

DATE: February 10, 2014

TO: Governor Mark Dayton

FROM: Jim Schowalter, Commissioner 

SUBJECT: January Revenue Review

Net general fund revenues totaled \$1.992 billion in January, \$83 million (4.4 percent) more than forecast. Individual income tax withholding in January was \$18.5 million (2.4 percent) less than forecast, and estimated income tax payments exceeded expectations by \$71.6 million (16.0 percent). For fiscal year 2014, year to date receipts are now \$11.008 billion, exceeding the forecast by \$255 million (2.4 percent).

MONTHLY RECEIPTS FOR JANUARY 2014
(\$ MILLIONS)

	Forecast	Actual	Variance
Individual income tax	1,193.5	1,246.6	53.1
Sales tax	491.4	508.3	16.9
Corporate income tax	44.3	46.6	2.2
Other revenue	<u>179.4</u>	<u>190.3</u>	<u>10.9</u>
Total ¹	1,908.7	1,991.8	83.1

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.

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 be reported in June when processing of timely tax year 2013 returns is complete. A more detailed report covering fiscal year 2014 year-to-date receipts will be included in the February *Budget and Economic Forecast*.

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

¹ Totals may not add due to rounding.