




DATE: March 10, 2023

TO: Governor Tim Walz
Lt. Governor Peggy Flanagan

FROM: Jim Schowalter, Commissioner 

SUBJECT: February Revenue Review

Net general fund revenues totaled \$1.283 billion for the month of February, \$99 million (7.2 percent) less than forecast. Net receipts from corporate, sales, and other taxes for the month were lower than forecast, and net income tax revenues were above the forecast. Net corporate receipts were -\$57 million for the month, \$98 million below the forecast, due to extraordinary corporate refunds. For fiscal year 2023, year to date receipts are now \$18.628 billion. Because forecast receipts are now updated to reflect the February 2023 *Budget and Economic Forecast*, the fiscal year-to-date variance is the same dollar amount as the monthly variance, \$99 million below the forecast, which is 0.5 percent of fiscal year-to-date revenues.

Monthly Receipts for February 2023

(\$ in millions)	February 2023		
	Forecast	Actual	\$ Difference
Individual Income Tax	\$612	\$626	\$14
General Sales Tax	510	504	(7)
Corporate Franchise Tax	41	(57)	(98)
Other Revenues	218	209	(8)
Total Revenues¹	\$1,381	\$1,283	\$(99)

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. A more detailed report covering the January, February, and March receipts will be issued as part of Minnesota Management and Budget’s *April Revenue and Economic Update*.

cc: Senator Kari Dziedzic, Majority Leader
 Senator Mark Johnson, Minority Leader
 Representative Melissa Hortman, Speaker of the House
 Representative Jaime Long, Majority Leader
 Representative Lisa Demuth, Minority Leader