



# MONTHLY REVENUE REPORT

APRIL 2024

## Fiscal Year-to-Date Revenue Dashboard

### Actual Revenue Compared to Predicted



Michigan's major taxes and net lottery revenue totaled \$2.8 billion in April 2024, down 9.0% from April 2023. April 2024 tax collections were approximately \$177.6 million below the Senate Fiscal Agency's (SFA's) projection for the month, based on the consensus revenue estimates adopted in January 2024. Less-than-expected Individual Income Tax (IIT) annual payments and greater-than-expected IIT refunds more than offset greater-than-expected Corporate Income Tax (CIT) collections. (These figures were factored into the estimates presented at the Consensus Estimating Conference that occurred on May 17, 2024.)

General Fund tax collections were \$130.2 million below the expected level for April 2024, while School Aid Fund tax collections were \$52.9 million below the forecasted level. The remaining \$5.5 million in above-forecast collections was directed to other funds, most notably the Local Community Stabilization Authority. Through April, fiscal year-to-date General Fund collections were \$469.6 million below, and School Aid Fund collections \$72.8 million below, the level expected based on the January 2024 consensus revenue estimates. **Note:** The General Fund shortfalls include the impact of refunds that were expected to be paid during fiscal year (FY) 2023-24 and would affect FY 2023-24 cash collections but have already been accrued to FY 2022-23.

Net income tax revenue totaled \$913.7 million in April 2024, a 24.5% decrease from April 2023, and \$341.4 million less than the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) were 7.4% above the year-ago level and \$112.6 million more than the level expected based on SFA monthly estimates. However, IIT refunds were \$189.3 million greater than expected, reducing net IIT revenue, while IIT annual payments were \$198.6 million below the forecasted level. As mentioned in this report for previous months, a portion of these refunds was expected because of: 1) the effective date of Public Act 4 of 2023 (which expanded the Michigan Earned Income Tax credit beginning tax year 2022 and provided for other income tax reductions), and 2) over-withholding reflecting taxpayers' failing to adjusting their IIT withholding after the IIT rate reduction for tax year 2023 was announced on March 29, 2023. The expected refunds have already been accrued to fiscal year (FY) 2022-23 revenue but reduce FY 2023-24 cash collections.

Sales tax receipts totaled \$865.2 million in April 2024, a 1.1% increase from the April 2023 level and \$1.0 million above forecast. Use tax collections totaled \$216.1 million in April 2024, a 7.2% decrease from the April 2023 level and \$700,000 below the predicted level. Sales tax collections from motor vehicles sales totaled \$123.0 million, the highest monthly level since October 2023 and up 5.1% from the level in April 2024.

Net revenue from the repealed Single Business Tax, Michigan Business Tax, and CIT totaled \$410.7 million, a 0.8% increase from the April 2023 level and \$144.2 million more than expected. Net CIT collections were down 5.4% from April 2023 but were \$72.9 million above the forecasted level.

The table on the next page identifies the major taxes included in this report and provides their respective revenue levels and growth rates for April 2024. Also presented are the consensus revenue estimates for FY 2023-24, which were adopted in January 2024. The May 2024 consensus revenue estimates will be used beginning with the May 2024 revenue report.



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## APRIL 2024

MICHIGAN REVENUE UPDATE (dollars in millions)							
Type of Revenue	April Collections		FY 2023-24 to Date <sup>2</sup>		Year-to-Date Relative to Forecast	FY 2023-24 CREC Estimate <sup>3,4)</sup>	
	Total <sup>1)</sup>	% Change From Year Ago	Total <sup>1)</sup>	% Change From Year Ago		Total	% Change From FY 2021-22
Gross Individual Income Tax <sup>5)</sup>	\$1,903.9	(2.2%)	\$8,431.4	1.7%	\$69.1	\$15,686.2	0.4%
Refunds	(990.3)	34.6	(3,375.4)	37.1	(668.8)	(3,347.0)	2.1
Net Income Tax	913.7	(24.5)	5,056.0	(13.3)	(599.7)	12,339.2	(0.0)
Sales Tax	865.2	1.1	5,054.7	(3.4)	(87.8)	10,777.3	1.0
Motor Vehicles	123.0	5.1	655.9	(3.2)	---	---	---
All Other Sales Tax	742.2	0.4	4,398.8	(3.4)	---	---	---
Use Tax <sup>6)</sup>	216.1	(7.2)	1,352.0	7.0	51.0	2,670.0	(1.4)
Tobacco Taxes	51.8	(13.3)	319.2	(8.6)	(16.8)	716.0	(0.7)
Corporate Income Tax	371.0	(5.4)	1,110.5	(1.3)	55.0	2,125.0	(3.8)
Michigan Business Tax	39.7	157.3	(370.4)	(19.4)	37.7	(494.6)	13.9
Insurance Tax	102.9	24.5	267.1	21.5	38.6	478.0	2.6
Essential Services Assessment	0.2	(17.2)	(0.3)	(128.9)	(1.2)	150.0	5.8
State Education Property Tax	35.2	68.9	479.6	(1.4)	(4.9)	2,710.0	5.9
Real Estate Transfer Tax	28.3	(13.1)	174.2	(7.1)	3.9	370.0	(4.9)
Wagering Taxes <sup>7)</sup>	47.0	18.0	245.0	14.0	13.9	453.2	5.4
Oil & Gas Severance Tax	1.7	(15.1)	12.5	(16.2)	(2.6)	30.0	10.7
Other Taxes <sup>8)</sup>	55.4	(13.7)	175.9	4.2	6.5	337.6	1.6
<b>Total Taxes</b>	<b>\$2,727.9</b>	<b>(9.3%)</b>	<b>\$13,876.0</b>	<b>(5.2%)</b>	<b>(\$506.3)</b>	<b>\$32,661.8</b>	<b>0.3%</b>
Lottery, Net to School Aid Fund <sup>6)</sup>	92.2	0.9	731.8	(4.9)	(35.1)	1,300.0	(3.8)
<b>Total</b>	<b>\$2,820.1</b>	<b>(9.0%)</b>	<b>\$14,607.7</b>	<b>(5.2%)</b>	<b>(\$541.4)</b>	<b>\$33,961.8</b>	<b>0.1%</b>

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2023-24 year-to-date collections begin with November 2023 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 12, 2024, Consensus Revenue Estimating Conference.
- 5) Includes payments made under the Flow-Through Entity Tax.
- 6) Includes both the State share and the local share (Local Community Stabilization Authority).
- 7) Lottery & casino revenue are not accrued, so FY 2023-24 collections will reflect October 2023 to September 2024.
- 8) Other Taxes include beer, wine, liquor, SBT, industrial facilities, utility property, estate taxes, and tax penalties & interest.

