



MONTHLY REVENUE REPORT

AUGUST 2021

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$2.7 billion in August 2021, a 12.0% increase from August 2020 and \$310.5 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in May 2021. Collections from most taxes, including sales and use taxes, individual income taxes, and business taxes, were greater than expected, while wagering taxes were less than expected.

Collections earmarked to the General Fund were \$150.2 million above the expected level for August 2021, and School Aid Fund tax collections were \$164.0 million above the forecasted level. The remaining \$3.7 million in less-than-expected collections was directed to other funds, most notably the Agriculture Equine Industry Development Fund. Through August 2021, fiscal year-to-date General Fund collections were \$1.3 billion above, and School Aid fund collections \$768.3 million above, the level expected based on the May 2021 consensus revenue estimates.

Net income tax revenue totaled \$938.3 million in August 2021, an 11.4% increase from August 2020. Withholding payments (which represented the majority of gross income tax revenue) were 8.2% above the year-ago level and \$54.7 million above the predicted level. Fiscal year-to-date net individual income tax collections in August 2021 were up 14.7% from August 2020 and \$1.2 billion above forecast.

Sales tax collections totaled \$867.1 million in August 2021, a 6.5% increase from August 2020 and \$82.0 million above forecast. Sales tax collections from vehicle sales totaled \$120.8 million, the sixth consecutive month (and 12th time in the last 15 months) that sales tax collections from vehicle sales have exceeded the \$100.0 million mark. Use tax collections totaled \$228.2 million, a 24.0% increase from August 2020 and \$28.1 million above the expected level for the month. Fiscal year-to-date sales tax collections were up 15.6%, compared to a 48.3% increase in use tax collections.

Combined business tax collections from the Single Business Tax, Michigan Business Tax (MBT), and Corporate Income Tax (CIT) totaled \$44.1 million in August 2021, \$39.2 million above the expected level. Reflecting the volatile nature of corporate income taxes, August 2021 CIT collections were 8.1% below the August 2020 level, but \$17.1 million above the forecasted level. Michigan Business Tax collections were \$22.2 million above forecast due to less-than-expected refunds. Most taxpayers who still file the MBT do so to collect refundable tax credits. When these refunds are processed significantly affects the accuracy of monthly MBT estimates.

Collections from wagering taxes totaled \$18.8 million for the month, reflecting \$9.1 million from taxes from traditional casino activity, and \$9.6 million from expanded gaming activities authorized under legislation enacted in 2019 for internet gaming, online sports betting, and fantasy gaming contests. Lottery revenue to the School Aid Fund totaled \$101.5 million, \$21.6 million above forecast, and exceeded the \$100.0 million mark for the ninth consecutive month and 13th time in the last 16 months.

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 August 2021. Also presented are the revised consensus revenue estimates for fiscal year 2020-21, which were adopted at the May 2021 Consensus Revenue Estimating Conference.



MONTHLY REVENUE REPORT

AUGUST 2021

MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	August 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	\$998.0	9.0%	\$12,242.0	12.5%	\$13,390.3	2.9%
Refunds	(59.7)	(18.9)	(2,317.5)	4.3	(2,738.4)	8.8
Net Income Tax	938.3	11.4	9,924.5	14.7	10,651.9	1.4
Sales Tax	867.1	6.5	7,778.5	15.6	8,906.0	7.2
Motor Vehicles	120.8	10.5	1,104.8	31.9	----	----
All Other Sales Tax	746.3	5.8	6,673.7	13.3	----	----
Use Tax ⁵⁾	228.2	24.0	2,186.1	48.3	2,477.7	35.7
Tobacco Taxes	90.1	1.7	736.1	(1.1)	886.0	(2.0)
Corporate Income Tax	44.4	(8.1)	1,305.6	57.0	1,384.1	25.8
Michigan Business Tax	(0.3)	(98.7)	(504.7)	0.4	(626.9)	13.2
Insurance Tax	9.5	3.5	255.2	(16.8)	390.0	(14.6)
Essential Services Assessment	95.1	(2.8)	124.2	4.0	126.0	3.3
State Education Property Tax	214.8	19.7	704.7	6.9	2,267.6	3.9
Real Estate Transfer Tax	48.5	24.0	390.5	51.3	433.6	29.3
Casino Wagering Tax ⁶⁾	18.8	230.0	136.0	170.1	152.0	101.4
Oil & Gas Severance Tax	2.6	135.2	17.3	46.4	14.0	9.4
Other Taxes ⁷⁾	18.6	108.1	262.4	26.8	320.0	13.0
Total Taxes	\$2,575.6	12.3%	\$23,316.5	19.3%	\$27,382.0	7.1%
Lottery, Net to School Aid Fund ⁶⁾	101.5	5.6	1,271.9	26.0	1,208.1	2.4
Total	\$2,677.2	12.0%	\$24,588.5	19.5%	\$28,590.1	6.9%

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2020-21 year-to-date collections begin with November 2020 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 May 21, 2021, Consensus Revenue Estimating Conference.
- 5) Includes both the State share and the local share (Local Community Stabilization Authority).
- 6) Lottery and casino revenue are not accrued, so FY 2020-21 collections will reflect October 2020 to September 2021.
- 7) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and tax penalties and interest.

