

**DATE:** March 10, 2015

**TO:** Governor Mark Dayton

**FROM:** Myron Frans, Commissioner 

**SUBJECT:** February Revenue Review

Net general fund revenues totaled \$805 million in February, \$43 million (5.7 percent) more than forecast in the February 2015 *Budget and Economic Forecast*. Net individual income tax receipts in February were \$35 million (13.7 percent) more than forecast. Higher than forecast gross income tax receipts and lower than forecast refunds both contribute to this variance. For fiscal year 2015, year to date receipts are now \$12.350 billion, exceeding the forecast by \$43 million (0.4 percent).

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**Monthly Receipts for February 2015**

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(\$ in millions)	February 2015		
	Forecast	Actual	\$ Difference
Individual Income Tax	\$252	\$286	\$35
Sales Tax	383	369	(14)
Corporate Franchise Tax	6	15	9
Other Revenues	121	135	15
<b>Total Revenues<sup>1</sup></b>	<b>\$761</b>	<b>\$805</b>	<b>\$43</b>

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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.

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