

MONTHLY REVENUE REPORT

APRIL 2013

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$2.3 billion in April 2013, up 18.0% from last year's level. April tax collections were approximately \$248.2 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2013. Collections under the Michigan Business Tax (MBT) and individual income tax annual payments were substantially above forecast, although a minor portion of the increase was offset by below-forecast sales tax revenue and revenue from the Corporate Income Tax, and greater-than-expected individual income tax refunds.

Collections earmarked to the General Fund were \$204.0 million above the expected level for April, while School Aid Fund tax collections were \$47.5 million above the forecasted level. The \$3.3 million in below-forecast collections was directed to other funds, most notably constitutional revenue sharing. Through April, year-to-date General Fund collections are \$323.6 million higher, School Aid Fund collections \$69.6 million higher, and other funds collectively \$3.2 million lower, than the level expected based on the January 2013 consensus revenue estimates.

Net income tax revenue totaled \$1.2 billion in April 2013, up from \$747.8 million in April 2012 and \$226.1 million above the level forecasted for the month. Withholding payments (which usually represent the majority of gross income tax revenue) were 1.2% above the year-ago level, and \$29.0 million above the predicted level. Annual payments under the individual income tax totaled \$816.0 million, up 85.1% from April 2012 and \$246.5 million above the expected level. Most of the unexpected increase in annual payments appears to reflect higher dividend payments and capital gains that were taken in December 2012 as taxpayers sought to avoid potential changes in Federal taxes as a result of the Federal "fiscal cliff". Offsetting the additional revenue, income tax refunds totaled \$430.9 million, down 9.1% from last year's level but \$52.4 million more than expected.

Sales tax receipts totaled \$610.2 million in April, \$16.3 million below forecast, but 3.3% more than in April 2012. On a year-to-date basis, sales tax collections are up 1.1% from last year and are \$21.6 million above the forecasted level.

Corporate Income Tax collections totaled \$131.5 million and were \$61.0 million below forecast. Although revenue from the repealed MBT totaled a negative \$16.9 million in April (a net loss of revenue to the State due to refunds exceeding collections), MBT revenue was still \$103.5 million above the expected level. The forecast for MBT revenue in FY 2012-13 is based substantially on the expectations of several large refunds. The timing of when these refunds are claimed and processed will significantly affect the accuracy of monthly MBT estimates.

Real estate transfer tax receipts were 76.6% above the year-ago level in April, the fifth time in the last six months in which receipts have exhibited a year-over-year increase of more than 50%. Year-to-date real estate transfer tax collections are 61.8% above last year's level but only \$16.7 million above the forecasted 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 2013. Revenue estimates for FY 2012-13 adopted at the January 2013 Consensus Revenue Estimating Conference were used for this report. The revised estimates from the May 2013 Consensus Revenue Estimating Conference will be used beginning with the report on May revenue.



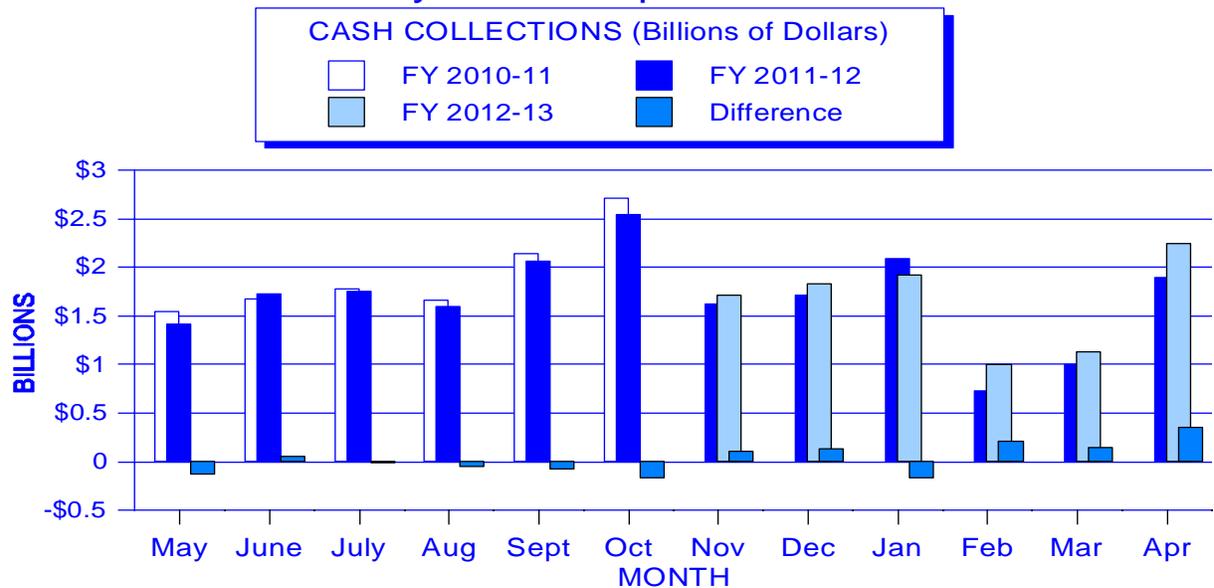
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MICHIGAN REVENUE UPDATE
APRIL 2013
(dollars in millions)

Type of Revenue	April 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 2011-12
Gross Income Tax	\$1,619.9	32.6%	\$5,477.9	13.8%	\$9,322.8	3.0%
Refunds	(430.9)	(9.1)	(1,383.3)	(25.1)	(1,585.3)	(25.7)
Net Income Tax	1,189.0	59.0	4,094.7	38.0	7,737.5	11.8
Sales Tax	610.2	3.3	3,441.5	1.1	7,134.7	2.6
Motor Vehicles	80.8	6.3	401.7	(0.0)	---	---
All Other Sales Tax	529.4	2.9	3,039.8	1.3	---	---
Use Tax	119.0	10.3	588.7	5.0	1,271.5	5.4
Tobacco Taxes	71.5	(11.4)	456.2	(0.6)	944.1	(2.0)
Corporate Income Tax	131.5	---	418.0	---	945.0	72.7
Michigan Business Tax	(16.9)	(111.3)	(6.0)	(100.7)	(623.4)	(178.1)
Insurance Tax	63.2	7.8	147.8	(0.8)	307.0	5.8
State Education Property Tax	13.1	(53.7)	337.8	20.0	1,801.6	0.7
Real Estate Transfer Tax	17.3	76.6	89.0	61.8	163.6	13.0
Casino Wagering Tax ⁴⁾	9.7	(2.7)	57.0	(5.0)	108.3	(6.5)
Oil & Gas Severance Tax	4.3	(6.6)	27.7	(4.7)	53.0	(1.1)
Other Taxes ⁵⁾	27.1	106.8	160.3	33.1	324.9	12.5
Total	\$2,239.0	18.3	\$9,812.6	8.9	\$20,167.8	0.9
Addendum:						
Gross Lottery Sales ⁴⁾	\$199.8	3.5%	\$1,424.6	(1.9%)	\$2,381.0	(1.3%)
Net to School Aid Fund ⁴⁾	64.3	8.6	433.5	(6.7)	750.0	(3.6)

- 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 January 11, 2013, 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*
May 2011 to April 2013



*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.