



MONTHLY REVENUE REPORT

JANUARY 2022

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes and lottery net revenue totaled \$2.9 billion in January 2022, a 2.9% increase from the January 2021 level. January 2022 tax collections were approximately \$115.6 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2022. Above-forecast sales and use tax collections combined with income tax collections (including individual income tax withholding) to more than offset greater-than-expected Michigan Business Tax (MBT) refunds.

Collections earmarked to the General Fund were \$31.1 million above the expected level for January 2022, while School Aid Fund tax collections were \$84.4 million above the forecasted level. The remaining \$100,000 in above-forecast collections was directed to other funds, most notably constitutional revenue sharing. Because the January 2022 consensus estimates revised the forecasted values for the year, the fiscal year-to-date deviations from forecast were effectively the same as the deviations for January.

Net individual income tax revenue totaled \$1.6 billion in January 2022, an 8.3% increase from the January 2021 level and \$68.2 million above the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) were 11.9% above the January 2021 level and \$30.7 million above the forecasted level. Fiscal year-to-date net individual income tax collections were up 21.2% from January 2021.

Sales tax receipts totaled \$878.5 million in January 2022, a 16.3% increase from January 2021 that was \$40.4 million above the forecasted level. Sales tax collections from motor vehicle sales were 0.2% below the level in January 2021, but exceeded \$100.0 million for the 11th consecutive month. January 2022 use tax collections totaled \$263.3 million, up 0.5% from the January 2021 level and \$50.5 million above the forecasted level. Fiscal year-to-date sales tax collections were up 21.1% from the January 2021 level, while fiscal year-to-date use tax collections were down 0.8%.

Combined business tax collections from the Single Business Tax, MBT, and Corporate Income Tax (CIT) were -\$207.6 million (a net loss of revenue due to refunds exceeding collections), and \$67.5 million more negative than forecasted. Net CIT collections were up 32.7% from the January 2021 level but \$1.8 million below the monthly estimate. Net revenue from the MBT was -\$352.1 million, \$65.1 million more negative than expected. 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.

In January 2022, real estate transfer tax collections totaled \$59.3 million, the highest monthly total in the history of the tax. The collections were 56.0% above the January 2021 level and \$22.8 million above the expected level. January 2022 represented the third month since July 2021 in which monthly real estate transfer tax collections have exceeded \$50.0 million. Fiscal year-to-date real estate transfer tax collections were up 18.9% from January 2021.

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 January 2022. Also presented are the revised consensus revenue estimates for fiscal year 2021-22, which were adopted at the January 2022 Consensus Revenue Estimating Conference.



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MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	January Collections		FY 2021-22 to Date ²		FY 2021-22 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total	% Change From FY 2020-21
Gross Individual Income Tax ⁵⁾	\$1,606.3	9.6%	\$4,173.9	21.9%	\$14,727.2	1.2%
Refunds	(38.4)	114.5	(108.3)	52.7	(2,838.2)	5.2
Net Income Tax	1,568.0	8.3	4,065.6	21.2	11,889.0	0.3
Sales Tax	878.5	16.3	2,574.9	21.1	9,412.6	0.1
Motor Vehicles	100.8	(0.2)	332.6	18.4	---	---
All Other Sales Tax	777.7	18.8	2,242.4	21.6	---	---
Use Tax ⁶⁾	263.3	0.5	664.1	(0.8)	2,539.3	(3.2)
Tobacco Taxes	66.1	(11.8)	204.0	(8.4)	878.0	(1.3)
Corporate Income Tax	145.1	32.7	485.1	12.9	1,461.6	(13.9)
Michigan Business Tax	(352.1)	102.0	(476.7)	30.6	(594.3)	21.4
Insurance Tax	80.3	(10.9)	86.5	(8.7)	380.0	7.1
Essential Services Assessment	0.0	(99.5)	0.7	24.3	135.0	7.3
State Education Property Tax	40.4	60.4	378.5	3.6	2,360.0	4.2
Real Estate Transfer Tax	59.3	56.0	142.8	18.9	487.5	(0.6)
Wagering Taxes ⁷⁾	13.6	89.9	42.4	225.6	227.0	25.4
Oil & Gas Severance Tax	2.6	61.8	9.0	114.0	22.0	5.3
Other Taxes ⁸⁾	27.4	38.4	64.6	4.2	337.0	(1.5)
Total Taxes	\$2,792.4	5.1%	\$8,241.6	16.1%	\$29,534.7	(0.9%)
Lottery, Net to School Aid Fund ⁶⁾	93.2	(36.2)	398.1	(12.7)	1,280.0	(9.8)
Total	\$2,885.5	2.9%	\$8,639.8	14.6%	\$30,814.7	(1.3%)

1) Total collections are unadjusted cash collections unless otherwise noted.
 2) FY 2021-22 year-to-date collections begin with November 2021 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 14, 2022, 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 and casino revenue are not accrued, so FY 2021-22 collections will reflect October 2021 to September 2022.
 8) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and tax penalties and interest.

