



MONTHLY REVENUE REPORT

MAY 2024

Fiscal Year-to-Date Revenue Dashboard

Actual Revenue Compared to Predicted



Michigan's major taxes and net lottery revenue totaled \$2.7 billion in May 2024, a 5.8% increase from May 2023. May 2024 tax collections were approximately \$249.8 million above the Senate Fiscal Agency's (SFA's) projection for the month, based on the consensus revenue estimates adopted in May 2024. The above-forecast collections reflected greater-than-expected sales tax revenue, Corporate Income Tax (CIT) revenue, Individual Income Tax (IIT) withholding, quarterly and annual payments, and less-than-expected IIT refunds.

General Fund tax collections were \$156.0 million above the expected level for May 2024, while School Aid Fund tax collections were \$84.1 million above the forecasted level. The remaining \$9.7 million in above-forecast collections was directed to other funds, most notably constitutional revenue sharing. Because the May 2024 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 May.

Net income tax revenue totaled \$1.1 billion in May 2024, a 4.9% increase from May 2023, and \$102.9 million above the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) were 6.2% above the year-ago level and \$20.7 million more than the level expected based on SFA monthly estimates. Additionally, IIT refunds were \$26.2 million less than expected (increasing net IIT revenue), while annual payments were \$70.2 million above the expected level, and quarterly payments were \$30.0 million above forecast. Partially offsetting those gains, payments under the flow-through entity tax were \$44.1 million below the predicted level.

Sales tax receipts totaled \$911.2 million in May 2024, a 3.5% increase from the May 2023 level and \$72.1 million above forecast. In contrast, use tax collections totaled \$228.2 million in May 2024, a 4.8% increase from the May 2023 level and \$900,000 below the predicted level. Sales tax collections from motor vehicles sales totaled \$122.9 million, down 5.4% from the level in May 2023. Combined, fiscal year-to-date sales and use tax collections were down 0.6% from May 2023.

Net revenue from the repealed Single Business Tax, Michigan Business Tax (MBT), and CIT totaled \$142.8 million, a 7.5% increase from the May 2023 level and \$58.5 million more than expected. Michigan Business Tax collections totaled \$3.4 million (\$33.6 million above forecast, which predicted refunds would exceed payments). Each year, MBT revenue is dominated by several large refunds. When these refunds will be claimed and processed will significantly affect the accuracy of monthly MBT estimates. Net CIT collections were down 4.8% from May 2023 but were \$25.3 million above the forecasted level.

In May 2024, collections from wagering taxes (casino and online, but excluding lottery, revenue) were 17.7% above the May 2023 level and \$3.6 million above the predicted level. Fiscal year-to-date collections from wagering taxes were 14.6% above the level in May 2023.

The table on the next page identifies the major taxes included in this report and provides their respective revenue levels and growth rates for May 2024. Also presented are the revised consensus revenue estimates for fiscal year 2023-24, which were adopted at the May 2024 Consensus Revenue Estimating Conference.



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MICHIGAN REVENUE UPDATE (dollars in millions)							
Type of Revenue	May Collections		FY 2023-24 to Date ²		Year-to-Date Relative to Forecast	FY 2023-24 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago		Total	% Change From FY 2021-22
Gross Individual Income Tax ⁵⁾	\$1,275.8	4.5%	\$9,707.2	2.0%	\$76.7	\$15,686.2	0.4%
Refunds ⁶⁾	(195.7)	2.4	(3,571.1)	34.6	26.2	(3,347.0)	2.1
Net Income Tax	1,080.1	4.9	6,136.2	(10.6)	102.9	12,339.2	(0.0)
Sales Tax	911.2	3.5	5,965.9	(2.4)	72.1	10,777.3	1.0
Motor Vehicles	122.9	(5.4)	778.8	(3.5)	---	---	---
All Other Sales Tax	788.3	5.1	5,187.1	(2.2)	---	---	---
Use Tax ⁷⁾	228.2	4.8	1,580.2	6.6	(0.9)	2,670.0	(1.4)
Tobacco Taxes	53.9	(2.9)	373.1	(7.8)	(2.3)	716.0	(0.7)
Corporate Income Tax	139.7	(4.8)	1,250.1	(1.7)	25.3	2,125.0	(3.8)
Michigan Business Tax	3.4	(124.6)	(367.0)	(22.5)	33.6	(494.6)	13.9
Insurance Tax	4.6	(12.9)	271.7	20.7	4.5	478.0	2.6
Essential Services Assessment	7.0	423.0	6.7	171.4	4.5	150.0	5.8
State Education Property Tax	29.0	39.1	508.6	0.3	(2.8)	2,710.0	5.9
Real Estate Transfer Tax	30.0	8.7	204.2	(5.1)	4.3	370.0	(4.9)
Wagering Taxes ⁸⁾	43.9	17.7	288.9	14.6	3.6	453.2	5.4
Oil & Gas Severance Tax	1.9	13.7	14.4	(13.2)	(0.4)	30.0	10.7
Other Taxes ⁹⁾	20.8	(3.4)	196.7	3.3	(3.3)	337.6	1.6
Total Taxes	\$2,553.8	5.0%	\$16,429.7	(3.7%)	\$240.9	\$32,661.8	0.3%
Lottery, Net to School Aid Fund ⁸⁾	117.5	26.6	849.2	(1.5)	8.9	1,300.0	(3.8)
Total	\$2,671.2	5.8%	\$17,279.0	(3.6%)	\$249.8	\$33,961.8	0.1%

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2023-24 year-to-date collections begin with November 2023 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 17, 2024, Consensus Revenue Estimating Conference.
- 5) Includes payments made under the Flow-Through Entity Tax.
- 6) Monthly and Year-to-date collections include \$748.0 million in refunds expected to be paid during FY 2023-24 and already booked to FY 2022-23. These refunds are not included in the CREC estimate.
- 7) Includes both the State share and the local share (Local Community Stabilization Authority).
- 8) Lottery & casino revenue are not accrued, so FY 2023-24 collections will reflect October 2023 to September 2024.
- 9) Other Taxes include beer, wine, liquor, SBT, industrial facilities, utility property, estate taxes, and tax penalties & interest.

