MONTHLY REVENUE REPORT
November 2009

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled $1.6 billion in November, up 0.8% from last year's level and the first time since January 2009 that tax collections were above the year-ago level. November tax collections were approximately $9.2 million below the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in May 2009. Collections earmarked to the General Fund were right at the expected level for November and School Aid Fund tax collections were down $8.0 million. November tax collections represent the first month of revenue for FY 2009-10, because under accrual accounting (which the State of Michigan uses) most of October tax revenue will be included in FY 2008-09 revenue.

Net income tax revenue totaled $563.1 million in November, down 5.4% from the November 2008 level. Income tax collections have fallen below the year-ago level for 12 consecutive months. Despite the decline, net income tax collections were above the monthly forecast by $10.9 million. Income tax withholding payments fell 3.2% below the year-ago level in November, to $577.5 million, as lower levels of employment continued to have a negative impact on income tax collections.

Sales tax receipts totaled $522.6 million in November, 12.3% above the year-ago level. The year-over-year increase in sales tax collections reflected calendar-year issues in the processing of tax returns. The due date for monthly sales tax returns is late in the month and causes collections to be artificially depressed in months that end on a weekend. November 2009 receipts were boosted above the year-ago level because October 2009 ended on a weekend, as did November 2008. Sales tax collections from motor vehicle transactions were 17.3% above the year-ago level, although the increase reflects exceedingly low receipts in the prior year more than a high overall level of receipts in the current month. The November 2008 collections from motor vehicle transactions were at the lowest level over the last 24 months. Compared with the FY 2008-09 average, November 2009 sales tax receipts from motor vehicle transactions were down 19.1%.

Michigan Business Tax revenue totaled $57.0 million in November, up 3.3% from last year's level. Strong growth in annual payments, which were up substantially from the year-ago level, more than offset a significant decline in estimated payments, which were down 25.8% from November 2008. The decline in estimated payments reflects the recessionary state of the economy during 2009. Estimated payments have been below the year-ago level for eight consecutive months.

Real estate transfer tax receipts fell 13.2% from the year-ago level in November, to $11.8 million. For the past five months, year-over-year real estate transfer tax receipts have varied from 17.4% above the prior year to 27.8% below, reflecting the instability in the Michigan housing market. State Education Property Tax revenue was up 14.4% from November 2008, but with October 2009 receipts below the year-ago level, the increase reflects differences in the timing of payments. If October and November State Education Property Tax receipts are combined, 2009 collections are down 7.3% from the year-ago level.

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 November 2009. Also presented are the consensus revenue estimates for FY 2009-10, which were adopted at the May 2009 Consensus Revenue Estimating Conference.

David Zin, Economist

SENATE FISCAL AGENCY

Type of Revenue	November Collections Total[1]	November Collections % Change From Year Ago	FY 2009-10 to Date[2] Total[1]	FY 2009-10 to Date[2] % Change From Year Ago	FY 2009-10 Estimate[3] Total[1]	FY 2009-10 Estimate[3] % Change From FY 2008-09
Gross Income Tax	$591.3	(3.1)%	$591.3	(3.1)%	$7,675.6	(5.1)%
Refunds	(28.2)	84.3	(28.2)	84.3	(2,321.5)	10.0
Net Income Tax	$563.1	(5.4)%	$563.1	(5.4)%	$5,354.1	(11.6)%
Sales Tax	522.6	12.3	522.6	12.3	6,067.3	(2.3)
Motor Vehicles	55.6	17.3	55.6	17.3	---	---
All Other Sales Tax	467.0	11.8	467.0	11.8	---	---
Use Tax	96.5	(8.3)	96.5	(8.3)	1,194.0	3.6
Tobacco Taxes	85.7	(6.5)	85.7	(6.5)	964.4	(5.0)
Single Business Tax	(3.6)	(145.2)	(3.6)	(145.2)	(20.0)	(87.4)
Michigan Business Tax	57.0	3.3	57.0	3.3	2,234.0	(3.6)
Insurance Tax	0.7	(12.5)	0.7	(12.5)	243.8	0.0
State Education Property Tax	239.0	14.4	239.0	14.4	1,866.8	(6.9)
Real Estate Transfer Tax	11.8	(13.2)	11.8	(13.2)	108.0	8.0
Casino Wagering Tax[4]	9.7	2.1	9.7	2.1	107.1	(5.6)
Oil & Gas Severance Tax	6.3	23.5	6.3	23.5	63.0	3.3
Other Taxes[5]	42.8	(28.4)	42.8	(28.4)	359.2	(1.6)
Total	$1,631.6	0.8%	$1,631.6	0.8%	$18,541.7	(3.4)%
Addendum:						
Gross Lottery Sales[4]	$173.2	(2.7)%	$382.5	(0.3)%	$2,219.7	9.3%
Net to School Aid Fund[4]	$ 57.1	6.7%	$116.2	(3.2)%	$ 677.0	(1.6)%

1) Total collections are unadjusted cash collections unless otherwise noted.
2) FY 2009-10 year-to-date collections begin with November 2009 collections to reflect accrual accounting.
3) Consensus revenue estimates adopted at the May 15, 2009, Consensus Revenue Estimating Conference.
4) Lottery and casino revenue is not accrued, so FY 2009-10 collections will include October 2009 to September 2010.
5) Other Taxes include beer, wine, liquor, industrial facilities, utility property, and estate taxes, and penalties and interest.

Actual Revenue Collections for Major State Taxes*
December 2007 to November 2009

CASH COLLECTIONS (Billions of Dollars)
- FY 2007-08
- FY 2008-09
- FY 2009-10
- Difference
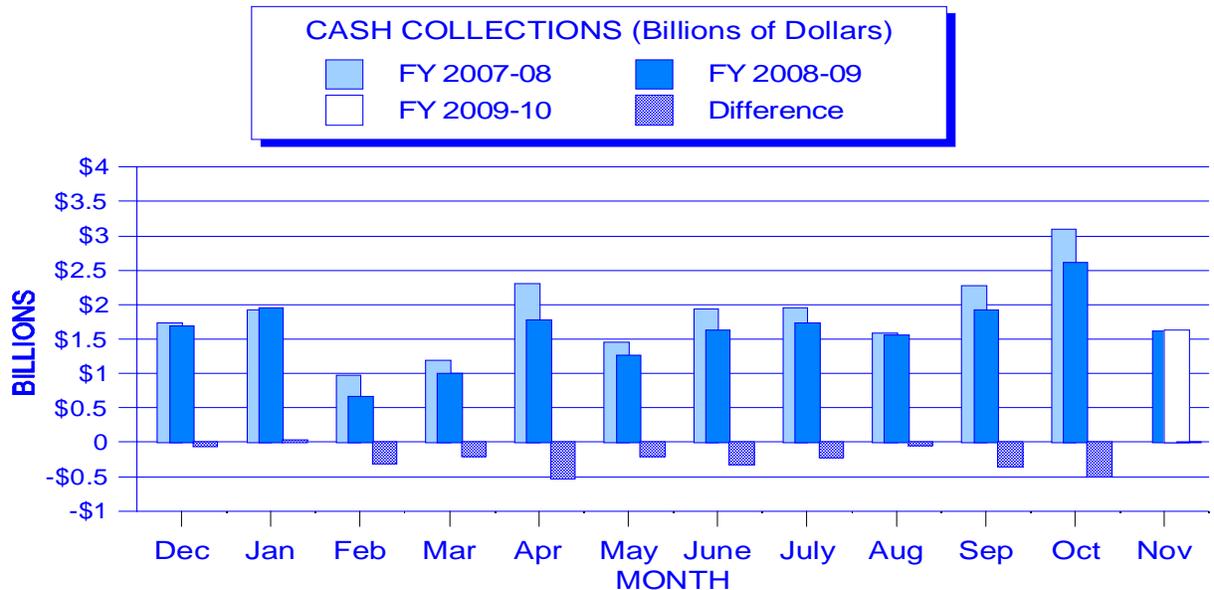
*Comparison of actual collections. Major taxes include the beer, casino wagering, estate, income, industrial facilities, insurance retaliatory, liquor, MBT, oil & gas severance, real estate transfer, sales, SBT, State education property, tobacco (cigarette & other tobacco products), use, utility property, and wine taxes, and penalties and interest revenue.