



MONTHLY REVENUE REPORT

NOVEMBER 2015

Michigan's major taxes and net lottery revenue totaled \$1.7 billion in November 2015, up 1.0% from the year-ago level. November tax collections were approximately \$78.9 million below the Senate Fiscal Agency's (SFA's) projection for the month, based on the consensus revenue estimates adopted in May 2015. November is the first month of tax collections for fiscal year (FY) 2015-16; most October 2015 tax revenue was accrued to FY 2014-15. Because November represents the first month of FY 2015-16 collections, the year-to-date totals are the same as the monthly figures.

General Fund tax collections were \$77.5 million below the expected level for November, while School Aid Fund tax collections were \$6.2 million below the forecasted level. The remaining \$4.8 million in above-forecast collections was directed to other funds, most notably constitutional revenue sharing. Business tax refunds from Michigan Business Tax (MBT) and the Corporate Income Tax (CIT) were greater than expected, which reduced State revenue, offsetting above-forecast net income tax collections. For the School Aid Fund, above-forecast sales tax collections were offset by lower-than-expected State Education Tax (SET) revenue.

Net income tax revenue totaled \$739.6 million in November 2015, a 7.6% increase from the 2014 level. Withholding payments (which represented the majority of gross income tax revenue) were 8.7% above the year-ago level and \$45.4 million above the level expected based on SFA monthly estimates.

Sales tax receipts totaled \$601.6 million in November, 3.8% above the November 2014 level, reflecting a 14.0% increase in sales tax revenue from motor vehicle sales and a 2.5% increase in other (nonmotor vehicle) sales tax receipts. Sales tax collections were above the year-ago level in three of the previous 12 months (December 2014 through November 2015). Over that 12-month period, collections were down \$71.4 million or 1.0% from the same prior-year period.

Net MBT collections were a negative \$98.9 million (\$64.9 million below forecast) due to State payment of refunds. Net CIT collections totaled a negative \$8.4 million (\$34.8 million below forecast), also due to State payment of refunds. The net revenue from the repealed Single Business Tax (SBT) was \$0.3 million in November. Combined SBT, MBT, and CIT revenue was \$98.6 million below forecast, and accounted for almost all of the revenue by which the General Fund was below forecast.

Real estate transfer tax receipts were \$26.0 million in November 2015, down 9.8% from the year-ago level. State Education Tax revenue was up 12.6% from November 2014. However, November collections for the SET are generally accrued to the prior fiscal year, and depend heavily on when counties remit the tax to the State. On average, 89% of SET revenue is collected from August through November. Over that most recent four-month period (August 2015 to November 2015), SET revenue was 3.9% above the collections for that period in 2014.

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 2015. Also presented are the consensus revenue estimates for FY 2015-16, which were adopted at the May 2015 Consensus Revenue Estimating Conference.



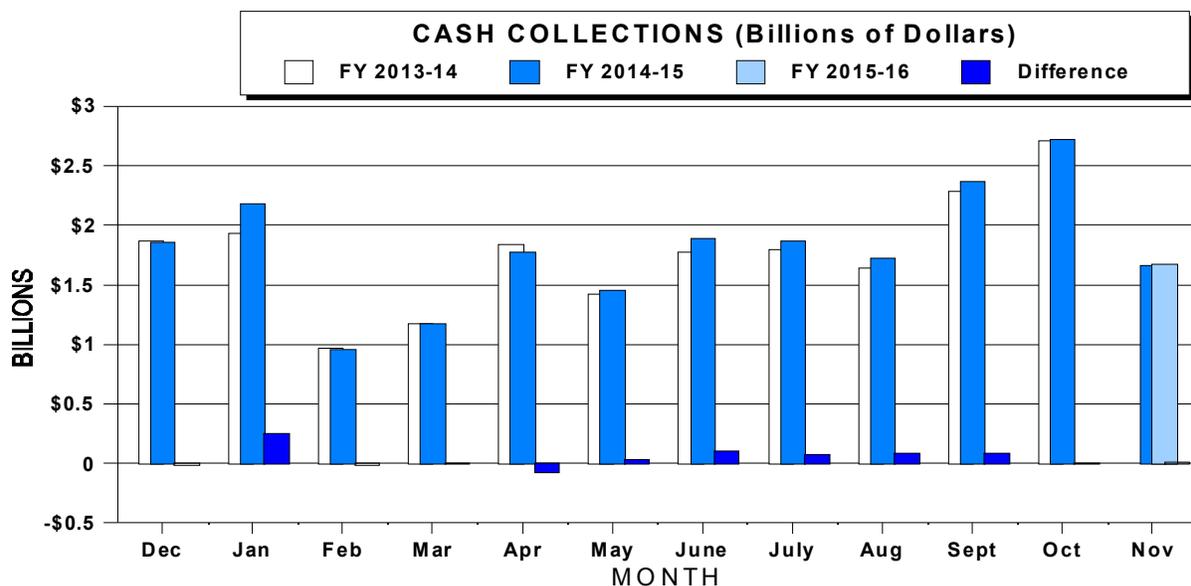
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MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	November Collections		FY 2015-16 to Date ^{2,3)}		FY 2015-16 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total	% Change From FY 2014-15
Gross Individual Income Tax	\$769.7	8.9%	\$769.7	8.9%	\$10,759.7	2.9%
Refunds	(30.1)	57.8	(30.1)	57.8	(1,820.0)	2.8
Net Income Tax	\$739.6	7.6%	\$739.6	7.6%	\$8,939.7	2.9%
Sales Tax	601.6	3.8	601.6	3.8	7,821.7	4.2
Motor Vehicles	69.8	14.0	69.8	14.0	---	---
All Other Sales Tax	531.9	2.5	531.9	2.5	---	---
Use Tax	117.5	12.0	117.5	12.0	1,396.4	5.2
Tobacco Taxes	81.2	7.5	81.2	7.5	913.8	(1.1)
Corporate Income Tax	(8.4)	(139.6)	(8.4)	(139.6)	1,060.2	3.0
Michigan Business Tax	(98.9)	199.5	(98.9)	199.5	(889.4)	18.4
Insurance Tax	(12.0)	(4,437.3)	(12.0)	(4,437.3)	412.5	2.6
State Education Property Tax	185.9	12.6	185.9	12.6	1,861.9	0.6
Real Estate Transfer Tax	26.0	(9.8)	26.0	(9.8)	268.4	4.5
Casino Wagering Tax ⁵⁾	8.8	1.8	8.8	1.8	112.7	1.5
Oil & Gas Severance Tax	1.6	(52.4)	1.6	(52.4)	41.3	5.9
Other Taxes ⁶⁾	33.6	51.3	33.6	51.3	313.6	10.1
Total	\$1,676.6	0.7%	\$1,676.6	0.7%	\$22,252.8	3.9%
Addendum:						
Gross Lottery Sales ⁵⁾	\$213.3	12.1%	\$473.2	4.9%	\$2,681.4	11.1%
Net to School Aid Fund ⁵⁾	62.0	8.5	130.8	(2.5)	791.0	1.4

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2015-16 year-to-date collections begin with November 2015 collections to reflect accrual accounting.
- 3) Year-to-date figures represent cash collections only, while the fiscal year consensus (CREC) estimate also includes accruals.
- 4) Consensus revenue estimates adopted at the May 15, 2015, Consensus Revenue Estimating Conference.
- 5) Lottery and casino revenue is not accrued, so FY 2015-16 collections will include October 2015 to September 2016.
- 6) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, and estate taxes, and penalties and interest.

Actual Revenue Collections for Major State Taxes* December 2013 to November 2015



*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.