



MONTHLY REVENUE REPORT

NOVEMBER 2022

Fiscal Year-to-Date Revenue Dashboard

Actual Revenue Compared to Predicted



Michigan's major taxes and net lottery revenue totaled \$2.6 billion in November 2022, up 4.0% from November 2021. November tax collections were approximately \$64.4 million below the Senate Fiscal Agency's (SFA's) projection for the month, based on the consensus revenue estimates adopted in May 2022. Less-than-expected collections from individual income tax withholding and greater-than-expected individual income tax refunds more than offset greater-than-expected collections from the Sales Tax, State Education Tax, and the Corporate Income Tax (CIT). Because the State uses accrual accounting, November is the first month of tax collections for fiscal year (FY) 2022-23; most October 2022 tax revenue was accrued to FY 2021-22. Because November represented the first month of FY 2022-23 collections, the year-to-date totals were the same as the monthly figures for those taxes.

General Fund tax collections were \$134.0 million below the expected level for November, while School Aid Fund tax collections were \$69.7 million above the forecasted level. The remaining \$100,000 in below-forecast collections was directed to other funds, most notably the Medicaid Benefits Trust Fund.

Net income tax revenue totaled \$868.9 million in November 2022, an 8.9% decrease from the November 2021 level, and \$166.3 million less than the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) were 4.2% below the year-ago level and \$111.9 million less than the level expected based on SFA monthly estimates. Similarly, continued processing of individual income tax returns filed in October with extensions resulted in individual income tax refunds being \$70.2 million greater than expected. While almost one-fourth of withholding is directed to the School Aid Fund, income tax refunds reduce only General Fund revenue.

Sales tax receipts totaled \$918.6 million in November 2022, a 14.0% increase from the November 2021 level and \$71.5 million above forecast. Use tax collections totaled \$210.8 million in November 2022 and were up 8.4% from the November 2021 level.

Net revenue from the repealed Single Business Tax, Michigan Business Tax (MBT), and CIT totaled \$19.4 million, down 46.2% from November 2021 but \$4.6 million above the expected level. Michigan Business Tax collections were negative \$54.7 million because refunds exceeded payments by \$18.0 million more than expected. 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 up 34.7% from November 2021 and \$22.6 million above the forecasted level.

The table on the next page of this report identifies the major taxes included in this report and provides their respective revenue levels and growth rates for November 2022. Also presented are the consensus revenue estimates for FY 2022-23, which were adopted at the May 2022 Consensus Revenue Estimating Conference.



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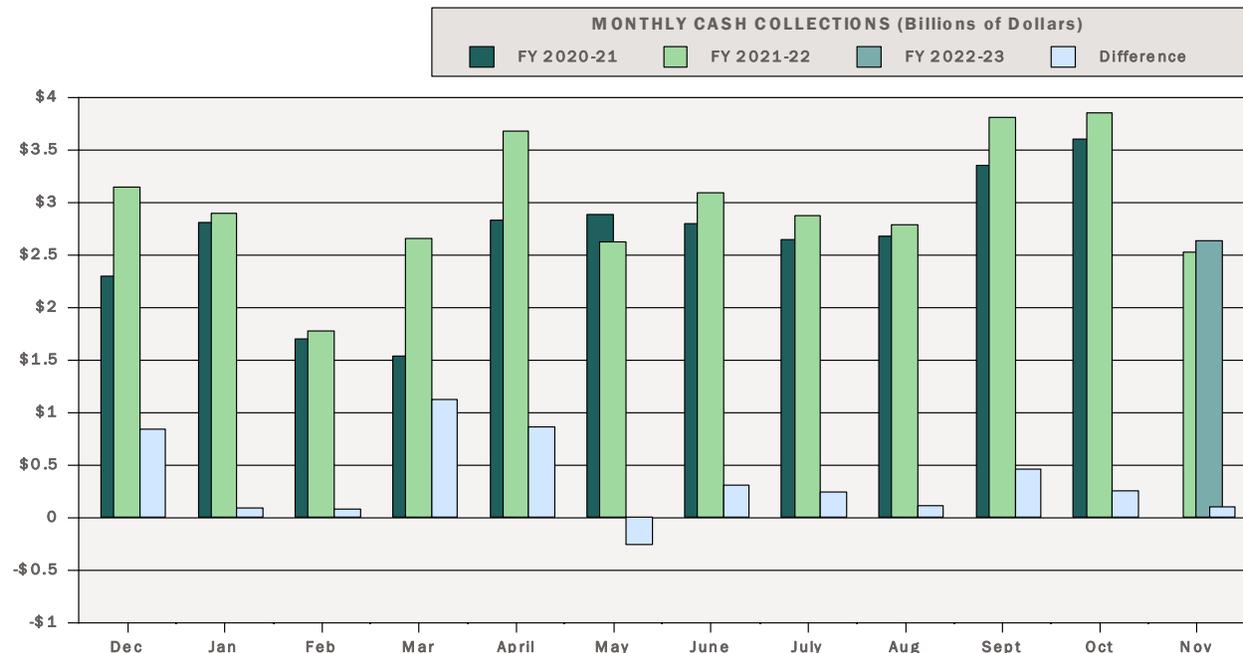
MICHIGAN REVENUE UPDATE (dollars in millions)

Type of Revenue	November Collections		FY 2022-23-To-Date ²⁾		Year-to-Date Relative to Forecast	FY 2022-23 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⁾	\$968.7	(2.3%)	\$968.7	(2.3%)	(96.1)	\$15,699.4	(6.1%)
Refunds	(99.8)	167.3	(99.8)	167.3	(70.2)	(2,479.2)	(23.6)
Net Income Tax	868.9	(8.9)	868.9	(8.9)	(166.3)	13,220.2	(1.9)
Sales Tax	918.6	14.0	918.6	14.0	71.5	10,232.5	(0.7)
Motor Vehicles	113.3	(8.2)	113.3	(8.2)	----	----	---
All Other Sales Tax	805.3	18.0	805.3	18.0	----	----	----
Use Tax ⁶⁾	210.8	8.4	210.8	8.4	(0.7)	2,590.7	(0.5)
Tobacco Taxes	58.2	(14.1)	58.2	(14.1)	(10.2)	819.4	(1.4)
Corporate Income Tax	74.1	34.7	74.1	34.7	22.6	1,582.1	(13.2)
Michigan Business Tax	(54.7)	188.8	(54.7)	188.8	(18.0)	(527.6)	(11.2)
Insurance Tax	0.3	318.0	0.3	318.0	(0.6)	398.0	3.4
Essential Services Assessment	0.4	112.7	0.4	112.7	0.3	143.0	5.9
State Education Property Tax	359.6	22.8	359.6	22.8	54.9	2,563.2	7.0
Real Estate Transfer Tax	39.6	(7.6)	39.6	(7.6)	(6.9)	496.9	(5.7)
Wagering Taxes ⁷⁾	24.8	21.0	24.8	21.0	(5.3)	329.0	2.6
Oil & Gas Severance Tax	3.4	10.1	3.4	10.1	0.9	32.0	(8.6)
Other Taxes ⁸⁾	24.0	65.9	24.0	65.9	(5.6)	347.0	0.6
Total Taxes	\$2,528.0	3.9%	\$2,528.0	3.9%	(63.5)	\$32,226.4	(1.8%)
Lottery, Net to School Aid Fund ⁶⁾	97.8	5.5	214.1	7.4	(0.9)	1,240.0	0.0
Total	\$2,625.8	4.0%	\$2,742.1	4.0%	(64.4)	\$33,466.4	(1.7%)

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2022-23 year-to-date collections begin with November 2022 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 & casino revenue are not accrued, so FY 2022-23 collections will reflect October 2022 to September 2023.
- 8) Other Taxes include beer, wine, liquor, SBT, industrial facilities, utility property, estate taxes, and tax penalties & interest.

Actual Revenue Collections for Major State Taxes*

December 2020 to November 2022



* 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 tax penalties & interest revenue.