

MONTHLY REVENUE REPORT

NOVEMBER 2012

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$1.8 billion in November 2012, up 7.1% from last year's level. November tax collections were approximately \$41.2 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in May 2012. November tax collections represent the first month of revenue for FY 2012-13, because under accrual accounting (which the State of Michigan uses) most of October tax revenue will be included in FY 2011-12 revenue.

Collections earmarked to the General Fund were \$31.1 million above the expected level for November, and School Aid Fund tax collections were \$8.6 million above the forecasted level. The remaining above-forecast revenue was directed to other funds, most notably constitutional revenue sharing and the Medicaid Benefits Trust Fund. Because November represents the first month of FY 2011-12 collections, the year-to-date estimates are the same as the monthly estimates.

Net income tax revenue totaled \$611.6 million in November 2012, a 9.2% increase over last year's level. Withholding payments (which represented the majority of gross income tax revenue) were 9.0% above the year-ago level. Generally, withholding receipts have been expected to be higher since the tax changes enacted in May 2011.

Sales tax receipts totaled \$566.5 million in November, 0.4% below the November 2011 level, with the decline attributable to a 3.2% decrease in motor vehicle sales tax revenue and little change in sales tax revenue from other sources compared with last year's level. This marks the second time in three months that gross sales tax collections have been below the year-ago level. Collections over the most recent four-month period (August 2012 to November 2012) were 0.7% below the collections for that period in 2011.

Michigan Business Tax (MBT) revenue totaled \$4.8 million in November, reflecting the switch from the MBT to the Corporate Income Tax. Revenue from the repealed Single Business Tax reached \$3.1 million in November, and Corporate Income Tax collections totaled \$25.8 million.

Real estate transfer tax receipts rose 68.4% from the year-ago level in November, to \$17.2 million, and have been above the year-ago level for seven of the last eight months. State Education Tax (SET) revenue also was up, at 30.9% above the November 2011 level. However, November collections for the SET are generally accrued back to the prior fiscal year, and depend heavily on when counties remit the tax to the State. Over the most recent four-month period (August 2012 to November 2012), SET revenue was 2.1% below the collections for that period in the previous year.

The table on the back of this report identifies the major taxes included in the report, and provides their respective revenue levels and growth rates for November 2012. Also presented are the consensus revenue estimates for FY 2012-13, which were adopted at the May 2012 Consensus Revenue Estimating Conference.



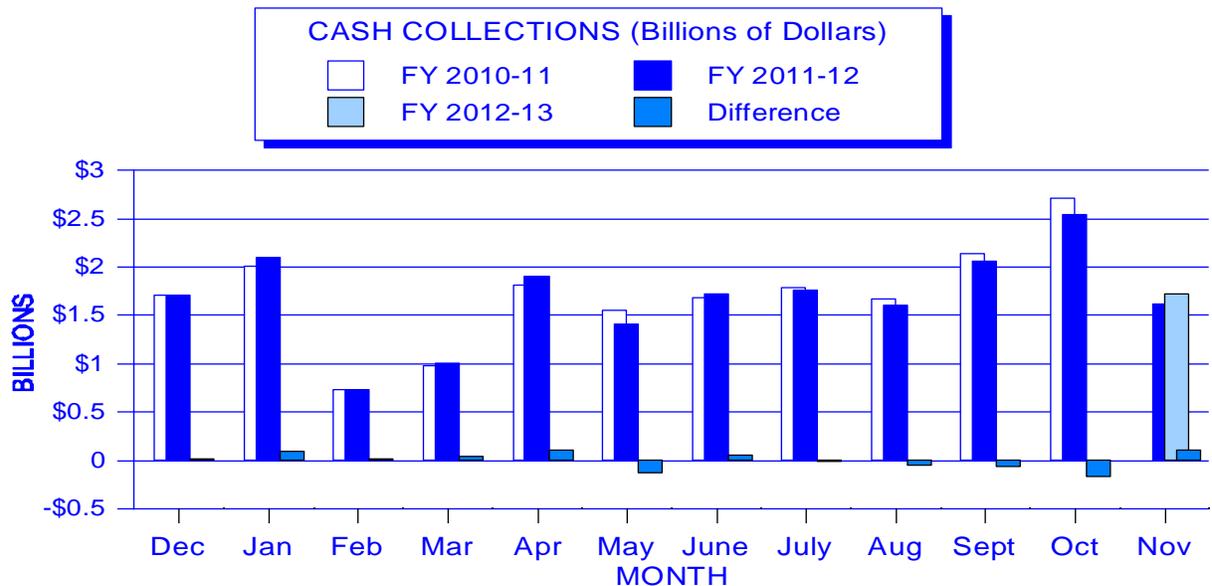
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**MICHIGAN REVENUE UPDATE
NOVEMBER 2012
(dollars in millions)**

Type of Revenue	November Collections		FY 2012-13 to Date ²⁾		FY 2012-13 Estimate ³⁾	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From FY 2010-11
Gross Income Tax	\$624.3	8.8%	\$624.3	8.8%	\$9,459.5	4.3%
Refunds	(12.8)	(7.1)	(12.8)	(7.1)	(1,552.0)	(26.2)
Net Income Tax	611.6	9.2	611.6	9.2	\$7,907.5	13.5
Sales Tax	566.5	(0.4)	566.5	(0.4)	7,194.1	2.4
Motor Vehicles	62.6	(3.2)	62.6	(3.2)	---	---
All Other Sales Tax	503.9	0.0	503.9	0.0	---	---
Use Tax	108.1	16.9	108.1	16.9	1,252.0	5.9
Tobacco Taxes	86.5	10.3	86.5	10.3	941.6	(2.1)
Corporate Income Tax	25.8	---	25.8	---	838.9	72.7
Michigan Business Tax	4.8	(94.3)	4.8	(94.3)	(552.4)	(177.4)
Insurance Tax	0.2	(76.3)	0.2	(76.3)	311.4	3.8
State Education Property Tax	231.3	30.9	231.3	30.9	1,829.4	1.2
Real Estate Transfer Tax	17.2	68.4	17.2	68.4	133.6	7.0
Casino Wagering Tax ⁴⁾	9.1	(2.0)	9.1	(2.0)	106.3	(7.3)
Oil & Gas Severance Tax	4.7	6.0	4.7	6.0	61.0	0.5
Other Taxes ⁵⁾	46.0	0.0	46.0	71.9	320.8	9.6
Total	\$1,711.7	6.2%	\$1,711.7	6.2%	\$20,344.2	1.4%
Addendum:						
Gross Lottery Sales ⁴⁾	\$253.0	45.8%	\$429.8	5.8%	\$2,433.7	0.8%
Net to School Aid Fund ⁴⁾	\$ 78.8	31.5%	\$137.6	0.7%	\$ 744.7	(0.7%)

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2012-13 year-to-date collections begin with November 2012 collections to reflect accrual accounting.
- 3) Consensus revenue estimates adopted at the May 16, 2012, Consensus Revenue Estimating Conference.
- 4) Lottery and casino revenue is not accrued, so FY 2012-13 collections will include October 2012 to September 2013.
- 5) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, and estate taxes, and penalties and interest.

**Actual Revenue Collections for Major State Taxes*
December 2010 to November 2012**



*Comparison of actual collections. Major taxes include the beer, casino wagering, estate, income, industrial facilities, insurance retaliatory, liquor, MBT, oil & gas severance, real estate transfer, sales, SBT, State education property, tobacco (cigarette & other tobacco products), use, utility property, and wine taxes, and penalties and interest revenue.