



MONTHLY REVENUE REPORT

SEPTEMBER 2021

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$3.3 billion in September 2021, a 12.9% increase from September 2020 and approximately \$468.3 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in May 2021. Above-forecast collections from the sales tax, use tax, individual income tax (IIT) estimated payments, the Corporate Income Tax (CIT), and the Lottery more than offset greater-than-expected IIT refunds and less-than-expected revenue from gaming taxes.

Collections earmarked to the General Fund were \$329.0 million above the expected level for September 2021, while School Aid Fund tax collections were \$152.8 million above the forecasted level. The remaining \$13.5 million in below-forecast collections reflected other earmarks, most notably the Medicaid Trust Fund and the Agricultural Equine Development Fund. Through September 2021, year-to-date General Fund collections were \$1.6 billion above, and School Aid Fund collections \$921.2 million above, the level expected based on the May 2021 consensus revenue estimates. Although the fiscal year ended September 30, because the State uses accrual accounting, October collections will be included in fiscal year (FY) 2020-21 revenue, as will some other transactions and adjustments in November.

Net income tax revenue totaled \$1.2 billion in September 2021, a 6.1% increase from September 2020 and \$138.5 million above the forecasted level. Withholding payments (which represented the majority of gross income tax revenue) were 1.8% above the year-ago level and \$1.0 million above the predicted level. The above-forecast individual income tax collections reflected estimated payments, which were up 30.2% from September 2020 and \$161.4 million above the predicted level.

Sales tax collections totaled \$837.8 million in September 2021, \$63.5 million above the forecasted level and 11.8% above the September 2020 level. Sales tax collections from vehicle sales totaled \$112.2 million, the seventh consecutive month in which collections have exceeded \$100.0 million. Use tax collections totaled \$229.0 million, a 33.7% increase from the September 2020 level and \$50.6 million above the predicted level. In September, fiscal year-to-date sales tax collections were up 15.2% from 2020, while use tax collections were up 46.8%.

Combined business tax collections from the Single Business Tax, Michigan Business Tax, and CIT totaled \$296.1 million for the month and were \$160.6 million above the expected level. Similar to estimated payments under the IIT, estimated CIT payments were up 92.5% from September 2020, resulting in CIT collections for the month being up 70.99% from September 2020 and \$147.4 million above the predicted level. Fiscal year-to-date CIT collections were up 59.4% from the level in September 2020.

State Education Tax (SET) collections for September 2021 were 0.4% above collections in September 2020, \$11.5 million greater than expected. Deviations from forecast in SET collections generally reflect when counties remit payments to the State. The majority of SET collections are received in September and October.

The table on the next page of this report identifies the major taxes included in the report and provides their respective revenue levels and growth rates for September 2021. Also presented are the revised consensus revenue estimates for FY 2020-21, which were adopted at the May 2021 Consensus Revenue Estimating Conference.



MONTHLY REVENUE REPORT

SEPTEMBER 2021

MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	September Collections		FY 2020-21 to Date ²		FY 2020-21 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total	% Change From FY 2019-20
Gross Individual Income Tax	\$1,285.4	9.9%	\$13,527.5	12.3%	\$13,390.3	2.9%
Refunds	(94.9)	101.5	(2,412.5)	6.3	(2,738.4)	8.8
Net Income Tax	1,190.5	6.1	11,115.0	13.7	10,651.9	1.4
Sales Tax	837.8	11.8	8,616.3	15.2	8,906.0	7.2
Motor Vehicles	112.2	2.5	1,217.0	28.5	---	---
All Other Sales Tax	725.6	13.4	7,399.3	13.3	---	---
Use Tax ⁵⁾	229.0	33.7	2,415.2	46.8	2,477.7	35.7
Tobacco Taxes	77.8	(5.4)	813.9	(1.5)	886.0	(2.0)
Corporate Income Tax	287.5	70.9	1,593.1	59.4	1,384.1	25.8
Michigan Business Tax	8.7	38.7	(496.0)	(0.1)	(626.9)	13.2
Insurance Tax	2.4	(230.9)	257.6	(15.5)	390.0	(14.6)
Essential Services Assessment	1.8	(0.3)	126.0	4.0	126.0	3.3
State Education Property Tax	468.1	0.4	1,172.8	4.2	2,267.6	3.9
Real Estate Transfer Tax	53.0	58.9	443.5	52.2	433.6	29.3
Casino Wagering Tax ⁶⁾	18.6	171.3	154.7	170.3	152.0	101.4
Oil & Gas Severance Tax	2.6	147.6	19.9	54.7	14.0	9.4
Other Taxes ⁷⁾	54.0	0.5	316.3	21.4	320.0	13.0
Total Taxes	\$3,231.8	12.9%	\$26,548.3	18.5%	\$27,382.0	7.1%
Lottery, Net to School Aid Fund ⁶⁾	103.9	12.9	1,375.8	24.9	1,208.1	2.4
Total	\$3,335.7	12.9%	\$27,924.1	18.7%	\$28,590.1	6.9%

- Total collections are unadjusted cash collections unless otherwise noted.
- FY 2020-21 year-to-date collections begin with November 2020 collections to reflect accrual accounting.
- Year-to-date figures represent cash collections only, while the fiscal year estimate also includes accruals.
- Consensus revenue estimates adopted at the May 21, 2021, Consensus Revenue Estimating Conference.
- Includes both the State share and the local share (Local Community Stabilization Authority).
- Lottery and casino revenue are not accrued, so FY 2020-21 collections will reflect October 2020 to September 2021.
- Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and tax penalties and interest.

