



MONTHLY REVENUE REPORT

JUNE 2021

Revenue from Michigan's major taxes with General Fund and School Aid Fund (SAF) earmarks totaled \$2.8 billion in June 2021, a 31.4% increase from the June 2020 level. June 2021 tax collections were approximately \$464.6 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the revised consensus revenue estimates adopted in May 2021. Above-forecast estimated individual income tax payments, sales tax collections, and corporate income tax (CIT) collections accounted for more than 75% of the above-forecast revenue.

Collections earmarked to the General Fund were \$295.0 million above the expected level for June 2021, while SAF tax collections were \$155.0 million above the forecasted level. The remaining \$14.6 million in greater-than-expected collections was directed to other funds, most notably constitutional revenue sharing. Through June 2021, fiscal year-to-date General Fund collections were \$1.0 billion above, and SAF collections \$453.7 million above, the level expected based on the May 2021 consensus revenue estimates.

Net income tax revenue totaled \$1.1 billion in June 2021, a 20.4% increase from June 2020, and \$177.8 million above the forecasted level. Withholding payments (which generally represent the majority of gross income tax revenue) were 4.6% below the year-ago level, and were \$15.3 million below the predicted level. Estimated quarterly payments under the individual income tax totaled \$342.5 million in June, the third highest monthly total on record and \$125.6 million above the expected level.

Sales tax collections totaled a record \$912.7 million in June 2021, 5.2% above the previous record set in July 2020 and \$122.8 million above forecast. Sales tax collections from vehicles sales broke the \$100.0 million mark for a fourth consecutive month and for the 10th month since June 2020. Use tax collections totaled \$197.0 million, down 8.6% from June 2020 and \$12.1 million below the forecasted level. Fiscal year-to-date sales tax collections are up 19.4% from fiscal year (FY) 2019-20, and use tax collections are up 50.4%.

Combined business tax collections from the Single Business Tax, Michigan Business Tax (MBT), and CIT totaled \$247.6 million in June 2021, \$141.4 million above the expected level. Net CIT collections totaled \$234.6 million in June, the third highest month on record just two months after April's all-time record for monthly CIT collections. Fiscal year-to-date CIT collections are up 119.8% from FY 2019-20. Net MBT revenue totaled \$13.3 million (payments exceeded refunds), and refunds were \$39.3 million less than expected. Most taxpayers that still file the MBT do so to collect refundable tax credits.

Net lottery revenue to the SAF totaled \$124.1 million in June 2021, the seventh consecutive month net revenue has exceeded \$100.0 million, and the 11th month since May 2020. Fiscal year-to-date lottery revenue to the SAF is up 34.0% from FY 2019-20.

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



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MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	June 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	\$1,243.2	17.2%	\$10,296.6	28.4%	\$13,390.3	2.9%
Refunds	(100.2)	(9.9)	(2,183.2)	11.1	(2,738.4)	8.8
Net Income Tax	1,143.0	20.4	8,113.4	34.0	10,651.9	1.4
Sales Tax	912.7	35.4	6,025.3	19.4	8,906.0	7.2
Motor Vehicles	126.0	5.4	866.5	43.2	---	---
All Other Sales Tax	786.7	41.9	5,158.8	16.1	---	---
Use Tax ⁵⁾	197.0	(8.6)	1,708.2	50.4	2,477.7	35.7
Tobacco Taxes	83.0	10.8	576.0	1.1	886.0	(2.0)
Corporate Income Tax	234.6	354.7	1,135.3	119.8	1,384.1	25.8
Michigan Business Tax	13.3	(250.0)	(509.4)	2.6	(626.9)	13.2
Insurance Tax	(8.7)	155.6	140.8	(27.0)	390.0	(14.6)
Essential Services Assessment	2.9	(2.1)	8.1	74.2	126.0	3.3
State Education Property Tax	28.9	9.3	478.3	2.1	2,267.6	3.9
Real Estate Transfer Tax	30.3	88.7	291.3	47.0	433.6	29.3
Casino Wagering Tax ⁶⁾	8.7	---	55.3	23.9	134.9	101.4
Oil & Gas Severance Tax	1.9	459.4	12.6	29.6	14.0	9.4
Other Taxes ⁷⁾	21.8	23.1	192.4	24.6	320.0	13.0
Total Taxes	\$2,669.3	32.4%	\$18,227.7	31.1%	\$27,364.9	7.1%
Lottery, Net to School Aid Fund ⁶⁾	124.1	13.6	1,045.9	34.0	1,208.1	2.4
Total	\$2,793.3	31.4%	\$19,273.6	31.2%	\$28,573.0	6.9%

- Total collections are unadjusted cash collections unless otherwise noted.
- FY 2020-21 year-to-date collections begin with November 2020 collections to reflect accrual accounting.
- Year-to-date figures represent cash collections only, while the fiscal year estimate also includes accruals.
- Consensus revenue estimates adopted at the May 21, 2021, Consensus Revenue Estimating Conference.
- Includes both the State share and the local share (Local Community Stabilization Authority).
- Lottery and casino revenue are not accrued, so FY 2020-21 collections will reflect October 2020 to September 2021.
- Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and tax penalties and interest.

