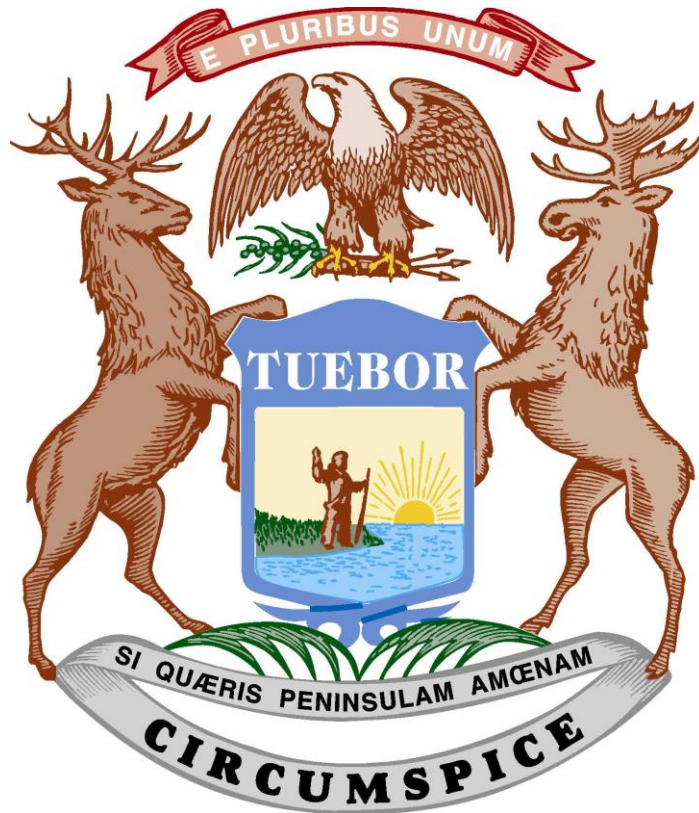


Economic and Revenue Outlook

FY 2024-25, FY 2025-26 and FY 2026-27

Michigan Department of Treasury



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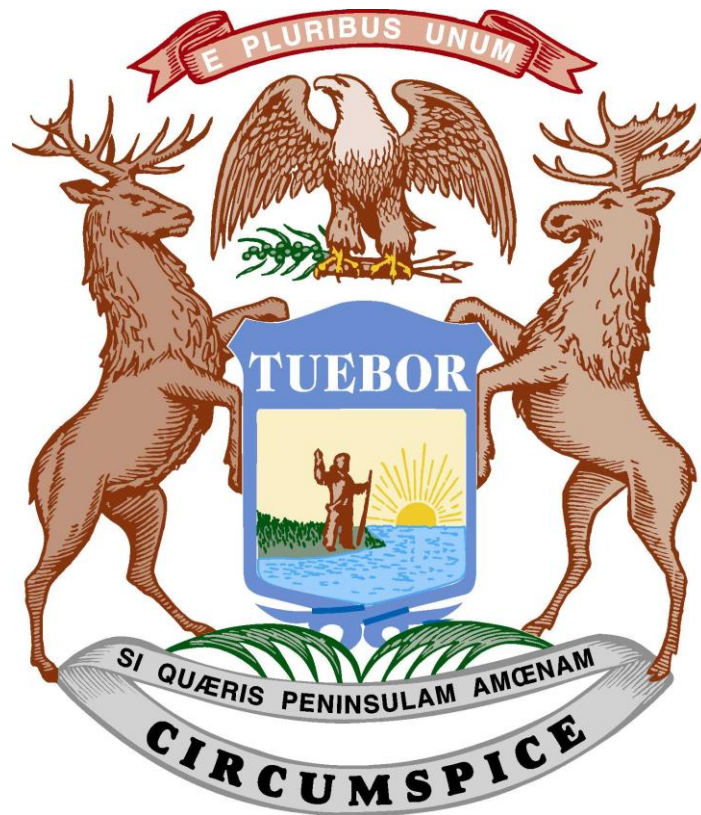
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May 16, 2025

Economic and Revenue Outlook

FY 2024-25, FY 2025-26 and FY 2026-27

Michigan Department of Treasury



Introductory Note

This document represents the Administration's economic and revenue forecast for the May 2025 Consensus Revenue Estimating Conference. The Michigan Department of Treasury produces the estimates on behalf of the Governor's Administration for the conference held in accordance with MCL 18.1367b. The summary of the final agreement between the principals under MCL 18.1367b(3) will be released after the conference and posted online at www.michigan.gov/crec.

Acknowledgements

The Economic and Revenue Outlook was prepared by the Forecasting and Economic Analysis Division of the Office and Revenue and Tax Analysis (ORTA). The team includes Eric Bussis, Andrew Lockwood, Denise Heidt, and Jim Birney. Many others in ORTA provide valuable contributions, especially economists Scott Darragh and Eric Krupka who contributed to many of the estimates contained in the report.

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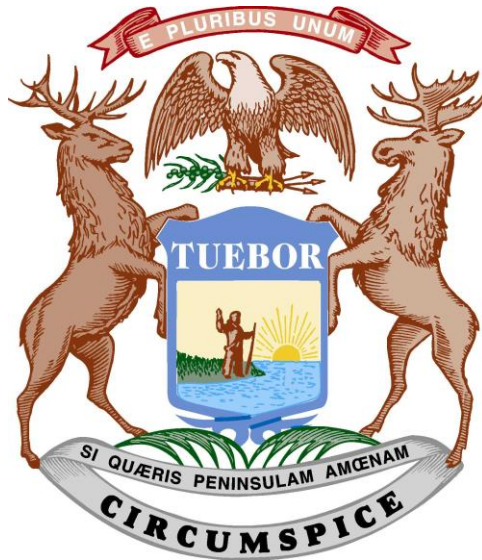
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SECTION I

Administration Estimates Executive Summary

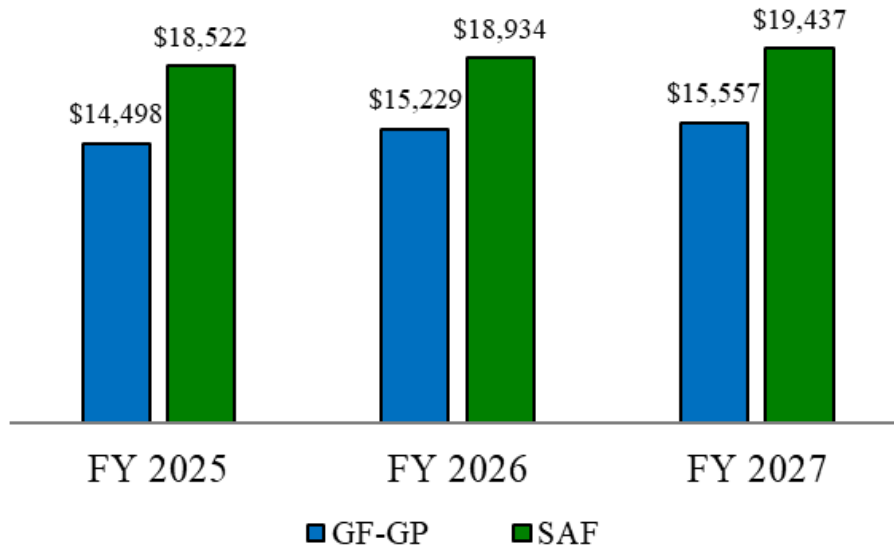


**Administration Estimates
Executive Summary
May 16, 2025**

Revenue Review and Outlook

- FY 2025 GF-GP revenue is forecast to decrease 0.2 percent to \$14,497.7 million, down \$217.8 million from the January 2025 Consensus estimate. FY 2025 SAF revenue is forecast to increase 2.5 percent to \$18,522.1 million, up \$62.5 million from the January 2025 Consensus estimate.
- FY 2026 GF-GP revenue is forecast to increase 5.0 percent to \$15,229.1 million, down \$248.6 million from the January 2025 Consensus estimate. FY 2026 SAF revenue is forecast to increase 2.2 percent to \$18,934.1 million, up \$42.6 million from the January 2025 Consensus estimate.
- FY 2027 GF-GP revenue is forecast to increase 2.2 percent to \$15,557.0 million, down \$186.5 million from the January 2025 Consensus estimate. FY 2027 SAF revenue is forecast to increase 2.7 percent to \$19,436.7 million, up \$82.2 million from the January 2025 Consensus estimate.

**Administration GF-GP and School Aid Fund
Revenue Estimates
(millions of dollars)**



United States Economic Outlook

- Modest economic growth is forecast throughout the next three years. Real, or inflation adjusted, Gross Domestic Product (GDP) is forecast to rise 1.1 percent in 2025, 1.3 percent in 2026, and increase 2.1 percent in 2027.
- U.S. wage and employment is set to increase over the forecast horizon, rising by 1.0 percent in 2025, increase by 0.3 percent in 2026, and move up 0.8 percent in 2027.
- The U.S. unemployment rate is forecast to increase to 4.4 percent in 2025, rise to 4.9 percent in 2026, and move to 4.8 percent in 2027, due partially to expected increases in the national labor force.
- Housing starts fell by 3.9 percent in the final 2024 data. Starts are expected to grow by 0.6 percent in 2025 and increase by 2.7 percent in both 2026 and in 2027.
- With tariffs affecting prices, light vehicle sales are forecast to decline slightly to 15.7 million in 2025, 15.5 million in 2026, but increase to 15.7 million in 2027.
- The pace of inflationary growth is forecast to increase then fall back to its 2024 level. The Consumer Price Index rose by 2.9 percent in 2024, and is forecast to rise by 2.9 percent in 2025, advance by 3.5 percent in 2026, then increase by 3.0 percent in 2027.

Michigan Economic Outlook

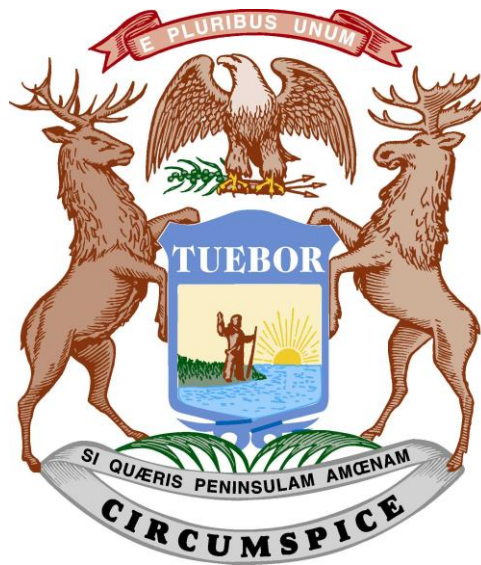
- In 2024, Michigan wage and salary employment increased 0.6 percent over the prior year. Employment in 2025 is expected to grow 0.6 percent and forecast to rise by 0.4 percent in 2026 and 2027.
- The Michigan jobless rate was 4.7 percent in 2024 and is expected to rise to 5.6 percent in 2025. The Michigan unemployment rate is forecast to increase to 6.0 percent in 2026, then decline to 5.8 percent in 2027.
- Michigan wages and salaries rose 4.2 percent in 2024 and are expected to advance 3.0 percent in 2025. Wages and salaries are forecast to rise by 3.3 percent in 2026 then increase by 3.4 percent in 2027.
- Michigan personal income rose 4.5 percent in 2024 and is projected to rise at modest rates through the forecast, by 3.6 percent in 2025, 3.7 percent in 2026, and by 3.9 percent in 2027.

Forecast Risks

- Risks to the outlook have increased significantly since the January conference.
- Changes to U.S. trade policy are the largest driver of economic uncertainty. The level, scope, and impact of tariffs on international trade is unknown at this time.
- U.S. Light vehicle sales face uncertainty from higher interest rates and potential tariff caused price changes.
- Michigan vehicle production could be both positively and negatively impacted from trade policy changes.
- Inflation remains higher than the Federal Reserve's targeted rate.
- Uncertainty surrounding long-term and short-term interest rates remain a risk for business investment and large consumer purchases.
- Federal changes to the Internal Revenue Code by Congress could directly impact Michigan tax collections.

SECTION II

Economic Review



Economic Review

May 16, 2025

Current U.S. Economic Situation

Summary

The U.S. economy is experiencing a period of heightened uncertainty, influenced by recent policy decisions and rapidly changing dynamics among global economies. The White House's implementation of sweeping reciprocal tariffs introduced significant ambiguity into global markets. These measures caused disruption to global marketplaces and led to the record \$140.5 billion trade deficit in March, as businesses stockpiled imports ahead of the announced tariffs. Consequently, U.S. Real GDP recorded -0.3 percent growth during 2025Q1, its first negative reading since 2022Q1 (-1.0 percent).

Inflation remains a central concern for many, as the personal consumption expenditures (PCE) index increased by 1.2 percentage points to 3.6 percent in 2025Q1. The Federal Reserve held interest rates at 4.5 percent for their third straight meeting as the labor market showed signs of moderation, with the April 2025 national unemployment rate holding at 4.2 percent for the second consecutive month. Consumer behavior continues to reflect uncertainty, as the consumer sentiment survey reported its fourth consecutive decline.

Overall, the U.S. economy, in the first half of 2025, could be characterized by the balancing act of fostering growth, controlling inflation amidst shifting trade policies, and evolving domestic consumer behavior accompanied by changing global relations.

The below sections evaluate the current economic conditions in seven key areas: Tariffs, Inflation, Monetary Policy and Interest Rates, Gross Domestic Product (GDP), Labor Markets, Consumers, and Federal Policy.

Tariffs

At the beginning of March 2025, the United States engaged in escalating trade disputes, which have led to significant disruptions in global trading dynamics. In response, a multitude of countries retaliated with their own tariffs. Although there have been numerous trade announcements in the past two months, many have already been altered or slashed altogether.

Currently, the presidential administration has imposed a broad 10 percent tariff on imports from many countries, alongside targeted duties of up to 25 percent on steel, aluminum, and automobiles. Although there was a 90-day tariff pause implemented in early April, dozens of countries could still see dramatic reciprocal tariff increases by the beginning of July, if trade negotiations remain unresolved.

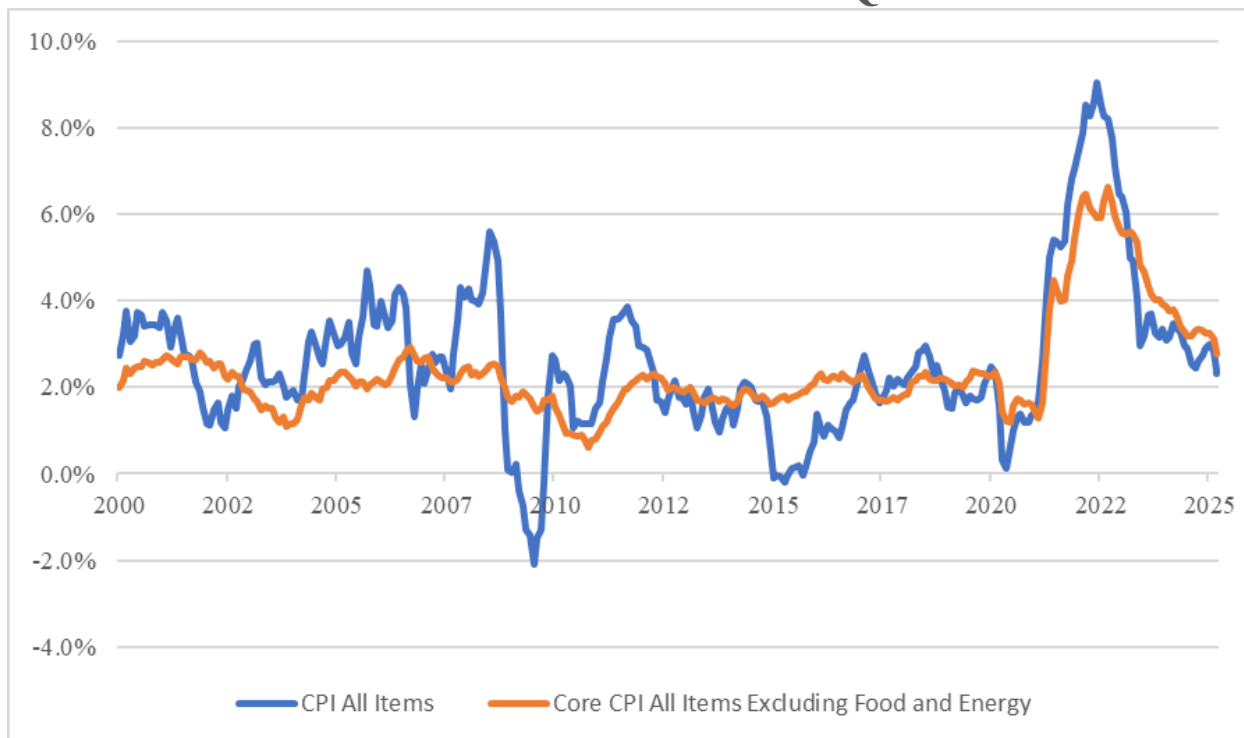
These tariff threats and actions have led to disruptions in global supply chains and have presented a looming shift in global trade relations. Countries may now have to reevaluate their economic strategies and alliances as multinational corporations reexamine their business plans due to the

prevailing uncertainty surrounding U.S. trade policy. The long-term implications of these trade tensions remain uncertain, as nations continue to navigate the complexities of balancing their national interests with the evolving global trade landscape.

Inflation

The U.S. Consumer Price Index (CPI) measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Throughout 2024 and into the first quarter of 2025, price inflation has remained significantly lower than its historic highs recorded during 2022. From June 2022 to December 2024, year-over-year increases in the CPI slowed from 9.1 percent to 2.9 percent, on a not seasonally adjusted basis. Currently, the 2.3 percent April 2025 CPI change was the lowest one-year change since February 2021 (1.7 percent).

Overall Inflation Remains Low in First Quarter of 2025



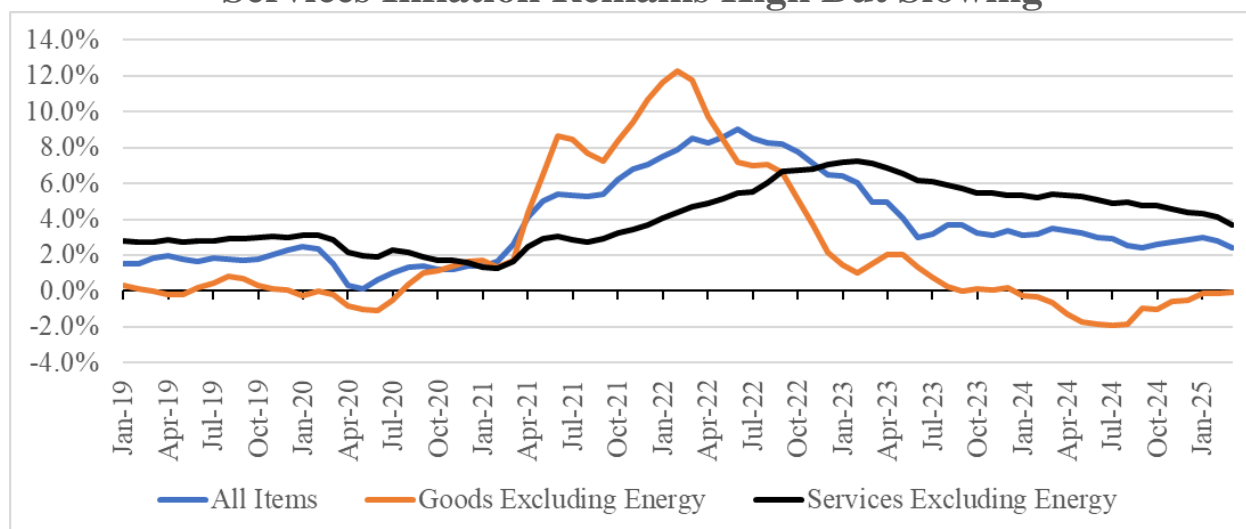
Source: Bureau of Labor Statistics

The U.S. Core Consumer Price Index, which excludes food and energy and is generally less volatile, also continued to move at a slower pace throughout 2024 and into 2025. After rising to 6.6 percent in September 2022, year-over-year core CPI increases decelerated to 3.2 percent in July 2024, its slowest pace since April 2021. Core CPI year-over-year rates remained between 3.2 and 3.3 for the next six consecutive months, ending in January 2025. Currently, the year-over-year core CPI increase was recorded at 2.8 percent in April 2025, its lowest reading since March 2021.

The Federal Reserve's preferred inflation measure, the Personal Consumption Expenditure (PCE) deflator, measures prices that people living in the United States, or those buying on their behalf,

pay for goods and services. The year-over-year increase in the PCE deflator decelerated from 7.2 percent in June 2022 to 2.1 percent in September 2024, the lowest yearly increase since February 2021 (1.8 percent). The deflator increased in four of the following five months, recording a year-over-year increase of 2.3 percent in March 2025.

Services Inflation Remains High But Slowing



Source: Bureau of Labor Statistics

Goods prices inflation slowed down throughout most of 2023 and has now been in deflationary territory for the past fifteen consecutive months. Year-over-year increase in the goods CPI excluding energy and food reached its peak in February 2022 (12.3 percent), eventually decreasing to 0.0 percent in September 2023. It continued its decline even further in the following months, to -1.9 percent in July 2024 (the lowest rate since February 2004 at -2.0 percent). By April 2025, goods prices were 0.1 percent higher than a year ago. In contrast, year-over-year services inflation excluding energy services, increased from 1.3 percent in February 2021 to 7.3 percent in February 2023. Services prices have gradually fallen almost every month since then, declining to 3.6 percent year-over-year rate in April 2025, its lowest over the year change since November 2021 (3.2 percent).

Monetary Policy and Interest Rates

The Federal Reserve maintained a contractionary policy regime through July 2023. From March 2022 through July 2023, the Federal Reserve raised the federal funds target range ten times, from 0.25-0.50 percent to 5.25-5.50 percent.

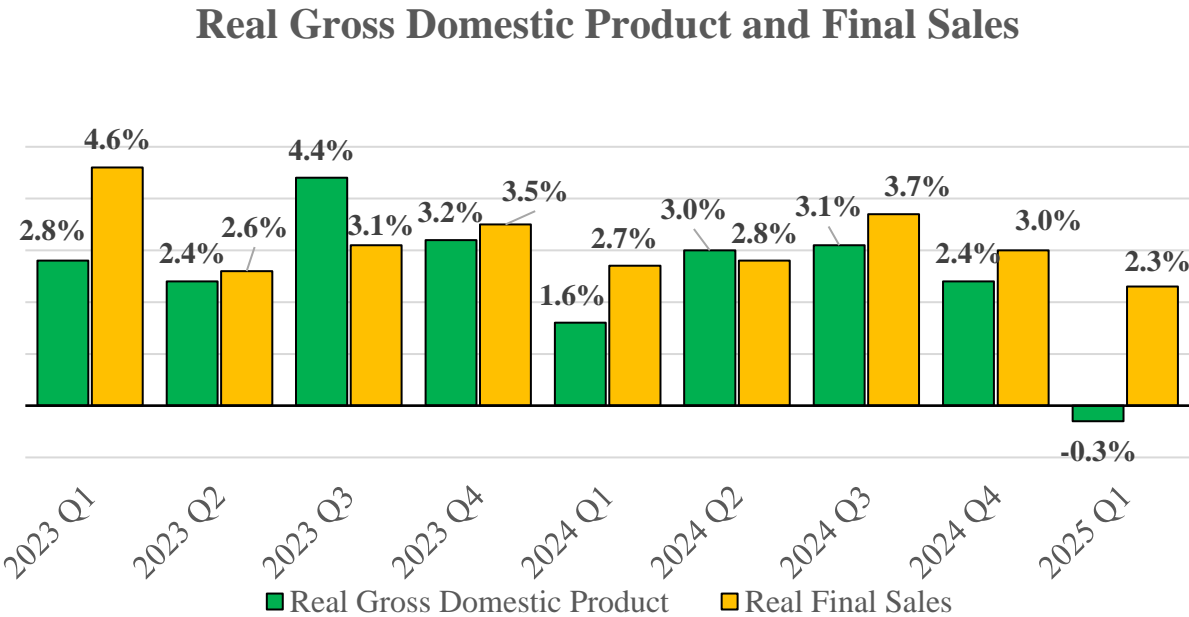
The federal funds rate advanced 4.25 percentage points in CY 2022, before increasing an additional 1.00 percentage point in CY 2023 to 5.25-5.50, a 22-year high. The upper bound remained between 5.25-5.50 percent for 13 consecutive months.

In the second half of CY 2024, as inflation stabilized and worries about economic growth shrank, the Federal Reserve decreased the rate 1.00 percentage points by December 2024, to their new upper bound of 4.25-4.50 percent.

Since unemployment increased and job growth slowed throughout 2024 and into 2025, officials are balancing those risks against inflationary pressures with future rate cuts as the second half of 2025 progresses. The Fed decreased its asset holdings throughout calendar year 2024 and into the beginning of 2025. As of April 30th, 2025, the Federal Reserve reduced its asset holdings by 9.4 percent compared to its year-ago levels.

Gross Domestic Product (GDP)

Real GDP declined for the first time since the first quarter of 2022 (-1.0 percent), falling by -0.3 percent during 2025Q1. Personal consumption expenditures and private domestic investment were the main contributors to these quarterly increases over the past three years. In 2025Q1, a spike in imports (50.9 percent) was the main contributor to real GDP’s first quarter decline, resulting in net exports of goods and services contributing to -4.8 percent to real GDP growth in the period.



Source: Bureau of Economic Analysis

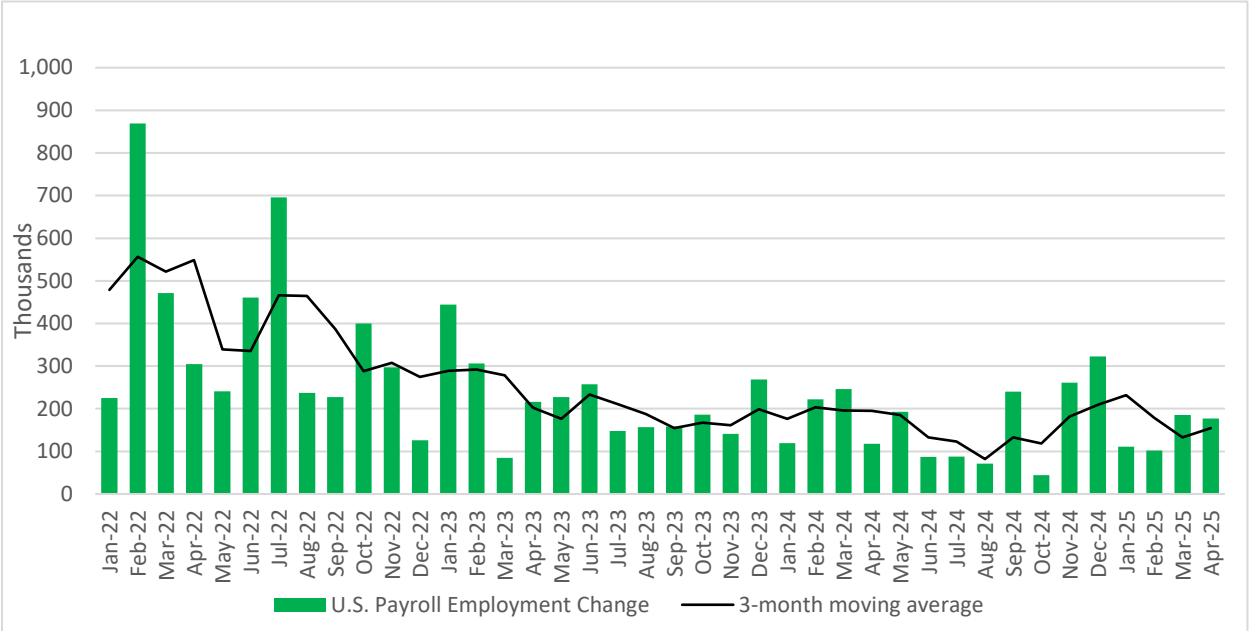
Real final sales, a more stable and representative measure of current domestic demand, which excludes inventory changes and exports but includes imports, increased gradually throughout 2022 and at an even greater pace throughout 2023 and 2024. Despite real GDP’s 2025 first quarter decline, real final sales exhibited continued growth and rose by 2.3 percent at an annual rate in 2025Q1.

Labor Markets

U.S. nonfarm payroll employment continued to reach record job levels throughout 2024 and into 2025, but at much slower growth rates than compared to the past several years. U.S. employment recorded historically high employment rates during 2022 and 2023 due mainly to job rebounds after the COVID-19 pandemic. After averaging 380,000 jobs per month in 2022, average monthly employment gains slowed to 216,000 in 2023 and 168,000 in 2024. As of April 2025, wage and

salary employment in the United States was up 0.1 percent over the month and 1.2 percent (1.9 million) over the year. U.S. employment in April 2025 was nearly 7.2 million (4.7 percent) higher than its February 2020 pre-pandemic level.

Cumulative Change in U.S. Payroll Employment



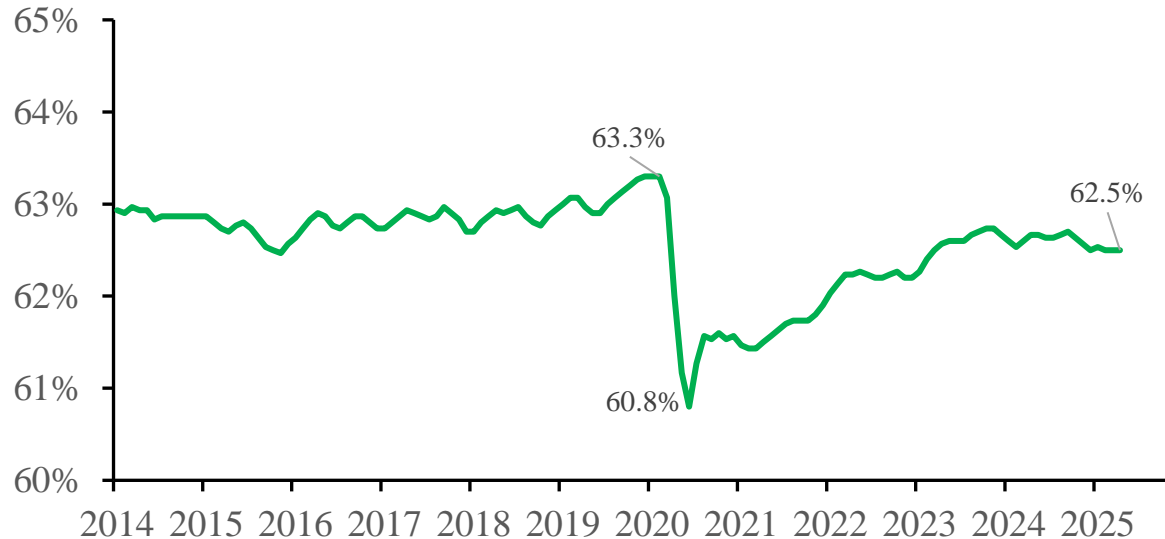
Source: Bureau of Labor Statistics

The U.S. jobless rate has continued to remain historically low over the past three years. However, the unemployment rate increased gradually during 2024, moving from 3.7 percent in January to 4.1 percent in December 2024. As of April 2025, the national jobless rate was 4.2 percent, 0.3 percentage points higher than its year-ago level and 0.7 percentage points higher than its February 2020 pre-pandemic rate.

The labor force participation rate, the share of the working-age population who are in the labor force either working or actively looking for work, was recorded at an annual average rate of 63.1 percent in 2019. However, the participation rate fell abruptly in the proceeding months, due mainly to the COVID-19 pandemic. In calendar year 2020, the annual average participation rate fell to 61.7 percent and remained at 61.7 percent in 2021.

The annual average participation rate advanced gradually in the proceeding years, reaching an average of 62.6 during 2024. As of April 2025, the nationwide seasonally adjusted labor force participation rate was recorded at 62.6 percent.

U.S. Labor Force Participation Rate January 2014 to April 2025 Three-month Moving Average



Source: Bureau of Labor Statistics

Consumers: Spending, Sentiment and Residential Investment

The University of Michigan's Index of Consumer Sentiment, a monthly survey of consumer confidence levels in the United States, gradually recovered during 2023 from its record lows in 2022, when rising inflation was a growing concern. The index increased to 79.4 by March 2024, compared to its record low of 50.0 recorded in June 2022, when inflation severely eroded consumers' purchasing power. It finished the year with a recorded reading of 74.0 in December.

However, due to persistent high prices and major uncertainties around tariff and trade policies, consumer sentiment has declined rapidly during 2025. For the fourth consecutive month, the index has recorded a decline, falling from 71.7 in January to 52.2 in April 2025. This April decline has brought the index's year over year change to -32.4 percent.

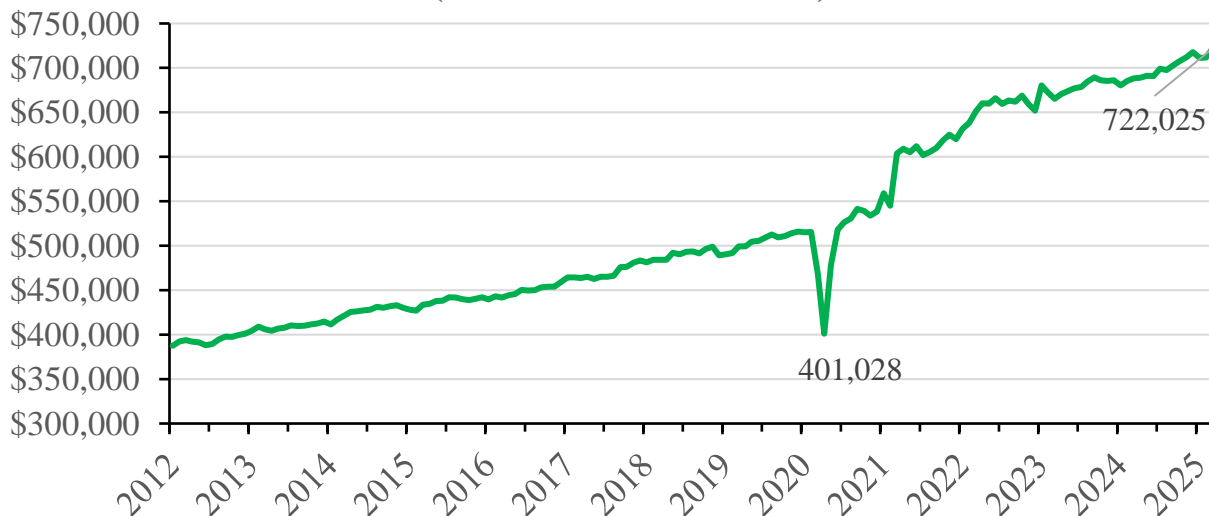
Index of Consumer Sentiment University of Michigan Consumer Survey



Source: University of Michigan Survey Research Center

In March 2025, retail sales rose 1.5 percent over the month and were up 4.9 percent from a year earlier. This gain was driven mainly from consumers buying vehicles ahead of presumed price increases from ongoing tariff issues. The outlook for retail sales continues to be uncertain due to lingering high interest rates and continued trade uncertainty. In contrast, continued low unemployment rates and wage growth should help support consumer spending.

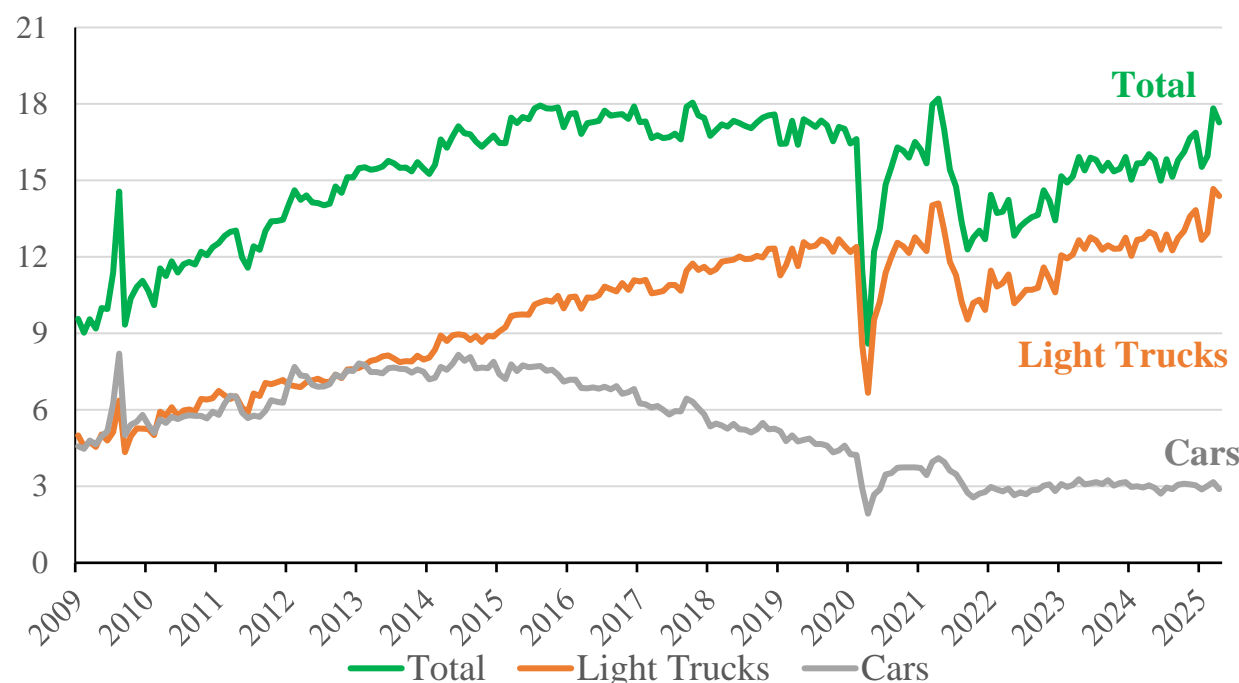
Retail Sales Annual Sales Rate (in millions of dollars)



Source: U.S. Census Bureau

With supply chain constraints largely overcome and sustainable inventory production restored, light vehicle sales advanced from 13.8 million average units in 2022 to 15.5 million average units in 2023. Light vehicle sales continued to increase in 2024, reaching 15.8 million average units, 1.9 percent higher than sales recorded a year ago. Similarly, light trucks sales grew to 12.4 million average units in 2023 (an increase of 13.7 percent from 2022), and to 12.8 million average units in 2024, 3.9 percent above the sales in 2023. As of April 2025, light vehicle sales were recorded at 17.3 million average units and are expected to continue to be driven by light trucks sales in the coming years.

Light Vehicle Sales Seasonally Adjusted Annual Rate (in millions)



Source: Bureau of Economic Analysis

High mortgage rates have continued to play a part in the decline of national housing starts since the latter half of 2021. The average annual 30-year fixed mortgage rate noted a record low in 2021, at 2.96 percent. Since then, the rate has advanced sharply over the past three years to an annual average of 5.34 percent in 2022, 6.81 percent in 2023, and then down slightly to 6.72 percent in 2024. The 30-year mortgage high peaked at 7.79 percent at the end of October 2023, from a low of 2.65 percent, in January 2021. The 30-year average mortgage rate remained elevated during the first quarter of 2025 and currently resides at 6.76 percent in the first week of May 2025.

In 2022, the annual average for housing starts totaled 1.55 million, which declined to 1.42 in 2023 and again in 2024, to 1.37 million. The annual average rate for housing starts in 2024 ranged between 1.26 million to 1.55 million units. Currently, housing starts were recorded at 1.32 million units during March 2025, down 11.4 percent over the month but up 1.9 percent over the year.

Federal Policy: Budget, Tax, and Trade

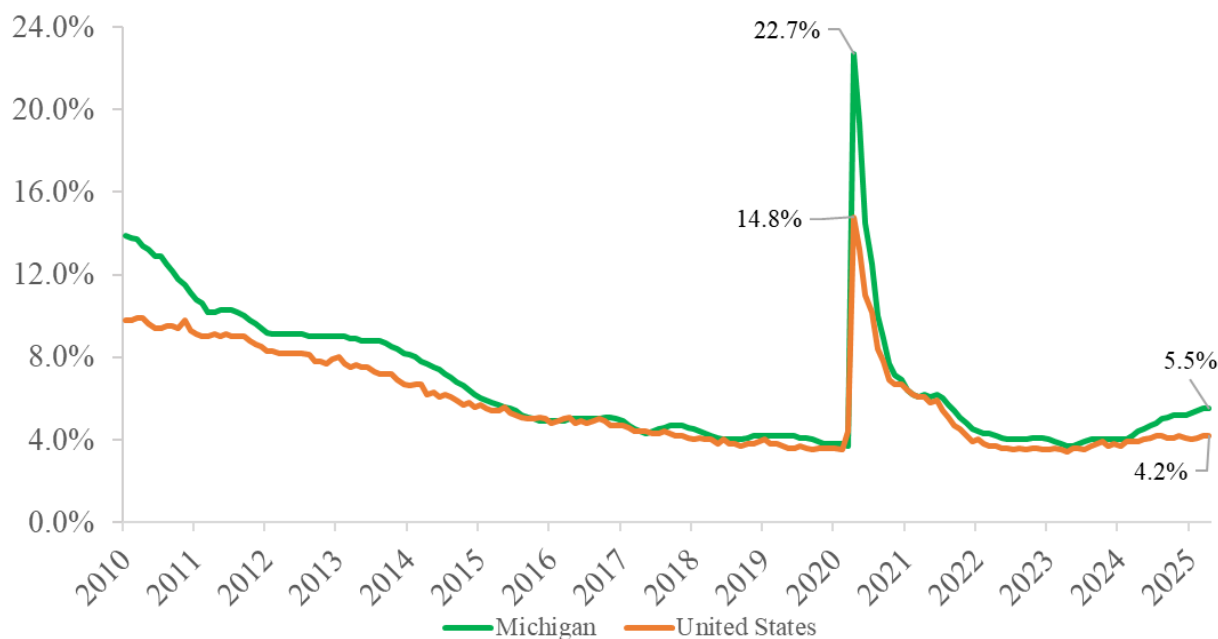
The U.S. federal budget deficit rose to \$1.832 trillion in FY 2024, on an annualized, not seasonally adjusted basis. This is an increase of \$138 million (8.2 percent) from the FY 2023 total. Federal tax revenues rose by 11 percent, or \$479 billion, while federal outlays increased by 10 percent, or \$617 billion. Federal individual income tax revenues were well above fiscal year 2023 levels. In FY 2024, the deficit was equal to 6.4 percent of the nation's GDP which was above the FY 2023 level of 6.2 percent. The FY 2024 federal budget deficit as a share of GDP is greater than the 50-year average of 3.8 percent.

Current Michigan Economic Situation

During 2023, Michigan total nonfarm payroll jobs increased by an average of 5,600 per month on a seasonally adjusted basis, decelerating in 2024 to an average of 2,700 jobs per month. As of March 2025, Michigan's total nonfarm payroll employment count stood at 4.51 million, with an over the year net gain of 24,000 (0.5 percent) jobs.

After seven consecutive months at 4.0 percent, the Michigan unemployment rate recorded its first uptick in March 2024 (4.2 percent). This monthly increase then set off eight consecutive months of rate advancement. As of April 2025, the Michigan jobless rate was recorded at 5.5 percent for the second consecutive month, 1.1 percentage points higher than its year-ago rate.

United States and Michigan Unemployment Rates, 2010 to 2025



Source: Bureau of Labor Statistics

Throughout 2024, the statewide labor force participation rate recorded a narrow range of 61.7 percent to 61.9 percent. For March 2025, the Michigan labor force participation rate was 62.0, up 0.3 percentage points from its year ago level. While typically lower than the national participation

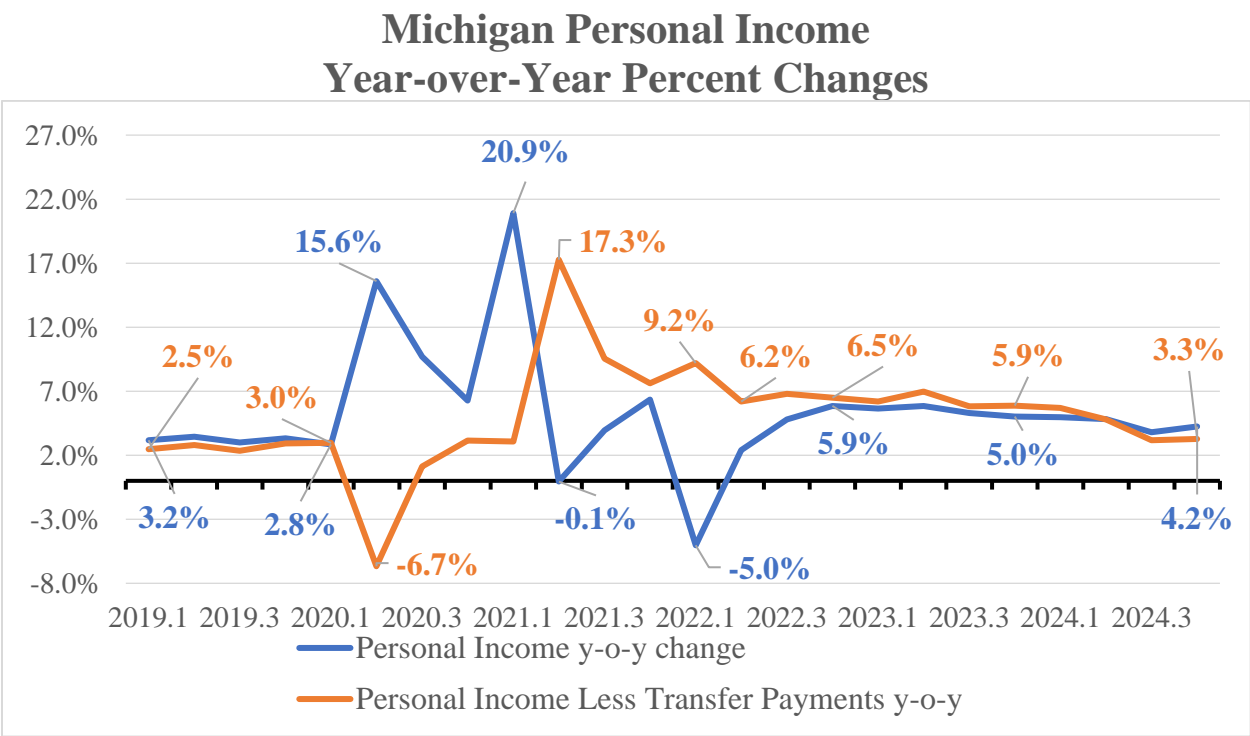
rate, the statewide rate has begun to inch closer throughout the years. Currently, the statewide rate is only 0.5 percentage points below the nationwide rate (62.5 percent).

Statewide personal income has increased in 11 of the past 12 quarters, spanning from 2022Q1 through 2024Q4, reflecting the strength in earnings from work, dividends, and interest and rent income during the period. At an over the year rate, Michigan personal income increased 5.9 percent in 2022Q4, 5.0 percent in 2023Q4, and 4.2 percent in 2024Q4.

Transfer payments for Michigan decreased more rapidly than the national average during 2022 and the first half of 2023. Statewide transfer payments recovered slightly during the second half of 2023 but continued to increase at a slower pace than the national rates during all four quarters in 2024. As of 2024Q4, Michigan transfers increased 7.8 percent year-over-year compared to the national yearly growth rate of 8.2 percent.

Personal income less transfer payments measures income by excluding payments made by the government to individuals through programs such as Social Security or unemployment insurance. This measure helps in understanding underlying income trends and economic health while excluding the effects of government intervention through transfer payments. Michigan personal income less transfer payments have continued to increase over the year, every quarter since 2020Q3.

Between 2020Q3 and 2024Q4, Michigan personal income less transfers growth rates have ranged from 1.1 percent to 17.3 percent, with a quarterly average change of 5.4 percent. Compared to the prior year, Michigan personal income less transfers increased 6.5 percent in 2022Q4, 5.9 percent in 2023Q4, and 3.3 percent in 2024Q4.



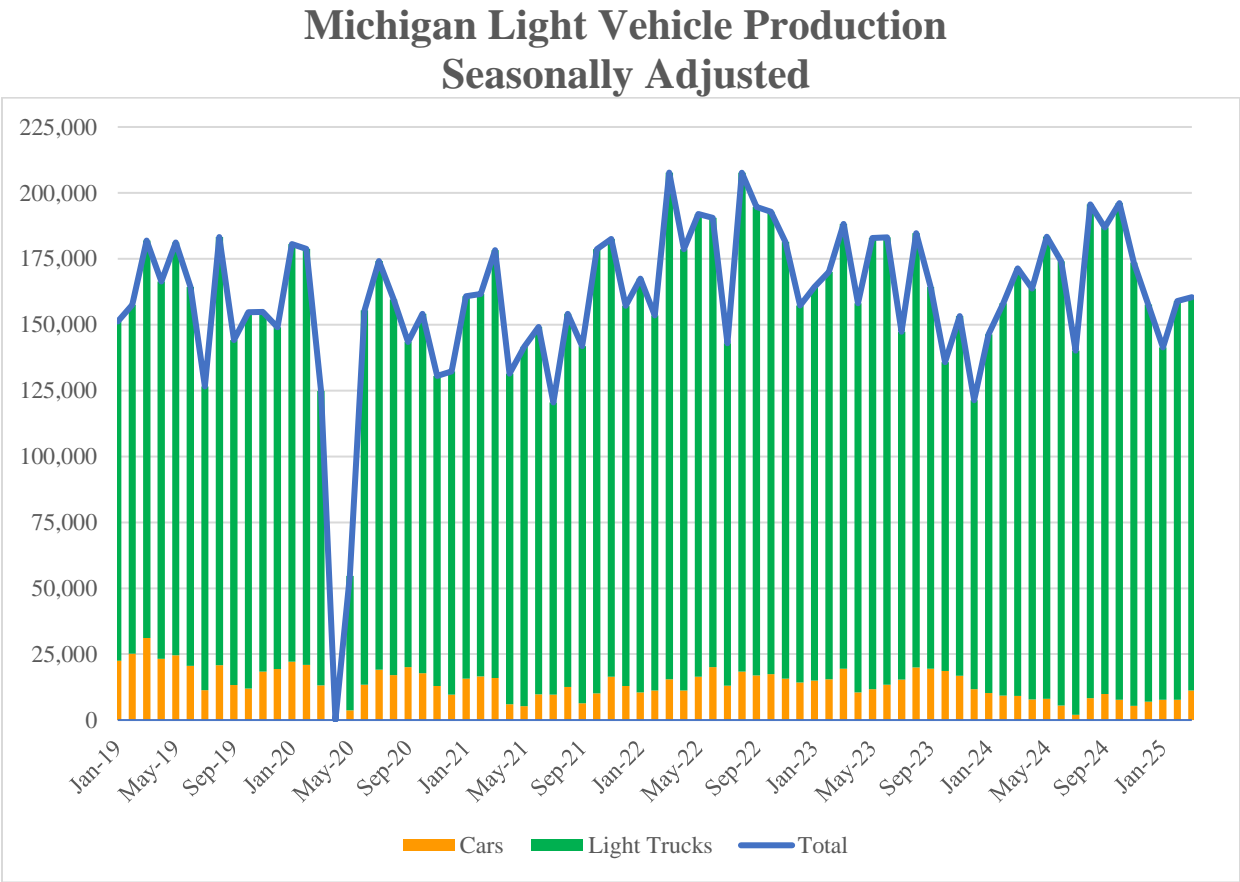
Source: Bureau of Economic Analysis

Michigan auto production continued to advance at a noteworthy pace, moving up by 269,000 units in 2021 and 309,200 units in 2022, despite lingering supply-chain challenges and semi-conductor chip shortages. These increases were due mainly to strong production in light trucks, which advanced 301,500 units in 2021 and 265,900 units in 2022. Michigan car production, which had recorded negative growth rates since 2017, decreased again in 2021 by 32,500 units but rebounded in 2022, rising by 43,300 units.

However, 2023 marked a reversal of this post-pandemic growth for total statewide motor vehicle production, as Michigan vehicle production fell by 213,200 units over the year. This decline mainly reflected weaker light truck production throughout the year, which was aggravated by the UAW strike in the latter half of 2023. During 2023, the light truck production decline was offset slightly by gains in auto production (7,000 units).

During 2024, Michigan light truck production recovered, moving up 190,600 units over the year. As of March 2025, statewide light truck production was about 13,100 units lower than March 2024 and 19,700 units lower than its March 2023 level.

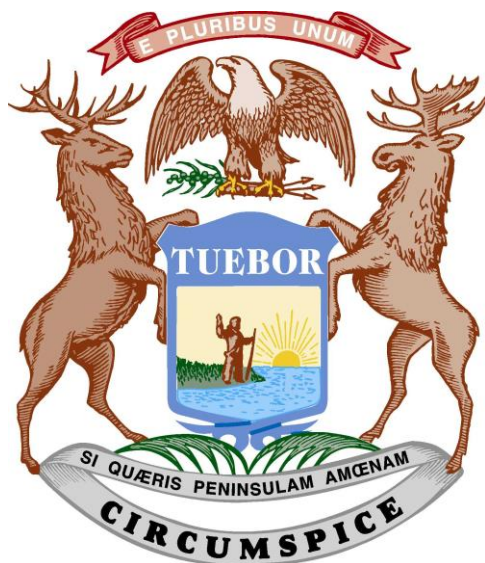
Michigan auto production slowly rebounded and recorded two consecutive years of annualized growth in 2022 and 2023. However, Michigan auto production recorded a sharp decline in 2024, falling by 97,100 units over the year at an annualized rate. As of March 2025, statewide auto production was up 2,100 units since March 2024 but down 8,200 units since its March 2023 level.



Sources: Automotive News and Michigan Department of Treasury

SECTION III

Administration Economic Forecast



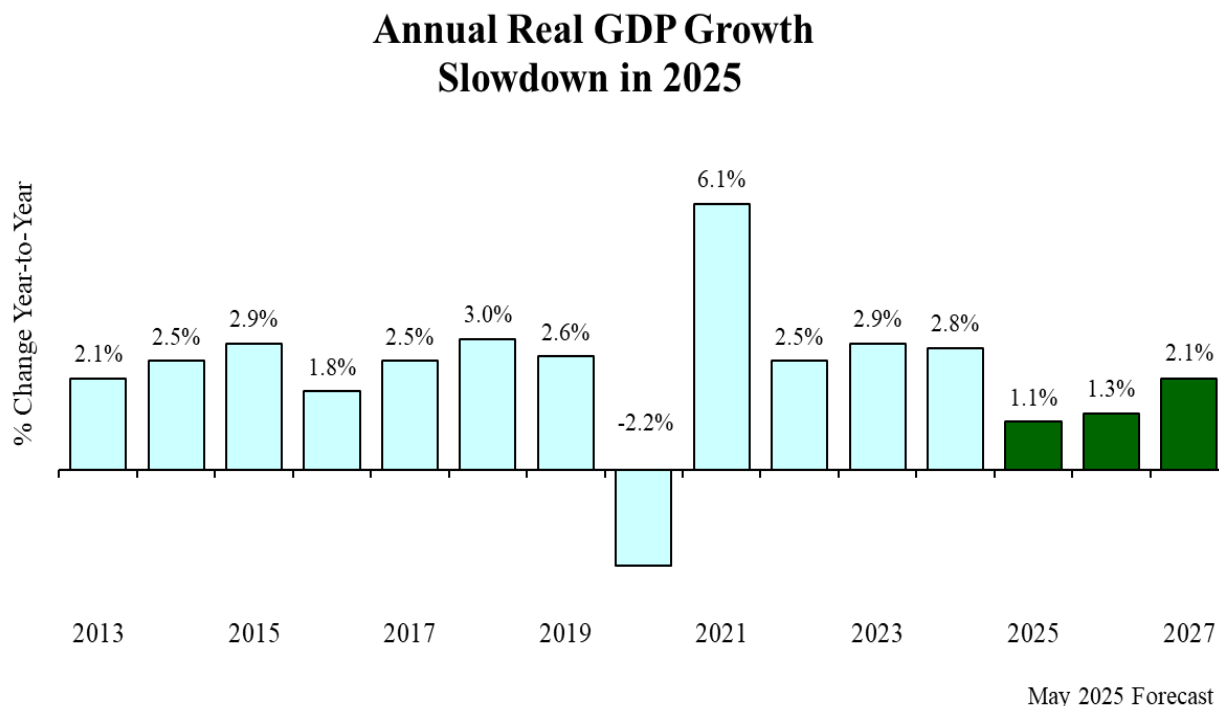
Administration Economic Forecast May 16, 2025

Administration Economic Forecast Summary

Table 1 provides a one-page summary table of the Administration forecast of the U.S. and Michigan economies.

2025, 2026 and 2027 U.S. Economic Outlook

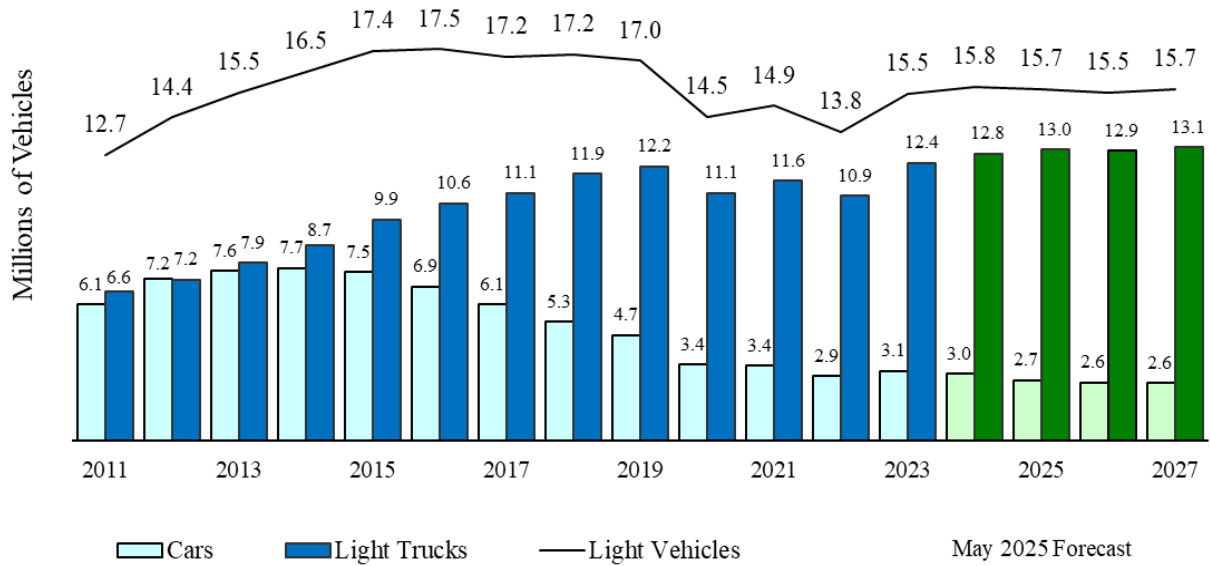
Real (inflation adjusted) annual GDP is expected to advance over the forecast horizon. After falling 2.2 percent in 2020 (the largest annual decline since 2009), real GDP moved up 6.1 percent in calendar year 2021, which was the fastest annual real GDP growth recorded since 1984. Real GDP growth then slowed to 2.5 percent in 2022 but advanced by 2.9 percent in 2023 and increased 2.8 percent in 2024. For 2025 and 2026, real GDP is forecast to increase 1.1 percent and 1.3 percent respectively, then increase by 2.1 percent in 2027.



Source: Bureau of Economic Analysis, U.S. Department of Commerce, and Administration Forecast, May 2025

Due mainly to notable declines during the first half of 2020, **light vehicle sales** fell from 17.0 million units in 2019 to 14.5 million units in 2020. In 2021, light vehicle sales edged up modestly to 14.9 million units and then decreased to 13.8 million units in 2022. Sales rebounded back to 15.5 million units in 2023 and edged up to 15.8 million units in 2024. Light vehicle sales are expected to stabilize over the forecast horizon, moving to 15.7 million units in 2025, decline slightly to 15.5 million units in 2026 then edge back up to 15.7 million units in 2027. Similarly to prior year's forecast, light truck sales continue to dominate the light vehicle market over the forecast horizon.

Vehicle Sales Level Off Through 2027



Source Bureau of Economic Analysis, U.S. Department of Commerce, and Administration Forecast, January 2025.

The **U.S. unemployment rate** declined steadily from 5.3 percent in 2021 to 3.6 percent in both 2022 and 2023. For 2024, the national unemployment rate rose to 4.0 percent. The national unemployment rate is forecast to rise to 4.4 percent in 2025, then advance in 2026 to 4.9 percent then edge down slightly to 4.8 percent in 2027.

U.S. wage and salary employment advanced by 4.3 percent in 2022 then rose by 2.3 percent during 2023. In 2024, wage and salary employment moved up by 1.3 percent. More moderate growth rates are expected for the forecast horizon, with wage and salary employment increasing 1.0 percent in 2025, slowing to 0.3 percent growth in 2026 then moving up 0.8 percent in 2027.

The **U.S. consumer price index (CPI)** advanced 8.0 percent in 2022, 4.1 percent in 2023, and rose by 2.9 percent in 2024. The CPI is forecast to rise 2.9 percent in 2025 and 3.5 percent in 2026, before advancing by 3.0 percent in 2027. The personal consumption price deflator rate increased 3.8 percent in 2023 and rose by 2.5 percent in 2024. The deflator is forecast to advance 2.2 percent in 2025, increase 2.6 percent in 2026, then rise 2.3 percent in 2027.

The **three-month Treasury bill rate** average was 5.0 percent in 2024. The Treasury bill rate is expected to average 4.0 percent in 2025, 3.4 percent in 2026, and 3.3 percent in 2027.

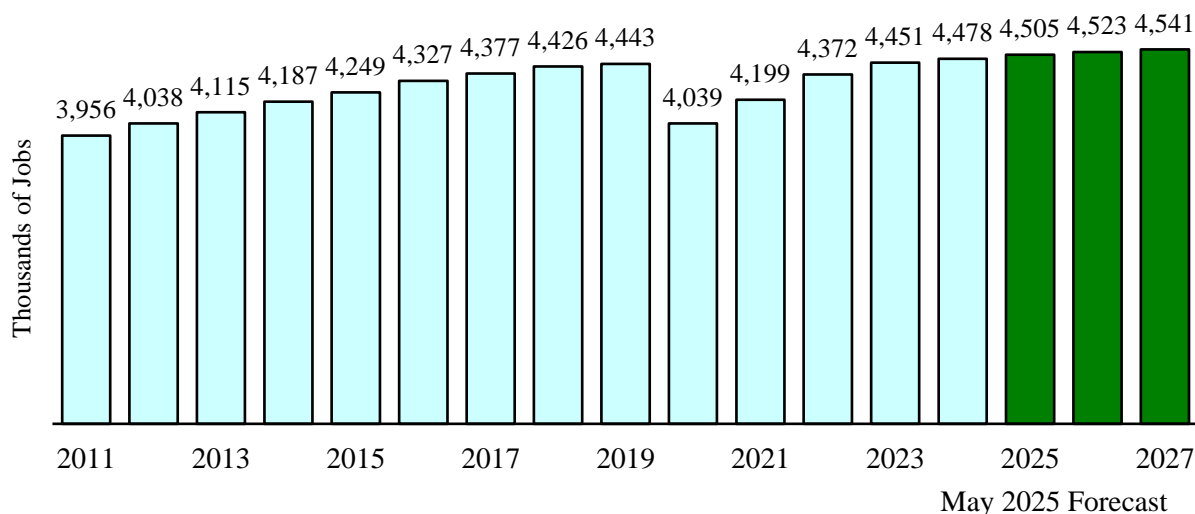
Housing starts declined 3.3 percent to 1.552 million in 2022. Due to higher mortgage rates, housing starts fell 8.4 percent in 2023 to 1.421 million and declined 3.9 percent in 2024 to 1.364 million. Housing starts are forecast to edge up 0.6 percent in 2025 and advance by 2.7 percent in both 2026 and 2027, reaching 1.448 million starts by the end of the forecast horizon.

2025, 2026 and 2027 Michigan Economic Outlook

Michigan wage and salary employment has displayed solid growth since 2020. Statewide wage and salary employment increased 4.0 percent in 2021 and 4.1 percent in 2022 after the steep decline of 9.1 percent in 2020 due to the pandemic. By April 2023, Michigan wage and salary employment of 4.6 million was slightly above its February 2020 pre-pandemic level, ending 2023 with an annual wage and salary employment increase of 1.8 percent. In 2024, Michigan wage and salary employment increased modestly at 0.6 percent.

Over the forecast horizon, statewide wage and salary employment is projected to move up at a slightly slower pace, rising by 0.6 percent in 2025 and 0.4 percent in both 2026 and 2027.

Michigan Wage and Salary Employment Increases

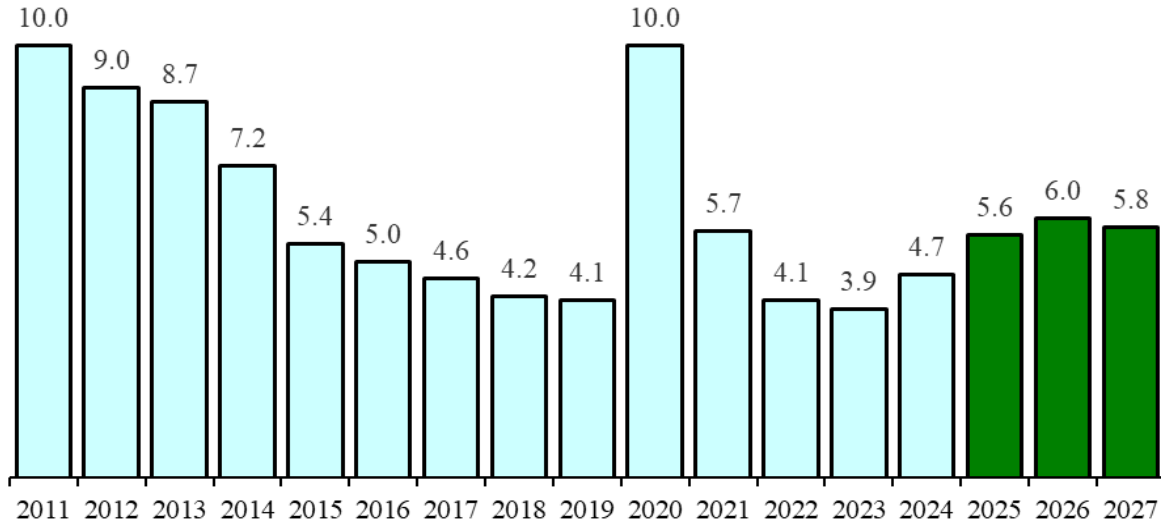


Source: Michigan Department of Technology, Management, & Budget, U.S. Bureau of Labor Statistics and May 2025 Administration Forecast.

Michigan manufacturing employment fell dramatically by 11.1 percent in 2020 during the pandemic but recovered notably by 4.9 percent in 2021, 3.9 percent in 2022 and 1.3 percent in 2023. Statewide manufacturing employment started to retract during the second half of 2023 and continued to descend through most of 2024. Michigan manufacturing employment declined 2.0 percent in 2024 to 605,400 jobs. Statewide manufacturing employment is forecast to fluctuate between 599,500 to 603,900 jobs in the coming years, declining 1.0 percent in 2025, increasing 0.7 percent in 2026, before edging up 0.1 percent in 2027.

The **Michigan unemployment rate** fell to 4.1 percent in 2022 and decreased to 3.9 percent in 2023. The state jobless rate edged up during the second half of 2024 and ended at 4.7 percent in 2024. The statewide unemployment rate is forecast to continue its advancement for the next two years, moving up to 5.6 percent in 2025 and 6.0 percent in 2026. By 2027, the Michigan jobless rate is forecast to edge down slightly to 5.8 percent.

State Unemployment Rate Rises Over Forecast Period (Percent)



Source: Michigan Department of Technology, Management, & Budget, U.S. Bureau of Labor Statistics and May 2025 Administration Forecast.

Michigan wages and salaries advanced 7.9 percent in 2022, 4.6 percent in 2023, and increased 4.2 percent in 2024. Statewide wages and salaries are forecast to rise 3.0 percent in 2025, 3.3 percent in 2026, and 3.4 percent in 2027.

Michigan personal income increased by 5.4 percent in 2023 and finished 2024 with a growth of 4.5 percent. Personal income is forecast to rise 3.6 percent in 2025, 3.7 percent in 2026, then increase by 3.9 percent in 2027.

The **Detroit CPI** advanced 5.8 percent in 2023 and moved up modestly in 2024, increasing by 3.0 percent. Over the forecast period, inflation is projected to continue to moderate. The Detroit CPI is forecast to rise 2.1 percent in 2025, move up 3.5 percent in 2026, and increase 2.9 percent in 2027. After advancing 1.4 percent in 2024, **real (inflation adjusted) Michigan personal income** is forecast to increase 1.5 percent in 2025 and 0.2 percent in 2026, before moving up 0.9 percent in 2027.

Table 1
Administration Economic Forecast

May 2025

	Calendar 2024 Actual	Percent Change from Prior Year	Calendar 2025 Forecast	Percent Change from Prior Year	Calendar 2026 Forecast	Percent Change from Prior Year	Calendar 2027 Forecast	Percent Change from Prior Year
United States								
Real Gross Domestic Product (Billions of Chained 2017 Dollars)	\$23,305	2.8%	\$23,561	1.1%	\$23,868	1.3%	\$24,369	2.1%
Implicit Price Deflator GDP (2017 = 100)	125.2	2.4%	128.7	2.8%	132.7	3.1%	136.0	2.5%
Consumer Price Index (1982-84 = 100)	313.689	2.9%	322.924	2.9%	334.195	3.5%	344.059	3.0%
Consumer Price Index - Fiscal Year (1982-84 = 100)	311.581	3.1%	320.114	2.7%	331.717	3.6%	341.506	3.0%
Personal Consumption Deflator (2012 = 100)	123.5	2.5%	126.2	2.2%	129.5	2.6%	132.5	2.3%
3-month Treasury Bills Interest Rate (percent)	5.0		4.0		3.4		3.3	
Unemployment Rate - Civilian (percent)	4.0		4.4		4.9		4.8	
Wage and Salary Employment (millions)	157.959	1.3%	159.539	1.0%	160.017	0.3%	161.297	0.8%
Housing Starts (millions of starts)	1.364	-3.9%	1.373	0.6%	1.410	2.7%	1.448	2.7%
Light Vehicle Sales (millions of units)	15.8	1.9%	15.7	-0.6%	15.5	-1.3%	15.7	1.3%
Passenger Car Sales (millions of units)	3.0	-4.7%	2.7	-9.1%	2.6	-3.7%	2.6	0.0%
Light Truck Sales (millions of units)	12.8	3.6%	13.0	1.3%	12.9	-0.8%	13.1	1.6%
Big 3 Share of Light Vehicles (percent)	34.2		33.4		33.4		32.6	
Michigan								
Wage and Salary Employment (thousands)	4,478	0.6%	4,505	0.6%	4,523	0.4%	4,541	0.4%
Unemployment Rate (percent)	4.7		5.6		6.0		5.8	
Personal Income (millions of dollars)	\$641,337	4.5%	\$664,425	3.6%	\$689,008	3.7%	\$715,880	3.9%
Real Personal Income (millions of 1982-84 dollars)	\$219,370	1.4%	\$222,564	1.5%	\$222,902	0.2%	\$224,969	0.9%
Wages and Salaries (millions of dollars)	\$308,714	4.2%	\$317,975	3.0%	\$328,468	3.3%	\$339,636	3.4%
Detroit CPI (1982-84 = 100)	292.354	3.0%	298.532	2.1%	309.108	3.5%	318.213	2.9%
Detroit CPI - Fiscal Year (1982-84 = 100)	289.914	3.2%	296.000	2.1%	306.874	3.7%	315.845	2.9%

Fiscal Year Economics

Michigan's largest taxes are the individual income tax (\$13.0 billion in FY 2024) and sales and use taxes (\$13.3 billion). Income tax withholding is the largest component of the income tax. Withholding (\$12.8 billion) is most affected by growth in wages and salaries. **Michigan wages and salaries** advanced 4.5 percent in FY 2024. Wages and salaries are expected to move up 3.0 percent in FY 2025, 3.3 percent in FY 2026, and 3.5 percent in FY 2027.

Sales and use taxes depend, in part, on **Michigan disposable (after tax) income** and inflation. In FY 2024, disposable income rose an estimated 5.2 percent and is expected to increase in each the next three fiscal years – moving up 3.5 percent in FY 2025, 4.4 percent in FY 2026, and 4.1 percent in FY 2027. Prices, as measured by the **Detroit CPI**, rose 3.2 percent in FY 2024. The Detroit CPI is forecast to increase 2.1 percent in FY 2025, 3.7 percent in FY 2026, and 2.9 percent in FY 2027.

Forecast Risks

Similar to the United States, Michigan's economy is experiencing increasing uncertainty, due partially to recent federal policy decisions and rapidly changing business dynamics among global economies. The potential execution of reciprocal tariffs has presented substantial ambiguity into markets, both abroad and domestically. Although interest rates are expected to edge down over the forecast horizon, they remain a risk for business investment and consumer spending.

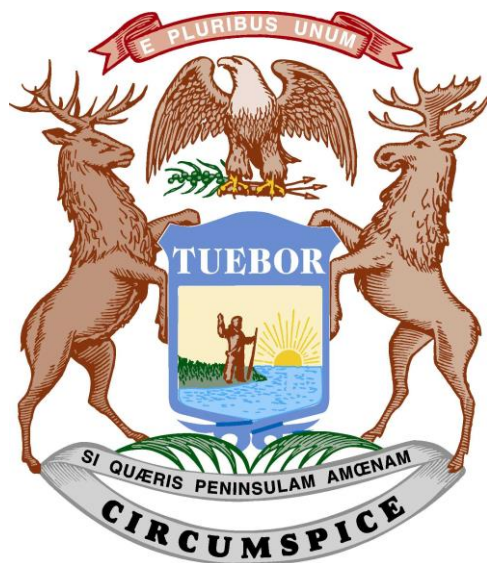
Despite resilient consumer spending, savings that were accumulated during the pandemic have mostly run out, as many households are now facing significantly higher debt costs and income growth that has been muted by inflation. Business capital expenditures remain challenged by higher financing costs, tight lending standards, and uncertain demand prospects, while across the United States, commercial real estate faces occupancy issues.

Higher than expected inflation could stifle economic growth. The inflation rate slowed during 2024 and into the beginning of 2025 allowing the Federal Reserve to cut the federal funds rate several times. But the return of rising costs could have a significant negative effect on larger durable goods purchases.

Light vehicle sales are projected to increase but high financing costs and higher auto loan delinquency rates could curtail sales. Continued high mortgage rates could dampen the housing market and new builds. Recent law changes in Michigan involving an increased minimum wage, tipped wage and sick leave could potentially have an effect on economic growth. Geopolitical conflicts and weaker economic activity throughout the world could have a negative impact on domestic economic activity.

SECTION IV

Administration
Revenue Estimates



Administration Revenue Estimates

May 16, 2025

Revenue Estimate Overview

The revenue estimates presented in this section consist of baseline revenues, revenue adjustments, and net revenues. Baseline revenues provide an estimate of the effects of the economy on tax revenues. For these estimates, FY 2024 is the base year. Any non-economic changes to the taxes occurring in FY 2025, FY 2026 and FY 2027 are not included in the baseline estimates. Non-economic changes are referred to in the tables as "tax adjustments". The net revenue estimates are the baseline revenues adjusted for tax adjustments.

This treatment of revenue is best illustrated with an example. Suppose tax revenues are \$10.0 billion in a given year, and that based on the economic forecast, revenues are expected to grow by 5.0 percent per year. Baseline revenue would be \$10.0 billion in Year 1, \$10.5 billion in Year 2, and \$11.0 billion in Year 3. Assume a tax rate cut is in place that would reduce revenues by \$100 million in Year 1, \$200 million in Year 2, and \$300 million in Year 3. If Year 1 is the base year, the revenue adjustments for Year 1 would be \$0 since the tax cut for this year is included in the base. The revenue adjustments for Year 2 would be \$100 million, and the revenue adjustments for Year 3 would be \$200 million, since the revenue adjustments are compared to the base year.

In the example above, the baseline revenues would be \$10.0 billion, \$10.5 billion, and \$11.0 billion, for Years 1 through 3, respectively. The revenue adjustments would be \$0 in Year 1, \$100 million in Year 2, and \$200 million in Year 3. The \$200 million in Year 3 represents the tax cuts since Year 1. Net revenue would be \$10.0 billion in Year 1, \$10.4 billion in Year 2, and \$10.8 billion in Year 3.

The following revenue figures are presented on a Consensus basis. Generally speaking, the Consensus estimates do not include certain one-time budget measures, such as withdrawals from the Budget Stabilization Fund, the sale of buildings, and so on. The figures also do not include constitutional revenue sharing payments to local governments from the sales tax. In addition, the estimates only include enacted legislation and do not include the effects of any proposed changes. The School Aid Fund estimates consist of taxes plus the transfer from the State Lottery Fund.

FY 2025 Revenue Outlook

FY 2025 GF-GP revenue is forecast to decrease 0.2 percent to \$14,497.7 million from FY 2024. The FY 2025 GF-GP revenue estimate is \$217.8 million below the January 2025 Consensus estimate. FY 2025 SAF revenue is forecast to increase 2.5 percent to \$18,522.1 from FY 2025. The FY 2025 SAF revenue estimate is \$62.5 million above the January 2025 Consensus estimate. (see Table 2).

Table 2
FY 2024-25 Administration Revenue Estimates
(millions)

	Administration May 16, 2025		Change from Jan 2025 Consensus
	Amount	Growth	
General Fund - General Purpose			
Baseline Revenue	\$17,553.4	1.0%	---
Tax Cut Adjustments	(\$3,055.7)	---	---
Net Resources	\$14,497.7	-0.2%	(\$217.8)
School Aid Fund			
Baseline Revenue	\$18,646.5	2.4%	---
Tax Cut Adjustments	(\$124.4)	---	---
Net Resources	\$18,522.1	2.5%	\$62.5
Combined			
Baseline Revenue	\$36,199.9	1.7%	---
Tax Cut Adjustments	(\$3,180.1)	---	---
Net Resources	\$33,019.8	1.3%	(\$155.3)

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

FY 2026 Revenue Outlook

FY 2026 GF-GP revenue is forecast to increase 5.0 percent to \$15,229.1 million from FY 2025. The FY 2026 GF-GP revenue estimate is \$248.6 million below the January 2025 Consensus estimate. FY 2026 SAF revenue is forecast to increase 2.2 percent to \$18,934.1 from FY 2025. The FY 2026 SAF revenue estimate is \$42.6 million above the January 2025 Consensus estimate. (see Table 3).

Table 3
FY 2025-26 Administration Revenue Estimates
 (millions)

	Administration May 16, 2025		Change from Jan 2025 Consensus
	Amount	Growth	
General Fund - General Purpose			
Baseline Revenue	\$17,895.0	1.9%	---
Tax Cut Adjustments	(\$2,665.9)	---	---
Net Resources	\$15,229.1	5.0%	(\$248.6)
School Aid Fund			
Baseline Revenue	\$19,062.7	2.2%	---
Tax Cut Adjustments	(\$128.6)	---	---
Net Resources	\$18,934.1	2.2%	\$42.6
Combined			
Baseline Revenue	\$36,957.7	2.1%	---
Tax Cut Adjustments	(\$2,794.5)	---	---
Net Resources	\$34,163.2	3.5%	(\$206.0)

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

FY 2027 Revenue Outlook

FY 2027 GF-GP revenue is forecast to increase 2.2 percent to \$15,557.0 million from FY 2026. The FY 2027 GF-GP revenue estimate is \$186.5 million below the January 2025 Consensus estimate. FY 2027 SAF revenue is forecast to increase 2.7 percent to \$19,436.7 from FY 2026. The FY 2027 SAF revenue estimate is \$82.2 million above the January 2025 Consensus estimate. (see Table 4).

Table 4
FY 2026-27 Administration Revenue Estimates
(millions)

	May 16, 2025		Change from
	Amount	Growth	Jan 2025
	Amount	Growth	Consensus
General Fund - General Purpose			
Baseline Revenue	\$18,377.0	2.7%	---
Tax Cut Adjustments	(\$2,820.0)	---	---
Net Resources	\$15,557.0	2.2%	(\$186.5)
School Aid Fund			
Baseline Revenue	\$19,568.0	2.7%	---
Tax Cut Adjustments	(\$131.3)	---	---
Net Resources	\$19,436.7	2.7%	\$82.2
Combined			
Baseline Revenue	\$37,945.0	2.7%	---
Tax Cut Adjustments	(\$2,951.3)	---	---
Net Resources	\$34,993.7	2.4%	(\$104.3)

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

Constitutional Revenue Limit

Article IX, Section 26, of the Michigan Constitution establishes a limit on the amount of revenue State government can collect in any given fiscal year. The revenue limit for a given fiscal year is equal to 9.49 percent of the State's personal income for the calendar year prior to the year in which the fiscal year begins. For example, FY 2022 revenue is compared to CY 2020 personal income. If revenues exceed the limit by less than 1 percent, the State may deposit the excess into the Budget Stabilization Fund (BSF). If the revenues exceed the limit by more than 1 percent, the excess revenue is refunded to taxpayers.

FY 2023 revenues were \$10.3 billion below the revenue limit. State revenues will also be well below the limit for FY 2024 through FY 2027. FY 2024 revenues are expected to be about \$9.7 billion below the limit, FY 2025 revenues \$13.2 billion below the limit, FY 2026 revenues \$14.6 billion below the limit, and FY 2027 revenues \$15.9 billion below the limit (See Table 5).

Table 5
Administration Revenue Limit Calculation
(millions)

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<u>Final</u>	<u>Admin</u>	<u>Admin</u>	<u>Admin</u>	<u>Admin</u>
	<u>May 2025</u>	<u>May 2025</u>	<u>May 2025</u>	<u>May 2025</u>	<u>May 2025</u>
Revenue Subject to Limit	\$43,610.7	\$44,601.0	\$45,059.2	\$46,297.1	\$47,179.0
<u>Revenue Limit</u>	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>CY 2025</u>
Personal Income	\$567,807	\$572,325	\$613,719	\$641,337	\$664,425
Ratio	9.49%	9.49%	9.49%	9.49%	9.49%
Revenue Limit	\$53,884.9	\$54,313.6	\$58,241.9	\$60,862.9	\$63,053.9
<u>Amount Under (Over) Limit</u>	\$10,274.2	\$9,712.6	\$13,182.7	\$14,565.8	\$15,874.9

Budget Stabilization Fund Calculation

The Management and Budget Act contains provisions for calculating a recommended deposit or withdrawal from the BSF. The calculation looks at personal income net of transfer payments. The net personal income figure is adjusted for inflation. The change in this figure for the calendar year determines whether a pay-in or pay-out is recommended. If the formula calls for a deposit into the BSF, the deposit is made in the next fiscal year. If the formula calls for a withdrawal, the withdrawal is made during the current fiscal year.

PA 613 of 2018 prohibits the legislature from appropriating money from the fund for a fiscal year when the annual growth rate of real personal income less transfer payments for the calendar year in which that fiscal year ends is estimated to be greater than 0% at the most recent consensus revenue estimating conference. When the annual growth rate is estimated to be less than 0% at the most recent consensus revenue estimating conference, the legislature may appropriate by law for the fiscal year ending in the current calendar year no more than 25% of the prior fiscal year ending

balance in the fund as reported in the comprehensive annual financial report. If personal income is forecast to be negative for subsequent fiscal years, the Legislature then could appropriate up to 25% of the available Fund balance in the first fiscal year for each subsequent fiscal year.

If real personal income less transfer payments grew by more than 2 percent in a given calendar year, the fraction of income growth over 2 percent is multiplied by the current fiscal year's GF-GP revenue to determine the pay-in for the next fiscal year.

Real calendar year personal income less transfer payments is projected to be between 0 and 2 percent in 2025 through 2027. Therefore, no pay-ins or pay-outs are projected through the forecast horizon.

School Aid Fund Revenue Adjustment Factor

The School Aid Fund (SAF) revenue adjustment factor for the next fiscal year is calculated by dividing the sum of current year and subsequent year SAF revenue by the sum of current year and prior year SAF revenue. The SAF revenue totals are adjusted for any change in the rate and base of the SAF taxes. The year for which the adjustment factor is being calculated is used as the base year for any tax adjustments. For FY 2026, the SAF revenue adjustment factor is calculated to be 1.0247 (See Table 6). For FY 2027, the SAF revenue adjustment factor is calculated to be 1.0246 (See Table 7).

Table 6
Administration School Aid Revenue Adjustment Factor
For Fiscal Year 2026

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Baseline SAF Revenue	\$18,159.9	\$18,646.5	\$19,062.7
Balance Sheet Adjustments	<u>(\$118.8)</u>	<u>(\$124.4)</u>	<u>(\$128.6)</u>
Net SAF Estimates	\$18,041.1	\$18,522.1	\$18,934.1
Subtotal Adjustments to FY 2026 Base	<u>(\$9.9)</u>	<u>(\$4.3)</u>	<u>\$0.0</u>
Baseline Revenue on a FY 2026 Base	\$18,031.2	\$18,517.9	\$18,934.1

School Aid Fund Revenue Adjustment Calculation for FY 2026

Sum of FY 2024 & FY 2025	\$18,031.2	+	\$18,517.9	=	\$36,549.1
Sum of FY 2025 & FY 2026	\$18,517.9	+	\$18,934.1	=	\$37,451.9

FY 2026 Revenue Adjustment Factor	1.0247
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Note: Factor is calculated off a FY 2026 base year.

Table 7
Administration School Aid Revenue Adjustment Factor
For Fiscal Year 2027

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Baseline SAF Revenue	\$18,646.5	\$19,062.7	\$19,568.0
Balance Sheet Adjustments	<u>(\$124.4)</u>	<u>(\$128.6)</u>	<u>(\$131.3)</u>
Net SAF Estimates	\$18,522.1	\$18,934.1	\$19,436.7
Subtotal Adjustments to FY 2027 Base	<u>(\$7.0)</u>	<u>(\$2.7)</u>	<u>\$0.0</u>
Baseline Revenue on a FY 2027 Base	\$18,515.2	\$18,931.4	\$19,436.7

School Aid Fund Revenue Adjustment Calculation for FY 2027

Sum of FY 2025 & FY 2026	\$18,515.2 + \$18,931.4 = \$37,446.5
Sum of FY 2026 & FY 2027	\$18,931.4 + \$19,436.7 = \$38,368.0

FY 2027 Revenue Adjustment Factor	1.0246
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Note: Factor is calculated off a FY 2027 base year.

Revenue Detail

The estimated tax and revenue totals include the effects of all enacted tax changes. The revenue totals by tax are presented separately for GF-GP and for the SAF (See Tables 8 and 9). Tax totals for the income, sales, use, CIT/MBT, tobacco and casino taxes for all funds are also included (See Table 10).

Table 8
Administration General Fund General Purpose Revenue Detail
(millions)

	FY 2025		FY 2026		FY 2027	
	Amount	Growth	Amount	Growth	Amount	Growth
GF-GP Tax Amounts						
Income Tax	\$8,772.3	4.9%	\$8,956.2	2.1%	\$9,173.8	2.4%
Sales	\$1,634.0	3.3%	\$1,650.8	1.0%	\$1,698.2	2.9%
Use	\$1,165.2	-2.7%	\$1,230.2	5.6%	\$1,286.2	4.6%
Cigarette	\$127.3	-2.8%	\$124.6	-2.1%	\$122.7	-1.5%
Beer & Wine	\$45.6	1.6%	\$46.6	2.2%	\$47.6	2.1%
Liquor Specific	\$67.1	-0.7%	\$68.0	1.3%	\$69.2	1.8%
Insurance Co. Premium	\$563.5	4.9%	\$580.4	3.0%	\$596.7	2.8%
CIT/MBT	\$1,073.1	-11.8%	\$1,662.8	55.0%	\$1,702.7	2.4%
Telephone & Telegraph	\$42.0	-2.3%	\$41.0	-2.4%	\$40.0	-2.4%
Oil & Gas Severance	\$22.0	0.5%	\$23.0	4.5%	\$23.9	3.9%
Essential Services Assess.	\$157.0	6.6%	\$162.5	3.5%	\$167.5	3.1%
Penalties and Interest	\$157.0	-8.7%	\$158.0	0.6%	\$160.2	1.4%
Railroad/Car Loaning	\$8.0	0.0%	\$8.0	0.0%	\$8.0	0.0%
Enhanc. Enforce/ACS	(\$150.0)	1.9%	(\$151.0)	0.7%	(\$153.0)	1.3%
Total GF-GP Taxes	\$13,684.1	5.0%	\$14,561.1	6.4%	\$14,943.6	2.6%
GF-GP Non-Tax Revenue						
Federal Aid	\$10.0	-28.6%	\$10.0	0.0%	\$10.0	0.0%
From Local Agencies	\$0.1	NA	\$0.1	0.0%	\$0.1	0.0%
From Services	\$7.0	66.7%	\$7.0	0.0%	\$7.0	0.0%
From Licenses & Permits	\$14.0	30.8%	\$14.0	0.0%	\$14.0	0.0%
Miscellaneous	\$35.0	-35.8%	\$35.0	0.0%	\$35.0	0.0%
Interfund Interest	\$310.0	-47.7%	\$160.0	-48.4%	\$100.0	-37.5%
Liquor Purchase	\$293.5	-2.6%	\$297.9	1.5%	\$303.3	1.8%
Charitable Games	\$4.0	-43.7%	\$4.0	0.0%	\$4.0	0.0%
Transfer From Escheats	\$140.0	-30.2%	\$140.0	0.0%	\$140.0	0.0%
Other Non Tax	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Total Non Tax	\$813.6	-31.4%	\$668.0	-17.9%	\$613.4	-8.2%
Total GF-GP Revenue	\$14,497.7	-0.5%	\$15,229.1	5.0%	\$15,557.0	2.2%

Table 9
Administration School Aid Fund Revenue Detail

	FY 2025		FY 2026		FY 2027	
	Amount	Growth	Amount	Growth	Amount	Growth
School Aid Fund						
Income Tax	\$4,227.4	7.4%	\$4,376.6	3.5%	\$4,527.3	3.4%
Sales Tax	\$7,816.1	0.9%	\$7,930.1	1.5%	\$8,114.2	2.3%
Use Tax	\$919.8	-1.2%	\$953.5	3.7%	\$982.2	3.0%
Liquor Excise Tax	\$80.9	2.3%	\$82.9	2.5%	\$84.2	1.6%
Cigarette & Tobacco	\$219.1	-4.1%	\$212.8	-2.9%	\$208.2	-2.2%
Marijuana Excise Tax	\$118.0	0.0%	\$123.2	4.4%	\$127.1	3.2%
State Education Tax	\$2,895.0	4.6%	\$2,971.1	2.6%	\$3,074.0	3.5%
Real Estate Transfer	\$412.0	1.9%	\$431.8	4.8%	\$444.8	3.0%
Industrial Facilities Tax	\$50.0	-6.9%	\$50.0	0.0%	\$50.0	0.0%
Casino (45% of 18%)	\$104.2	3.7%	\$106.0	1.7%	\$107.4	1.3%
iGaming, Sports Betting	\$447.6	11.8%	\$462.0	3.2%	\$478.2	3.5%
Commercial Forest	\$4.0	0.0%	\$4.0	0.0%	\$4.0	0.0%
Other Spec Taxes	\$24.0	0.0%	\$24.0	0.0%	\$24.0	0.0%
Subtotal Taxes	\$17,318.1	3.1%	\$17,728.1	2.4%	\$18,225.7	2.8%
Lottery Transfer	\$1,204.0	-3.6%	\$1,206.0	0.2%	\$1,211.0	0.4%
Total SAF Revenue	\$18,522.1	2.7%	\$18,934.1	2.2%	\$19,436.7	2.7%

Table 10
Administration Major Tax Totals

	FY 2025		FY 2026		FY 2027	
	Amount	Growth	Amount	Growth	Amount	Growth
Major Tax Totals (Includes all Funds)						
Income Tax	\$13,669.5	5.4%	\$14,002.6	2.4%	\$14,370.9	2.6%
Sales Tax	\$10,668.8	0.9%	\$10,822.7	1.4%	\$11,073.2	2.3%
Use Tax	\$2,729.8	-1.3%	\$2,830.1	3.7%	\$2,915.6	3.0%
CIT/MBT	\$1,073.1	-11.8%	\$1,662.8	55.0%	\$1,702.7	2.4%
Cigarette and Tobacco	\$640.0	-2.9%	\$626.0	-2.2%	\$616.2	-1.6%
Casino Tax	\$104.2	3.7%	\$106.0	1.7%	\$107.4	1.3%