



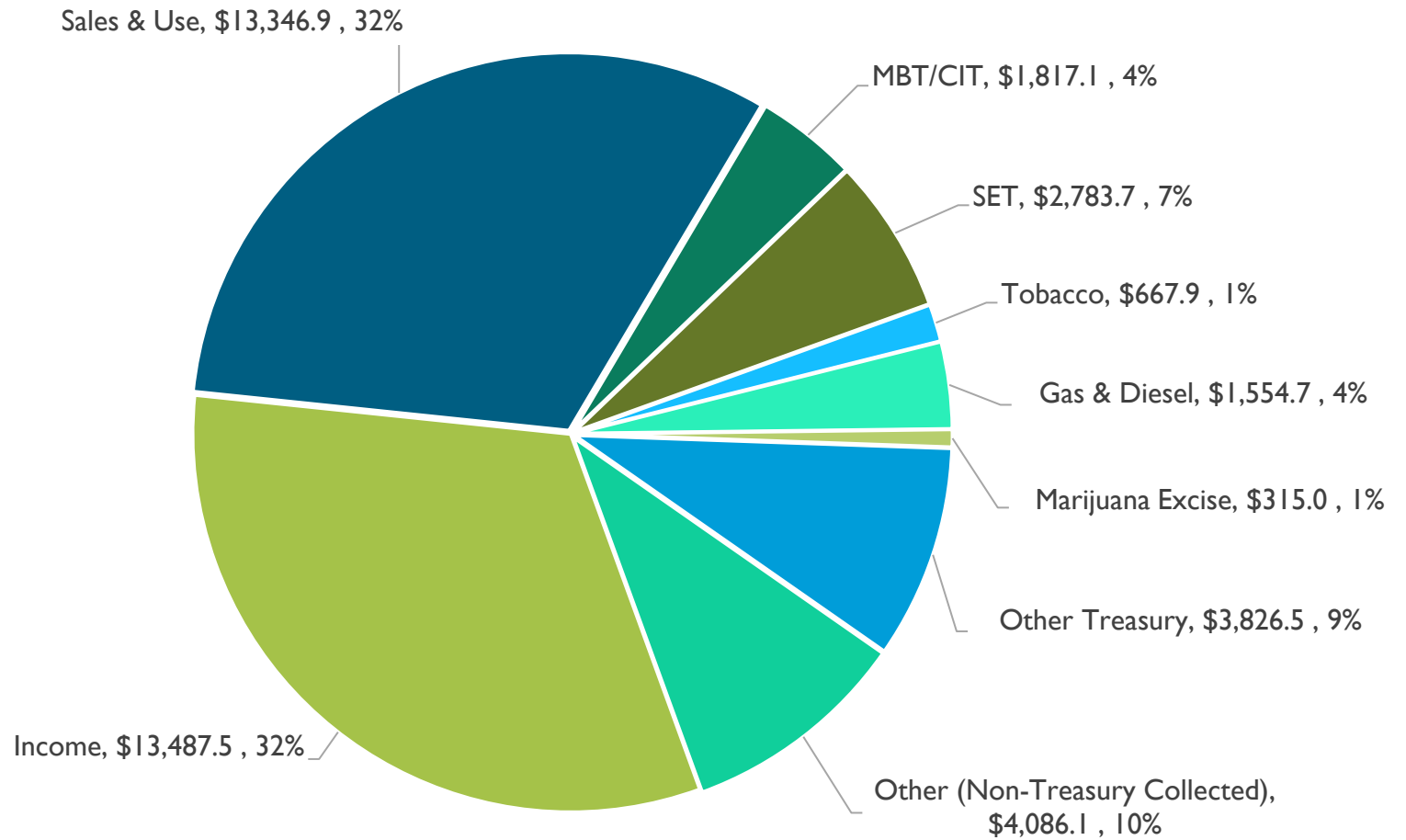
Treasury Budget Overview

March 19, 2026

What we do

- Administering and collecting more than \$30 billion in taxes and fees
- Processing approximately 9.7 million tax returns per year
- State and local tax policy
- Economic and revenue forecasting
- Overseeing a broadly diversified portfolio of State of Michigan investments that total nearly \$165 billion
- Local government and school financial health
- Managing the State's balance sheet
- Managing the State's relationship with Wall Street and the rating agencies
- Provides education financing services like MET and MESP, savings programs like MiABLE and other financial literacy services on behalf of Michigan Students and Citizens
- Managing unclaimed property on behalf of Michigan's Citizens, returning more than \$138 million last fiscal year

Taxes Paid to State Government (in millions)



Total: \$41.89 billion

Treasury Administered: \$37.80 billion

OUR VISION

Exceptional financial services for a better Michigan.

OUR MISSION

The Department of Treasury provides fair and efficient financial services on behalf of taxpayers, governments, students, and all Michiganders for the long-term fiscal health and stability of our state.

OUR FOUNDATION

Culture of Service: Provide complete, accurate, and timely services to all internal and external customers in a professional manner.

Continuous Improvement: Commitment to proactive and innovative employee-driven solutions in our daily operations and in strategic financial leadership.

Employee Engagement: Commitment to an inclusive environment that values diverse perspectives and cultivates employee recruitment, retention, development, and leadership.



Our PROGRESS in 2025

Engagement. Service. Improvement.

TAX ADMINISTRATION SERVICES

Individual Income Tax (IIT) Returns Backlog 0 No change from 2024	IIT Correspondence (within 60 days) 72% Down from 82% in 2024	IIT Call Center Wait Times (minutes) 3:30 Down from 5.08 minutes in 2024	Sales, Use and Withholding (SUW) Returns Backlog 0 No change from 2024	SUW Correspondence (within 60 days) 87% Down from 93% in 2024	SUW Call Center Wait Times (minutes) 3:27 Down from 4.11 minutes in 2024
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TAX COMPLIANCE

Processing Inventory < 90 days 95% Down from 96% in 2024	Audits in Progress (days) 162 Up from 154 days in 2024	Voluntary Disclosure (days to close) 130 Down from 159 days in 2024
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TAX POLICY/HEARINGS

Informal Tax Hearings (average months per hearing) 3.3 Down from 3.4 months in 2024	Revenue Administrative Bulletins (RABs) (total per fiscal year) 3 Down from 8 in 2024
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UNCLAIMED PROPERTY—Paying Rightful Owners (in millions)

\$163.6 Up from \$150.6 in 2024

COLLECTIONS

One Call Resolution 99.5% Up from 99.2% in 2024	Customer Satisfaction (on a 5.0 scale) 4.8 On customer satisfaction surveys.	Number of Taxpayers Served by Call Centers and Field Staff 414,679 Up from 341,310 in 2024
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INVESTMENTS

Total Assets Under Management (in billions) \$178.8 Up from \$164.9 billion in December 2024
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SAVINGS, ACCESS, AND FINANCIAL EMPOWERMENT

Students, borrowers, & families served 126,891	Aversion Assistance provided (borrowers) 33,896 resulting in \$180 million in student loans moved to good standing.
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LOCAL GOVERNMENT

Attendance at Outreach Events for Local Governments and Schools 8,614 Down from 10,569 in 2024.

@MiTreasury
CONNECTED
social media impressions/reach

67,593
Treasury and MET

114,956,426
and 3,593,429 on Instagram
MET/MESP/Postering
Futures/MABLE (with ad impressions)

159,069

Continuous Improvement Our Success

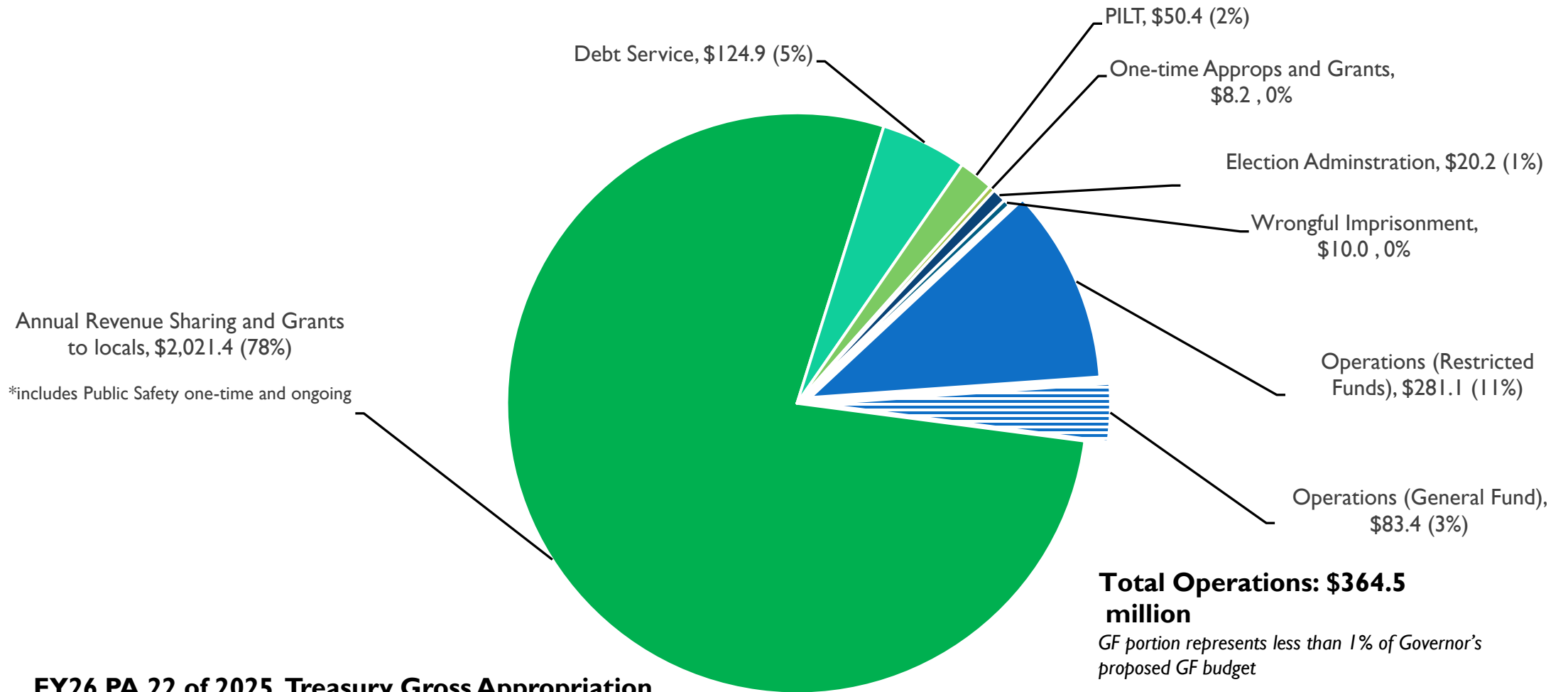
Continuous Improvement

2025-2026 Projects

- Finalized the replacement of the legacy system for Individual Income Tax (IIT) with Phase I of Michigan Modernized Integrated Tax System (MiMITS). This modern solution provides enhanced security, stability, and predictability that will benefit the Department and its taxpayer customers.
- MiMITS Rollout 2 will transition City Tax (Detroit) and Marijuana Retail Excise (MRE) to the MiMITS platform. This will allow processing of City Taxes for Individual Income, Corporate, Withholding, Fiduciary and Partnership taxes electronically for Detroit and future cities.
- Through the Treasury Inclusive Access (TIA) initiative, the Department launched a multi-year effort employing a strategic, multifaceted approach to achieve compliance with new federal (Web Content Accessibility Guidelines 2.1) and state (Meaningful Language to Access State Services Act, PA 241 of 2023) mandates on digital accessibility and language access, while delivering meaningful language services statewide.
- The Department is streamlining operations by consolidating the call center IVR and quality assurance functions from three separate systems into a unified platform. This endeavor has enhanced the customer experience by improving efficiency, consistency, and accessibility across Collections, Special Taxes, City Taxes, and Business Taxes. Starting in 2026, Individual Income Tax (IIT) contact centers will join the platform, further simplifying and enhancing service delivery for our customers.

Fiscal Year 2026 Budget Summary and Key Issues

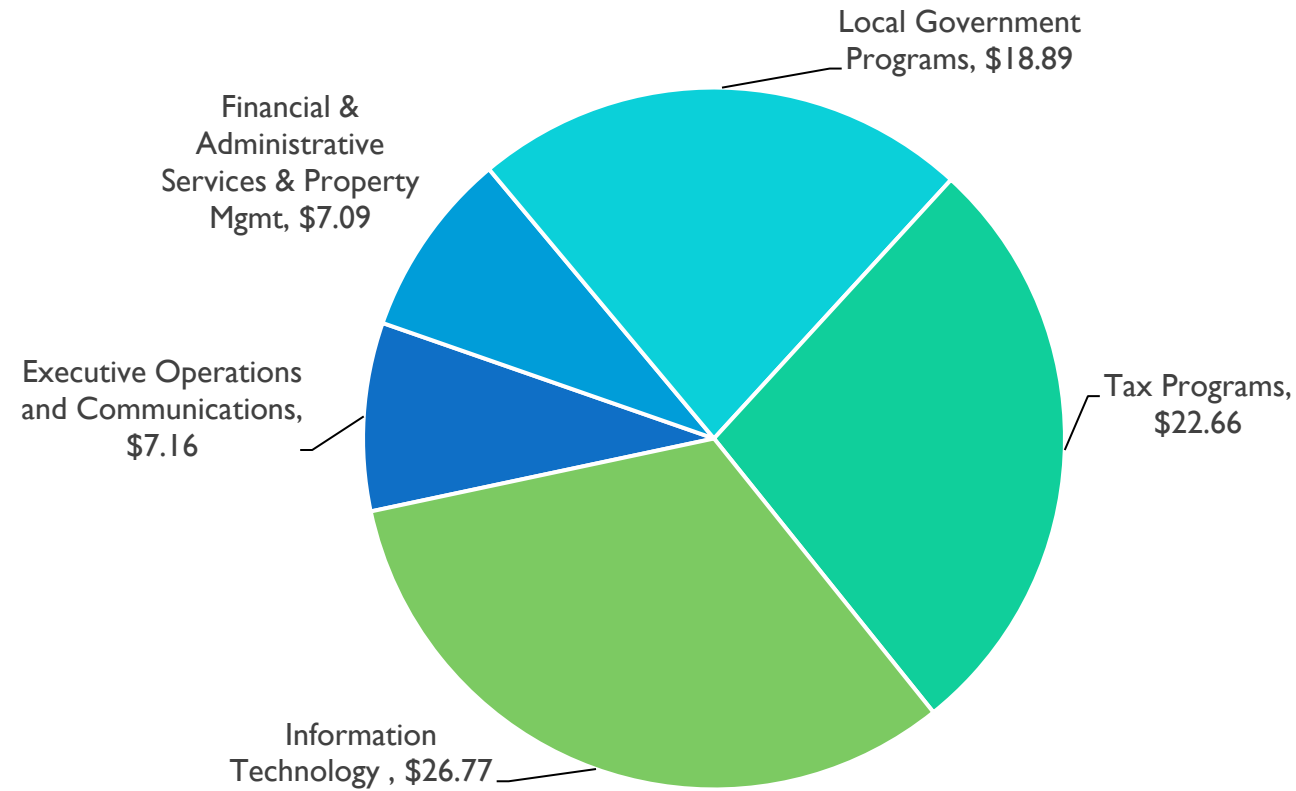
Majority of Treasury's budget is distributed to local units or dedicated to payments



**FY26 PA 22 of 2025 Treasury Gross Appropriation
\$2.6 Billion (Chart in Millions)**

Treasury General Fund Operations Summary (in millions)

Treasury Programs General Fund Total = \$84.3



Fiscal Year 2027 Proposed Changes

IT Investment Fund Request: Proposed in DTMB Budget

- The proposed ITIF request includes a proposed \$21 million award to Treasury for purposes of transitioning its Sales, Use and Withholding Taxes to a modernized platform.
- These taxes generate approximately \$15.5 billion in revenue and taxpayers file more than 3.5 million returns
- Likely the first phase in transitioning away from outdated technology, currently supported in SAP ECC environment which is coming to end of life in the coming years
- A modernized platform will improve the experience for taxpayers and Treasury staff, as well as lead to greater efficiency across administration areas

Boilerplate request: Financial Empowerment Program Utilizing private funds

- Treasury is seeking boilerplate language authorizing the use of private funds to support a financial literacy program
- Work is currently underway in Treasury to address the varied needs of Michiganders who have not had the advantage of receiving training related to financial topics such as budgeting, debt reductions, and retirement savings
- Treasury has worked to engage with external partners to promote a robust financial literacy and marketing strategy and public awareness campaign
- This builds off a FY26 one-time appropriation to support this program

Funding to implement and administer proposed tax changes

- The Governor's budget recommendation proposes several policy changes designed to increase revenue to fund Michigan's Medicaid program. Treasury has requested funding associated with the administration of those proposed changes
- \$2.35 million and 17 FTEs to administer the proposed tax on vaping and non-tobacco nicotine products
 - This is a new tax on a class of products that is separate from existing tobacco products
 - Proposed FTEs would support both processing of tax returns and inspection and enforcement to ensure compliance
- \$2 million (\$1.3 million one-time) and 5 FTEs to support administration of the proposed digital advertising tax
- In addition, the Governor proposed changes to the homestead property tax credit for seniors, saving eligible taxpayers approximately \$345 per year
- \$750,000 one-time in FY26 supplemental to manage system changes for the adjustments to the Homestead Property Tax Credit.

Adjust budget to reflect organizational changes

- These changes reflect Treasury efforts to use existing FTEs and resources more efficiently before requesting increases
- Renames Department Services to Enterprise Services and realigns staff to reflect current responsibilities
- Re-aligns FTEs in Executive Direction as well as between Tax Compliance Service Bureau and Tax Administration Services
- Consolidating shared services creates efficiency, reduces redundancy and improves resource allocation. This will lead to better coordination, streamlined operations, and improved customer support.

Additional changes highlights

- \$198,000 for Bureau of Local Government and School Services to address rising costs in providing local audit and assessment services
- \$500,000 increase in restricted funds for increased collection costs and activities
- Update Payment in Lieu of Taxes, Senior Housing Reimbursement, Recreational Marijuana Grants, debt service payments and other pass-through payments managed by Treasury



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**Thank
you!**