

**MICHIGAN'S MAJOR TAXES: REVENUE ESTIMATES, TAX RATES, AND YIELDS FOR FY 2010-11 & FY 2011-12**

(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 2010-11 Net Revenue	FY 2011-12 Net Revenue		Rate Change	FY '11 Rev Change Eff. 1/1/11	FY '12 Rev Change Eff. 1/1/11	
<b>Individual Income Tax:</b> Gross Collections Refunds <b>Net Income Tax</b>	\$8,460.2 (2,238.7) \$6,221.5	\$8,538.0 (2,299.6) \$6,238.4	4.35%				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% 1994: 4.4% 5/1 2000: 4.2% 2002: 4.1% 2003: 4.0%
<b>Sales Tax (b)</b>	\$6,498.6	\$6,646.1	6.0%	1% of: (b) first 4% of 6% last 2% of 6%	\$831.7 773.6	\$1,208.0 1,055.2	1933: 3.0% 1960: 4.0% 1994: 6.0% 5/1
<b>Use Tax</b>	\$1,149.0	\$1,269.9	6.0%	1.0%	\$143.6	\$211.7	1937: 3.0% 1960: 4.0% 1994: 6.0% 5/1
<b>Tobacco Tax</b> Cigarettes Other Tobacco Products	\$961.0 \$896.7 \$64.3	\$940.8 \$874.5 \$66.3	\$2.00/pack 32% whole-sale price	\$0.10/pack 2.0%	\$33.3 \$3.0	\$43.3 \$4.1	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
<b>Liquor Tax (c)</b>	\$38.8	\$39.8	4.0%	1.0%	\$7.2	\$9.9	1959: Liquor excise tax established - 4.0% 1962: Liquor specific tax established - 4.0% 1972: Liquor specific tax established - 1.85% 1985: Liquor specific tax established - 4.0%
<b>Beer Tax (d)</b>	\$41.6	\$42.4	\$6.30/barrel (d)	\$1/barrel (d)	\$4.9	\$6.7	1933: \$1.25/barrel 1959: \$2.50/barrel 1962: \$6.61/barrel 1966: \$6.30/barrel
<b>Wine Tax (e)</b>	\$10.4	\$10.6	(e)	\$0.01/liter	\$0.6	\$0.8	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
<b>Casino Gaming Tax</b>	\$114.0	\$119.5	8.1%	1.0%	\$10.2	\$14.8	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
<b>Real Estate Transfer Tax</b>	\$125.0	\$138.0	0.75% (f)	0.25%	\$20.8	\$46.0	Rate has not changed.
<b>State Education Property Tax</b>	\$1,852.0	\$1,829.0	6 mills	1 mill	\$308.7	\$304.8	1994: 6 mills 2003: 5 mills (one-year reduction only) 2004: 6 mills
<b>Gasoline Tax</b>	\$826.0	\$817.7	\$0.19/gal.	\$0.01/gal.	\$32.6	\$43.0	1983: 13 cents/gal. 1984: 15 cents/gal. 1997: 19 cents/gal.

(a) Consensus Revenue Estimates, May 16, 2011. Figures do not reflect the impact of the tax reform changes (HB 4361, 4362, and 4479, as enacted).

(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 are assessed on the entire sales tax base except residential utilities.

(c) There are four taxes on liquor: three have rates of 4.0% and they are earmarked to the General Fund, School Aid Fund, and the Convention Facility Fund, and one is assessed at 1.85% and is earmarked to the Liquor Purchase Revolving Fund.

(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.

OTHER TAX ITEMS:	FY 2010-11	FY 2011-12
MBT Surcharge	\$478.3	\$475.1
Income Tax Personal Ex. Level	\$3,700	\$3,700
Cost per \$100 change	31.9	31.9
Property Tax Credit Maximum Credit	\$1,200	\$1,200
Cost per \$100 change	\$23.2	\$23.2

Senate Fiscal Agency

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Updated June 3, 2011