Michigan's major taxes and net lottery revenue totaled $1.9 billion in November 2017, down 0.1% from November 2016. November 2017 tax collections were approximately $6.7 million above the Senate Fiscal Agency's (SFA's) projection for the month, based on the consensus revenue estimates adopted in May 2017. November is the first month of tax collections for fiscal year (FY) 2017-18; most October 2017 tax revenue was accrued to FY 2016-17. Because November represents the first month of FY 2017-18 collections, the year-to-date totals are the same as the monthly figures for those taxes.

General Fund tax collections were $51.7 million above the expected level for November, while School Aid Fund tax collections were $44.5 million below the forecasted level. The remaining $400,000 in below-forecast collections was directed to other funds, most notably constitutional revenue sharing. Individual income tax refunds were more than expected and revenue from the State Education Tax was less than expected, more than offsetting above-forecast individual income tax withholding and less-than-expected refunds under the Michigan Business Tax (MBT).

Net income tax revenue totaled $765.0 million in November 2017, a 10.1% increase from the November 2016 level. Withholding payments (which represented the majority of gross income tax revenue) were 9.2% above the year-ago level and $27.2 million above the level expected based on SFA monthly estimates. Individual income tax refunds were down 0.3% from November 2016, and $11.9 million less than forecasted.

Sales tax receipts totaled $638.5 million in November 2017, only 0.5% above the November 2016 level despite a 4.3% increase in sales tax collections from motor vehicle sales. Use tax collections totaled $82.9 million in November 2017, down 25.5% from November 2016 as a result of a large use tax refund that was included in the May 2017 consensus revenue estimates.

Net MBT collections were $42.1 million above forecast in November 2017 due to the less-than-expected refunds. However, net Michigan Corporate Income Tax (CIT) collections were down 64.4% from November 2016. As a result, the net revenue from the repealed Single Business Tax, MBT, and CIT totaled $2.8 million, down 79.9% from November 2016 but $33.0 million above the expected level. 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.

Real estate transfer tax receipts were $27.3 million in November 2017, down 20.1% from November 2016 and the largest year-over-year decline among the 12 year-over-year declines experienced since April 2014**.** State Education Tax (SET) revenue was down 16.6% from November 2016, although November collections for the SET are generally accrued back to the prior fiscal year. On average, 89% of the revenue from the SET is collected over the four-month period of August through November. Over that most recent four-month period, August 2017 to November 2017, SET revenue was 3.6% above the collections for that period in 2016.

The table on the back of this report identifies the major taxes included in this report, and provides their respective revenue levels and growth rates for November 2017. Also presented are the consensus revenue estimates for FY 2017-18, which were adopted at the May 2017 Consensus Revenue Estimating Conference.

MICHIGAN REVENUE UPDATE
(dollars in millions)

Type of Revenue	November Collections Total[1]	November Collections % Change From Year Ago	FY 2017-18 to Date[2] Total[1]	FY 2017-18 to Date[2] % Change From Year Ago	FY 2017-18 CREC Estimate[3,4] Total	FY 2017-18 CREC Estimate[3,4] % Change From FY 2016-17
Gross Individual Income Tax	$798.6	9.6%	$798.6	9.6%	$11,970.0	3.4%
Refunds	(33.6)	(0.3)	(33.6)	(0.3)	($1,927.5)	2.6
Net Income Tax	765.0	10.1	765.0	10.1	$10,042.5	3.6
Sales Tax	638.5	0.5	638.5	0.5	7,929.3	3.0
Motor Vehicles	79.9	4.3	79.9	4.3	----	----
All Other Sales Tax	558.6	0.0	558.6	0.0	----	----
Use Tax[5]	82.9	(25.5)	82.9	(25.5)	1,549.3	(1.1)
Tobacco Taxes	78.3	0.8	78.3	0.8	935.8	(0.9)
Corporate Income Tax	26.9	(64.4)	26.9	(64.4)	950.2	(11.9)
Michigan Business Tax	(24.2)	(60.8)	(24.2)	(60.8)	(755.6)	(18.1)
Insurance Tax	1.9	(133.0)	1.9	(133.0)	408.9	11.6
Essential Services Assessment	0.0	(93.6)	0.0	(93.6)	82.1	5.3
State Education Property Tax	191.2	(16.6)	191.2	(16.6)	2,002.6	2.9
Real Estate Transfer Tax	27.3	(20.1)	27.3	(20.1)	315.7	1.0
Casino Wagering Tax[6]	9.2	1.4	9.2	1.4	115.0	0.9
Oil & Gas Severance Tax	2.0	54.6	2.0	54.6	27.0	8.9
Other Taxes[7]	26.0	(5.5)	26.0	(5.5)	295.2	3.3
Total Taxes	$1,825.1	(0.2%)	$1,825.1	(0.2%)	$23,898.0	3.1%
Lottery, Net to School Aid Fund[6]	72.5	0.6	146.7	3.5	887.7	0.1
Total	$1,897.6	(0.1%)	$1,971.8	(0.1%)	$24,785.7	3.0%

1) Total collections are unadjusted cash collections unless otherwise noted.
2) FY 2017-18 year-to-date collections begin with November 2017 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, 2017, Consensus Revenue Estimating Conference.
5) Includes both the State share and the local share (Local Community Stabilization Authority).
6) Lottery and casino revenue is not accrued, so FY 2017-18 collections will include October 2017 to September 2018.
7) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and penalties and interest.

Actual Revenue Collections for Major State Taxes*
December 2015 to November 2017

CASH COLLECTIONS (Billions of Dollars)
FY 2015-16 — FY 2016-17 — FY 2017-18 — Difference
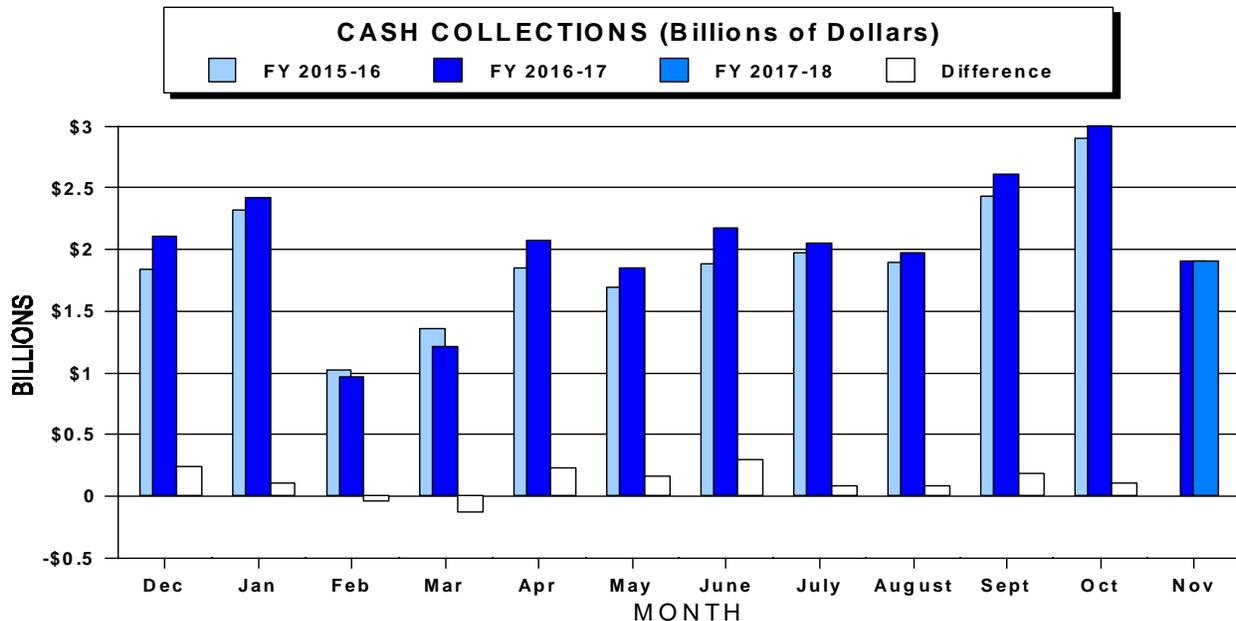
* Comparison of actual collections. Major taxes include the beer, casino wagering, estate, income, industrial facilities, insurance retaliatory, liquor, MBT, oil & gas severance, real estate transfer, sales, SBT, State education property, tobacco (cigarette & other tobacco products), use, utility property, wine taxes, the essential services assessment, net lottery revenue to the school aid fund, and penalties & interest revenue.