


DATE: September 12, 2016

TO: Governor Mark Dayton
Lt. Governor Tina Smith

FROM: Myron Frans, Commissioner 

SUBJECT: August Revenue Review

Net general fund revenues totaled \$1.418 billion in August, \$42 million (2.9 percent) less than forecast. Lower than expected net individual, sales, and corporate tax revenues in August generated the negative variance. Net individual income tax receipts in August were \$13 million below the forecast, driven by lower than expected income tax withholding. For fiscal year 2017, year to date receipts are now \$2.371 billion, \$73 million (3.0 percent) less than forecast.

Monthly Receipts for August 2016

(\$ in millions)	February 2016		
	Forecast ¹	Actual	\$ Difference
Individual Income Tax	\$707	\$694	\$(13)
General Sales Tax	548	521	(27)
Corporate Franchise Tax	35	23	(12)
Other Revenues	169	179	10
Total Revenues²	\$1,460	\$1,418	\$(42)

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 2016 revenues to reflect the official closing of the fiscal year.

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