

MONTHLY REVENUE REPORT

APRIL 2012

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$1,951.4 million in April 2012, up 4.5% from last year's level. April tax collections were approximately \$16.3 million below the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2012. Calendar issues helped boost collections from individual income tax withholding and the sales tax compared with year-ago levels, and while largely expected, the increases were offset by weaker-than-expected annual payments under the individual income tax.

Collections earmarked to the General Fund were \$13.4 million below the expected level for April, while School Aid Fund tax collections were \$6.0 million below the forecasted level. The remaining \$3.1 million in unanticipated collections was directed to other funds, most notably constitutional revenue sharing. Through April, year-to-date General Fund collections are \$109.8 million lower than, School Aid Fund collections \$72.9 million higher than, and other funds collectively \$11.8 million above, the level expected based on the January 2012 consensus revenue estimates.

Net income tax revenue totaled \$747.8 million in April 2012, up from \$624.3 million in April 2011 but \$32.3 million below the level forecasted for the month. Withholding payments (which represented the majority of gross income tax revenue) were 16.2% above the year-ago level, reflecting the five Mondays in April, and \$7.4 million above the predicted level. Generally, withholding receipts during 2012 have been expected to be much higher than in 2011 due to the tax changes enacted in May 2011, many of which were expected to increase withholding. Offsetting the extra revenue from withholding, annual payments under the individual income tax totaled \$441.0 million, down 4.2% from April 2011 and \$56.4 million below the expected level.

Sales tax receipts totaled \$590.5 million in April, \$11.2 million above forecast, and 18.9% more than in April 2011 due to processing issues related to March ending on a weekend. These issues caused revenue that otherwise would have been attributed to March to show up in April collections. On a year-to-date basis, sales tax collections are up 5.7% from last year and are \$95.4 million above the forecasted level.

Michigan Business Tax (MBT) revenue totaled \$149.3 million in April, down 59.6% from April 2011 as businesses switch from the MBT to the new Corporate Income Tax. Despite the year-over-year decline, MBT collections were \$38.1 million above the level expected for the month based on the January 2012 revenue estimates. Driven by strong annual payments, which to date are running 12.4% above last year's level, year-to-date MBT collections are \$110.6 million above forecast.

Other taxes tended to exhibit year-over-year declines in April. Tobacco tax collections were down 1.5% from April 2011, but year-to-date are even with last year's collections. Revenue from the casino gaming tax was down 1.5% from April 2011, but year-to-date is still up 4.1%. In contrast, real estate transfer tax receipts were 6.9% above the year-ago level in April but year-to-date collections are running 2.8% below last year's level.

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 2012. Also presented are the revised consensus revenue estimates for FY 2011-12, which were adopted at the January 2012 Consensus Revenue Estimating Conference.



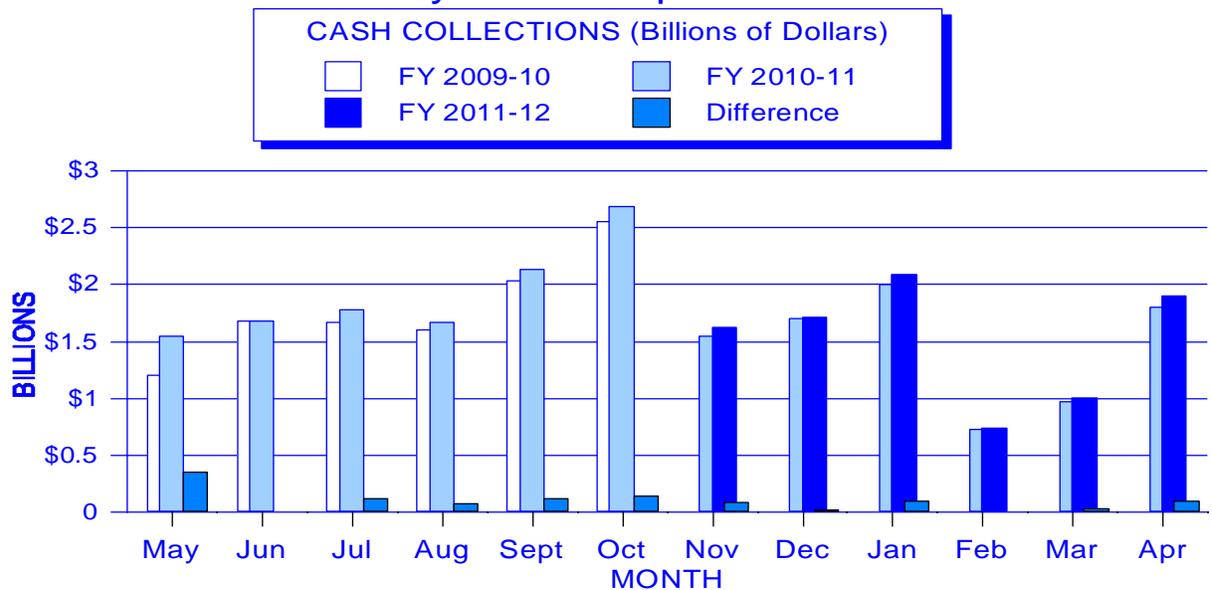
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MICHIGAN REVENUE UPDATE
APRIL 2012
(dollars in millions)

Type of Revenue	April Collections		FY 2011-12 to Date ²⁾		FY 2011-12 Estimate ³⁾	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From FY 2010-11
Gross Income Tax	\$1,221.7	7.5%	\$4,813.6	4.8%	\$9,073.0	3.3%
Refunds	(474.0)	(7.4)	(1,847.3)	(0.4)	(2,041.1)	2.0
Net Income Tax	747.8	19.8	2,966.3	8.3	7,031.9	3.8
Sales Tax	590.5	18.9	3,403.3	5.7	6,883.9	2.9
Motor Vehicles	76.0	8.2	401.8	4.3	---	---
All Other Sales Tax	514.5	20.6	3,001.5	5.8	---	---
Use Tax	107.9	23.3	560.7	(1.1)	1,199.1	13.0
Tobacco Taxes	80.8	(1.5)	459.1	0.0	941.7	(3.2)
Corporate Income Tax	91.6	---	112.5	---	485.6	---
Michigan Business Tax	149.3	(59.6)	813.5	(14.3)	627.3	13.4
Insurance Tax	58.7	11.4	149.0	11.4	282.0	5.5
State Education Property Tax	28.2	13.1	281.5	(21.1)	1,820.0	(3.7)
Real Estate Transfer Tax	9.8	6.9	55.0	(2.8)	132.9	2.8
Casino Wagering Tax ⁴⁾	10.0	913.9	60.0	4.1	113.7	0.8
Oil & Gas Severance Tax	4.6	(8.2)	29.0	(2.6)	62.2	12.9
Other Taxes ⁵⁾	13.1	(64.9)	120.5	(17.1)	312.6	0.6
Total	\$1,892.2	5.2	\$9,010.5	3.4	\$19,892.9	(1.5%)
Addendum:						
Gross Lottery Sales ⁴⁾	\$193.0	(15.7%)	\$1,452.8	2.6%	\$2,348.8	(0.7%)
Net to School Aid Fund ⁴⁾	\$59.2	(14.2%)	\$464.6	4.0%	\$714.0	1.8%

- 1) Total collections are unadjusted cash collections unless otherwise noted.
- 2) FY 2011-12 year-to-date collections begin with November 2011 collections to reflect accrual accounting.
- 3) Consensus revenue estimates adopted at the January 13, 2012, Consensus Revenue Estimating Conference.
- 4) Lottery and casino revenue is not accrued, so FY 2011-12 collections will include October 2011 to September 2012.
- 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*
May 2010 to April 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.