



MONTHLY REVENUE REPORT

JANUARY 2025

Fiscal Year-to-Date Revenue Dashboard Actual Revenue Compared to Predicted



Michigan's major taxes and net lottery revenue totaled \$3.0 billion in January 2025, a 5.6% decrease from January 2024. January collections were approximately \$93.8 million below the Senate Fiscal Agency's (SFA's) projection for the month, based on the consensus revenue estimates adopted in January 2025. Less-than-expected collections from the Corporate Income Tax (CIT) and Individual Income Tax (IIT) withholding combined with greater-than-expected Michigan Business Tax (MBT) refunds to more than offset greater-than-expected collections from the sales tax.

General Fund tax collections were \$153.5 million below the expected level for January 2025, while School Aid Fund tax collections were \$51.1 million above the forecasted level. The remaining \$8.6 million in above-forecast collections was directed to other funds, most notably constitutional revenue sharing. Because the January 2025 consensus estimates revised the forecasted values for the year, the fiscal year-to-date deviations from forecast are the same as the deviations for January.

Net income tax revenue totaled \$1.6 billion in January 2025, a 0.8% decrease from January 2024, and \$70.1 million less than the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) reached an all-time record high but were \$37.0 million less than the level expected based on SFA monthly estimates. Flow-through entity tax payments were \$14.9 million below the monthly estimate. Individual income tax refunds were \$10.9 million more than expected, decreasing net IIT revenue.

Sales tax receipts totaled \$981.5 million in January 2025, a 7.5% increase from the January 2024 level and \$82.0 million above forecast. In contrast, use tax collections totaled \$231.8 million in January 2025, a 10.1% decrease from the January 2024 level and \$6.6 million below the predicted level. Sales tax collections from motor vehicles sales were 0.9% above the January 2024 level, the first month to exhibit a year-over-year increase since August 2024.

Net revenue from the repealed Single Business Tax, MBT, and CIT totaled negative \$228.1 million in January 2025 (as refunds exceeded collections) and were \$91.8 million more negative than expected. Michigan Business Tax collections were negative \$368.4 million (because refunds exceeded payments) and \$25.4 million more negative than expected. Each year, MBT revenue is dominated by several large refunds. The timing of when these refunds will be claimed and processed will significantly affect the accuracy of monthly MBT estimates. Net CIT collections were down 24.2% from January 2024 and \$66.4 million below the forecasted level.

In January 2025, real estate transfer tax collections totaled \$41.4 million, a 29.8% increase from the January 2024 level and \$9.5 million above the forecasted level. Year-to-date collections from the real estate transfer tax were up 14.4% in January 2025.

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 2025. Also presented are the consensus revenue estimates for fiscal year 2024-25, which were adopted at the January 2025 Consensus Revenue Estimating Conference.



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MICHIGAN REVENUE UPDATE (dollars in millions)							
Type of Revenue	January 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⁾	\$1,694.4	1.5%	\$4,278.0	7.8%	(\$59.2)	\$16,802.5	4.4%
Refunds	(78.0)	94.4	(168.9)	28.5	(10.9)	(3,150.0)	0.9
Net Income Tax	1,616.4	(0.8)	4,109.1	7.1	(70.1)	13,652.5	5.3
Sales Tax	981.5	7.5	2,724.5	2.3	82.0	10,688.8	1.1
Motor Vehicles	101.9	0.9	306.9	(2.1)	---	---	---
All Other Sales Tax	879.6	8.4	2,417.5	2.9	---	---	---
Use Tax ⁶⁾	231.9	(10.1)	685.3	(5.2)	(6.6)	2,849.8	3.1
Tobacco Taxes	49.7	(8.2)	156.5	(5.1)	(3.2)	650.0	(2.1)
Corporate Income Tax	140.3	(24.2)	535.0	(5.8)	(66.4)	2,220.0	2.1
Michigan Business Tax	(368.4)	117.8	(415.8)	106.6	(25.4)	(496.9)	39.2
Insurance Tax	113.4	(7.8)	118.5	(6.9)	(11.9)	563.5	4.9
Essential Services Assessment	0.2	(118.4)	1.1	(253.6)	0.2	157.0	6.6
State Education Property Tax	29.6	45.4	499.1	26.8	2.5	2,870.0	3.7
Real Estate Transfer Tax	41.4	29.8	111.2	14.4	9.5	412.0	1.9
Wagering Taxes ⁷⁾	51.6	24.9	148.9	26.5	1.8	527.0	5.3
Oil & Gas Severance Tax	3.4	36.9	6.0	(18.0)	1.2	22.0	0.5
Other Taxes ⁸⁾	27.0	9.3	65.3	(15.7)	(6.1)	363.7	(4.8)
Total Taxes	\$2,917.9	(6.3%)	\$8,744.6	2.0%	(\$92.7)	\$34,479.4	2.8%
Lottery, Net to School Aid Fund ⁶⁾	99.6	19.9	411.3	1.4	(1.1)	1,255.0	0.5
Total	\$3,017.5	(5.6%)	\$9,155.9	2.2%	(\$93.8)	\$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.

