

MICHIGAN'S MAJOR TAXES: REVENUE ESTIMATES, TAX RATES, AND YIELDS FOR FY 2015-16 & FY 2016-17
(dollars in millions)

Tax	Revenue Estimates (a)		Current Tax Rate	Examples of Revenue Impact Due To Change in Rate (g)			History of Tax Rate Changes:
	FY 2015-16 Net Revenue	FY 2016-17 Net Revenue		Rate Change	FY '16 Rev Change Eff. 1/1/16	FY '17 Rev Change Eff. 1/1/16	
Individual Income Tax: Gross Collections Refunds Net Income Tax	\$11,175.2 (1,774.0) \$9,401.2	\$11,574.8 (1,823.1) \$9,751.7	4.25%	0.1%	\$160.8	\$244.0	1967: 2.6% 1971: 3.9% 2004: 3.9% 7/1 1975: 4.6% 1982: 5.6% 4/1 1982: 4.6% 10/1 1983: 6.35% 2007: 4.35% 10/1 1984: 5.35% 9/1 1986: 4.6% 2012: 4.25% 10/1 1994: 4.4% 5/1 2000: 4.2% 2002: 4.1% 2003: 4.0%
Sales Tax (b)	\$7,310.0	\$7,529.7	6.0%	1% of: (b) first 4% of 6% last 2% of 6%	\$934.4 872.5	\$1,283.3 1,198.3	1933: 3.0% 1960: 4.0% 1994: 6.0% 5/1
Use Tax	\$1,343.6	\$1,154.8	6.0%	1.0%	\$180.0	\$256.0	1937: 3.0% 1960: 4.0% 1994: 6.0% 5/1
Corporate Income Tax	\$932.0	\$966.5	6.0%	1.0%	\$116.5	\$161.1	Rate has not changed.
Tobacco Tax Cigarettes Other Tobacco Products	\$957.1 \$875.6 \$81.5	\$948.4 \$864.1 \$84.3	\$2.00/pack 32% whole-sale price	\$0.10/pack 2.0%	\$32.5 \$3.8	\$42.8 \$5.2	1947: 3 cents/pk 1959: 4 cents/pk 1961: 5 cents/pk 1962: 7 cents/pk 1970: 11 cents/pk 1982: 21 cents/pk 1987: 25 cents/pk 1993: 75 cents/pk 2002: \$1.25/pk 8/1 2004: \$2/pk 7/1 1959: Liquor excise tax established - 4.0% 1962: Liquor specific tax established - 4.0% 1972: Liquor specific tax established - 1.85%, repealed 10/1/2012 1985: Liquor specific tax established - 4.0%
Liquor Tax (c)	\$51.5	\$52.9	4.0%	1.0%	\$9.6	\$13.2	1933: \$1.25/barrel 1959: \$2.50/barrel 1962: \$6.61/barrel 1966: \$6.30/barrel
Beer Tax (d)	\$41.6	\$42.4	\$6.30/barrel (d)	\$1/barrel (d)	\$4.9	\$6.7	1937: \$0.50/gallon 1981: w/ 16% alcohol 13.5 cents/liter 1981: w/ >16% alcohol 20 cents/liter 1989: mixed-spirit drinks 48 cents/liter 1999: 8.1% of adj. gross receipts 2004: 12.1% of adj. gross receipts 9/1 FY07: 8.1%-12.1% FY09: 8.1% 2/09
Wine Tax (e)	\$10.4	\$10.6	(e)	\$0.01/liter	\$0.6	\$0.8	Rate has not changed.
Casino Gaming Tax	\$112.0	\$113.0	8.1%	1.0%	\$10.0	\$14.0	1994: 6 mills 2003: 5 mills (one-year reduction only) 2004: 6 mills
Real Estate Transfer Tax	\$276.0	\$287.7	0.75% (f)	0.25%	\$69.0	\$95.9	1983: 13 cents/gal. 2017: 26.3 cents/gal. 1984: 15 cents/gal. 1997: 19 cents/gal.
State Education Property Tax	\$1,894.1	\$1,938.9	6 mills	1 mill	\$315.7	\$323.2	
Gasoline Tax	\$856.0	\$1,085.9	\$0.19/gal.	\$0.01/gal.	\$33.8	\$44.4	

(a) Consensus Revenue Estimates, May 17, 2016.

(b) The first 4 percentage points of the 6% sales tax rate are assessed on the entire sales tax base (including residential utilities), whereas the last 2 percentage points of the 6% sales tax rate are not assessed on residential utilities.

(c) There are three taxes on liquor, each with a rate of 4.0% and they are earmarked to the General Fund, School Aid Fund, and the Convention Facility Fund. One tax, assessed at 1.85% on sales for off-site consumption and earmarked to the Liquor Purchase Revolving Fund, was repealed effective October 1, 2012.

(d) The beer tax of \$6.30/barrel is equivalent to 1.9 cents per 12 ounce can of beer. Increasing the rate by \$1/barrel would increase the tax/can to 2.2 cents.

(e) Tax on wine is as follows: Wine containing 16% or less of alcohol: 13.5 cents/liter; and wine containing more than 16% alcohol: 20 cents/liter.

(f) The real estate transfer tax is assessed when real property changes ownership and it is assessed on the transaction price.

(g) Senate Fiscal Agency estimate.

OTHER TAX ITEMS:	FY 2015-16	FY 2016-17
Income Tax Personal Ex. Level	\$4,000	\$4,000
Cost per \$100 change	\$30.2	\$30.2
Property Tax Credit Maximum Credit	\$1,200	\$1,200
Cost per \$100 change	\$9.8	\$9.8