

DATE: August 11, 2014

TO: Governor Mark Dayton

FROM: Jim Schowalter, Commissioner 

SUBJECT: July Revenue Memo

Net general fund revenues totaled \$982 million in the first month of FY 2015, \$69 million (6.6 percent) less than forecast. Individual income tax withholding in July was \$30 million below expectations, generating most of a \$36 million negative income tax variance. Lower than expected sales tax refunds offset a shortfall in gross general sales tax receipts, bringing net sales tax receipts \$4 million ahead of forecast. Other net revenues in July were \$29 million less than forecast. Most of that negative variance was in the health care surcharge and is expected to be reversed in the future.

Monthly Receipts for July 2014

(\$ in millions)	February 2014 Forecast ¹	Actual	\$ Difference
Individual Income Tax	\$706	\$671	\$(36)
General Sales Tax	207	210	4
Corporate Franchise Tax	56	48	(9)
Other Revenues	83	54	(29)
Total Revenues²	\$1,052	\$982	\$(69)

1. Adjusted for legislative change.
2. Totals may not add due to rounding.

All results are preliminary and subject to revision. Monthly revenue variances should be interpreted with caution. Wide swings in variances may be caused by variations in the rate at which receipts are received and refunds are issued. A more complete report covering the July, August and September receipts will be issued as part of Minnesota Management and Budget's October *Revenue and Economic Update*. That report will also update FY 2014 revenues to reflect the official closing of the fiscal year.

cc: Yvonne Prettnner-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