



MONTHLY REVENUE REPORT

FEBRUARY 2025

Fiscal Year-to-Date Revenue Dashboard

Actual Revenue Compared to Predicted



Michigan's major taxes and net lottery revenue totaled \$1.3 billion in February 2025, a 5.8% increase from February 2024. February 2025 tax collections were approximately \$15.1 million above the Senate Fiscal Agency's projection for the month, based on the consensus revenue estimates adopted in January 2025. Greater-than-expected Individual Income Tax (IIT) refunds and less-than-expected use tax revenue were slightly more than offset by greater-than-expected collections from IIT withholding, the Insurance Tax, and the Corporate Income Tax (CIT).

General Fund tax collections were \$26.2 million above the expected level for February 2025, while School Aid Fund tax collections were \$27.0 million below the forecasted level. The remaining \$15.9 million in above-forecast collections were directed to other funds, most notably Constitutional revenue sharing and the Michigan Transportation Fund. Through February, fiscal year-to-date General Fund collections were \$127.3 million below, and School Aid Fund collections \$24.1 million above, the level expected based on the January 2025 consensus revenue estimates.

Net income tax revenue totaled \$13.5 million in February 2025, a 76.5% decrease from February 2024, but \$7.0 million more than the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) were 7.3% above the year-ago level and \$29.6 million more than the level expected based on SFA monthly estimates. Individual income tax refunds totaled \$1.1 billion and were \$33.2 million greater than expected, reducing net IIT revenue.

Sales tax receipts totaled \$774.3 million in February 2025, a 1.6% increase from the February 2024 level and \$24.4 million above forecast. In contrast, use tax collections totaled \$185.4 million in February 2025, down 2.7% from the February 2024 level and \$27.5 million below the predicted level. Sales tax collections from motor vehicle sales totaled \$90.9 million, down 12.5% from February 2024 and the lowest level since June 2024.

Net revenue from Michigan Business Tax (MBT), CIT and the repealed Single Business Tax totaled \$50.7 million, up from the negative \$50.7 million (when refunds exceeded payments) in February 2024 and was \$22.6 million more than expected. Michigan Business Tax collections were negative \$2.9 million due to refunds exceeding payments but \$19.3 less negative than expected. Each year, MBT revenue is dominated by several large refunds. The timing of when these refunds will be claimed and processed significantly affects the accuracy of monthly MBT estimates. Net CIT collections were down 45.1% from February 2024 but \$3.3 million above the forecasted level.

Real estate transfer tax collections totaled \$28.2 million in February 2025, a 24.1% increase from February 2024 and the third month out of the last four to exhibit a gain of more than 20%. On a fiscal year-to-date basis, collections were up 16.2% from the level in fiscal year (FY) 2023-24.

The table on the next page of this report identifies the major taxes included in this report and provides their respective revenue levels and growth rates for February 2025. Also presented are the consensus revenue estimates for FY 2024-25 adopted at the January 2025 Consensus Revenue Estimating Conference.



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MICHIGAN REVENUE UPDATE (dollars in millions)							
Type of Revenue	February Collections		FY 2024-25 to Date ²		Year-to-Date Relative to Forecast	FY 2024-25 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago		Total	% Change From FY 2023-24
Gross Individual Income Tax ⁵⁾	\$1,132.8	7.5%	\$5,410.8	7.7%	(\$19.0)	\$16,802.5	4.4%
Refunds	(1,119.3)	12.4	(1,288.2)	14.2	(44.1)	(3,150.0)	0.9
Net Income Tax	13.5	(76.5)	4,122.6	5.8	(63.1)	13,652.5	5.3
Sales Tax	774.3	1.6	3,498.7	2.1	106.4	10,688.8	1.1
Motor Vehicles	90.9	(12.5)	397.8	(4.7)	---	---	---
All Other Sales Tax	683.4	3.8	3,100.9	3.1	---	---	---
Use Tax ⁶⁾	185.4	(2.7)	870.8	(4.7)	(34.2)	2,849.8	3.1
Tobacco Taxes	48.5	(8.6)	205.0	(5.9)	(4.3)	650.0	(2.1)
Corporate Income Tax	53.6	(45.1)	588.6	(11.6)	(63.1)	2,220.0	2.1
Michigan Business Tax	(2.9)	(98.0)	(418.7)	19.7	(6.2)	(496.9)	39.2
Insurance Tax	32.5	6.1	151.0	(4.3)	4.3	563.5	4.9
Essential Services Assessment	0.2	10.9	1.2	(316.6)	0.3	157.0	6.6
State Education Property Tax	16.8	(16.9)	515.9	24.6	(7.7)	2,870.0	3.7
Real Estate Transfer Tax	28.2	24.1	139.3	16.2	6.5	412.0	1.9
Wagering Taxes ⁷⁾	50.8	34.6	199.7	28.4	15.1	527.0	5.3
Oil & Gas Severance Tax	1.4	(2.3)	7.4	(15.4)	0.8	22.0	0.5
Other Taxes ⁸⁾	17.2	7.3	82.4	(11.8)	(13.7)	363.7	(4.8)
Total Taxes	\$1,219.4	6.9%	\$9,964.1	2.5%	(\$58.9)	\$34,479.4	2.8%
Lottery, Net to School Aid Fund ⁶⁾	84.8	(7.8)	496.1	(0.3)	(19.8)	1,255.0	0.5
Total	\$1,304.2	5.8%	\$10,460.2	2.6%	(\$78.7)	\$35,734.4	2.7%

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2024-25 year-to-date collections begin with November 2024 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 10, 2025, 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 2024-25 collections will reflect October 2024 to September 2025.
- 8) Other Taxes include beer, wine, liquor, SBT, industrial facilities, utility property, estate taxes, and tax penalties & interest.

