

DATE: May 10, 2013

TO: Governor Mark Dayton

FROM: Jim Schowalter, Commissioner 

SUBJECT: April Revenue Collections

Net general fund revenues totaled \$1.743 billion in April, \$153.0 million (9.6 percent) more than forecast. For the 2013 fiscal year revenues are now \$298.3 million more than February's forecast.

MONTHLY RECEIPTS FOR APRIL 2013
(\$ MILLIONS)

	<u>Est.</u>	<u>Act.</u>	<u>Var.</u>
INDIVIDUAL INCOME TAX	1,006.7	1,139.3	132.7
SALES TAX	392.7	388.4	-4.3
CORPORATE INCOME TAX	59.6	88.2	28.6
OTHER REVENUE	<u>131.0</u>	<u>127.0</u>	<u>-4.0</u>
TOTAL	1,590	1,742.9	153.0

All results are preliminary and subject to revision. Withholding receipts exceeded forecast by \$12 million, while gross sales tax receipts were \$10 million less than projected in February. Much of the income tax variance appears to be attributable to larger than expected payments accompanying extensions. As in past years, the variance for individual income tax receipts does not include variances for individual income tax refunds and final payments. Those items will not be reported until processing of timely tax year 2012 returns is completed in June. It appears, however, that final liability for tax year 2012 will not fall below February's forecast.

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. In addition, since increases in federal tax rates affecting high income individuals are generally assumed to have encouraged some taxpayers to accelerate income into tax year 2012, any positive variance observed for income tax liability in tax year 2012 may be offset by a reduction in forecast liability for tax year

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2013. A more complete report covering the April, May and June receipts, including tax year 2012 individual income tax refunds and final payments will be issued as part of Minnesota Management and Budget's July *Economic Update*.

cc: Yvonne Prettner-Solon, Lt. Governor
Senator Tom Bakk, Majority Leader
Senator David Hann, Minority Leader
Rep. Paul Thissen, Speaker of the House
Rep. Kurt Daudt, Minority Leader