.8</u>	<u>129.3</u>	<u>33.5</u>
TOTAL	\$1280.6	\$1299.1	\$18.5

All results are preliminary and subject to revision. As in past years individual income tax receipts include only withholding and individual estimated tax payments, including payments accompanying extensions. Payments accompanying requests for extensions are \$46 million below forecast and the largest source of the \$57 million negative income tax variance. While actual individual income tax refunds and final payments will not be reported until after processing of timely tax year 2009 returns is completed in June, refunds paid through April materially exceed the forecast and final payments are materially less than projected.

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Monthly revenue variances should be interpreted with great caution. Wide swings in variances may be caused by one-time items, variations in the rate at which receipts are received and processed, or differences in the rate at which refunds are issued. A more complete report covering the April, May and June receipts, including tax year 2009 individual income tax refunds and final payments will be issued as part of Minnesota Management and Budget's July *Economic Update*.

cc: Carol Molnau, Lt. Governor
Sen. Larry Pogemiller, Majority Leader
Sen. David Senjem, Minority Leader
Rep. Margaret Anderson Kelliher, Speaker of the House
Rep. Kurt Zellers, Minority Leader