



MONTHLY REVENUE REPORT

APRIL 2018

Revenue from taxes earmarked to Michigan's General Fund and School Aid Fund totaled \$2.4 billion in April 2018, a 14.4% increase from April 2017. April 2018 tax collections were approximately \$181.9 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2018. Greater-than-expected collections from all individual income tax withholding and estimated payments combined with lower-than-expected individual income tax and Michigan Business Tax (MBT) refunds to more than offset below-forecast collections from individual income tax annual payments and the Corporate Income Tax.

Collections earmarked to the General Fund were \$158.0 million above the expected level for April 2018, while School Aid Fund tax collections were \$24.5 million above the forecasted level. The remaining \$600,000 in below-forecast collections was directed to other funds, most notably health-related funds that receive tobacco tax revenue. Through April 2018, fiscal year-to-date General Fund collections were \$338.5 million above, and School Aid Fund collections \$51.3 million above, the level expected based on the January 2018 consensus revenue estimates.

Net income tax revenue totaled \$1.1 billion in April 2018, up 27.9% from April 2017 and \$171.3 million above the level forecasted for the month. Withholding payments (which represented the majority of gross income tax revenue) were 11.8% above the year-ago level, boosted by a fifth Monday in the month. Compared to April 2017, annual payments were up 25.0% and estimated payments were up 23.2%. A substantial increase in estimated payments during December 2017 and January 2018, in response to Federal tax changes, was expected to lower estimated and annual payments and increase refunds. However, while annual payments were \$31.4 million less than expected, other tax transactions did not support that prediction. Estimated payments were \$131.4 million above the forecasted level in April 2018, and refunds were \$31.2 million less. Year-to-date, net individual income tax collections were up 14.2%.

Sales tax receipts totaled \$661.1 million in April 2018, up 11.6% from April 2017 and \$1.9 million above the forecasted level. On a fiscal year-to-date basis, sales tax collections were up 1.7% from fiscal year (FY) 2016-17 and \$47.4 million below the forecasted level. April 2018 sales tax collections from motor vehicle sales were up 9.3% compared to April 2017, and fiscal year-to-date collections were up 4.2%.

Combined business tax collections from the Single Business Tax, MBT, and Corporate Income Tax (CIT) totaled \$151.3 million for the month, down 3.9% from April 2017. April 2018 CIT collections were down 39.5% from April 2017 and \$6.3 million below the estimated level. Fiscal year-to-date CIT revenue was down 31.6%, and \$63.4 million less than expected. However, net MBT revenue totaled \$10.1 million, \$35.5 million more than expected (as refunds were expected to exceed payments). Most taxpayers that still file the MBT do so to collect refundable tax credits. When these refunds will be claimed and processed will significantly affect the accuracy of monthly MBT estimates.

The table on the back of this report identifies the major taxes included in the report, and provides their respective revenue levels and growth rates for April 2018. Also presented are the revised consensus revenue estimates for FY 2017-18, which were adopted at the January 2018 Consensus Revenue Estimating Conference. The May 2018 consensus revenue estimates will be incorporated into the May 2018 report.



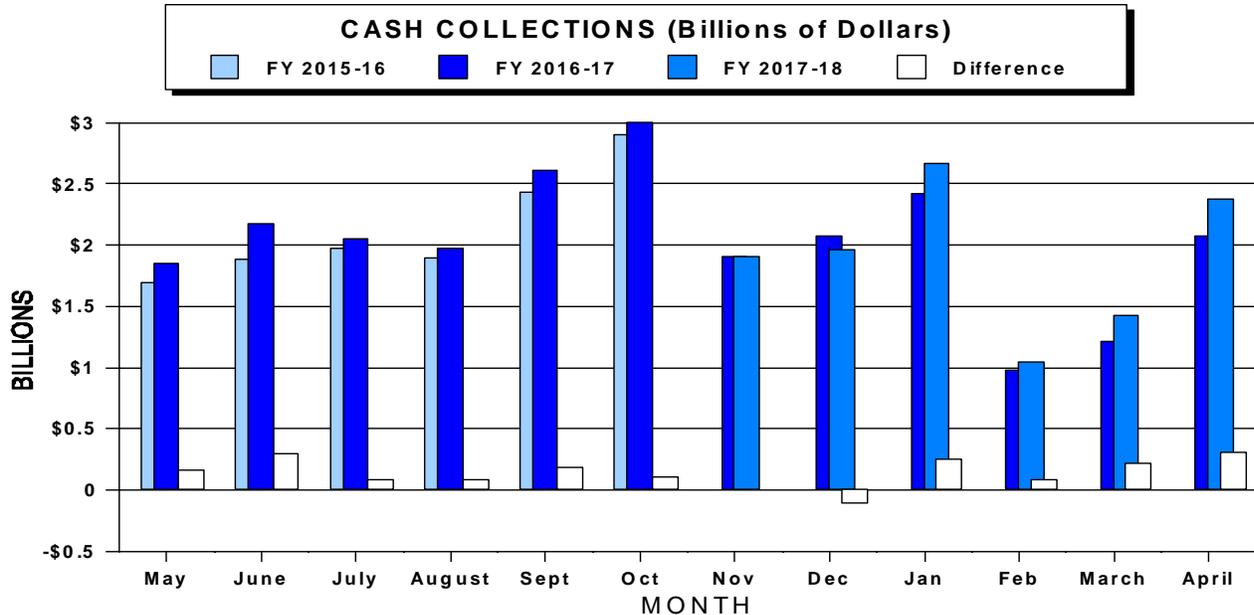
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MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	April Collections		FY 2017-18 to Date ²		FY 2017-18 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total	% Change From FY 2016-17
Gross Individual Income Tax	\$1,599.9	17.4	\$6,711.2	10.6	\$11,890.1	4.2
Refunds	(467.1)	(2.1)	(1,550.0)	(0.0)	(\$1,990.1)	1.7
Net Income Tax	1,132.9	27.9	5,161.2	14.2	\$9,900.0	4.7
Sales Tax	661.1	11.6	3,775.3	1.7	8,026.9	2.9
Motor Vehicles	85.9	9.3	477.9	4.2	---	---
All Other Sales Tax	575.2	11.9	3,297.4	1.3	---	---
Use Tax ⁵⁾	140.2	2.0	871.9	19.9	1,517.8	3.4
Tobacco Taxes	73.9	(6.4)	437.2	(2.8)	938.5	(0.8)
Corporate Income Tax	140.9	(39.5)	422.0	(31.6)	955.2	(13.6)
Michigan Business Tax	10.1	---	(628.8)	---	(757.9)	7.6
Insurance Tax	69.6	(13.1)	186.9	8.2	412.1	11.2
Essential Services Assessment	0.1	---	0.3	---	91.1	8.5
State Education Property Tax	20.8	6.8	293.4	(11.5)	2,027.1	3.2
Real Estate Transfer Tax	22.4	(3.3)	145.9	4.2	322.6	1.7
Casino Wagering Tax ⁶⁾	10.0	2.5	57.8	0.5	113.0	(0.2)
Oil & Gas Severance Tax	1.9	40.0	12.5	7.1	25.0	6.4
Other Taxes ⁷⁾	16.9	(23.6)	151.0	20.1	298.5	(3.4)
Total Taxes	\$2,300.7	14.7	\$10,886.6	7.0	\$23,869.9	2.7
Lottery, Net to School Aid Fund ⁶⁾	69.9	2.6	555.1	4.1	926.0	0.2
Total	\$2,370.6	14.4	\$11,441.6	6.9	\$24,795.9	2.6

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2017-18 year-to-date collections begin with November 2017 collections to reflect accrual accounting.
- 3) Year-to-date figures represent cash collections only, while the fiscal year estimate also includes accruals.
- 4) Consensus revenue estimates adopted at the January 11, 2018, Consensus Revenue Estimating Conference.
- 5) Includes both the State share and the local share (Local Community Stabilization Authority).
- 6) Lottery and casino revenue is not accrued, so FY 2017-18 collections will include October 2017 to September 2018.
- 7) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and penalties and interest.

Actual Revenue Collections for Major State Taxes* May 2016 to April 2018



* Comparison of actual collections. Major taxes include the beer, casino wagering, estate, income, industrial facilities, insurance retaliatory, liquor, MBT, oil & gas severance, real estate transfer, sales, SBT, State education property, tobacco (cigarette & other tobacco products), use, utility property, wine taxes, the essential services assessment, net lottery revenue to the school aid fund, and penalties & interest revenue.