

**STATE
OF
MICHIGAN**



REVENUE

STATE SOURCE and DISTRIBUTION



Mary Ann Cleary, Director

September 2023

**HOUSE FISCAL AGENCY
GOVERNING COMMITTEE**

Angela Witwer, Chair

Joe Tate, Vice-Chair

Abraham Aiyash

Sarah Lightner, Minority Vice-Chair

Bryan Posthumus

Matt Hall

**MICHIGAN HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE**

Angela Witwer, Chair

Amos O'Neal, Vice-Chair

Felicia Brabec

Julie Brixie

Rachel Hood

Jasper Martus

Donavan McKinney

Denise Mentzer

Jason Morgan

Christine Morse

Natalie Price

Ranjeev Puri

Phil Skaggs

Will Snyder

Samantha Steckloff

Regina Weiss

Jimmie Wilson

Sarah Lightner, Minority Vice-Chair

Timothy Beson

Ann Bollin

Ken Borton

Cameron Cavitt

Nancy DeBoer

Andrew Fink

Phil Green

Thomas Kuhn

Bill Schuette

Bradley Slagh

Donni Steele

STATE OF MICHIGAN
HOUSE OF REPRESENTATIVES



HOUSE FISCAL AGENCY

MARY A. CLEARY, DIRECTOR

P.O. BOX 30014 ■ LANSING, MICHIGAN 48909-7514
PHONE: (517) 373-8080 ■ FAX: (517) 373-5874
www.house.mi.gov/hfa

GOVERNING COMMITTEE

ANGELA WITWER, CHAIR
JOE TATE, VC
ABRAHAM AIYASH

SARAH LIGHTNER, MVC
BRYAN POSTHUMUS
MATT HALL

September 2023

TO: Members of the House of Representatives

This report provides information on the source and distribution of revenue for the State of Michigan, and includes final FY 2021-22 revenue, and estimated FY 2022-23 and FY 2023-24 amounts. Estimates in this report are based on revenue amounts agreed to at the May 2023 Consensus Revenue Estimating Conference (CREC).

This publication also includes final FY 2021-22 collections by type of tax and provides information for each tax with regard to the tax base, rate, and disposition as well as state revenue dedication information including tax type, dedicated amount, and recipient of dedicated funds.

This report was prepared by Jim Stansell, Senior Economist, and produced for publication by Kathryn Bateson, Administrative Assistant.

Please do not hesitate to contact me if you have questions regarding the information in this report.

A handwritten signature in black ink that reads "Mary Ann Cleary".

Mary Ann Cleary
Director

TABLE OF CONTENTS

REVENUE SOURCES

Total State Restricted Revenue	3
General Fund/General Purpose Tax Revenue	7
School Aid Fund Tax and Lottery Revenue	11
Transportation Tax Revenue	15

REVENUE DISTRIBUTION

Individual Income Tax Revenue	19
Sales Tax Revenue	23
Net Business Tax Revenue	27
Tobacco Tax Revenue	31
Use Tax Revenue	35
Alcohol Tax Revenue.....	39

STATE AND LOCAL TAX INFORMATION

Business Privilege Taxes

Airport Parking Excise Tax.....	44
Casino Wagering Tax	44
Corporate Income Tax.....	44
Corporation Franchise Fees	44
Fantasy Contests.....	44
Foreign Insurance Company Retaliatory Tax.....	44
Insurance Company Premiums Tax.....	44
Internet Gaming	45
Internet Sports Betting	45
Michigan Business Tax	45
Oil and Gas Severance Tax.....	45
Retail Sports Betting.....	45
Simulcast Wagering Tax	46
State Convention Facility Development Act.....	46
Unemployment Insurance Contributions	46

Income Taxes

Individual Income Tax	46
Uniform City Income Tax	46

STATE AND LOCAL TAX INFORMATION (CONT.)

Consumption Taxes

Beer Tax.....47
Liquor Tax.....47
Recreational Marihuana Excise Tax.....47
Sales Tax47
Tobacco Products Taxes47
Uniform City Utility Users Tax.....48
Use Tax.....48
Wine Tax.....48

Property Taxes

Commercial Forest Tax48
County Real Estate Transfer Tax48
Industrial Facilities Tax.....48
Low Grade Iron Ore Specific Tax49
Mobile Home Trailer Coach Tax.....49
Neighborhood Enterprise Zone Facilities Tax.....49
State Education Tax.....49
State Essential Services Assessment49
State Real Estate Transfer Tax.....49
Technology Park Facilities Tax50
Utility Property Tax.....50

Transportation Taxes

Aircraft Weight Tax.....50
Alternative Motor Fuels Tax50
Aviation Gasoline Tax50
Diesel Fuel Tax.....50
Gasoline Tax.....51
Liquefied Petroleum Gas Tax51
Marine Vessel Fuel Tax51
Motor Carrier Fuel Tax51
Motor Vehicle Registration Tax51
Watercraft Registration Tax.....51

CONSTITUTIONAL AND STATUTORY STATE REVENUE DEDICATION

Business Privilege Taxes.....54
Income Tax and Lottery Proceeds.....54
Consumption Taxes.....54
Property Taxes55
Transportation Taxes56



**Total
State Restricted
Revenue
by
Source**

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
TOTAL STATE RESTRICTED REVENUE BY SOURCE	Sales and Use Taxes	\$12,839.1	29.9%	\$12,861.7	30.9%	\$12,887.5	31.1%
	Individual Income Tax	\$13,928.9	32.4%	\$12,727.4	30.6%	\$12,248.1	29.5%
	Other Revenue	\$5,499.5	12.8%	\$5,813.6	14.0%	\$5,932.4	14.3%
	Transportation Taxes	\$2,911.4	6.8%	\$2,946.5	7.1%	\$3,062.9	7.4%
	State Education Tax	\$2,440.0	5.7%	\$2,607.0	6.3%	\$2,737.9	6.6%
	Net Business Taxes	\$1,950.5	4.5%	\$1,473.0	3.5%	\$1,440.3	3.5%
	Other GF/GP and SAF Taxes	\$1,321.8	3.1%	\$1,222.2	2.9%	\$1,238.9	3.0%
	Lottery	\$1,248.6	2.9%	\$1,220.0	2.9%	\$1,212.7	2.9%
	Tobacco Taxes	\$797.6	1.9%	\$743.9	1.8%	\$733.3	1.8%
TOTAL		\$42,937.4		\$41,615.3		\$41,494.0	

(MILLIONS OF DOLLARS)

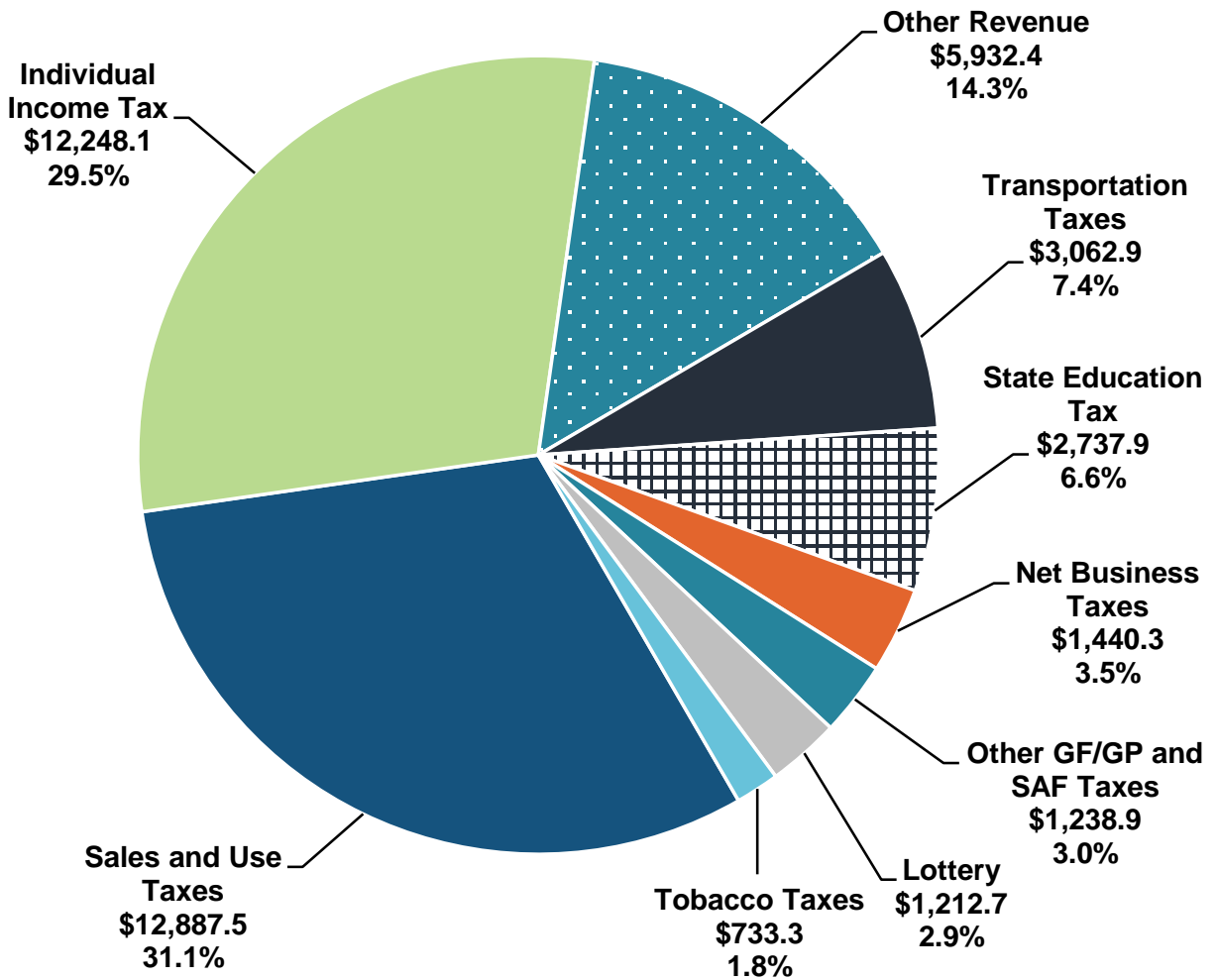
Note: Totals may not add due to rounding.

SALES AND USE TAXES	Use tax is a specific excise tax on the use, storage, or consumption of tangible personal property not subject to the sales tax. The maximum allowable tax rate is currently 6% for both the sales tax and the use tax.
INDIVIDUAL INCOME TAX	The sum of wage and salary withholding, quarterly payments, the flow-through entity tax, and annual payments, less refunds. The rate for tax year (TY) 2023 is 4.05%.
OTHER REVENUE	Includes revenue from local agencies, state-provided services, licenses, permits not related to transportation, and other restricted state revenue.
TRANSPORTATION TAXES	Includes vehicle registration fees, the earmark from the marijuana excise tax, and tax collections from gasoline, diesel, liquefied petroleum, and aviation fuel. Federal aid is excluded.
STATE EDUCATION TAX	6-mill levy on all real and personal property except exempt manufacturing personal property and property subject to the small parcel exemption. All revenue is dedicated to the School Aid Fund.
NET BUSINESS TAXES	Includes revenue from the Single Business Tax (SBT), Michigan Business Tax (MBT), Corporate Income Tax (CIT), and Insurance Company Premiums Taxes.
OTHER GF/GP AND SAF TAXES	Includes liquor, beer, wine, gas and oil severance, utility property, real estate transfer, industrial facilities and commercial forest taxes, the state essential services assessment, earmarks from the marijuana excise tax, fantasy contests, Internet gaming, Internet and retail sports betting, enhanced enforcement, and penalties and interest.
LOTTERY	Net lottery revenue is approximately 28% of total lottery sales.
TOBACCO TAXES	Cigarette tax is \$2.00 per pack of 20 and the tax on other tobacco products is 32% of the wholesale price.

**STATE OF MICHIGAN
TOTAL STATE RESTRICTED REVENUE
BY SOURCE
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$41,494.0 MILLION

(Chart dollars in millions)





**General Fund/
General Purpose
Tax Revenue
by
Source**

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
GENERAL FUND/ GENERAL PURPOSE TAX REVENUE BY SOURCE	Individual Income Tax	\$9,199.0	60.5%	\$8,219.5	62.3%	\$7,780.1	61.6%
	Sales Tax	\$1,696.0	11.2%	\$1,679.3	12.7%	\$1,665.9	13.2%
	Net Business Taxes	\$1,194.9	7.9%	\$1,156.0	8.8%	\$1,136.7	9.0%
	Use Tax	\$1,950.5	12.8%	\$873.0	6.6%	\$840.3	6.6%
	Non-Tax Revenue	\$675.8	4.4%	\$793.1	6.0%	\$740.1	5.9%
	Other GF/GP Taxes	\$220.8	1.5%	\$205.0	1.6%	\$214.0	1.7%
	Tobacco Taxes	\$158.8	1.0%	\$148.1	1.1%	\$145.8	1.2%
	Liquor, Beer, and Wine Taxes	\$114.5	0.8%	\$114.0	0.9%	\$115.3	0.9%
TOTAL		\$15,210.3		\$13,188.0		\$12,638.2	

(MILLIONS OF DOLLARS)

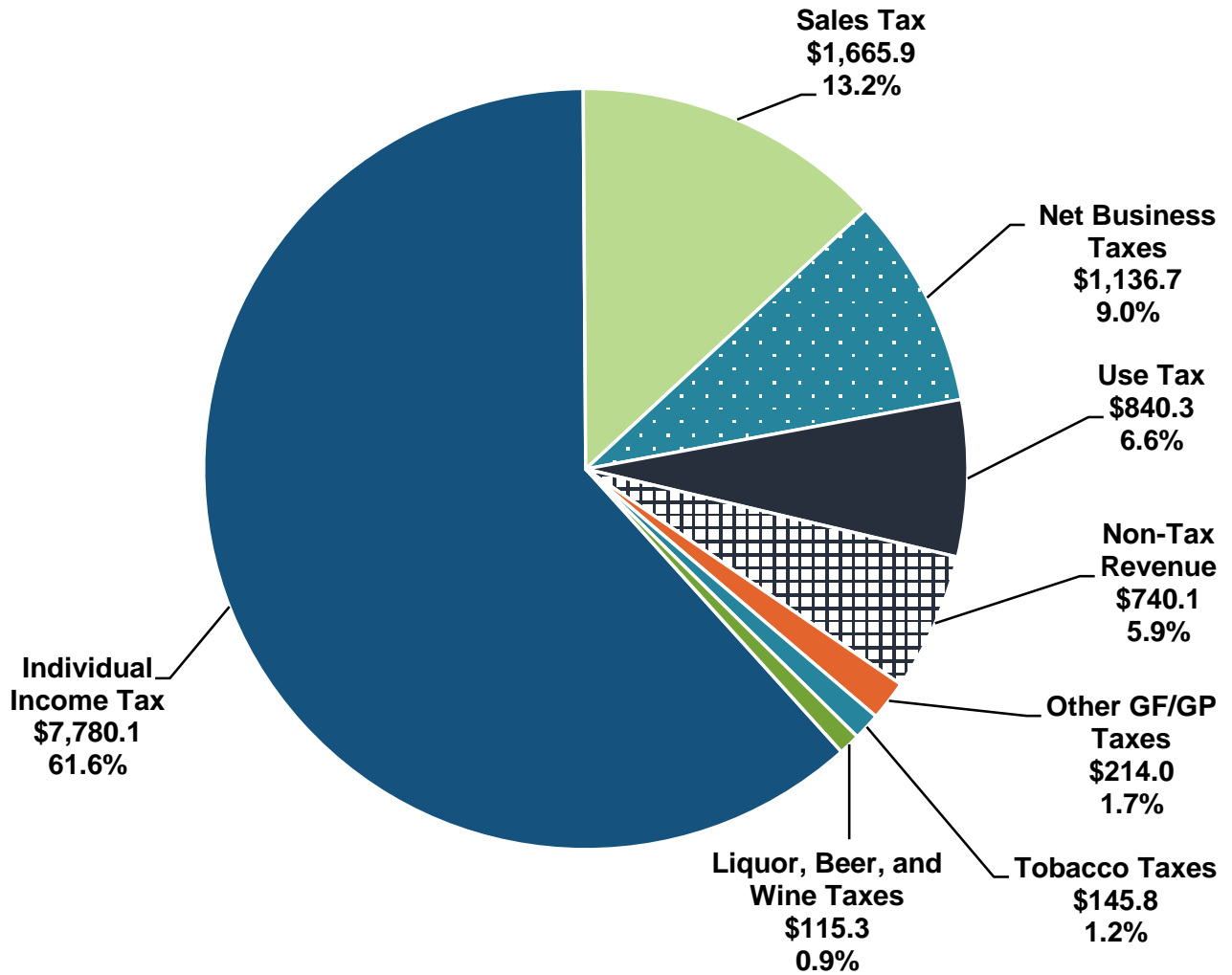
Note: Totals may not add due to rounding.

INDIVIDUAL INCOME TAX	General Fund/General Purpose receives any income tax revenue not otherwise allocated to the School Aid Fund, the Michigan Transportation Fund, or the Renew Michigan Fund. The rate for TY 2023 is 4.05%.
SALES TAX	General Fund/General Purpose receives sales tax revenue not allocated to local units of government for revenue sharing, the Comprehensive Transportation Fund, the School Aid Fund, or public health programs. The current tax rate is 6%.
NET BUSINESS TAXES	Includes revenue from the Single Business Tax (SBT), Michigan Business Tax (MBT), Corporate Income Tax (CIT), and Insurance Company Premiums Taxes revenues.
USE TAX	A specific excise tax on the use, storage, or consumption of tangible personal property not subject to the sales tax. Of the maximum allowable 6% rate, 2% is dedicated to the School Aid Fund. Just under one-third of the 4% rate is levied by the Local Community Stabilization Authority and the remaining portion up to the 4% amount accrues to the General Fund.
NON-TAX REVENUE	Non-tax revenue includes federal aid, revenue from local governments, revenue from licenses and permits, transfers from the liquor purchase revolving fund, and escheats.
OTHER GF/GP TAXES	Other GF/GP taxes include taxes on gas and oil severance, utility property, the state essential services assessment, and penalties and interest.
TOBACCO TAXES	The cigarette tax is \$2.00 per pack of 20 and the tax on other tobacco products is 32% of the wholesale price. Approximately 19.9% of tobacco tax revenues accrue to the General Fund.
LIQUOR, BEER, AND WINE TAXES	The GF/GP liquor tax is a 4% tax assessed on the base price. The beer tax is \$6.30 per 31-gallon barrel with a \$2.00 per barrel credit available for small brewers. The wine tax is assessed per liter and varies with the alcohol content.

**STATE OF MICHIGAN
GENERAL FUND/GENERAL PURPOSE TAX REVENUE
BY SOURCE
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$12,638.2 MILLION

(Chart dollars in millions)





**School Aid Fund
Tax and Lottery
Revenue
by
Source**

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
SCHOOL AID FUND TAX AND LOTTERY REVENUE BY SOURCE	Sales Tax	\$7,865.1	44.0%	\$7,920.7	44.6%	\$7,973.5	44.6%
	Individual Income Tax	\$4,059.7	22.7%	\$3,838.1	21.6%	\$3,798.2	21.2%
	State Education Tax	\$2,440.0	13.6%	\$2,607.0	14.7%	\$2,737.9	15.3%
	Lottery Transfer	\$1,248.6	7.0%	\$1,220.0	6.9%	\$1,212.7	6.8%
	Use Tax	\$859.4	4.8%	\$858.4	4.8%	\$863.5	4.8%
	Real Estate Transfer Tax	\$546.6	3.1%	\$390.0	2.2%	\$377.5	2.1%
	Fantasy Contests, Internet Gaming, and Sports Betting*	\$260.6	1.5%	\$314.4	1.8%	\$327.9	1.8%
	Tobacco Taxes	\$284.7	1.6%	\$263.4	1.5%	\$258.6	1.4%
	Other SAF Taxes	\$136.0	0.8%	\$150.6	0.8%	\$155.2	0.9%
	Casino Wagering Tax	\$104.1	0.6%	\$103.2	0.6%	\$106.3	0.6%
	Liquor Tax	\$76.2	0.4%	\$75.8	0.4%	\$76.8	0.4%
	TOTAL	\$17,881.1		\$17,741.6		\$17,888.1	

**FY 2021-22
through
FY 2023-24**

(MILLIONS OF DOLLARS)

*See page 44 and 45 for detail.

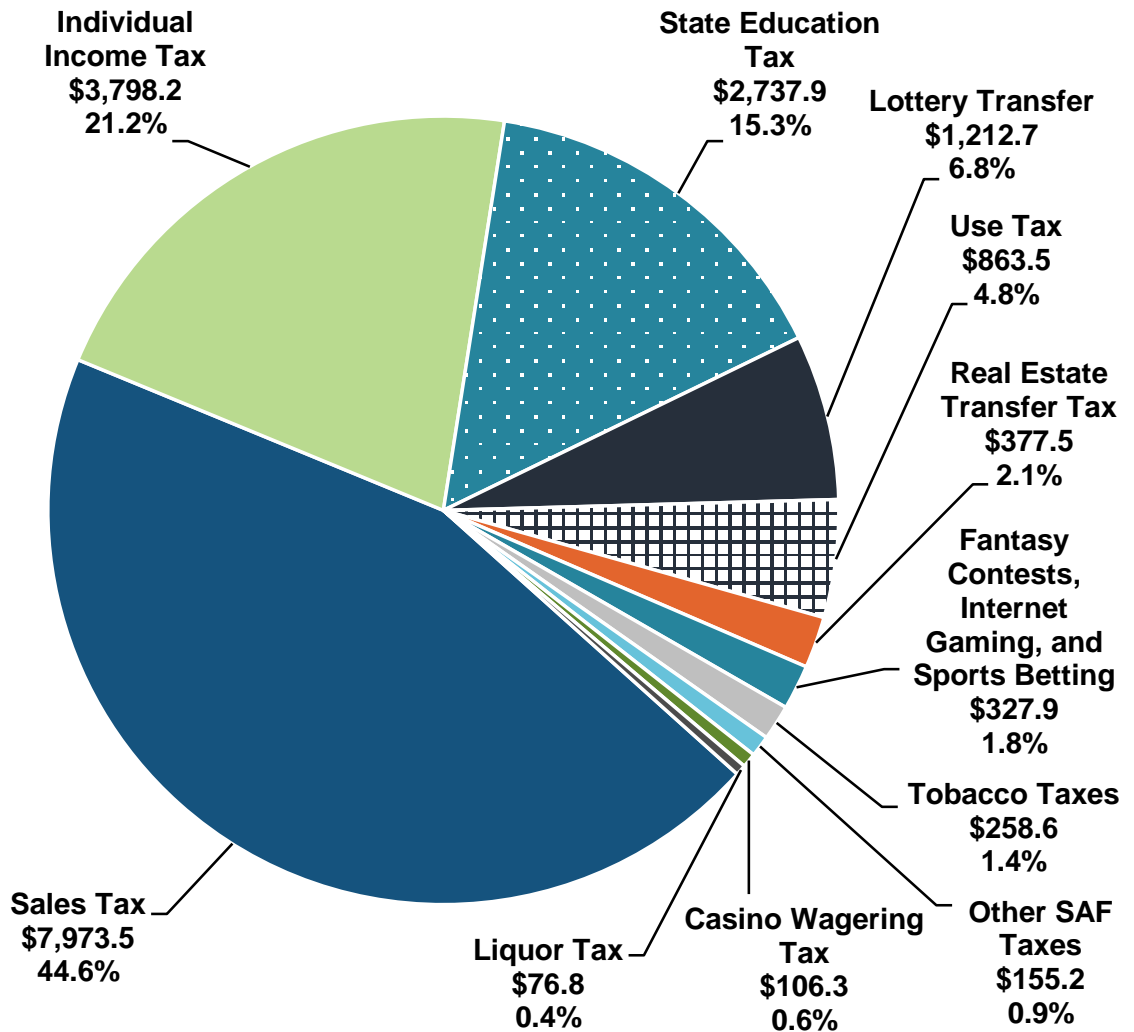
Note: Totals may not add due to rounding.

SALES TAX	School Aid Fund receives approximately 72.8% of total sales tax revenue. The current tax rate is 6%.
INDIVIDUAL INCOME TAX	School Aid Fund receives about 25% of gross income tax revenue.
STATE EDUCATION TAX	6-mill levy on all real and personal property except eligible manufacturing personal property and property subject to the small parcel exemption. All revenue is dedicated to the School Aid Fund.
LOTTERY TRANSFER	School Aid Fund receives all of the net revenue from lottery sales.
USE TAX	The School Aid Fund receives one-third of use tax revenue collected at the 6% rate.
REAL ESTATE TRANSFER TAX	School Aid Fund receives 100% of the real estate transfer tax. Tax rate is 0.75% of the sale price of real estate.
FANTASY CONTESTS, INTERNET GAMING, AND SPORTS BETTING	School Aid Fund receives just under 90% of total combined tax revenue from fantasy contests, Internet gaming, and sports betting.
TOBACCO TAXES	School Aid Fund receives approximately 41.4% of cigarette tax revenue.
OTHER SAF TAXES	Includes industrial and commercial facilities tax, commercial forest tax, and roughly 35% of the recreational marijuana excise tax.
CASINO WAGERING TAX	School Aid Fund receives all casino wagering tax revenue.
LIQUOR TAX	The SAF liquor tax is a 4% tax assessed on the base price.

**STATE OF MICHIGAN
SCHOOL AID FUND TAX AND LOTTERY REVENUE
BY SOURCE
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$17,888.1 MILLION

(Chart dollars in millions)





**Transportation
Tax Revenue
by
Source**

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
TRANSPORTATION TAX REVENUE BY SOURCE	Motor Vehicle Registrations	\$1,402.9	40.0%	\$1,445.8	40.8%	\$1,487.3	40.6%
	Gasoline Tax	\$1,177.6	33.5%	\$1,165.2	32.9%	\$1,224.7	33.4%
	Individual Income Tax	\$600.0	17.1%	\$600.0	16.9%	\$600.0	16.4%
	Diesel Fuel and Motor Carrier Fuel Taxes	\$254.6	7.3%	\$247.0	7.0%	\$258.0	7.0%
	Recreational Marihuana Excise Tax	\$69.4	2.0%	\$81.6	2.3%	\$85.7	2.3%
	Aviation Fuel Tax	\$4.9	0.1%	\$4.5	0.1%	\$4.7	0.1%
	Liquefied Petroleum/ Alternative Fuels Taxes	\$1.9	0.1%	\$2.4	0.1%	\$2.5	0.1%
	TOTAL	\$3,511.4		\$3,546.5		\$3,662.9	

**FY 2021-22 through
FY 2023-24**

(MILLIONS OF DOLLARS)

Note: Totals may not add due to rounding.

**MOTOR VEHICLE
REGISTRATIONS**

Based on weight, or type or price of vehicle.

GASOLINE TAX

Levied at \$0.286 per gallon, effective January 1, 2023 and will be adjusted annually for inflation. The projected rate for 2024 is \$0.301 per gallon.

INDIVIDUAL INCOME TAX

The Michigan Transportation Fund receives \$600 million on an annual basis.

**DIESEL FUEL AND MOTOR
CARRIER FUEL TAXES**

Levied at \$0.286 per gallon, effective January 1, 2023 and will be adjusted annually for inflation. The projected rate for 2024 is \$0.301 per gallon.

**RECREATIONAL MARIHUANA
EXCISE TAX**

The excise tax on recreational marihuana is 10% of the sales price. Roughly 35% of the revenue accrues to the Michigan Transportation Fund.

AVIATION FUEL TAX

Levied at \$0.03 per gallon with a \$0.015 per gallon rebate to interstate scheduled operations.

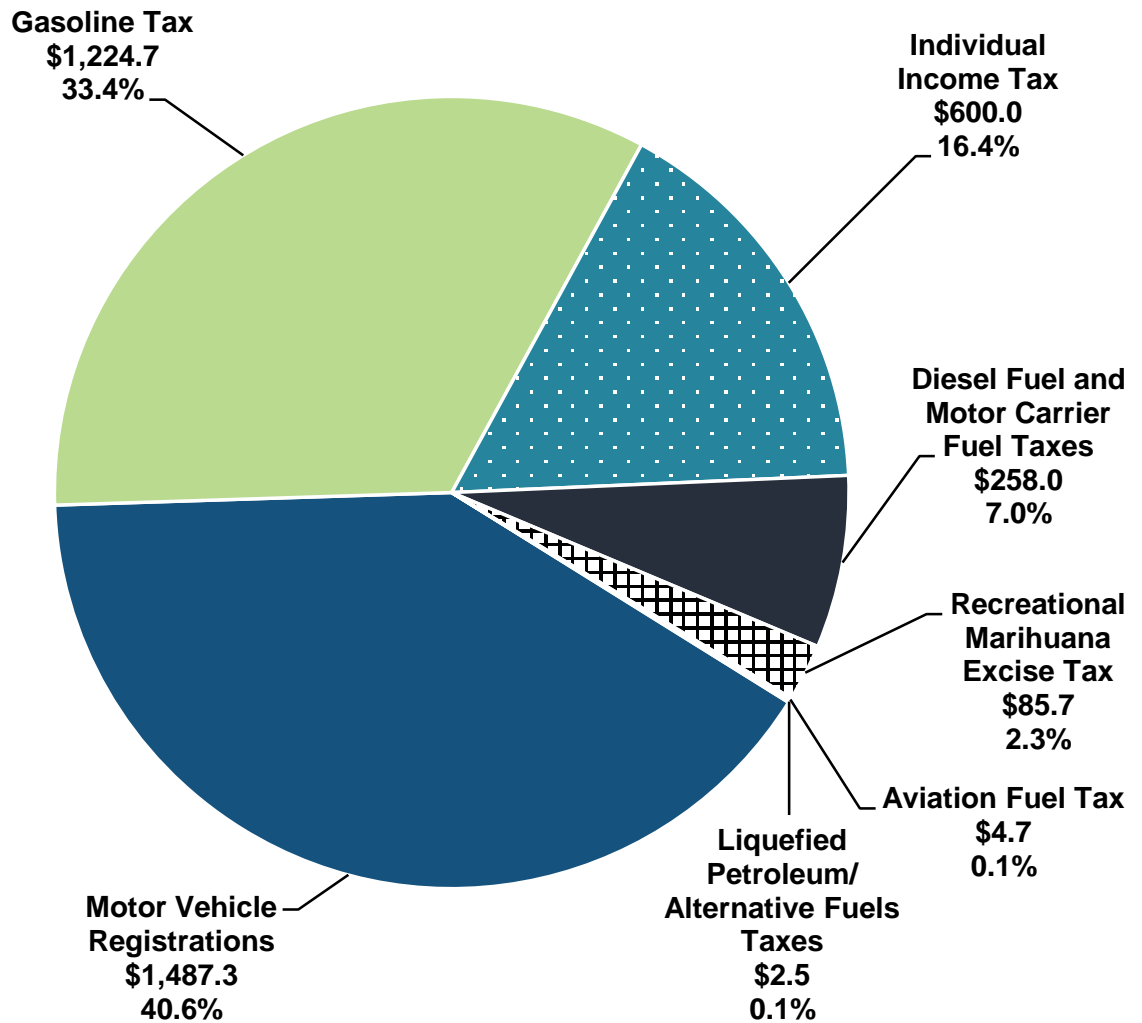
**LIQUEFIED PETROLEUM/
ALTERNATIVE FUELS TAXES**

Liquefied petroleum is taxed at \$0.286 per gallon, effective January 1, 2023 and will be adjusted annually for inflation. Alternative fuels such as compressed natural gas, liquefied natural gas, hydrogen, and hydrogen compressed natural gas are taxed at the same per gallon equivalent rate. It is also adjusted for inflation in the same way as gasoline and diesel fuel.

**STATE OF MICHIGAN
TRANSPORTATION TAX REVENUE
BY SOURCE
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$3,662.9 MILLION

(Chart dollars in millions)





**Individual
Income Tax
Revenue
Distribution**

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>	
INDIVIDUAL INCOME TAX REVENUE DISTRIBUTION	INCOME TAX COLLECTIONS							
	Wage and Salary Withholding	\$12,045.8	70.4%	\$12,206.0	78.6%	\$12,376.9	78.5%	
	Quarterly Payments	\$1,885.6	11.0%	\$1,315.7	8.5%	\$1,264.4	8.0%	
	Flow Through Entity Tax	\$1,375.0	8.0%	\$1,040.0	6.7%	\$1,144.0	7.3%	
	Annual Payments	\$1,793.4	10.5%	\$975.7	6.3%	\$972.8	6.2%	
		GROSS INCOME TAX	\$17,099.7		\$15,537.4		\$15,758.1	
		Refunds	(\$3,170.9)		(\$2,810.0)		(\$3,510.0)	
		NET INCOME TAX	\$13,928.9		\$12,727.4		\$12,248.1	
		INCOME TAX DISTRIBUTIONS						
		General Fund/General Purpose	\$9,199.0	66.0%	\$8,219.5	64.6%	\$7,780.1	63.5%
	School Aid Fund	\$4,059.7	29.1%	\$3,838.1	30.2%	\$3,798.2	31.0%	
	Michigan Transportation Fund	\$600.0	4.3%	\$600.0	4.7%	\$600.0	4.9%	
	Renew Michigan Fund	\$69.0	0.5%	\$69.0	0.5%	\$69.0	0.6%	
	State Campaign Fund	\$1.1	0.0%	\$0.8	0.0%	\$0.8	0.0%	
	TOTAL	\$13,928.9		\$12,727.4		\$12,248.1		

(MILLIONS OF DOLLARS)

Note: Totals may not add due to rounding.

**GENERAL FUND/
GENERAL PURPOSE**

Receives income tax revenue not dedicated for other purposes.

SCHOOL AID FUND

Receives about 25% of gross collections per 2020 PA 75.

**MICHIGAN TRANSPORTATION
FUND**

The Michigan Transportation Fund receives \$600 million on an annual basis.

RENEW MICHIGAN FUND

The Renew Michigan Fund receives \$69.0 million on an annual basis.

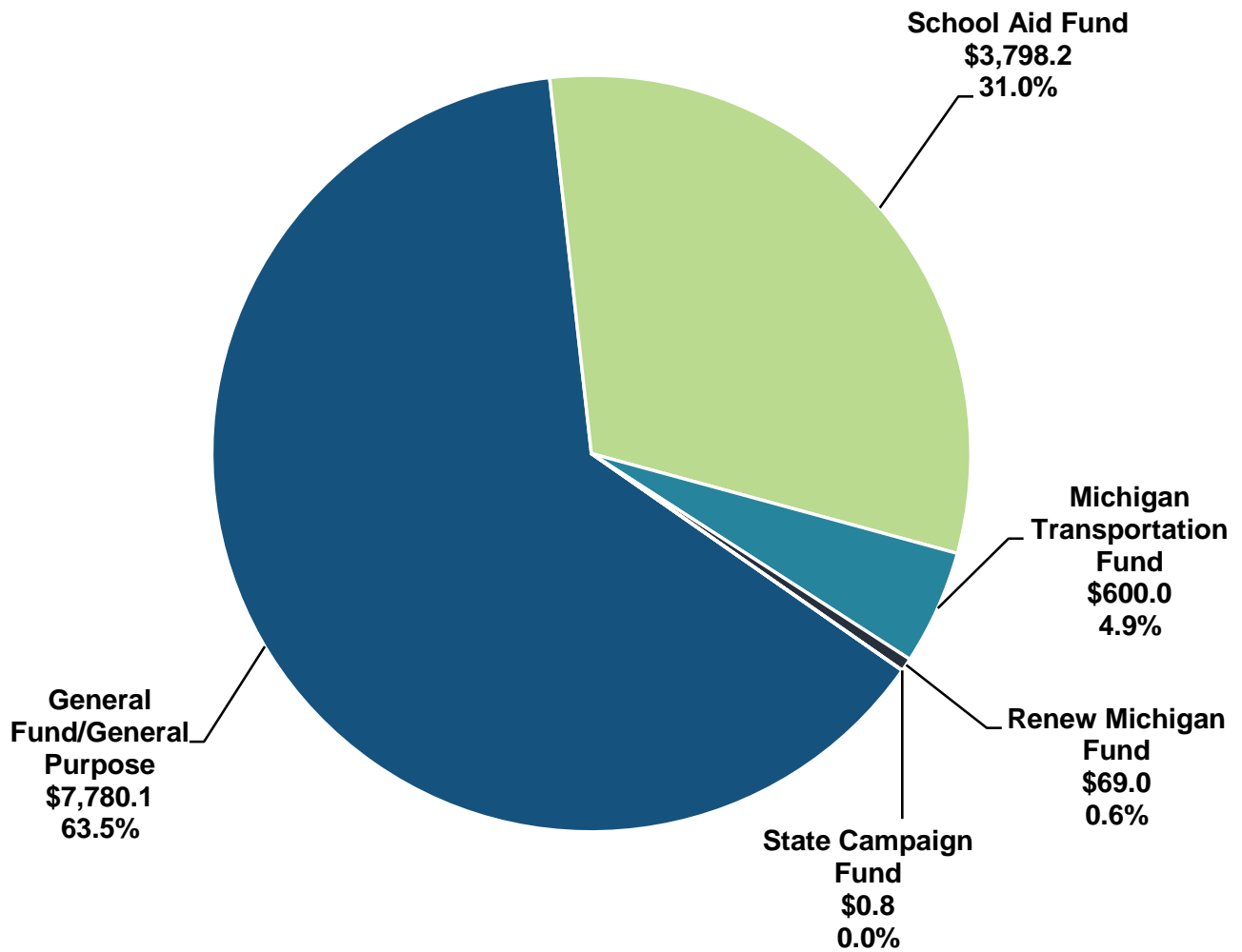
STATE CAMPAIGN FUND

Taxpayers can choose to dedicate \$3.00 of income tax paid to this fund. Funds are distributed to all candidates for Governor who meet certain requirements.

**STATE OF MICHIGAN
INDIVIDUAL INCOME TAX REVENUE
DISTRIBUTION
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$12,248.1 MILLION

(Chart dollars in millions)





Sales Tax Revenue Distribution

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>	
SALES TAX REVENUE DISTRIBUTION	SALES TAX COLLECTIONS							
	4% Sales Tax	\$7,322.7	67.9%	\$7,358.9	67.8%	\$7,384.9	67.8%	
	2% Sales Tax	\$3,462.1	32.1%	\$3,488.4	32.2%	\$3,502.4	32.2%	
	TOTAL SALES TAX	\$10,784.7		\$10,847.3		\$10,887.3		
FY 2021-22 through FY 2023-24	SALES TAX DISTRIBUTIONS							
	School Aid Fund	\$7,865.1	72.9%	\$7,920.7	73.0%	\$7,973.5	73.2%	
	General Fund/General Purpose	\$1,696.0	15.7%	\$1,679.3	15.5%	\$1,665.9	15.3%	
	Constitutional Revenue Sharing	\$1,064.9	9.9%	\$1,098.5	10.1%	\$1,100.7	10.1%	
	Comprehensive Transportation Fund	\$138.0	1.3%	\$125.0	1.2%	\$123.8	1.1%	
	Health Initiative	\$12.0	0.1%	\$12.0	0.1%	\$12.0	0.1%	
	Aeronautics and Airport Funds	\$8.7	0.1%	\$11.8	0.1%	\$11.4	0.1%	
		TOTAL	\$10,784.7		\$10,847.3		\$10,887.3	

(MILLIONS OF DOLLARS)

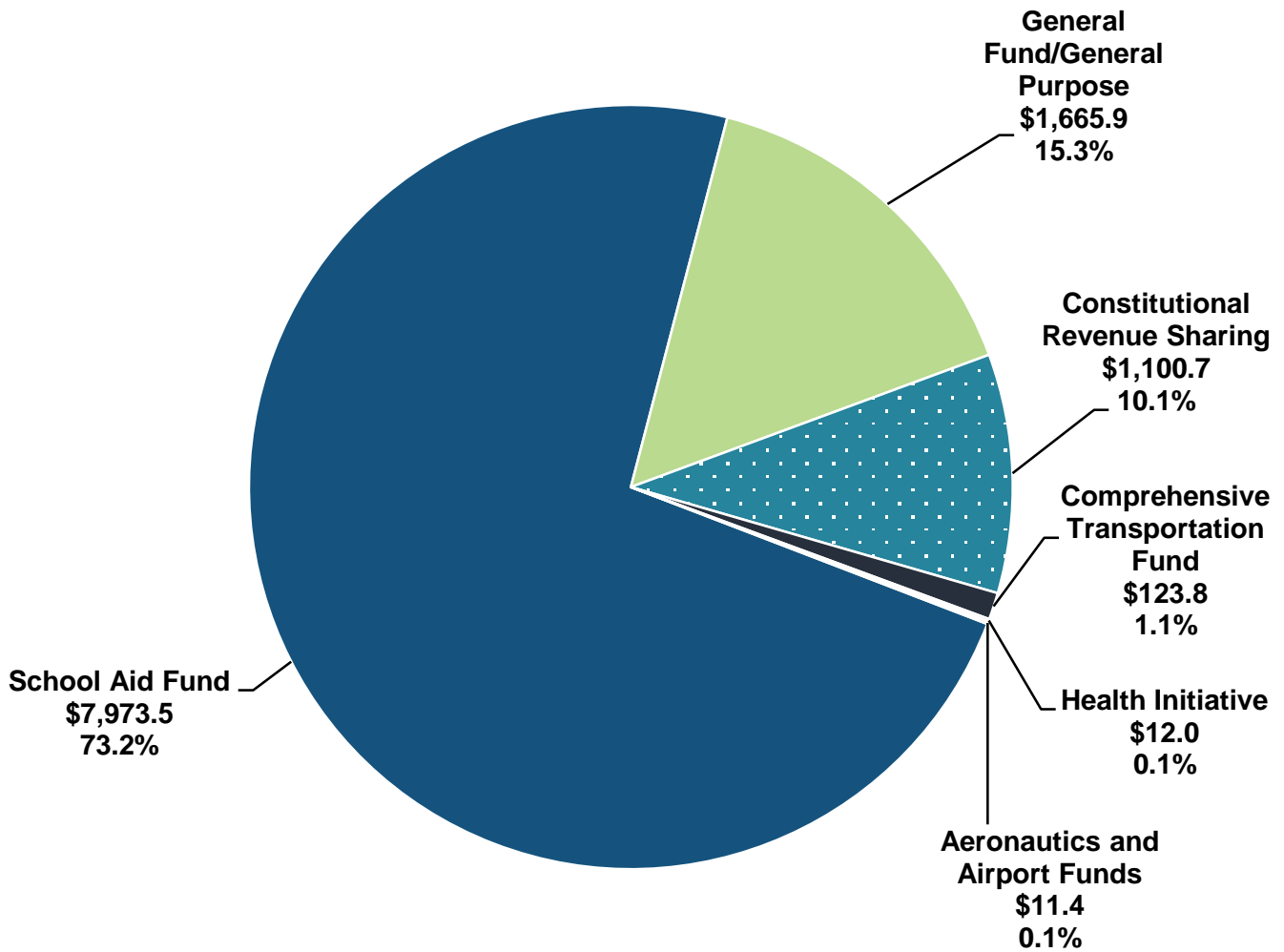
Note: Totals may not add due to rounding.

SCHOOL AID FUND	Receives 60% of sales tax collections levied at a rate of 4% and 100% of sales tax collections levied at a rate of 2%.
GENERAL FUND/ GENERAL PURPOSE	Receives sales tax revenue not dedicated for other purposes.
CONSTITUTIONAL REVENUE SHARING	The State Constitution provides that 15% of collections from the 4% sales tax be distributed to cities, villages, and townships on a per capita basis.
COMPREHENSIVE TRANSPORTATION FUND	Receives approximately 1.2% of sales tax revenue. Revenue is used to plan and develop public transportation systems and finance bus and rail services.
HEALTH INITIATIVE	Annual appropriation for AIDS and workplace health programs.
AERONAUTICS AND AIRPORT FUNDS	Beginning on October 1, 2016, 2% of sales tax revenue collected from aviation fuel is dedicated for aviation purposes. 35% accrues to the State Aeronautics Fund with the remaining 65% earmarked to the Qualified Airport Fund.

**STATE OF MICHIGAN
SALES TAX REVENUE
DISTRIBUTION
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$10,887.3 MILLION

(Chart dollars in millions)





**Net Business
Tax
Revenue
Distribution**

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
NET BUSINESS TAX REVENUE DISTRIBUTION	BUSINESS TAX COLLECTIONS						
	Corporate Income Tax (CIT)	\$2,029.3	104.0%	\$1,560.0	105.9%	\$1,500.0	104.1%
	Insurance Company Premiums Taxes	\$419.9	21.5%	\$440.0	29.9%	\$450.0	31.2%
	Single Business Tax (SBT)	\$1.6	0.1%	\$0.0	0.0%	\$0.0	0.0%
	Michigan Business Tax (MBT)	(\$500.3)	-25.6%	(\$527.0)	-35.8%	(\$509.7)	-35.4%
	TOTAL BUSINESS TAXES	\$1,950.5		\$1,473.0		\$1,440.3	
(MILLIONS OF DOLLARS)	BUSINESS TAX DISTRIBUTION						
	General Fund/General Purpose	\$1,950.5	100.0%	\$873.0	59.3%	\$840.3	58.3%
	Strategic Outreach and Attraction Reserve Fund	\$0.0	0.0%	\$500.0	33.9%	\$500.0	34.7%
	Michigan Housing and Community Devel. Fund	\$0.0	0.0%	\$50.0	3.4%	\$50.0	3.5%
	Revitalization and Placemaking Fund	\$0.0	0.0%	\$50.0	3.4%	\$50.0	3.5%
	TOTAL	\$1,950.5		\$1,473.0		\$1,440.3	

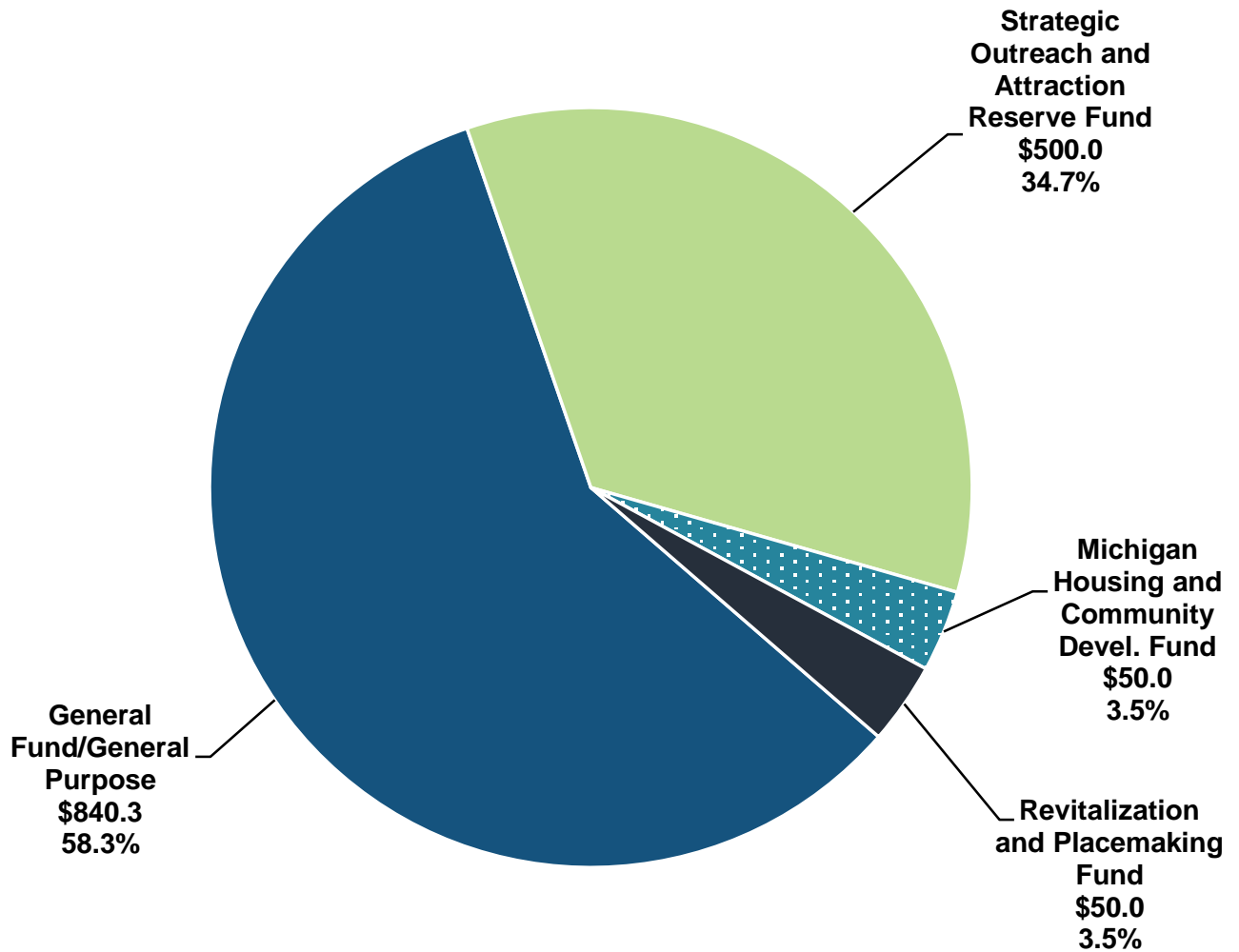
Note: Totals may not add due to rounding.

CORPORATE INCOME TAX	Taxes corporate income at a 6% rate. Applies only to C corporations.
INSURANCE COMPANY PREMIUMS TAXES	The Insurance Company Premiums Tax is a 1.25% levy against gross premiums of in-state insurance companies. The Foreign Insurance Company Retaliatory Tax is a 1.25% levy against gross premiums of out-of-state insurance companies.
SINGLE BUSINESS TAX	Replaced by the MBT in 2008; a small number of taxpayers still remit SBT revenue or receive refunds from prior returns.
MICHIGAN BUSINESS TAX	The MBT consists of a 4.95% tax on business income and a 0.8% tax on apportioned gross receipts less purchases from other firms. Effective January 1, 2012, the MBT was replaced by the Corporate Income Tax, although taxpayers claiming existing certificated Michigan Economic Growth Authority credits still file under the MBT.
GENERAL FUND/GENERAL PURPOSE	Receives all revenue from the Corporate Income Tax, Insurance Company Premiums Taxes, Single Business Tax, and Michigan Business Tax.
STRATEGIC OUTREACH AND ATTRACTION RESERVE FUND	For FY 2022-23 through FY 2024-25, up to \$500 million of CIT revenue will be deposited annually into the Strategic Outreach and Attraction Reserve Fund.
MICHIGAN HOUSING AND COMMUNITY DEVEL. FUND	Beginning with FY 2022-23, up to \$50 million of CIT revenue will be deposited annually into the Michigan Housing and Community Development Fund.
REVITALIZATION AND PLACEMAKING FUND	For FY 2022-23 through FY 2024-25, up to \$50 million of CIT revenue will be deposited annually into the Revitalization and Placemaking Fund.

**STATE OF MICHIGAN
NET BUSINESS TAX REVENUE
DISTRIBUTION
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$1,440.3

(Chart dollars in millions)





Tobacco Tax Revenue Distribution

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
TOBACCO TAX REVENUE DISTRIBUTION	TOBACCO TAX COLLECTIONS						
	Cigarette Tax*	\$690.2	86.5%	\$636.2	85.5%	\$624.7	85.2%
	Other Tobacco Products*	\$107.4	13.5%	\$107.7	14.5%	\$108.7	14.8%
	TOTAL TOBACCO TAXES	\$797.6		\$743.9		\$733.4	
FY 2021-22 through FY 2023-24	TOBACCO TAX DISTRIBUTIONS						
	Medicaid Benefits Trust Fund	\$297.4	37.3%	\$282.1	37.9%	\$279.2	38.1%
	School Aid Fund	\$284.7	35.7%	\$263.4	35.4%	\$258.6	35.3%
	General Fund/General Purpose	\$158.8	19.9%	\$148.1	19.9%	\$145.8	19.9%
	Healthy Michigan Fund	\$25.6	3.2%	\$23.7	3.2%	\$23.3	3.2%
	Health and Safety Fund	\$19.6	2.5%	\$15.4	2.1%	\$15.1	2.1%
	State Agencies	\$3.8	0.5%	\$4.0	0.5%	\$4.0	0.5%
	Capitol Historic Site Fund	\$3.4	0.4%	\$3.7	0.5%	\$3.9	0.5%
	Wayne County	\$4.3	0.5%	\$3.5	0.5%	\$3.4	0.5%
		TOTAL	\$797.6		\$743.9		\$733.3

(MILLIONS OF DOLLARS)

*See page 47 for detail.

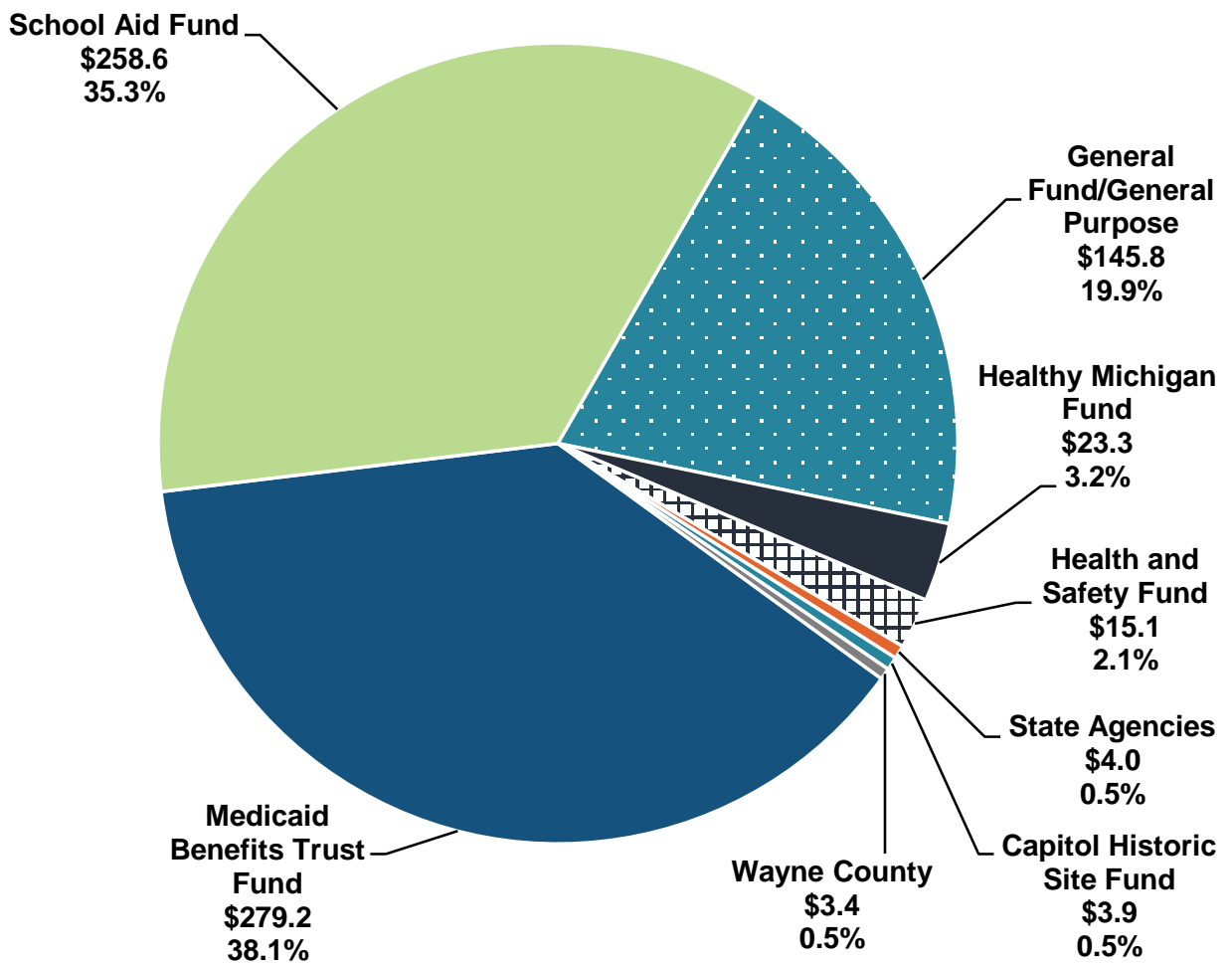
Note: Totals may not add due to rounding.

MEDICAID BENEFITS TRUST FUND	Receives approximately 31.7% of the cigarette tax revenue and 75.0% of the other tobacco products tax revenue.
SCHOOL AID FUND	Receives approximately 41.4% of cigarette tax proceeds.
GENERAL FUND/ GENERAL PURPOSE	Receives approximately 19.2% of the cigarette tax revenue and 25.0% of the other tobacco products tax revenue.
HEALTHY MICHIGAN FUND	Administered by the state for various health prevention programs. Receives 3.7% of the cigarette tax revenue.
HEALTH AND SAFETY FUND	Provides support for Medicaid indigent payments to Detroit hospitals, certain debt obligations for Wayne County, and local public health and criminal justice at the county level. Receives about 2.4% of the cigarette tax.
STATE AGENCIES	Appropriations of tobacco tax revenue may be made to the Department of Treasury, the Attorney General, and the Department of State Police for enforcement and administration of tobacco taxes.
CAPITOL HISTORIC SITE FUND	Beginning October 1, 2015, from the portion of cigarette tax revenue accruing to the General Fund, \$3.0 million is earmarked to provide for restoration, renewal, and maintenance of the State Capitol building. The amount is adjusted for inflation in subsequent years.
WAYNE COUNTY	Approximately 0.6% of cigarette tax revenue is earmarked for indigent health care.

**STATE OF MICHIGAN
TOBACCO TAX REVENUE
DISTRIBUTION
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$733.3 MILLION

(Chart dollars in millions)





Use Tax Revenue Distribution

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
USE TAX REVENUE DISTRIBUTION	USE TAX COLLECTIONS						
	4% Use Tax (Includes LCSA Share)	\$1,716.4	66.6%	\$1,705.5	66.6%	\$1,699.9	66.4%
	2% Use Tax	\$859.2	33.4%	\$856.9	33.4%	\$862.0	33.6%
	TOTAL USE TAX	\$2,575.6		\$2,562.4		\$2,561.9	
FY 2021-22 through FY 2023-24	USE TAX DISTRIBUTIONS						
(MILLIONS OF DOLLARS)	General Fund/General Purpose	\$1,194.9	58.2%	\$1,156.0	57.4%	\$1,136.7	56.8%
	School Aid Fund	\$859.4	41.8%	\$858.4	42.6%	\$863.5	43.2%
	TOTAL	\$2,054.3		\$2,014.4		\$2,000.2	

Note: Totals may not add due to rounding.

**GENERAL FUND/
GENERAL PURPOSE** Receives use tax revenue from the 4% rate not levied by the Local Community Stabilization Authority (see note below).

SCHOOL AID FUND Receives one-third of the full 6% use tax revenue.

LOCAL COMMUNITY STABILIZATION AUTHORITY (LCSA)

The Local Community Stabilization Authority was created in 2014 PA 86 for the purpose of levying a portion of the use tax and using the proceeds to distribute to municipalities to replace revenue lost as a result of the small parcel exemption and eliminating exempt manufacturing personal property. 2014 PA 80 allows the authority to levy the following amounts out of the revenue generated by the first 4% of the use tax:

FY 2015-16	\$96.4 million
FY 2016-17	\$380.9 million
FY 2017-18	\$411.1 million
FY 2018-19	\$438.0 million
FY 2019-20	\$465.9 million
FY 2020-21	\$491.5 million
FY 2021-22	\$521.3 million
FY 2022-23	\$548.0 million
FY 2023-24	\$561.7 million
FY 2024-25	\$569.8 million
FY 2025-26	\$571.4 million
FY 2026-27	\$572.2 million
FY 2027-28	\$572.6 million

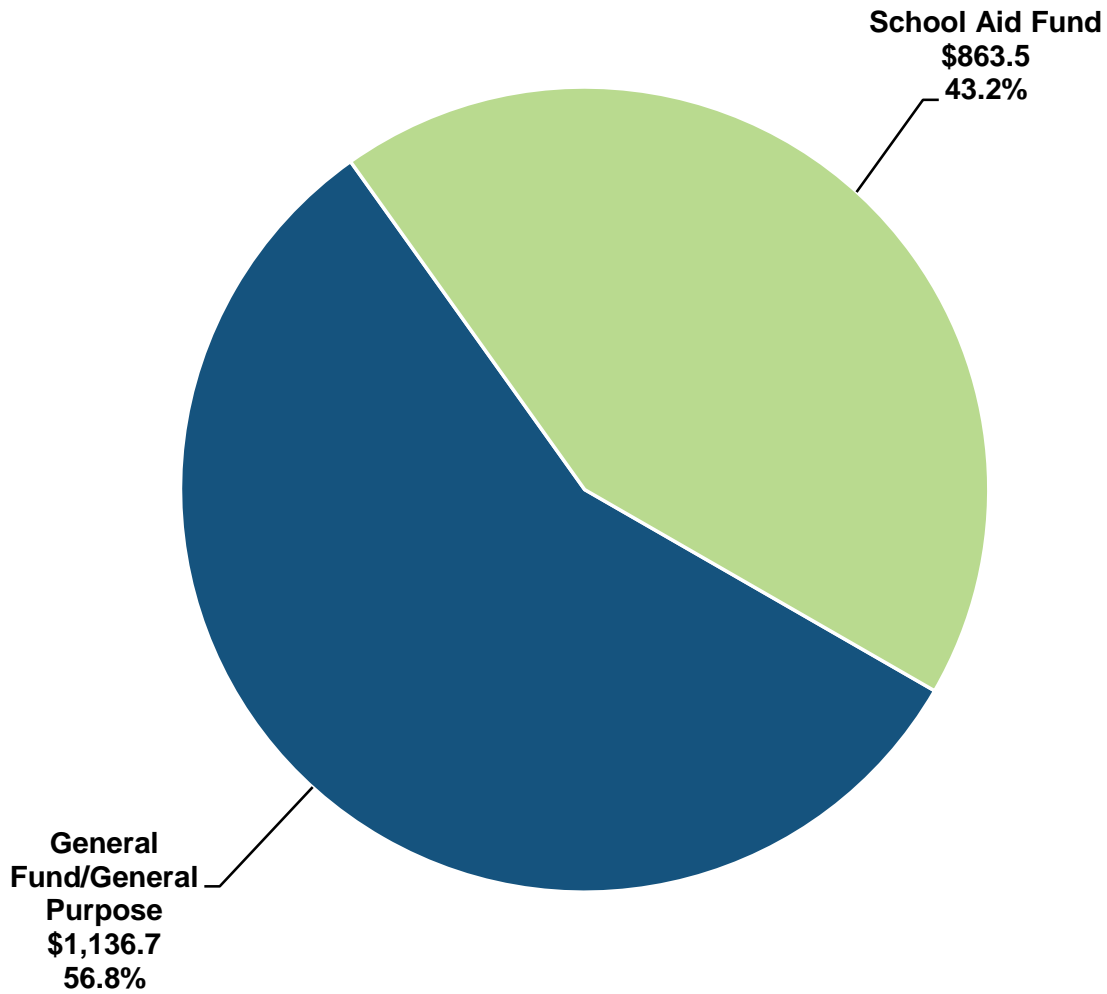
Amounts will be adjusted as necessary in subsequent years.

These amounts are not included in the state revenue distribution figures above.

**STATE OF MICHIGAN
USE TAX REVENUE
DISTRIBUTION
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$2,561.9 MILLION

(Chart dollars in millions)





Alcohol Tax Revenue Distribution

**FY 2021-22
through
FY 2023-24**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	<u>FY 2023-24</u>	<u>Total</u>
ALCOHOL TAX REVENUE DISTRIBUTION	ALCOHOL TAX COLLECTIONS						
	Liquor Tax*	\$218.0	81.6%	\$217.0	81.6%	\$219.0	81.4%
	Beer Tax*	\$35.9	13.4%	\$35.8	13.4%	\$36.5	13.6%
	Wine Tax*	\$13.3	5.0%	\$13.2	5.0%	\$13.5	5.0%
FY 2021-22 through FY 2023-24	TOTAL ALCOHOL TAXES	\$267.3		\$266.0		\$269.0	
(MILLIONS OF DOLLARS)	ALCOHOL TAX DISTRIBUTIONS						
	General Fund/General Purpose	\$114.5	42.8%	\$114.0	42.9%	\$115.3	42.9%
	School Aid Fund	\$76.6	28.7%	\$76.2	28.7%	\$76.9	28.6%
	Convention Facility Development Fund	\$76.2	28.5%	\$75.8	28.5%	\$76.8	28.5%
	TOTAL	\$267.3		\$266.0		\$269.0	

*See page 47 and 48 for detail.

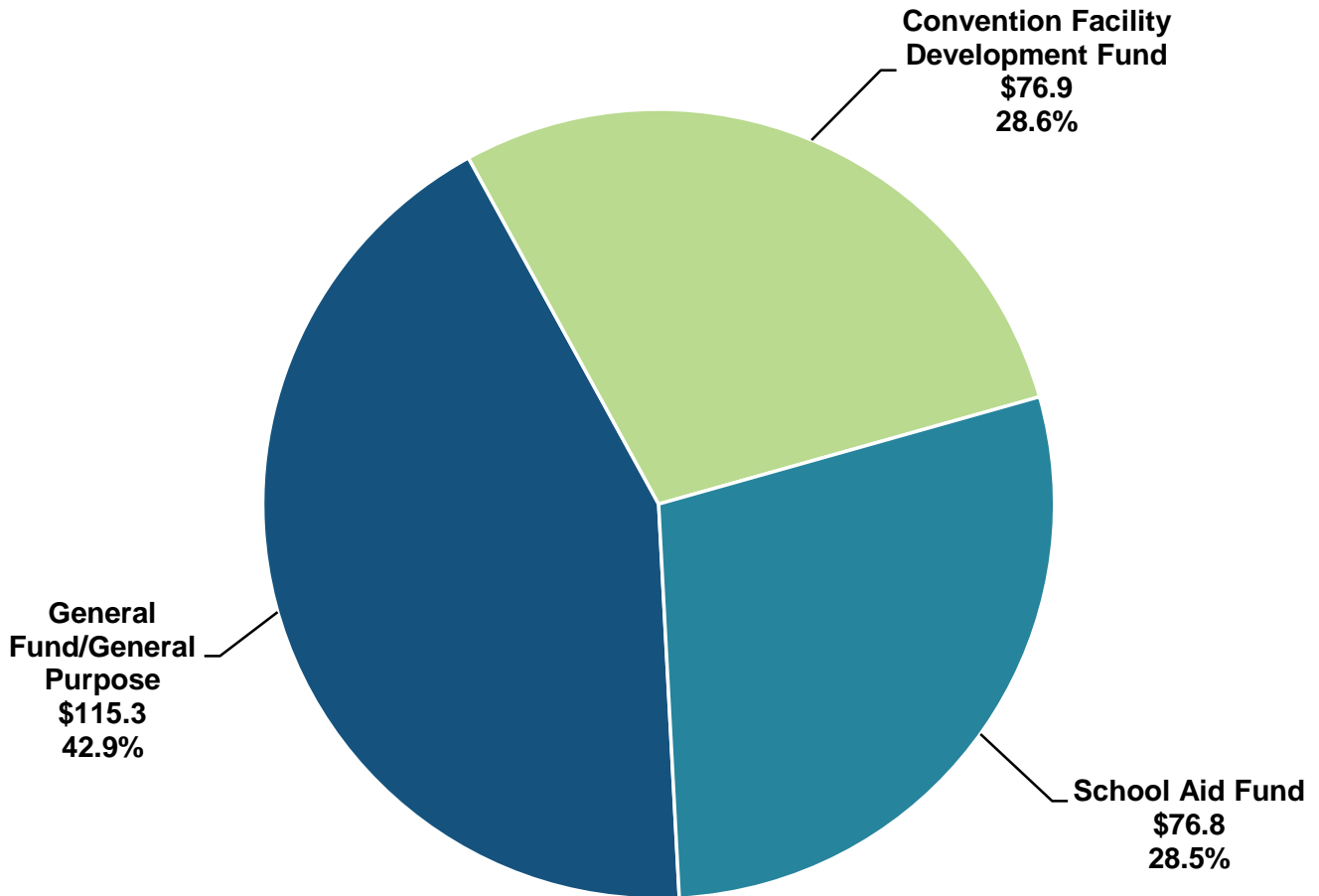
Note: Totals may not add due to rounding.

GENERAL FUND/ GENERAL PURPOSE	Receives 100% of beer and wine taxes and approximately one-third of liquor tax.
SCHOOL AID FUND	Receives approximately one-third of liquor tax.
CONVENTION FACILITY DEVELOPMENT FUND	Receives approximately one-third of liquor tax.

**STATE OF MICHIGAN
ALCOHOL TAX REVENUE
DISTRIBUTION
ESTIMATED FY 2023-24**

TOTAL RESOURCES: \$269.0 MILLION

(Chart dollars in millions)





**State and Local
Tax
Information**

**FY 2021-22
Final Collections**

BUSINESS PRIVILEGE TAXESFY 2021-22
Final Collections

<u>AIRPORT PARKING EXCISE TAX</u>	\$31,294,763
ENACTED: 1987 PA 248 BASE: Amount charged for parking RATE: 27% of amount charged for public parking at a “regional” airport DISPOSITION: Airport Parking Fund	
<u>CASINO WAGERING TAX</u>	State portion \$104,059,264
ENACTED: Voter-initiated law of 1996 BASE: Adjusted gross receipts received by gaming licensee RATE: 19% of adjusted gross receipts for permanent casinos <i>NOTE: In addition to the casino wagering tax, each casino annually pays \$8.33 million (indexed to inflation) to the State Services Fee Fund. The City of Detroit also levies a municipal services fee, which is the greater of 1.25% of adjusted gross receipts or \$4.0 million per casino.</i> DISPOSITION: State portion (42.6%) to the School Aid Fund City of Detroit portion (57.4%)	
<u>CORPORATE INCOME TAX</u>	\$2,029,291,230
ENACTED: 2011 PA 38 BASE: Business income RATE: 6.0% DISPOSITION: General Fund/General Purpose - Up to the first \$1.2 billion Michigan Housing and Community Development Fund - Up to the next \$50.0 million Revitalization and Placemaking Fund - Up to the next \$50.0 million Strategic Outreach and Attraction Reserve Fund - Up to the next \$500.0 million General Fund/General Purpose - The balance of any revenue exceeding \$1.8 billion	
<u>CORPORATION FRANCHISE FEES</u>	\$23,865,445
ENACTED: 1972 PA 284 BASE: Domestic—authorized capital stock; Foreign—capital stock attributable to Michigan RATE: Domestic—\$50 for first 60,000 shares, plus \$30 for each additional 20,000 shares; Foreign—\$50 for shares attributable to Michigan, plus \$30 for each additional 20,000 shares DISPOSITION: General Fund Restricted	
<u>FANTASY CONTESTS</u>	\$1,285,621
ENACTED: 2019 PA 157 BASE: Fantasy contest adjusted reserves RATE: 8.4% DISPOSITION: 100% to the Fantasy Contest Fund; any amount remaining after administrative costs is deposited in the School Aid Fund	
<u>FOREIGN INSURANCE COMPANY RETALIATORY TAX</u>	\$25,410,118
ENACTED: 1956 PA 218; 2011 PA 38 BASE: Gross premiums of out-of-state insurance companies RATE: Effective rate of 1.25%; Foreign insurance at the corporate income tax equivalent or amount equal to foreign imposed costs, whichever is higher DISPOSITION: General Fund/General Purpose	
<u>INSURANCE COMPANY PREMIUMS TAX</u>	\$394,447,538
ENACTED: 1956 PA 218; 2011 PA 38	

BUSINESS PRIVILEGE TAXESFY 2021-22
Final Collections

BASE: Gross premiums of in-state insurance companies	
RATE: Effective rate of 1.25%	
DISPOSITION: General Fund/General Purpose	
INTERNET GAMING	\$279,392,021
ENACTED: 2019 PA 152	
BASE: Adjusted gross receipts of Internet gaming provider	
RATE: 20% to 28%, based on amount of a provider's adjusted gross receipts	
DISPOSITION: <u>Non-tribal:</u>	
30% to the city of Detroit	
5% (maximum of \$3.0 million) to the Agriculture Equine Industry Development Fund	
65% to the Internet Gaming Fund; any amount remaining after administrative costs and other small distributions is deposited in the School Aid Fund	
<u>Tribal:</u>	
70% to the Internet Gaming Fund	
10% to the Michigan Strategic Fund	
20% to local units of government	
INTERNET SPORTS BETTING	\$15,218,509
ENACTED: 2019 PA 149	
BASE: Adjusted gross sports betting receipts of Internet sports betting operator	
RATE: 8.4%	
DISPOSITION: <u>Non-tribal:</u>	
30% to the city of Detroit	
5% (maximum of \$3.0 million) to the Agriculture Equine Industry Development Fund	
65% to the Internet Sports Betting Fund; any amount remaining after administrative costs and other small distributions is deposited in the School Aid Fund	
<u>Tribal:</u>	
90% to the Internet Sports Betting Fund	
10% to the Michigan Strategic Fund	
MICHIGAN BUSINESS TAX	(\$500,265,936)
ENACTED: 2007 PA 36	
BASE: Business income and gross receipts less purchases from other firms	
RATE: 4.95% on business income and 0.80% on gross receipts less purchases from other firms	
DISPOSITION: General Fund/General Purpose	
OIL AND GAS SEVERANCE TAX	\$42,160,504
ENACTED: 1929 PA 48	
BASE: Gross cash market value of oil and gas severed	
RATE: Oil at 6.6%; Gas at 5%; Stripper wells and/or marginal properties at 4%	
DISPOSITION: General Fund/General Purpose	
RETAIL SPORTS BETTING	\$1,801,567
ENACTED: 2019 PA 158	
BASE: Adjusted gross sports betting receipts	
RATE: 8.4%	
DISPOSITION: 55% to the city of Detroit	
45% to the School Aid Fund	

BUSINESS PRIVILEGE TAXES**FY 2021-22
Final Collections**

<u>SIMULCAST WAGERING TAX</u>	\$2,877,167
ENACTED: 1995 PA 279	
BASE: Amounts wagered on interstate and inter-track simulcast horse races	
RATE: 3.5%	
DISPOSITION: Agriculture Equine Industry Development Fund	
<u>STATE CONVENTION FACILITY DEVELOPMENT ACT</u>	\$23,396,019
ENACTED: 1985 PA 106	
BASE: Amount charged transient guests for lodging in a hotel/motel, depending on county population and hotel/motel capacity	
RATE: Variable; up to 6% of amount transient guests pay for lodging	
DISPOSITION: Convention Facility Development Fund	
<u>UNEMPLOYMENT INSURANCE CONTRIBUTIONS</u>	\$1,446,245,484
ENACTED: 1936 PA 1 (Extra Session)	
BASE: Wages paid per covered employee up to \$9,000 limit, or wages equal to federal unemployment tax base—whichever is higher	
RATE: Variable	
DISPOSITION: Bureau of Worker’s and Unemployment Compensation	

INCOME TAXES**FY 2021-22
Final Collections**

<u>INDIVIDUAL INCOME TAX</u>	Gross = \$17,099,743,598
	Net of Refunds = \$13,928,866,267
ENACTED: 1967 PA 281	
BASE: Federal adjusted gross income of individuals, estates, and trusts, with adjustments	
RATE: 4.25%	
DISPOSITION: Approximately 25% of gross revenue to the School Aid Fund \$600 of net revenue to the Michigan Transportation Fund \$69 million to the Renew Michigan Fund Remaining net revenue to the General Fund/General Purpose	
<u>UNIFORM CITY INCOME TAX</u>	\$734,564,725
ENACTED: 1964 PA 284	
BASE: Income of city residents and income earned in city	
RATE: Maximum 1% of income for residents and corporations; Maximum 0.5% income for non-residents (exceptions: 2.5% resident; 1.25% non-resident in Detroit; 1.0% on corporations located in Detroit; Highland Park, Grand Rapids, and Saginaw may levy 2.0% resident, 1.0% non-resident)	
DISPOSITION: General Fund of city	

CONSUMPTION TAXES

**FY 2021-22
Final Collections**

<u>BEER TAX</u>	\$35,926,595
ENACTED: 1998 PA 58 BASE: Beer manufactured or sold in Michigan RATE: \$6.30 per barrel (\$2 per barrel credit for small brewers) DISPOSITION: General Fund/General Purpose	
<u>LIQUOR TAX</u>	\$218,017,496
ENACTED: 1998 PA 58 BASE: Base price of spirits RATE: 12% DISPOSITION: 4% to the General Fund/General Purpose 4% to the School Aid Fund 4% to the Convention Facility Development Fund	
<u>RECREATIONAL MARIHUANA EXCISE TAX</u>	\$198,379,030
ENACTED: Initiated Law 1 of 2018 BASE: Sales price of recreational marihuana RATE: 10% DISPOSITION: Net revenue is distributed as follows: 35% to the School Aid Fund 35% to the Michigan Transportation Fund 15% to counties 15% to cities, villages, and townships	
<u>SALES TAX</u>	\$10,784,743,419
ENACTED: 1933 PA 167 BASE: Gross proceeds from retail sale of tangible personal property for use or consumption RATE: 6%; 4% for electricity, natural gas, and home heating fuel DISPOSITION: Net revenue is approximately distributed as follows: 10% for Constitutional revenue sharing 72.9% to the School Aid Fund 1.2% to the Comprehensive Transportation Fund Any remainder to General Fund/General Purpose	
<u>TOBACCO PRODUCTS TAXES</u>	\$797,601,410
ENACTED: 1993 PA 327 BASE: Tobacco products sold in Michigan RATE: Cigarettes at \$2.00 per pack of 20; Other tobacco products at 32% of wholesale price DISPOSITION: <u>From cigarettes:</u> 41.4% to the School Aid Fund 19.2% to the General Fund/General Purpose 3.7% to the Healthy Michigan Fund 2.4% to the Health and Safety Fund 31.4% to the Medicaid Benefits Trust Fund 0.6% to Wayne County <u>From other tobacco products:</u> 75% to the Medicaid Benefits Trust Fund 25% to the General Fund/General Purpose	

CONSUMPTION TAXES**FY 2021-22
Final Collections**

<u>UNIFORM CITY UTILITY USERS TAX</u>	\$55,554,441
ENACTED: 1990 PA 100	
BASE: Privilege of consuming public telephone, electric, steam, or gas service in Detroit	
RATE: Between 1/4 of 1% and 5%	
DISPOSITION: To hire police officers	
<u>USE TAX</u>	\$2,054,334,502
ENACTED: 1937 PA 94	
BASE: Purchase price of tangible personal property and certain services	
RATE: 6%; 4% for residential electricity, natural gas, and heating fuel	
DISPOSITION: Net revenue is approximately distributed as follows: 33.3% to the School Aid Fund Any remainder, less the amount levied by the Local Community Stabilization Authority, accrues to General Fund/General Purpose	
<u>WINE TAX</u>	\$13,312,742
ENACTED: 1998 PA 58	
BASE: Wine sold in Michigan	
RATE: Per liter—\$0.135 if ≤16% alcohol; \$0.20 if >16% alcohol; mixed spirit drinks \$0.48	
DISPOSITION: General Fund/General Purpose	

PROPERTY TAXES**FY 2021-22
Final Collections**

<u>COMMERCIAL FOREST TAX</u>	\$4,334,795
ENACTED: 1995 PA 57	
BASE: Lands placed in commercial forest reserve and cash value of timber thereon	
RATE: Specific—\$1.10 per acre (\$1.20 per acre to local units); Withdrawal—\$1.00 per acre fee plus per acre penalty based on ad valorem taxes (varies)	
DISPOSITION: To local units in same proportion as general property tax; school portion to School Aid Fund	
<u>COUNTY REAL ESTATE TRANSFER TAX</u>	\$80,170,633
ENACTED: 1966 PA 134	
BASE: Fair market value of property transferred	
RATE: \$0.55 per \$500 (0.11%); Wayne County may impose a higher rate with voter approval	
DISPOSITION: General Fund of county in which tax is collected	
<u>INDUSTRIAL FACILITIES TAX</u>	\$41,386,800
ENACTED: 1974 PA 198	
BASE: Restored/replacement facility—taxable value, excluding land and inventory in year prior to exemption; New facility—current taxable value, excluding land and inventory	
RATE: Restored facility—same as local property tax; New or replacement facility—50% of all taxes other than the state education tax plus 100% of the state education tax	
DISPOSITION: To local units in same proportion as general property tax; school portion to School Aid Fund	

PROPERTY TAXES

**FY 2021-22
Final Collections**

<u>LOW GRADE IRON ORE SPECIFIC TAX</u>	\$1,786,006
ENACTED: 1951 PA 77	
BASE: Rated annual capacity of production and treatment plant, and gross ton value of ore	
RATE: 1.1% at full production	
DISPOSITION: To local units in same proportion as general property tax; school portion to School Aid Fund	
<u>MOBILE HOME TRAILER COACH TAX</u>	\$3,339,481
ENACTED: 1959 PA 243	
BASE: Occupied trailer coaches in licensed trailer coach parks	
RATE: \$3.00 per month per coach	
DISPOSITION: \$2.00 per coach to the School Aid Fund \$0.50 per coach to counties \$0.50 per coach to municipalities	
<u>NEIGHBORHOOD ENTERPRISE ZONE FACILITIES TAX</u>	Included in industrial facilities
ENACTED: 1992 PA 147	
BASE: Rehabilitated facility—state equalized value in prior year of exemption, excluding land; New facility—state equalized value, excluding land	
RATE: Homesteads—50% of average rate of other homestead or qualified agricultural property; Non-homesteads—50% of average rate of other commercial, industrial, and utility property	
DISPOSITION: To local units in same proportion as general property tax; school portion to School Aid Fund	
<u>STATE EDUCATION TAX</u>	\$2,440,043,341
ENACTED: 1993 PA 331	
BASE: Taxable value of all real and personal property (increase capped at the lesser of 5% or inflation)	
RATE: 6 mills (\$6 per \$1,000 of taxable value)	
DISPOSITION: School Aid Fund	
<u>STATE ESSENTIAL SERVICES ASSESSMENT</u>	\$135,378,600
ENACTED: 2014 PA 92	
BASE: Personal property eligible for an exemption under 2014 PA 87 as eligible manufacturing personal property	
RATE: Between 0.9 mills and 2.4 mills, depending on the age of the property	
DISPOSITION: General Fund/General Purpose	
<u>STATE REAL ESTATE TRANSFER TAX</u>	\$546,617,954
ENACTED: 1993 PA 330	
BASE: Fair market value of property transferred	
RATE: \$3.75 per \$500 (0.75%) or fraction thereof of total value	
DISPOSITION: School Aid Fund	

PROPERTY TAXES

**FY 2021-22
Final Collections**

<u>TECHNOLOGY PARK FACILITIES TAX</u>	Included in industrial facilities
ENACTED: 1984 PA 385	
BASE: SEV of facility, excluding land	
RATE: New facility—50% of 1993 school operating taxes, plus 50% of other property taxes, except state education tax	
DISPOSITION: To local units in same proportion as general property tax; school portion to School Aid Fund	
<u>UTILITY PROPERTY TAX</u>	\$34,996,566
ENACTED: 1905 PA 282	
BASE: Taxable value of all property of telephone, telegraph, railroad, car loaning, sleeping car, and express car companies (certain exemptions for railroads)	
RATE: Average statewide general property tax paid by other business property in preceding calendar year	
DISPOSITION: General Fund/General Purpose	

TRANSPORTATION TAXES

**FY 2021-22
Final Collections**

<u>AIRCRAFT WEIGHT TAX</u>	\$319,964
ENACTED: 1945 PA 327	
BASE: The greater of maximum gross weight or maximum takeoff weight	
RATE: \$0.01 per pound	
DISPOSITION: Aeronautics Fund	
<u>ALTERNATIVE MOTOR FUELS TAX</u>	\$1,942,724
ENACTED: 2015 PA 176	
BASE: Fuels such as compressed natural gas, liquefied natural gas, hydrogen, and hydrogen compressed natural gas sold for operating vehicles on public highways	
RATE: \$0.263 per gallon equivalent of compressed or liquefied gas	
DISPOSITION: Michigan Transportation Fund	
<u>AVIATION GASOLINE TAX</u>	\$4,917,791
ENACTED: 1945 PA 327	
BASE: Fuel sold or used for propelling aircraft	
RATE: \$0.03 per gallon; \$0.015 per gallon refund to interstate airline operators	
DISPOSITION: Aeronautics Fund	
<u>DIESEL FUEL TAX</u>	\$248,516,995
ENACTED: 1951 PA 54	
BASE: Diesel fuel sold or used in vehicles operated on public highways (certain exemptions apply)	
RATE: \$0.263 per gallon	
DISPOSITION: Michigan Transportation Fund	

TRANSPORTATION TAXES

**FY 2021-22
Final Collections**

<u>GASOLINE TAX</u>	\$1,177,604,889
ENACTED: 1927 PA 150 BASE: Gasoline sold or used in operating vehicles on public highways RATE: \$0.263 per gallon DISPOSITION: Michigan Transportation Fund	
<u>LIQUEFIED PETROLEUM GAS TAX</u>	Included in alternative fuels
ENACTED: 1953 PA 147 BASE: Liquefied petroleum gas sold or used in operating vehicles on public highways RATE: \$0.263 per gallon DISPOSITION: Michigan Transportation Fund	
<u>MARINE VESSEL FUEL TAX</u>	\$599,891
ENACTED: 1995 PA 58 BASE: Gas and diesel fuel sold for propelling watercraft, off-road vehicles, and snowmobiles RATE: \$0.263 per gallon with refund for certain vessels DISPOSITION: Recreation Improvement Fund	
<u>MOTOR CARRIER FUEL TAX</u>	\$6,105,668
ENACTED: 1980 PA 119 BASE: Motor fuel consumed in commercial motor vehicles while operating on public highways RATE: \$0.263 per gallon for fuel consumed in Michigan DISPOSITION: Michigan Transportation Fund	
<u>MOTOR VEHICLE REGISTRATION TAX</u>	\$1,402,913,801
ENACTED: 1949 PA 300 BASE: Weight of vehicle, or type or price of vehicle; maximum loaded weight for large trucks RATE: Varies DISPOSITION: Michigan Transportation Fund and Scrap Tire Regulation Fund	
<u>WATERCRAFT REGISTRATION TAX</u>	\$9,829,940
ENACTED: 1995 PA 58 BASE: Length of boat (certain exemptions apply) RATE: \$14 to \$448 (depending on length of boat); three-year registration period DISPOSITION: 17.5% to the State Waterways Fund 33.5% to the Harbor Development Fund 49% to the Marine Safety Fund	



Constitutional and Statutory State Revenue Dedication

STATE REVENUE DEDICATION

BUSINESS PRIVILEGE TAXES

SIMULCAST WAGERING

<u>Disposition</u>	<u>Authority</u>
100% Agriculture Equine Industry Development Fund	Statute

AIRPORT PARKING EXCISE

<u>Disposition</u>	<u>Authority</u>
100% Airport Parking Fund	Constitution and Statute

CASINO WAGERING

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

INCOME TAX AND LOTTERY PROCEEDS

GROSS INCOME TAX COLLECTIONS

<u>Disposition</u>	<u>Authority</u>
23.8% School Aid Fund	Statute

NET LOTTERY PROCEEDS

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

CONSUMPTION TAXES

LIQUOR (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
100% General Fund/General Purpose	Statute

GENERAL SALES*

<u>Disposition</u>	<u>Authority</u>
Not more than 25% for transportation purposes	Constitution
<i>*Imposed directly or indirectly on fuels sold to propel motor vehicles on highways, sale of motor vehicles, and sale of the parts and accessories of motor vehicles</i>	

LIQUOR (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

SALES (at 2% Rate)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Constitution

LIQUOR (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
100% Convention Facility Development Fund	Statute

SALES (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
60% School Aid Fund	Constitution
15% Revenue sharing to cities, villages, and townships on a population basis	

STATE REVENUE DEDICATION

CONSUMPTION TAXES

TOBACCO PRODUCTS (Cigarette)

<u>Approximate Distribution</u>	<u>Authority</u>
41.5% School Aid Fund	Constitution
31.4% Medicaid Benefits Trust Fund	and Statute
19.2% General Fund/General Purpose	
3.7% Healthy Michigan Fund	
2.4% Health and Safety Fund	
0.6% Wayne County	
\$3.3 million Capitol Historic Trust Fund	
\$4.0 million other state agencies	

SALES (amount equal to sales at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
21.3% Revenue sharing to counties, cities, villages, and townships	Statute subject to appropriation

TOBACCO PRODUCTS (other than Cigarette)

<u>Disposition</u>	<u>Authority</u>
75% Medicaid Benefits Trust Fund	Statute
25% General Fund/General Purpose	

USE (at 2% Rate)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Constitution

RECREATIONAL MARIJUANA

<u>Disposition</u>	<u>Authority</u>
35% School Aid Fund	Constitution
35% Michigan Transportation Fund	and Statute
15% counties	
15% cities, villages, and townships	

PROPERTY TAXES

COMMERCIAL FOREST

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

PRIVATE FOREST

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

INDUSTRIAL FACILITIES

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

STATE EDUCATION (SET)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

LOW GRADE IRON ORE SPECIFIC

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

STATE ESSENTIAL SERVICES ASSESSMENT

<u>Disposition</u>	<u>Authority</u>
100% General Fund/General Purpose	Statute

MOBILE HOME TRAILER COACH

<u>Disposition</u>	<u>Authority</u>
67% School Aid Fund	Statute

STATE REAL ESTATE TRANSFER

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

REVENUE SOURCE AND DISTRIBUTION

STATE REVENUE DEDICATION

PROPERTY TAXES

NEIGHBORHOOD ENTERPRISE ZONE FACILITIES

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

TECHNOLOGY PARK FACILITIES

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

TRANSPORTATION TAXES

AIRCRAFT WEIGHT

<u>Disposition</u>	<u>Authority</u>
100% Aeronautics Fund	Statute

MARINE VESSEL FUEL

<u>Disposition</u>	<u>Authority</u>
Recreation Improvement Fund	Statute

AVIATION GASOLINE

<u>Disposition</u>	<u>Authority</u>
100% Aeronautics Fund	Statute

MOTOR FUEL SPECIFIC

<u>Disposition</u>	<u>Authority</u>
Transportation purposes	Constitution

DIESEL FUEL

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

MOTOR CARRIER FUEL

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

GASOLINE

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

MOTOR VEHICLE REGISTRATION

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute
Certain fees to Scrap Tire Regulation Fund	

LIQUEFIED PETROLEUM GAS

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

WATERCRAFT REGISTRATION

<u>Disposition</u>	<u>Authority</u>
17.5% State Waterways Fund	Statute
33.5% Harbor Development Fund	
49% Marine Safety Fund	

Note: Revenue not constitutionally or statutorily earmarked (dedicated) is General Fund/General Purpose.



Mary Ann Cleary, Director
 Kevin Koorstra, Deputy Director
 (517) 373-8080

Agriculture and Rural Development	William E. Hamilton
Capital Outlay	Perry Zielak
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Education (Department)	Noel Benson
Environmental Quality	Austin Scott
General Government:	
Attorney General/Civil Rights/State (Department)/	
Technology, Management, and Budget	Michael Clossen
Executive Office/Legislature/Legislative Auditor General/Lottery/	
Michigan Strategic Fund/Treasury	Viola Bay Wild
Health and Human Services:	
Child Welfare, Child Support, Community Services, Public Health and Aging	Sydney Brown
Medicaid, Physical and Behavioral Health	Kevin Koorstra
Public Assistance, Field Operations, Medicaid-backup	Kent Dell
Higher Education	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary	Robin R. Risko
Labor and Economic Opportunity	Viola Bay Wild
Licensing and Regulatory Affairs	Marcus Coffin
Military and Veterans Affairs	Michael Clossen
Natural Resources	Austin Scott
Natural Resources Trust Fund	Austin Scott
School Aid	Michael Benson; Jacqueline Mullen
State Police	Marcus Coffin
Transportation	William E. Hamilton
Unemployment Insurance	Marcus Coffin
Economic/Revenue Forecasting	Benjamin Gielczyk; Jim Stansell
Local Finance/Revenue Sharing/Tax Analysis	Benjamin Gielczyk; Jim Stansell
Legislative Analysis	Rick Yuille
	Edith Best; Holly Kuhn; Josh Roesner; Alex Stegbauer
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Retirement	Benjamin Gielczyk
Supplemental Coordinator	Robin R. Risko
Transfer Coordinator	Viola Bay Wild
Administrative Assistant/Publications	Kathryn Bateson
Budget Assistant/HFA Internet	Tumai Burris



P.O. Box 30014 ■ Lansing, MI 48909-7514
(517) 373-8080
www.house.mi.gov/hfa