

MONTHLY REVENUE REPORT

APRIL 2011

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$1.8 billion in April, up 10.5% from last year's level. The strong increase above year-ago levels was almost entirely the result of growth in the various components of the individual income tax: withholding, quarterly payments, and annual payments, combined with a substantial decline in refund requests. April tax collections were approximately \$183.4 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2011.

Collections earmarked to the General Fund were \$151.3 million above the expected level for April, while School Aid Fund tax collections were \$27.3 million above the forecasted level. Year-to-date collections to the General Fund are \$402.2 million above the predicted level, while School Aid Fund collections are \$90.5 million above.

Net income tax revenue totaled \$624.3 million in April 2011, compared with \$444.0 million in April 2010, a year-over-year increase of 40.6%. Income tax withholding payments, which represented the majority of gross income tax revenue, were 4.6% above the year-ago level but only \$19.5 million above the expected level given the forecast of employment and wage gains during 2011. Income tax annual payments totaled \$460.2 million, up 27.0% from last year and \$42.2 million above the expected level. Income tax refunds totaled \$511.7 million in April, compared with \$553.3 million one year ago. Year-to-date refunds are down 8.1% (\$164.5 million) from year-ago levels, and \$216.1 million off of the expected level, accounting for almost half of the amount by which General Fund revenue is above the forecast.

Sales tax receipts totaled \$496.8 million in April, down 1.7% from a year ago, although revenue was expected to be weak due to timing issues associated with April 2011 ending on a weekend. However, year-to-date sales tax collections are up 5.5%. April sales tax collections were \$18.9 million above the SFA's predicted level.

Net Michigan Business Tax (MBT) revenue totaled \$369.5 million in April, up 4.5% from last year's level. Comparing year-to-date MBT revenue with the previous year does not currently provide meaningful information because of a substantial number of refunds that posted in November. As indicated in earlier issues of this report, a substantial delay occurred in processing many MBT refund requests received during 2010. Those delays were largely resolved in November collections, and the overwhelming majority of November refunds will post against FY 2009-10 revenue. However, the revenue tracking used for this report includes November refunds in FY 2010-11 collections and the refunds thus will distort year-to-date revenue when compared with FY 2009-10. If November collections are excluded, year-to-date MBT revenue is up 4.0% from last year.

Real estate transfer tax receipts were up 10.3% from the year-ago level in April and, combined with March's gain, represented the first consecutive year-over-year increases since June 2010. State education property tax revenue was 13.6% below the April 2010 level, although the majority of revenue from this tax is received between August and November.

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 April 2011. Also presented are the consensus revenue estimates for FY 2010-11 adopted at the January 2011 Consensus Revenue Estimating Conference.



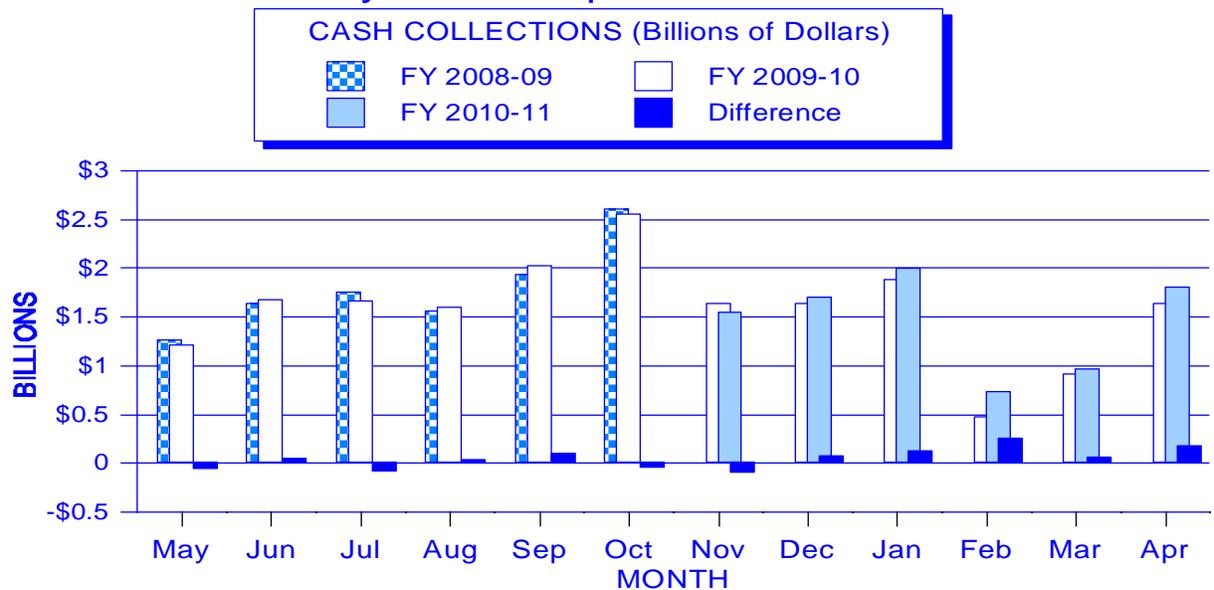
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MICHIGAN REVENUE UPDATE
APRIL 2011
(dollars in millions)

Type of Revenue	April Collections		FY 2010-11 to Date ²⁾		FY 2010-11 Estimate ³⁾	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From FY 2009-10
Gross Income Tax	\$1,136.0	13.9%	\$4,593.5	9.0%	\$8,190.5	3.3%
Refunds	(511.7)	(7.5)	(1,853.7)	(8.1)	(2,450.0)	2.0
Net Income Tax	624.3	40.6	2,739.7	24.9	5,740.5	3.8
Sales Tax	496.8	(1.7)	3,221.0	5.5	6,357.0	2.9
Motor Vehicles	70.2	(3.6)	385.2	2.4	---	---
All Other Sales Tax	426.6	(1.3)	2,835.8	5.9	---	---
Use Tax	87.5	(7.7)	567.2	1.7	1,259.4	13.0
Tobacco Taxes	82.0	(4.6)	458.9	(4.8)	974.3	(3.2)
Single Business Tax	17.7	(23.4)	0.9	(97.0)	0.0	(100.0)
Michigan Business Tax	369.5	4.5	949.7	(7.4)	2,110.0	13.4
Insurance Tax	52.7	0.5	133.7	(1.2)	271.6	5.5
State Education Property Tax	25.0	(13.6)	356.9	(1.8)	1,860.0	(3.7)
Real Estate Transfer Tax	9.2	10.3	56.6	(0.8)	125.0	2.8
Casino Wagering Tax ⁴⁾	10.2	45.0	57.6	5.0	112.0	0.8
Oil & Gas Severance Tax	5.0	(6.7)	29.8	(5.6)	66.0	12.9
Other Taxes ⁵⁾	19.6	0.9	144.4	(7.1)	348.0	0.6
Total	\$1,799.3	10.5%	\$8,716.5	7.1%	\$19,223.8	2.1%
Addendum:						
Gross Lottery Sales ⁴⁾	\$228.8	(5.6)%	\$1,415.3	(2.0)%	\$2,348.8	(0.7)%
Net to School Aid Fund ⁴⁾	\$ 69.0	(10.5)%	\$ 446.6	4.6%	\$ 714.0	1.8%

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2010-11 year-to-date collections begin with November 2010 collections to reflect accrual accounting.
- 3) Consensus revenue estimates adopted at the January 14, 2011, Consensus Revenue Estimating Conference.
- 4) Lottery and casino revenue is not accrued, so FY 2010-11 collections will include October 2010 to September 2011.
- 5) Other Taxes include beer, wine, liquor, industrial facilities, utility property, and estate taxes, and penalties and interest.

Actual Revenue Collections for Major State Taxes*
May 2009 to April 2011



*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.