



# MONTHLY REVENUE REPORT

MAY 2022

---

Revenue from Michigan's major taxes with General Fund and School Aid Fund earmarks totaled \$2.6 billion in May 2022, an 8.9% decrease from the May 2021 level. May 2022 tax collections were approximately \$93.5 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 2022. Above-forecast income tax withholding and sales taxes combined with less-than-expected individual income tax refunds to more than offset below-forecast collections from tobacco taxes, wagering taxes, the real estate transfer tax, and net lottery revenue.

Collections earmarked to the General Fund were \$135.1 million above the expected level for May 2022, while School Aid Fund tax (SAF) collections were \$34.8 million below the forecasted level. The remaining \$6.8 million in less-than-expected collections was directed to other funds, most notably the Medicaid Benefits Trust Fund. Because the May 2022 Consensus estimates revised the forecasted values for the year, the fiscal year-to-date deviations from forecast effectively were the same as the deviations for May.

Net income tax revenue totaled \$1.2 billion in May 2022, a 17.5% decrease from May 2021 that reflected May 2021 collections' being boosted by policy that shifted the due date for annual returns from April 2021 to May 2021. May 2022 net income tax collections were \$106.4 million above the forecasted level. Withholding payments (which generally represent the majority of gross income tax revenue) were 14.1% above the year-ago level, and \$46.3 million above the predicted level. Compared to May 2021, quarterly individual income tax payments in May 2022 were up 50.8% and \$25.9 million above the predicted level, while individual income tax refunds were down 57.6% and \$37.2 million less than expected.

Sales tax collections totaled \$862.8 million in May 2022, a 3.1% increase from May 2021 and \$37.0 million above forecast. Sales tax collections from vehicles sales were at their second-highest level ever (only \$2.3 million short of April 2022's all-time record), and above the \$100.0 million mark for a third consecutive month and the 14<sup>th</sup> month since February 2021. Between May 2011 and May 2019, May sales tax collections from vehicle sales averaged \$84.0 million. Use tax collections totaled \$210.4 million, up 1.4% from May 2021 and \$900,000 above the forecasted level. Fiscal year-to-date sales tax collections were up 14.7%, reflecting a steady slowing of the year-over-year growth rate since November 2021, while use tax collections were down 0.9%.

Combined business tax collections from the Single Business Tax, Michigan Business Tax (MBT), and Corporate Income Tax (CIT) totaled \$107.9 million in May 2022, \$42.6 million above the expected level. Net CIT collections totaled \$105.7 million in May, a record for May collections, following April's all-time record for monthly collections. Net MBT revenue totaled \$2.2 million (payments exceeded refunds), and refunds were \$32.1 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 \$53.0 million in May 2022, down 47.6% from May 2021 and \$54.2 million less than expected. The decline reflected a 9.5% decline in sales of lottery tickets combined with several negative accounting adjustments to reflect reduction in revenue from unclaimed prizes and from investment earnings.

The table on the next page of this report identifies the major taxes included in the report and provides their respective revenue levels and growth rates for May 2022. Also presented are the revised consensus revenue estimates for fiscal year 2021-22, which were adopted at the May 2022 Consensus Revenue Estimating Conference.



# MONTHLY REVENUE REPORT

## MAY 2022

MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	May Collections		FY 2021-22 to Date <sup>2</sup>		FY 2021-22 CREC Estimate <sup>3,4)</sup>	
	Total <sup>1)</sup>	% Change From Year Ago	Total <sup>1)</sup>	% Change From Year Ago	Total	% Change From FY 2020-21
Gross Individual Income Tax <sup>5)</sup>	\$1,398.9	(26.0%)	\$10,969.5	21.2%	\$16,727.2	15.1%
Refunds	(169.6)	(57.6)	(2,093.5)	0.5	(3,244.2)	20.3
Net Income Tax	1,229.2	(17.5)	8,876.0	27.3	13,483.0	13.9
Sales Tax	862.8	3.1	5,866.2	14.7	10,299.6	9.4
Motor Vehicles	132.5	13.1	827.1	11.7	----	----
All Other Sales Tax	730.2	1.4	5,039.1	15.3	----	----
Use Tax <sup>6)</sup>	210.4	1.4	1,497.8	(0.9)	2,604.3	(0.7)
Tobacco Taxes	60.9	(12.1)	448.7	(9.0)	830.7	(6.6)
Corporate Income Tax	105.7	14.0	1,064.8	18.2	1,822.6	7.1
Michigan Business Tax	2.2	5,698.9	(461.8)	(11.7)	(594.3)	21.2
Insurance Tax	5.4	(129.8)	192.3	28.6	385.0	8.5
Essential Services Assessment	4.0	10.3	5.8	12.3	135.0	7.3
State Education Property Tax	18.4	(24.8)	487.0	8.4	2,396.0	6.2
Real Estate Transfer Tax	24.6	(35.3)	297.5	14.0	527.0	7.5
Wagering Taxes <sup>7)</sup>	23.9	170.9	156.1	234.3	320.8	77.2
Oil & Gas Severance Tax	3.1	83.4	21.1	97.5	35.0	67.5
Other Taxes <sup>8)</sup>	18.9	(19.4)	175.8	3.0	345.0	0.9
<b>Total Taxes</b>	<b>\$2,569.3</b>	<b>(7.5%)</b>	<b>\$18,627.3</b>	<b>19.7%</b>	<b>\$32,589.7</b>	<b>9.5%</b>
Lottery, Net to School Aid Fund <sup>6)</sup>	53.0	(47.6)	782.8	(15.1)	1,240.0	(12.7)
<b>Total</b>	<b>\$2,622.3</b>	<b>(8.9%)</b>	<b>\$19,410.1</b>	<b>17.9%</b>	<b>\$33,829.7</b>	<b>8.5%</b>

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 May 20, 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.

