



MONTHLY REVENUE REPORT

APRIL 2021

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$2.8 billion in April 2021, an 82.8% increase from April 2020. April tax collections were approximately \$411.0 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2021. Most major revenue sources exhibited greater-than-expected collections that more than offset below-forecast annual individual income tax collections (which reflected the postponement, from April 15, 2021, to May 17, 2021, of the due date for annual returns).

Collections earmarked to the General Fund were \$226.1 million above the expected level for April 2021, while School Aid Fund tax collections were \$169.5 million above the forecasted level. The remaining \$15.4 million in above-forecast collections was directed to other funds, most notably constitutional revenue sharing. Through April 2021, fiscal year-to-date General Fund collections were \$743.5 million above, and School Aid Fund collections \$437.2 million above, the level expected based on the January 2021 consensus revenue estimates.

Net income tax revenue totaled \$1.1 billion in April 2021, up 69.9% from April 2020 but \$27.1 million below the level forecasted for the month. Withholding payments (which represented the majority of gross income tax revenue) were 11.3% above the year-ago level. Compared to April 2020, annual payments were up 281.4% but were \$385.6 million below the forecasted level, reflecting issues associated with filing of returns, given the moved due dates in both 2020 and 2021 as well as the greater uncertainty associated with the pandemic in April 2020. Estimated payments were up 573.8%, again reflecting issues associated with pandemic and that, in 2021, the due date for estimate payments was not postponed like it was in 2020. Refunds were \$59.9 million less than what was expected but were up 61.4% from April 2020. Year-to-date, net individual income tax collections were up 24.9% from April 2020, reflecting the depressed collections in 2020 that resulted from the pandemic and postponed 2020 due dates.

Sales tax receipts totaled \$829.4 million in April 2021, up 83.5% from April 2020 and \$141.3 million above the forecasted level. Similar to individual income tax collections, the growth from 2020 reflects a combination of postponed 2020 due dates and reduced economic activity during April 2020 associated with the pandemic combined with spending from stimulus payments made as a result of the American Rescue Plan, which was adopted in March 2021. On a fiscal year-to-date basis, sales tax collections were up 11.4% from fiscal year (FY) 2019-20, and \$164.5 million above the forecasted level. April 2021 sales tax collections from motor vehicle sales posted another all-time record (for a second consecutive month) and fiscal year-to-date collections were up 51.0%. Use tax collections totaled \$213.6 million in April 2021, up 100.1% from the previous year and \$55.0 million above the forecasted level. Fiscal year-to-date, use tax collections were up 57.8% from FY 2019-20, and \$258.7 million above the forecasted level.

Combined business tax collections from the Single Business Tax, Michigan Business Tax, and Corporate Income Tax (CIT) totaled \$243.2 million for the month, up 363.0% from April 2020 and \$149.0 million above the forecasted level. April 2021 net CIT collections were \$171.0 million above the estimated level, and although fiscal year-to-date CIT revenue was up 84.2% year-to-date collections were only \$165.2 million more than expected.

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 2021. Also presented are the revised consensus revenue estimates for FY 2020-21, which were adopted at the January 2021 Consensus Revenue Estimating Conference. The May 2021 consensus revenue estimates will be incorporated into the May 2021 report.



MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	April Collections		FY 2020-21 to Date ²		FY 2020-21 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total	% Change From FY 2019-20
Gross Individual Income Tax	\$1,669.4	67.0	\$7,163.3	17.3	\$12,570.5	(3.4)
Refunds	(545.5)	61.4	(1,682.8)	(2.1)	(2,416.4)	(4.0)
Net Income Tax	1,123.9	69.9	5,480.5	24.9	10,154.1	(3.2)
Sales Tax	829.4	83.5	4,275.4	11.4	8,406.0	1.2
Motor Vehicles	130.2	731.0	623.3	51.0	---	---
All Other Sales Tax	699.2	60.2	3,652.1	6.6	---	---
Use Tax ⁵⁾	213.6	100.1	1,303.7	57.8	1,967.7	5.7
Tobacco Taxes	73.3	(3.4)	423.7	0.4	879.0	(2.8)
Corporate Income Tax	291.2	731.5	808.0	84.2	1,074.4	(2.7)
Michigan Business Tax	(48.0)	(399.2)	(522.7)	8.0	(626.9)	13.2
Insurance Tax	80.5	6.7	167.9	(16.4)	398.7	(12.7)
Essential Services Assessment	0.7	784.7	1.6	111.5	126.0	3.3
State Education Property Tax	18.9	10.3	425.1	0.4	2,237.6	2.2
Real Estate Transfer Tax	34.7	60.8	223.0	36.6	363.6	8.4
Casino Wagering Tax ⁶⁾	8.8	875,300.0	37.9	(15.2)	116.5	73.9
Oil & Gas Severance Tax	1.7	85.0	9.0	(6.9)	12.0	(6.3)
Other Taxes ⁷⁾	43.4	147.5	147.2	24.6	310.0	9.5
Total Taxes	\$2,672.0	80.6	\$12,780.3	23.0	\$25,418.7	(0.6)
Lottery, Net to School Aid Fund ⁶⁾	150.7	135.6	820.8	47.5	1,058.1	(10.3)
Total	\$2,822.7	82.8	\$13,601.1	24.1	\$26,476.8	(1.1)

- Total collections are unadjusted cash collections unless otherwise noted.
- FY 2020-21 year-to-date collections begin with November 2020 collections to reflect accrual accounting.
- Year-to-date figures represent cash collections only, while the fiscal year estimate also includes accruals.
- Consensus revenue estimates adopted at the January 15, 2021, Consensus Revenue Estimating Conference.
- Includes both the State share and the local share (Local Community Stabilization Authority).
- Lottery and casino revenue are not accrued, so FY 2020-21 collections will reflect October 2020 to September 2021.
- Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and tax penalties and interest.

