

DATE: March 10, 2016

TO: Governor Mark Dayton
Lt. Governor Tina Smith

FROM: Myron Frans, Commissioner 

SUBJECT: February Revenue Review

Net general fund revenues totaled \$935 million in February, \$35 million (3.6 percent) less than forecast in the February 2016 *Budget and Economic Forecast*. February receipts for the individual income tax, general sales tax, and other revenues were below forecast, more than offsetting higher-than-expected corporate tax receipts. For fiscal year 2016, year to date receipts are now \$12.793 billion. Because forecast receipts are now updated to reflect the February 2016 *Budget and Economic Forecast*, the fiscal year-to-date variance is the same as the monthly variance, \$35 million below the forecast.

Monthly Receipts for February 2016

(\$ in millions)	February 2016		
	Forecast	Actual	\$ Difference
Individual Income Tax	\$441	\$416	\$(25)
Sales Tax	381	379	(2)
Corporate Franchise Tax	8	16	8
Other Revenues	140	124	(15)
Total Revenues¹	\$969	\$935	\$(35)

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 January, February, and March receipts will be issued as part of Minnesota Management and Budget's April *Revenue and Economic Update*.

cc: Senator Tom Bakk, Majority Leader
Senator David Hann, Minority Leader
Rep. Kurt Daudt, Speaker of the House
Rep. Paul Thissen, Minority Leader