House THE MICHIGAN TAX SYSTEM AND BUDGET: State-Level Revenue/Appropriations Only (Excludes Federal Funds) Amounts based on January 2024 consensus estimates and Fiscal Year (FY) 2023-24 YTD budget; figures do not sum in some cases due to smaller funding amounts not shown All dollar amounts in millions unless otherwise indicated **TAXES AND MAJOR STATE** Statutory allocation — **APPROPRIATIONS BY AREA OTHER REVENUE FUNDS** Constitutional allocation Corp Insurance Proportional to revenue/fund boxes vertically, but not horizontally Income Company Tax +\$478 Tax \$1,508 (revenue not allocated to other funds) +\$2,125 Net Business Taxes: \$2,108 MBT/ 1.25% Health & Human Services 6% **SBT** rate (of Medicaid (Managed Care Organizations, Hospitals, Other GF/GP Revenue: \$1,151 gross Liquor Revolving Fund, etc. premiums) Nursing Homes, etc.), Behavioral Health, Public Health, Public Assistance, Child Welfare, etc. Michigan and Single Business Tax (MBT/SBT) \$2,113 losses due to refundable Other tax credits \$994 \$6,464 GF/GP Health care MBTF/ **GENERAL FUND/** \$600 CIT Earmarks provider IPA/ SOAR: \$500 (thru FY 25) MATF* assessments, **GENERAL PURPOSE Revitalization and Planning** etc. (GF/GP) Fund: \$50 (thru FY 25) MI Housing and \$7,888 (revenue not allocated to other **Unrestricted funds** Community Development funds; est. 64% of net collections) \$3.6 billion GF/GP + \$2.8 billion in restricted funds Fund: \$50 available to fund basic utilized as match for \$16.9 billion in federal funds state programs and other for Medicaid/Healthy Michigan Plan \$100 GF/GP Individual purposes determined deposit for FY by Legislature **Income Tax** 2023-24 \$15,860 4.25% rate **Corrections** (4.05% for CY 23) Redirection Budget Stabilization Prison Operations, Prisoner Health Care, of income tax \$12,339 Fund Parole/Probation, etc. (FY 2023-24 est. revenue from GF/GP year-end balance: \$2,030 GF/GP to Transportation at \$1,996 million) \$600 and Renew Michigan at \$69 **Labor & Economic Opportunity** \$1,327 GF/GP \$75─► \$3,781 (est. 25% of \$284 Other MBTF/IPA/ gross collections; est. Tob. Settle. 30.6% of net collections State Police \$607 GF/GP \$165 Other \$600 in FY 2024 Debt Service (Including SBA Rent*): \$337 GF/GP **↓** RESTRICTED FUNDS **↓** \$116 (33% of liquor, Use Tax levied by 100% of beer/wine) Liquor/Beer/Wine Taxes: \$210 \$79 (33% of liquor) **Local Community** Higher Education \$1,678 GF/GP \$483 SAF (33% of liquor to CFDF*) Stabilization Public University Operations, Student Financial Aid, etc. Use Tax* Authority (LCSA) for \$1,184 (remaining rev) 6.0% rate less LCSA portion **Personal Property** \$925 (35% of \$2,108 **Community Colleges** \$550 SAF Tax reimbursement full 6% rate) College Operations, Retirement Cost Reimbursement to locals (portion of 6% rate, but not considered state \$1,627 (15%: revenue): \$562 remaining revenue) \$72 \$88 School Aid Fund Tobacco Settlement -GF/GP \$7,896 (73%: 60% of 4% rate + (Community District Education Trust Sales Tax (SAF) Fund, for Detroit Public Schools backfill) 100% of additional 2% rate) 6.0% rate Constitutionally restricted \$10,777 for school districts, higher education, and school employees **School Aid** retirement system Foundation Allowances to Local Districts and \$20,131 Public School Academies, Retirement Cost Reimbursement, At-Risk Programs, Early Childhood Programs, etc. \$1,109 (10%: 15% of 4% rate) \$19,099 SAF \$124 (1%: from auto-related sales tax) **State Education Tax** Statewide property tax at 6 mill rate (0.6% of taxable value, which is equal to 50% or less of true cash value) \$2,710 **Statutory Revenue** Sharing: \$562 Lottery Transfer: \$1,300 Net proceeds after prizes/administration **Constitutional Revenue Sharing** \$1,109 Real Estate Transfer Tax: \$370 CVTs: 15% Gaming/Other SAF Taxes: \$489 Counties: 15% Excise Tax on Marihuana: \$309 Health Care-Related Funds MTF: 35% (MBTF/IPA/TSR*) \$1,161 \$142 (19% of cigarette/25% of OTP) **SAF: 35%** Tobacco Taxes: \$716 **Revenue Sharing** \$253 (41% of cigarette) Rates: \$2.00/pack, 32% for Other Constitutional to Cities/Villages/Townships (CVTs) \$306 (37% of cigarette/75% of OTP) Tobacco Products (OTP) Statutory to CVTs + Counties % of cigarette to other health purposes) \$1,663 Michigan and IPA*: \$654 Comprehensive \$292 GF/GP Tobacco Settlement Rev (TSR)*: \$212 **Transportation Funds** Fuel taxes: **Transportation** CY 2023 (MTF/CTF) **Fuel Taxes** Local Road Agencies, State Trunkline Construction/ 28.6 cents/gallon \$4,082 Maintenance, Public Transportation, etc. \$1,532 CY 2024 \$4,082 MTF/CTF 30.0 cents/gallon Motor Vehicle **Registration Taxes**

STATE SOURCES: \$47.2 BILLION Includes beginning balances and unrealized revenues (all major funds are balanced) *(1) CFDF = Convention Facility Development Fund, (2) IPA = Insurance Provider Assessment

(3) Tobacco Settlement Revenue excludes securitization-related debt service payments; remaining revenue flows through multiple funds (21st Century Jobs Fund, Community District Education Trust Fund, Budget Stabilization Fund, Merit Award Trust Fund [MATF]), (4) MBTF = Medicaid Benefits Trust Fund, (5) SBA = State Building Authority; rent payments cover debt obligations for state-supported state agency and university/college capital outlay projects.

Other Funds

Includes some smaller revenue

amounts from individual

taxes listed at left

\$4,914

\$1,542

Other State Revenue

User fees and other assessments

\$309

TOTAL STATE REVENUE:

\$42.0 BILLION

\$2,331

Other

Other Budget Areas 12 departments: Ag & Rural Dev, Attorney General, Civil Rights,

Education, Environment, Great Lakes, & Energy, Insurance & Fin

Services, Licensing & Reg Affairs, Military & Vet Affairs, Natural

Resources, State, Tech Mgmt & Budget, Treasury

+ Judiciary, Legislature, Exec Office

\$2,474

GF/GP

TOTAL APPROPRIATIONS FROM

— \$2

Tobacco

Settlement

(primarily 21st Century Jobs Fund)