

**DATE:** February 10, 2015  
**TO:** Governor Mark Dayton  
**FROM:** Myron Frans, Commissioner   
**SUBJECT:** January Revenue Review

Net general fund revenues totaled \$2.044 billion in January, \$85 million (4.3 percent) more than forecast. Net individual income tax receipts in January were \$63 million (5.1 percent) more than forecast. This variance is largely due to the timing of income tax refund processing and is expected to be offset by more refunds paid out in coming months. For fiscal year 2015, year to date receipts are now \$11.546 billion, exceeding the forecast by \$298 million (2.6 percent).

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**Monthly Receipts for January 2015**

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(\$ in millions)	November 2014		
	Forecast	Actual	\$ Difference
Individual Income Tax	\$1,238	\$1,301	\$63
Sales Tax	502	537	35
Corporate Franchise Tax	43	26	(17)
Other Revenues	175	180	5
<b>Total Revenues<sup>1</sup></b>	<b>\$1,958</b>	<b>\$2,044</b>	<b>\$85</b>

1. Totals may not add due to rounding.

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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.

In past years, monthly revenue review memos did not include variances for individual income tax refunds and final payments during the returns processing season of January through May. Those items were reported for the first time each June when processing of most tax returns was complete. To improve transparency, the individual income tax variance in this report *does* include variances for individual income tax refunds and final payments. Because these numbers are particularly volatile and hard to forecast on a month to month basis, variances should be interpreted with caution. Changes from year to year in the timing of filing, the method of filing (i.e., paper vs. electronic), and the speed of processing all contribute to year to year volatility.

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