

**STATE  
OF  
MICHIGAN**



# **REVENUE**

# **STATE SOURCE and DISTRIBUTION**



**Mary Ann Cleary, Director**

**September 2022**

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HOUSE FISCAL AGENCY

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September 2022

TO: Members of the House of Representatives

This report provides information on the source and distribution of revenue for the State of Michigan, and includes final FY 2020-21 revenue, and estimated FY 2021-22 and FY 2022-23 amounts. Estimates in this report are based on revenue amounts agreed to at the May 2022 Consensus Revenue Estimating Conference (CREC).

This publication also includes final FY 2020-21 collections by type of tax and provides information for each tax with regard to the tax base, rate, and disposition as well as state revenue dedication information including tax type, dedicated amount, and recipient of dedicated funds.

This report was prepared by Jim Stansell, Senior Economist, and produced for publication by Kathryn Bateson, Administrative Assistant.

Please do not hesitate to contact me if you have questions regarding the information in this report.

A handwritten signature in black ink that reads 'Mary Ann Cleary'.

Mary Ann Cleary  
Director



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**Total  
State Restricted  
Revenue  
by  
Source**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>TOTAL STATE RESTRICTED REVENUE BY SOURCE</b>	Individual Income Tax	\$11,841.4	30.4%	\$13,483.0	32.4%	\$13,220.2	31.9%
	Sales and Use Taxes	\$11,549.8	29.7%	\$12,381.6	29.8%	\$12,274.2	29.6%
	Other Revenue	\$5,522.9	14.2%	\$5,527.6	13.3%	\$5,666.8	13.7%
	Transportation Taxes	\$2,807.6	7.2%	\$2,917.1	7.0%	\$3,038.5	7.3%
	State Education Tax	\$2,255.3	5.8%	\$2,396.0	5.8%	\$2,563.2	6.2%
	Net Business Taxes	\$1,567.1	4.0%	\$1,613.3	3.9%	\$1,452.5	3.5%
	Lottery	\$1,419.8	3.7%	\$1,240.0	3.0%	\$1,240.0	3.0%
	Other GF/GP and SAF Taxes	\$1,034.2	2.7%	\$1,226.0	2.9%	\$1,219.2	2.9%
	Tobacco Taxes	\$891.8	2.3%	\$830.7	2.0%	\$819.4	2.0%
<b>TOTAL</b>		<b>\$38,890.0</b>		<b>\$41,615.3</b>		<b>\$41,494.0</b>	

(MILLIONS OF DOLLARS)

*Note: Totals may not add due to rounding.*

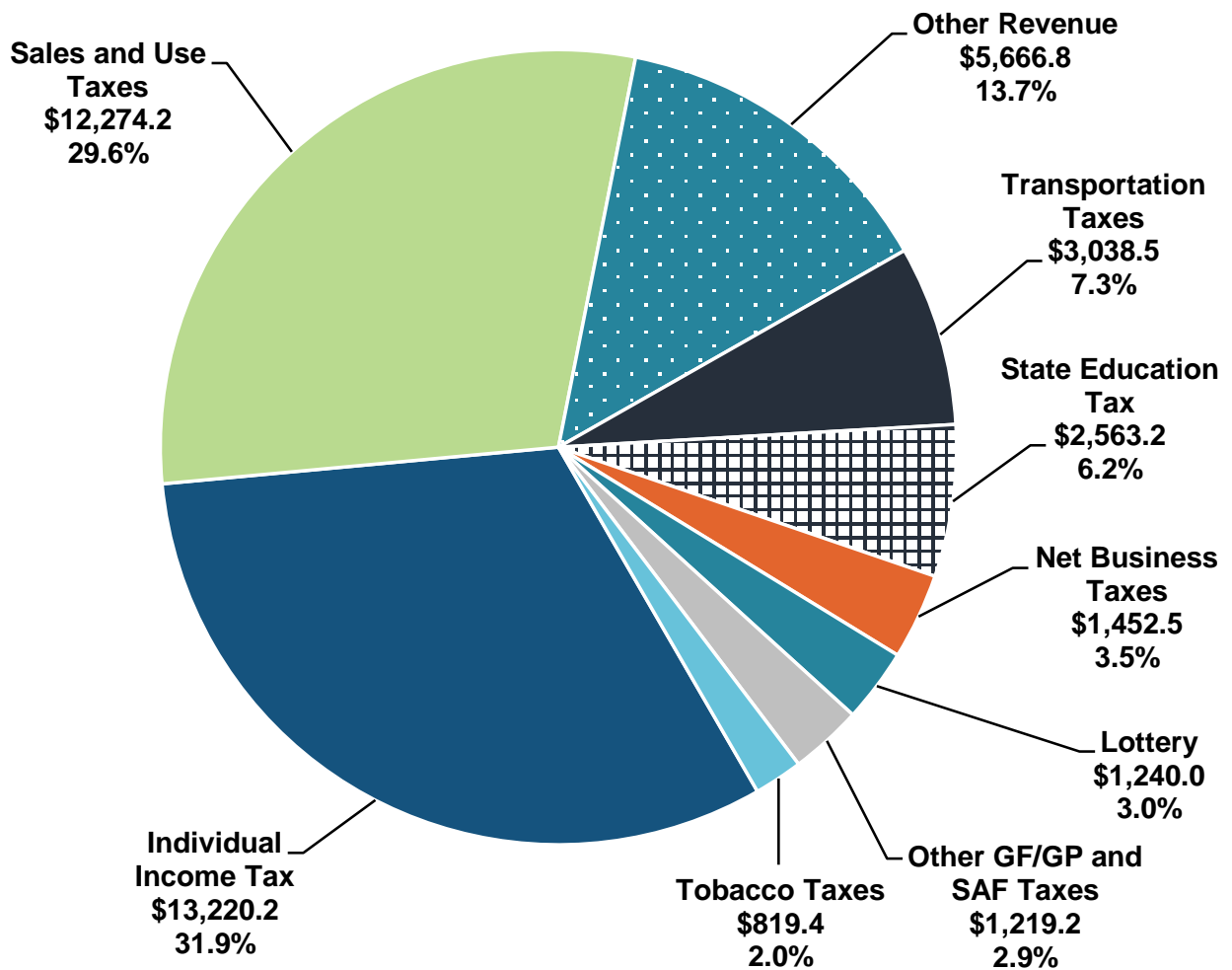
<b>INDIVIDUAL INCOME TAX</b>	The sum of wage and salary withholding, quarterly payments, and annual payments, less refunds. The current tax rate is 4.25%.
<b>SALES AND USE TAXES</b>	Use tax is a specific excise tax on the use, storage, or consumption of tangible personal property not subject to the sales tax. The maximum allowable tax rate is currently 6% for both the sales tax and the use tax.
<b>OTHER REVENUE</b>	Includes revenue from local agencies, state-provided services, licenses, permits not related to transportation, and other restricted state revenue.
<b>TRANSPORTATION TAXES</b>	Includes vehicle registration fees, the earmark from the marijuana excise tax, and tax collections from gasoline, diesel, liquefied petroleum, and aviation fuel. Federal aid is excluded.
<b>STATE EDUCATION TAX</b>	6-mill levy on all real and personal property except exempt manufacturing personal property and property subject to the small parcel exemption. All revenue is dedicated to the School Aid Fund.
<b>NET BUSINESS TAXES</b>	Includes revenue from the Single Business Tax (SBT), Michigan Business Tax (MBT), Corporate Income Tax (CIT), and Insurance Company Premiums Taxes.
<b>LOTTERY</b>	Net lottery revenue is approximately 28% of total lottery sales.
<b>OTHER GF/GP AND SAF TAXES</b>	Includes liquor, beer, wine, gas and oil severance, utility property, real estate transfer, industrial facilities and commercial forest taxes, the state essential services assessment, earmarks from the marijuana excise tax, fantasy contests, Internet gaming, Internet and retail sports betting, enhanced enforcement, and penalties and interest.
<b>TOBACCO TAXES</b>	Cigarette tax is \$2.00 per pack of 20 and the tax on other tobacco products is 32% of the wholesale price.



**STATE OF MICHIGAN  
TOTAL STATE RESTRICTED REVENUE  
BY SOURCE  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$41,494.0 MILLION**

(Chart dollars in millions)







**General Fund/  
General Purpose  
Tax Revenue  
by  
Source**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>GENERAL FUND/ GENERAL PURPOSE TAX REVENUE BY SOURCE</b>	Individual Income Tax	\$7,713.6	59.3%	\$8,830.7	62.3%	\$8,812.7	63.1%
	Sales Tax	\$1,468.4	11.3%	\$1,607.7	11.3%	\$1,604.3	11.5%
	Net Business Taxes	\$1,567.1	12.1%	\$1,613.3	11.4%	\$1,452.5	10.4%
	Use Tax	\$1,258.3	9.7%	\$1,212.4	8.6%	\$1,176.6	8.4%
	Non-Tax Revenue	\$499.4	3.8%	\$424.1	3.0%	\$433.1	3.1%
	Other GF/GP Taxes	\$181.8	1.4%	\$195.0	1.4%	\$198.0	1.4%
	Tobacco Taxes	\$177.0	1.4%	\$165.5	1.2%	\$163.3	1.2%
	Liquor, Beer, and Wine Taxes	\$132.1	1.0%	\$131.0	0.9%	\$133.0	1.0%
<b>TOTAL</b>		<b>\$12,997.7</b>		<b>\$14,179.7</b>		<b>\$13,973.5</b>	

(MILLIONS OF DOLLARS)

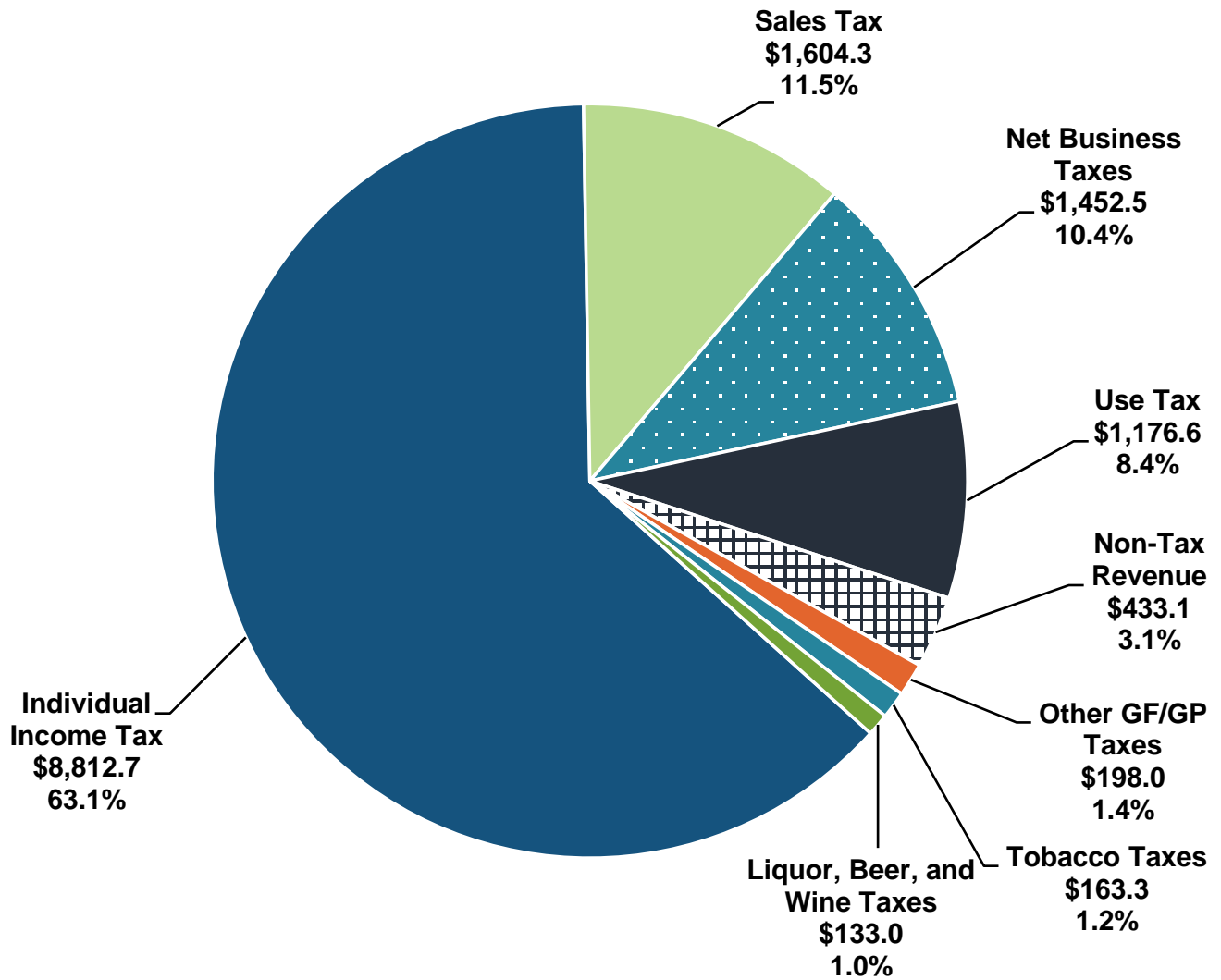
*Note: Totals may not add due to rounding.*

<b>INDIVIDUAL INCOME TAX</b>	General Fund/General Purpose receives any income tax revenue not otherwise allocated to the School Aid Fund, the Michigan Transportation Fund, or the Renew Michigan Fund. The current tax rate is 4.25%.
<b>SALES TAX</b>	General Fund/General Purpose receives sales tax revenue not allocated to local units of government for revenue sharing, the Comprehensive Transportation Fund, the School Aid Fund, or public health programs. The current tax rate is 6%.
<b>NET BUSINESS TAXES</b>	Includes revenue from the Single Business Tax (SBT), Michigan Business Tax (MBT), Corporate Income Tax (CIT), and Insurance Company Premiums Taxes revenues.
<b>USE TAX</b>	A specific excise tax on the use, storage, or consumption of tangible personal property not subject to the sales tax. Of the maximum allowable 6% rate, 2% is dedicated to the School Aid Fund. Just under one-third of the 4% rate is levied by the Local Community Stabilization Authority and the remaining portion up to the 4% amount accrues to the General Fund.
<b>NON-TAX REVENUE</b>	Non-tax revenue includes federal aid, revenue from local governments, revenue from licenses and permits, transfers from the liquor purchase revolving fund, and escheats.
<b>OTHER GF/GP TAXES</b>	Other GF/GP taxes include taxes on gas and oil severance, utility property, the state essential services assessment, and penalties and interest.
<b>TOBACCO TAXES</b>	The cigarette tax is \$2.00 per pack of 20 and the tax on other tobacco products is 32% of the wholesale price. Approximately 19.9% of tobacco tax revenues accrue to the General Fund.
<b>LIQUOR, BEER, AND WINE TAXES</b>	The GF/GP liquor tax is a 4% tax assessed on the base price. The beer tax is \$6.30 per 31-gallon barrel with a \$2.00 per barrel credit available for small brewers. The wine tax is assessed per liter and varies with the alcohol content.

**STATE OF MICHIGAN  
GENERAL FUND/GENERAL PURPOSE TAX REVENUE  
BY SOURCE  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$13,973.5 MILLION**

(Chart dollars in millions)







**School Aid Fund  
Tax and Lottery  
Revenue  
by  
Source**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>SCHOOL AID FUND TAX AND LOTTERY REVENUE BY SOURCE</b>	Sales Tax	\$6,857.6	42.7%	\$7,505.0	43.3%	\$7,458.7	43.4%
	Individual Income Tax	\$3,458.3	21.5%	\$3,982.5	23.0%	\$3,737.7	21.7%
	State Education Tax	\$2,255.3	14.0%	\$2,396.0	13.8%	\$2,563.2	14.9%
	Lottery Transfer	\$1,419.8	8.8%	\$1,240.0	7.2%	\$1,240.0	7.2%
	Use Tax	\$876.8	5.5%	\$869.6	5.0%	\$865.1	5.0%
	Real Estate Transfer Tax	\$490.3	3.1%	\$527.0	3.0%	\$496.9	2.9%
	Tobacco Taxes	\$323.7	2.0%	\$299.9	1.7%	\$294.8	1.7%
	Fantasy Contests, Internet Gaming, and Sports Betting*	\$92.1	0.6%	\$210.8	1.2%	\$215.6	1.3%
	Other SAF Taxes	\$119.0	0.7%	\$121.2	0.7%	\$130.3	0.8%
	Casino Wagering Tax	\$90.6	0.6%	\$110.0	0.6%	\$113.4	0.7%
	Liquor Tax	\$76.7	0.5%	\$78.6	0.5%	\$79.6	0.5%
	<b>TOTAL</b>	<b>\$16,060.2</b>		<b>\$17,340.6</b>		<b>\$17,195.3</b>	

**FY 2020-21  
through  
FY 2022-23**

(MILLIONS OF DOLLARS)

\*See page 44 and 45 for detail.

Note: Totals may not add due to rounding.

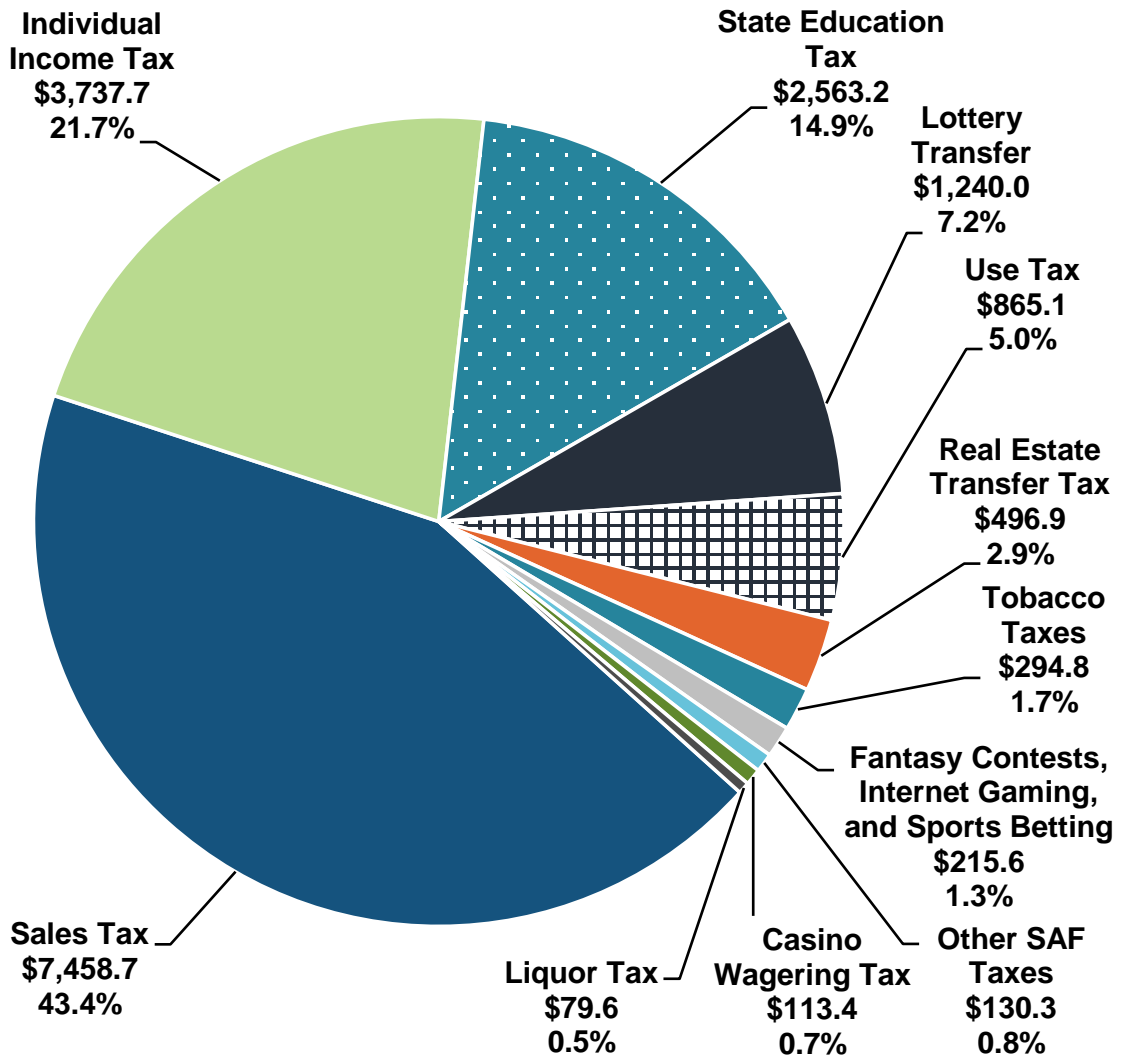
<b>SALES TAX</b>	School Aid Fund receives approximately 72.8% of total sales tax revenue. The current tax rate is 6%.
<b>INDIVIDUAL INCOME TAX</b>	School Aid Fund receives approximately 23.8% of gross income tax revenue.
<b>STATE EDUCATION TAX</b>	6-mill levy on all real and personal property except eligible manufacturing personal property and property subject to the small parcel exemption. All revenue is dedicated to the School Aid Fund.
<b>LOTTERY TRANSFER</b>	School Aid Fund receives all of the net revenue from lottery sales.
<b>USE TAX</b>	The School Aid Fund receives one-third of use tax revenue collected at the 6% rate.
<b>REAL ESTATE TRANSFER TAX</b>	School Aid Fund receives 100% of the real estate transfer tax. Tax rate is 0.75% of the sale price of real estate.
<b>TOBACCO TAXES</b>	School Aid Fund receives approximately 41.4% of cigarette tax revenue.
<b>FANTASY CONTESTS, INTERNET GAMING, AND SPORTS BETTING</b>	School Aid Fund receives approximately 64% of total combined tax revenue from fantasy contests, Internet gaming, and sports betting.
<b>OTHER SAF TAXES</b>	Includes industrial and commercial facilities tax, commercial forest tax, and roughly 35% of the recreational marijuana excise tax.
<b>CASINO WAGERING TAX</b>	School Aid Fund receives all casino wagering tax revenue.
<b>LIQUOR TAX</b>	The SAF liquor tax is a 4% tax assessed on the base price.



**STATE OF MICHIGAN  
SCHOOL AID FUND TAX AND LOTTERY REVENUE  
BY SOURCE  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$17,195.3 MILLION**

(Chart dollars in millions)







**Transportation  
Tax Revenue  
by  
Source**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>TRANSPORTATION TAX REVENUE BY SOURCE</b>	Motor Vehicle Registrations	\$1,400.0	41.1%	\$1,445.8	41.1%	\$1,487.3	40.9%
	Gasoline Tax	\$1,111.6	32.6%	\$1,165.2	33.1%	\$1,224.7	33.7%
	Individual Income Tax	\$600.0	17.6%	\$600.0	17.1%	\$600.0	16.5%
	Diesel Fuel and Motor Carrier Fuel Taxes	\$240.2	7.0%	\$247.0	7.0%	\$258.0	7.1%
	Recreational Marihuana Excise Tax	\$49.3	1.4%	\$52.2	1.5%	\$61.3	1.7%
	Aviation Fuel Tax	\$4.2	0.1%	\$4.5	0.1%	\$4.7	0.1%
	Liquefied Petroleum/ Alternative Fuels Taxes	\$2.3	0.1%	\$2.4	0.1%	\$2.5	0.1%
	<b>TOTAL</b>	<b>\$3,407.6</b>		<b>\$3,517.1</b>		<b>\$3,638.5</b>	

FY 2020-21 through  
FY 2022-23

(MILLIONS OF DOLLARS)

*Note: Totals may not add due to rounding.*

**MOTOR VEHICLE  
REGISTRATIONS**

Based on weight, or type or price of vehicle.

**GASOLINE TAX**

Levied at \$0.272 per gallon, effective January 1, 2022 and will be adjusted annually for inflation. The rate for 2023 is projected to be \$0.286 per gallon.

**DIESEL FUEL AND MOTOR  
CARRIER FUEL TAXES**

Levied at \$0.272 per gallon, effective January 1, 2022 and will be adjusted annually for inflation. The rate for 2023 is projected to be \$0.286 per gallon.

**INDIVIDUAL INCOME TAX**

The Michigan Transportation Fund receives \$600 million on an annual basis.

**RECREATIONAL MARIHUANA  
EXCISE TAX**

The excise tax on recreational marihuana is 10% of the sales price. Roughly 35% of the revenue accrues to the Michigan Transportation Fund.

**AVIATION FUEL TAX**

Levied at \$0.03 per gallon with a \$0.015 per gallon rebate to interstate scheduled operations.

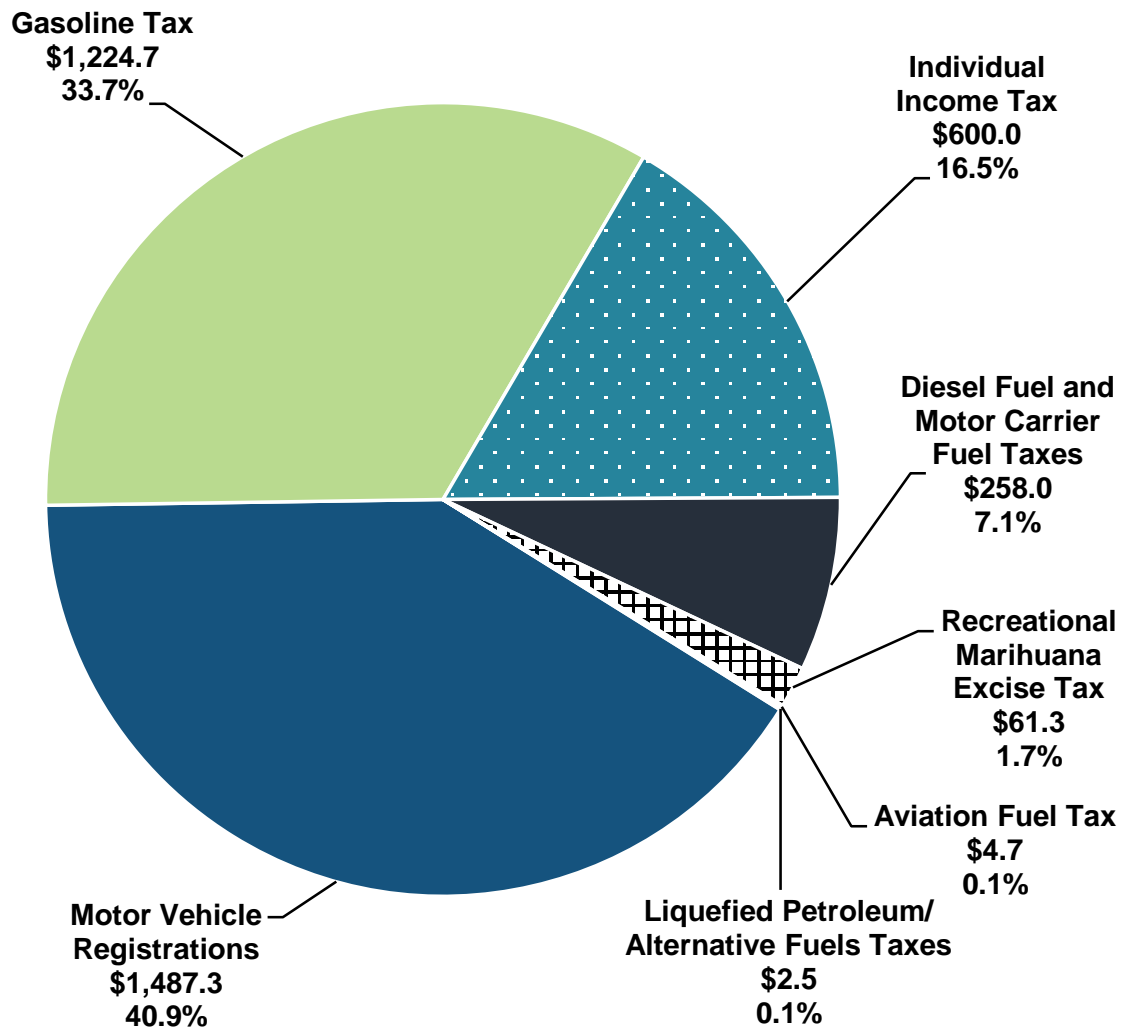
**LIQUEFIED PETROLEUM/  
ALTERNATIVE FUELS TAXES**

Liquefied petroleum is taxed at \$0.272 per gallon, effective January 1, 2022 and will be adjusted annually for inflation. Alternative fuels such as compressed natural gas, liquefied natural gas, hydrogen, and hydrogen compressed natural gas are taxed at the same per gallon equivalent rate. It is also adjusted for inflation in the same way as gasoline and diesel fuel.

**STATE OF MICHIGAN  
TRANSPORTATION TAX REVENUE  
BY SOURCE  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$3,638.5 MILLION**

(Chart dollars in millions)







**Individual  
Income Tax  
Revenue  
Distribution**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>	
<b>INDIVIDUAL INCOME TAX REVENUE DISTRIBUTION</b>	<b>INCOME TAX COLLECTIONS</b>							
	Wage and Salary Withholding	\$11,050.8	76.0%	\$11,954.5	71.5%	\$12,332.1	78.6%	
	Quarterly Payments	\$1,706.0	11.7%	\$983.9	5.9%	\$840.1	5.4%	
	Flow Through Entity Tax	\$0.0	0.0%	\$2,048.8	12.2%	\$1,061.5	6.8%	
	Annual Payments	\$1,781.6	12.3%	\$1,740.0	10.4%	\$1,465.7	9.3%	
		<b>GROSS INCOME TAX</b>	<b>\$14,538.3</b>		<b>\$16,727.2</b>		<b>\$15,699.4</b>	
		Refunds	(\$2,696.9)		(\$3,244.2)		(\$2,479.2)	
		<b>NET INCOME TAX</b>	<b>\$11,841.4</b>		<b>\$13,483.0</b>		<b>\$13,220.2</b>	
		<b>INCOME TAX DISTRIBUTIONS</b>						
		General Fund/General Purpose	\$7,713.6	65.1%	\$8,830.7	65.5%	\$8,812.7	66.7%
	School Aid Fund	\$3,458.3	29.2%	\$3,982.5	29.5%	\$3,737.7	28.3%	
	Michigan Transportation Fund	\$600.0	5.1%	\$600.0	4.5%	\$600.0	4.5%	
	Renew Michigan Fund	\$69.0	0.6%	\$69.0	0.5%	\$69.0	0.5%	
	State Campaign Fund	\$0.6	0.0%	\$0.8	0.0%	\$0.8	0.0%	
	<b>TOTAL</b>	<b>\$11,841.4</b>		<b>\$13,483.0</b>		<b>\$13,220.2</b>		

(MILLIONS OF DOLLARS)

*Note: Totals may not add due to rounding.*

**GENERAL FUND/  
GENERAL PURPOSE**

Receives income tax revenue not dedicated for other purposes.

**SCHOOL AID FUND**

Receives approximately 23.8% of gross collections per 2020 PA 75.

**MICHIGAN TRANSPORTATION  
FUND**

The Michigan Transportation Fund receives \$600 million on an annual basis.

**RENEW MICHIGAN FUND**

The Renew Michigan Fund receives \$69.0 million on an annual basis.

**STATE CAMPAIGN FUND**

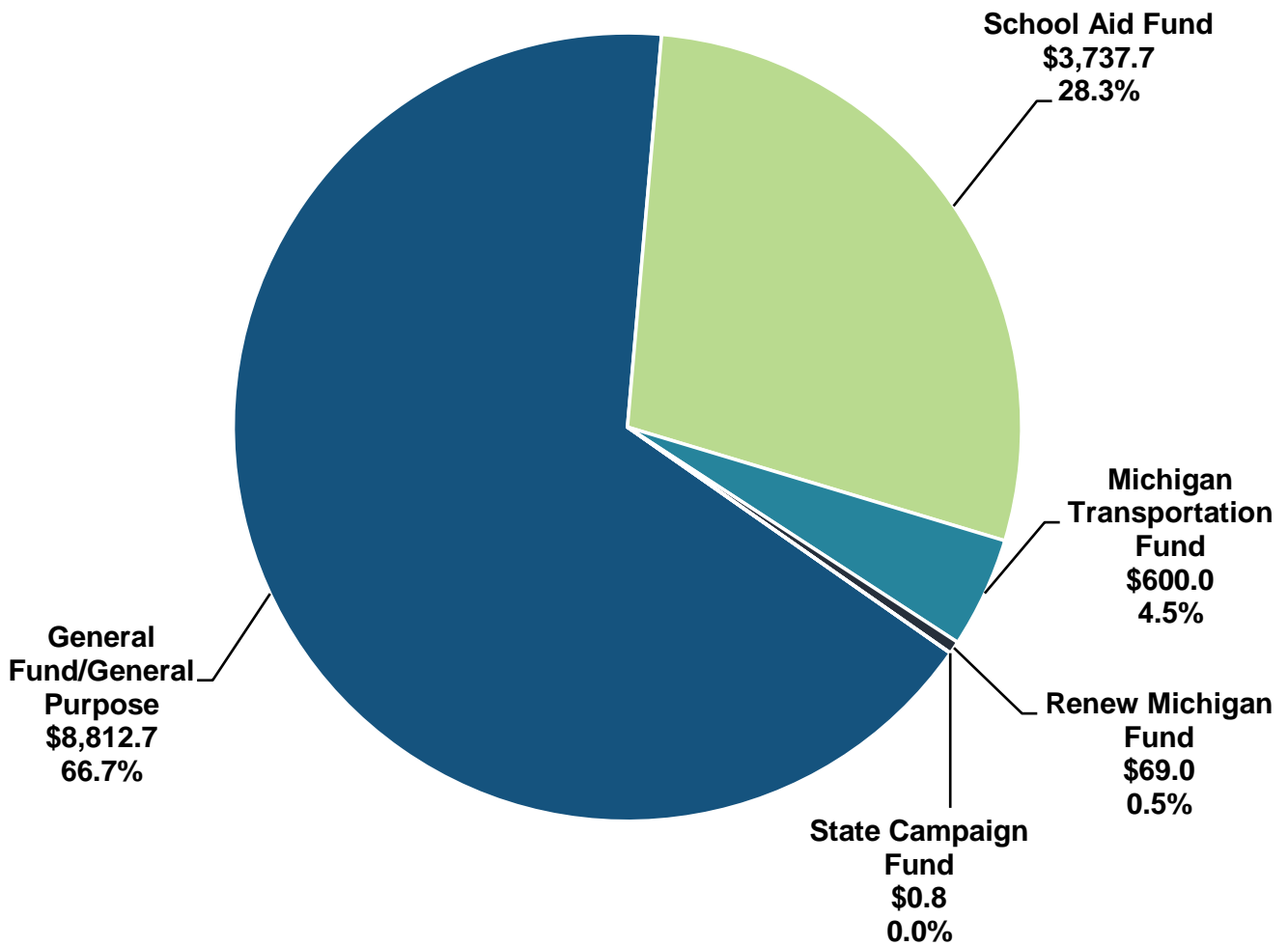
Taxpayers can choose to dedicate \$3.00 of income tax paid to this fund. Funds are distributed to all candidates for Governor who meet certain requirements.



STATE OF MICHIGAN  
INDIVIDUAL INCOME TAX REVENUE  
DISTRIBUTION  
ESTIMATED FY 2022-23

TOTAL RESOURCES: \$13,220.2 MILLION

(Chart dollars in millions)







# **Sales Tax Revenue Distribution**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>SALES TAX REVENUE DISTRIBUTION</b>	<b>SALES TAX COLLECTIONS</b>						
	4% Sales Tax	\$6,535.8	69.4%	\$6,997.1	67.9%	\$6,949.0	67.9%
	2% Sales Tax	\$2,879.0	30.6%	\$3,302.5	32.1%	\$3,283.5	32.1%
	<b>TOTAL SALES TAX</b>	<b>\$9,414.8</b>		<b>\$10,299.6</b>		<b>\$10,232.5</b>	
<b>FY 2020-21 through FY 2022-23</b>	<b>SALES TAX DISTRIBUTIONS</b>						
<b>(MILLIONS OF DOLLARS)</b>	School Aid Fund	\$6,857.6	72.8%	\$7,505.0	72.9%	\$7,458.7	72.9%
	General Fund/General Purpose	\$1,468.4	15.6%	\$1,607.7	15.6%	\$1,604.3	15.7%
	Constitutional Revenue Sharing	\$964.3	10.2%	\$1,048.5	10.2%	\$1,036.6	10.1%
	Comprehensive Transportation Fund	\$110.5	1.2%	\$121.4	1.2%	\$114.9	1.1%
	Health Initiative	\$9.0	0.1%	\$9.0	0.1%	\$9.0	0.1%
	Aeronautics and Airport Funds	\$4.9	0.1%	\$8.0	0.1%	\$9.0	0.1%
		<b>TOTAL</b>	<b>\$9,414.8</b>		<b>\$10,299.6</b>		<b>\$10,232.5</b>

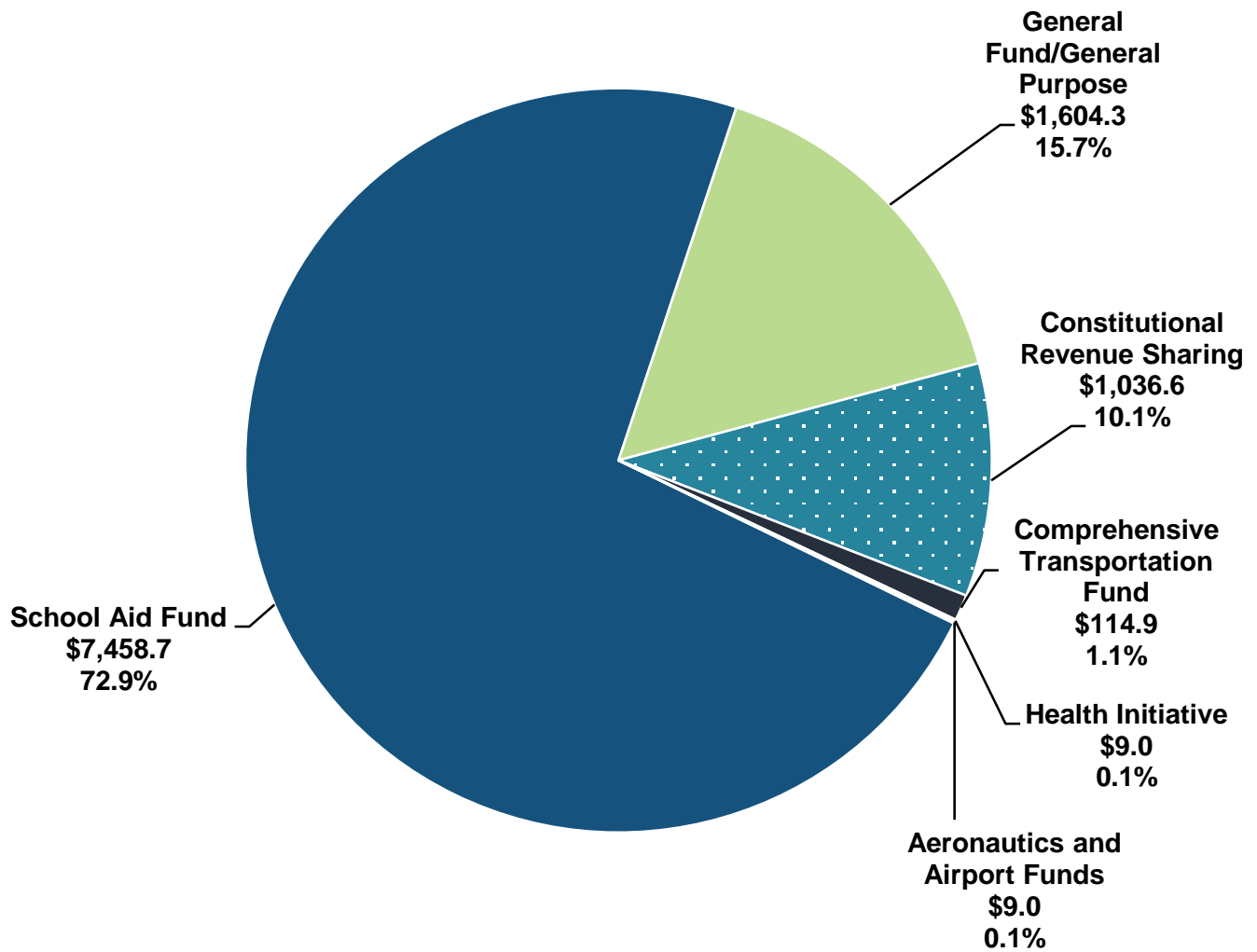
*Note: Totals may not add due to rounding.*

<b>SCHOOL AID FUND</b>	Receives 60% of sales tax collections levied at a rate of 4% and 100% of sales tax collections levied at a rate of 2%.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	Receives sales tax revenue not dedicated for other purposes.
<b>CONSTITUTIONAL REVENUE SHARING</b>	The State Constitution provides that 15% of collections from the 4% sales tax be distributed to cities, villages, and townships on a per capita basis.
<b>COMPREHENSIVE TRANSPORTATION FUND</b>	Receives approximately 1.2% of sales tax revenue. Revenue is used to plan and develop public transportation systems and finance bus and rail services.
<b>HEALTH INITIATIVE</b>	Annual appropriation for AIDS and workplace health programs.
<b>AERONAUTICS AND AIRPORT FUNDS</b>	Beginning on October 1, 2016, 2% of sales tax revenue collected from aviation fuel is dedicated for aviation purposes. 35% accrues to the State Aeronautics Fund with the remaining 65% earmarked to the Qualified Airport Fund.

STATE OF MICHIGAN  
SALES TAX REVENUE  
DISTRIBUTION  
ESTIMATED FY 2022-23

TOTAL RESOURCES: \$10,232.5 MILLION

(Chart dollars in millions)







**Net Business  
Tax  
Revenue  
Distribution**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u> <u>FY 2020-21</u>	<u>% of</u> <u>Total</u>	<u>CREC</u> <u>FY 2021-22</u>	<u>% of</u> <u>Total</u>	<u>CREC</u> <u>FY 2022-23</u>	<u>% of</u> <u>Total</u>
<b>NET BUSINESS TAX REVENUE DISTRIBUTION</b>	<b>BUSINESS TAX COLLECTIONS</b>						
	Corporate Income Tax (CIT)	\$1,701.7	108.6%	\$1,822.6	113.0%	\$1,582.1	108.9%
	Insurance Company Premiums Taxes	\$354.8	22.6%	\$385.0	23.9%	\$398.0	27.4%
	Single Business Tax (SBT)	\$1.1	0.1%	\$0.0	0.0%	\$0.0	0.0%
	Michigan Business Tax (MBT)	(\$490.5)	-31.3%	(\$594.3)	-36.8%	(\$527.6)	-36.3%
<b>FY 2020-21 through FY 2022-23</b>	<b>TOTAL BUSINESS TAXES</b>	<b>\$1,567.1</b>		<b>\$1,613.3</b>		<b>\$1,452.5</b>	
<b>(MILLIONS OF DOLLARS)</b>	<b>BUSINESS TAX DISTRIBUTION</b>						
	General Fund/General Purpose	\$1,567.1	100%	\$1,613.3	100%	\$1,452.5	100%
	<b>TOTAL</b>	<b>\$1,567.1</b>		<b>\$1,613.3</b>		<b>\$1,452.5</b>	

*Note: Totals may not add due to rounding.*

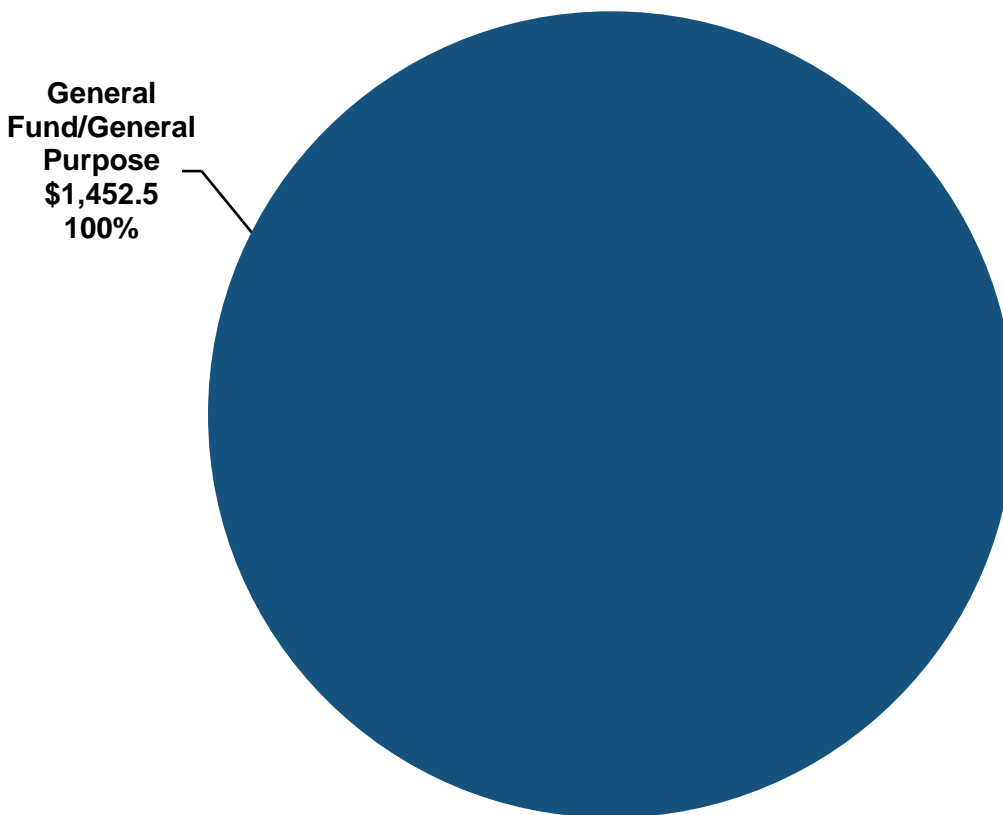
<b>CORPORATE INCOME TAX</b>	Taxes corporate income at a 6% rate. Applies only to C corporations.
<b>INSURANCE COMPANY PREMIUMS TAXES</b>	The Insurance Company Premiums Tax is a 1.25% levy against gross premiums of in-state insurance companies. The Foreign Insurance Company Retaliatory Tax is a 1.25% levy against gross premiums of out-of-state insurance companies.
<b>SINGLE BUSINESS TAX</b>	Replaced by the MBT in 2008; a small number of taxpayers still remit SBT revenue or receive refunds from prior returns.
<b>MICHIGAN BUSINESS TAX</b>	The MBT consists of a 4.95% tax on business income and a 0.8% tax on apportioned gross receipts less purchases from other firms. Effective January 1, 2012, the MBT was replaced by the Corporate Income Tax, although taxpayers claiming existing certificated Michigan Economic Growth Authority credits still file under the MBT.
<b>GENERAL FUND/GENERAL PURPOSE</b>	Receives all revenue from the Corporate Income Tax, Insurance Company Premiums Taxes, Single Business Tax, and Michigan Business Tax.



**STATE OF MICHIGAN  
NET BUSINESS TAX REVENUE  
DISTRIBUTION  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$1,452.5**

(Chart dollars in millions)







# **Tobacco Tax Revenue Distribution**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>TOBACCO TAX REVENUE DISTRIBUTION</b>	<b>TOBACCO TAX COLLECTIONS</b>						
	Cigarette Tax*	\$782.0	87.7%	\$724.0	87.2%	\$711.7	86.9%
	Other Tobacco Products*	\$109.8	12.3%	\$106.7	12.8%	\$107.7	13.1%
	<b>TOTAL TOBACCO TAXES</b>	<b>\$891.8</b>		<b>\$830.7</b>		<b>\$819.4</b>	
<b>FY 2020-21 through FY 2022-23</b>	<b>TOBACCO TAX DISTRIBUTIONS</b>						
<b>(MILLIONS OF DOLLARS)</b>	Medicaid Benefits Trust Fund	\$327.0	36.7%	\$309.5	37.3%	\$306.2	37.4%
	School Aid Fund	\$323.7	36.3%	\$299.9	36.1%	\$294.8	36.0%
	General Fund/General Purpose	\$177.0	19.8%	\$165.5	19.9%	\$163.3	19.9%
	Healthy Michigan Fund	\$29.0	3.2%	\$26.9	3.2%	\$26.5	3.2%
	Health and Safety Fund	\$24.7	2.8%	\$17.5	2.1%	\$17.3	2.1%
	State Agencies	\$2.9	0.3%	\$4.0	0.5%	\$4.0	0.5%
	Wayne County	\$4.3	0.5%	\$4.0	0.5%	\$3.9	0.5%
	Capitol Historic Site Fund	\$3.3	0.4%	\$3.4	0.4%	\$3.4	0.4%
		<b>TOTAL</b>	<b>\$891.8</b>		<b>\$830.7</b>		<b>\$819.4</b>

\*See page 47 for detail.

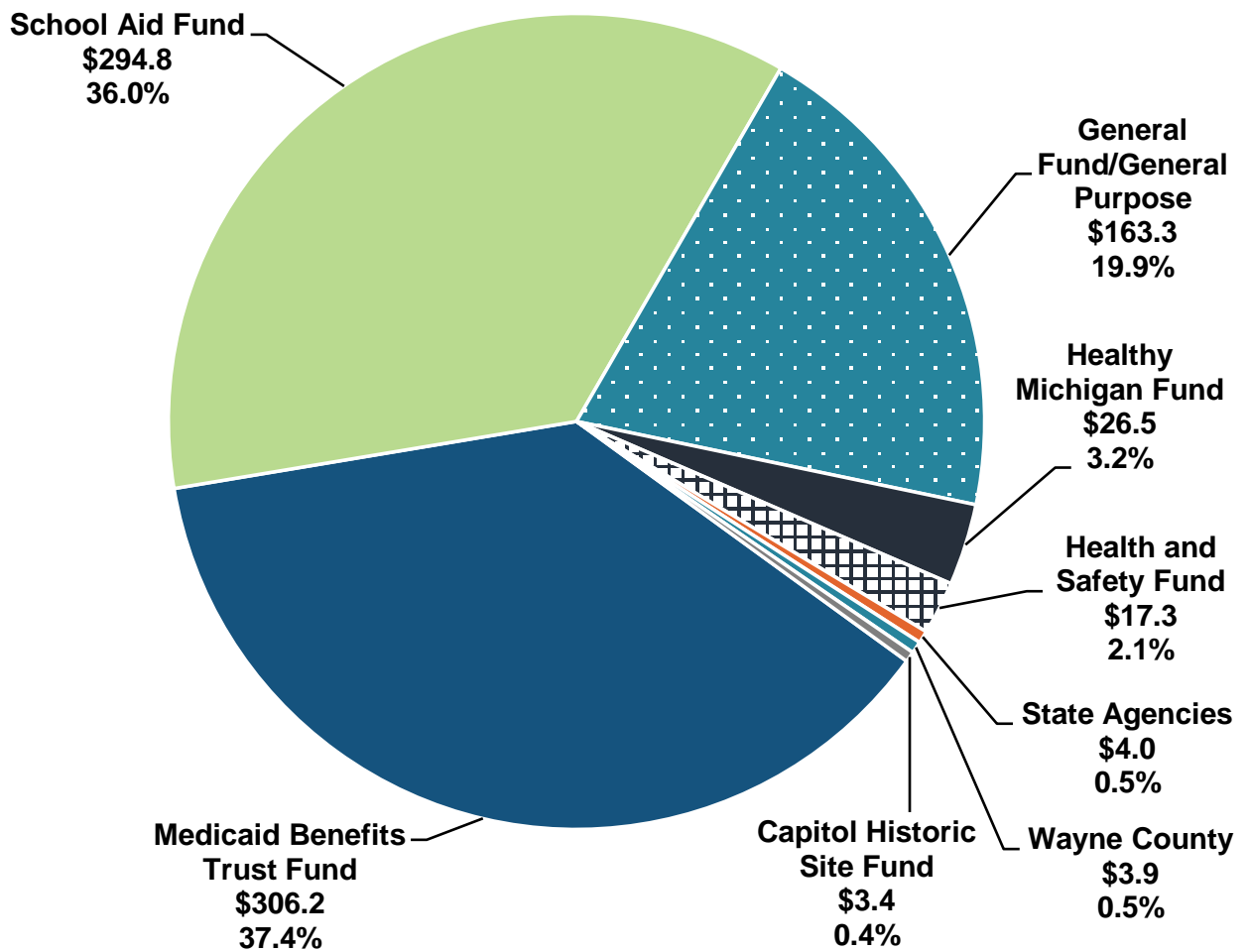
Note: Totals may not add due to rounding.

<b>MEDICAID BENEFITS TRUST FUND</b>	Receives approximately 31.7% of the cigarette tax revenue and 75.0% of the other tobacco products tax revenue.
<b>SCHOOL AID FUND</b>	Receives approximately 41.4% of cigarette tax proceeds.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	Receives approximately 19.2% of the cigarette tax revenue and 25.0% of the other tobacco products tax revenue.
<b>HEALTHY MICHIGAN FUND</b>	Administered by the state for various health prevention programs. Receives 3.7% of the cigarette tax revenue.
<b>HEALTH AND SAFETY FUND</b>	Provides support for Medicaid indigent payments to Detroit hospitals, certain debt obligations for Wayne County, and local public health and criminal justice at the county level. Receives about 2.4% of the cigarette tax.
<b>STATE AGENCIES</b>	Appropriations of tobacco tax revenue may be made to the Department of Treasury, the Attorney General, and the Department of State Police for enforcement and administration of tobacco taxes.
<b>WAYNE COUNTY</b>	Approximately 0.6% of cigarette tax revenue is earmarked for indigent health care.
<b>CAPITOL HISTORIC SITE FUND</b>	Beginning October 1, 2015, from the portion of cigarette tax revenue accruing to the General Fund, \$3.0 million is earmarked to provide for restoration, renewal, and maintenance of the State Capitol building. The amount is adjusted for inflation in subsequent years.

**STATE OF MICHIGAN  
TOBACCO TAX REVENUE  
DISTRIBUTION  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$819.4 MILLION**

(Chart dollars in millions)







# **Use Tax Revenue Distribution**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>USE TAX REVENUE DISTRIBUTION</b>	<b>USE TAX COLLECTIONS</b>						
	4% Use Tax (Includes LCSA Share)	\$1,750.5	66.6%	\$1,736.2	66.7%	\$1,727.1	66.7%
	2% Use Tax	\$876.1	33.4%	\$868.1	33.3%	\$863.6	33.3%
	<b>TOTAL USE TAX</b>	<b>\$2,626.6</b>		<b>\$2,604.3</b>		<b>\$2,590.7</b>	
<b>FY 2020-21 through FY 2022-23</b>							
<b>(MILLIONS OF DOLLARS)</b>	<b>USE TAX DISTRIBUTIONS</b>						
	General Fund/General Purpose	\$1,258.3	58.9%	\$1,212.4	58.2%	\$1,176.6	57.6%
	School Aid Fund	\$876.8	41.1%	\$869.6	41.8%	\$865.1	42.4%
	<b>TOTAL</b>	<b>\$2,135.0</b>		<b>\$2,082.0</b>		<b>\$2,041.7</b>	

*Note: Totals may not add due to rounding.*

**GENERAL FUND/  
GENERAL PURPOSE** Receives use tax revenue from the 4% rate not levied by the Local Community Stabilization Authority (see note below).

**SCHOOL AID FUND** Receives one-third of the full 6% use tax revenue.

#### **LOCAL COMMUNITY STABILIZATION AUTHORITY (LCSA)**

The Local Community Stabilization Authority was created in 2014 PA 86 for the purpose of levying a portion of the use tax and using the proceeds to distribute to municipalities to replace revenue lost as a result of the small parcel exemption and eliminating exempt manufacturing personal property. 2014 PA 80 allows the authority to levy the following amounts out of the revenue generated by the first 4% of the use tax:

FY 2015-16	\$96.4 million
FY 2016-17	\$380.9 million
FY 2017-18	\$411.1 million
FY 2018-19	\$438.0 million
FY 2019-20	\$465.9 million
FY 2020-21	\$491.5 million
FY 2021-22	\$521.3 million
FY 2022-23	\$548.0 million
FY 2023-24	\$561.7 million
FY 2024-25	\$569.8 million
FY 2025-26	\$571.4 million
FY 2026-27	\$572.2 million
FY 2027-28	\$572.6 million

Amounts will be adjusted as necessary in subsequent years.

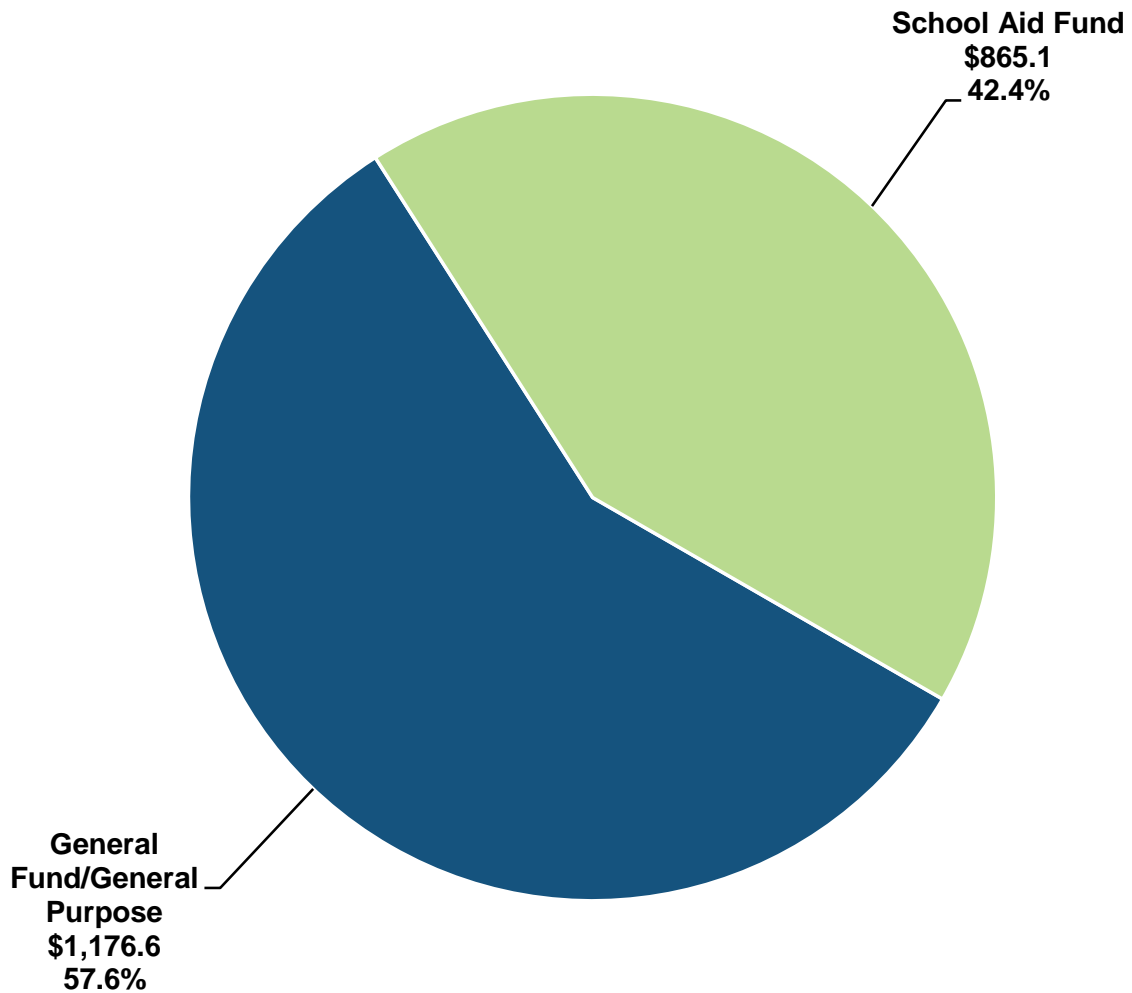
These amounts are not included in the state revenue distribution figures above.



**STATE OF MICHIGAN  
USE TAX REVENUE  
DISTRIBUTION  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$2,041.7 MILLION**

(Chart dollars in millions)







# **Alcohol Tax Revenue Distribution**

**FY 2020-21  
through  
FY 2022-23**

		<u>Final</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>	<u>CREC</u>	<u>% of</u>
		<u>FY 2020-21</u>	<u>Total</u>	<u>FY 2021-22</u>	<u>Total</u>	<u>FY 2022-23</u>	<u>Total</u>
<b>ALCOHOL TAX REVENUE DISTRIBUTION</b>	<b>ALCOHOL TAX COLLECTIONS</b>						
	Liquor Tax*	\$234.3	82.0%	\$234.8	81.9%	\$237.8	81.8%
	Beer Tax*	\$37.0	12.9%	\$37.3	13.0%	\$38.0	13.1%
	Wine Tax*	\$14.6	5.1%	\$14.7	5.1%	\$15.0	5.2%
<b>FY 2020-21 through FY 2022-23</b>	<b>TOTAL ALCOHOL TAXES</b>	<b>\$285.8</b>		<b>\$286.8</b>		<b>\$290.8</b>	
<b>(MILLIONS OF DOLLARS)</b>	<b>ALCOHOL TAX DISTRIBUTIONS</b>						
	General Fund/General Purpose	\$132.1	46.2%	\$131.0	45.7%	\$133.0	45.7%
	School Aid Fund	\$76.7	26.8%	\$78.6	27.4%	\$79.6	27.4%
	Convention Facility Development Fund	\$77.0	27.0%	\$77.2	26.9%	\$78.2	26.9%
	<b>TOTAL</b>	<b>\$285.8</b>		<b>\$286.8</b>		<b>\$290.8</b>	

\*See page 47 and 48 for detail.

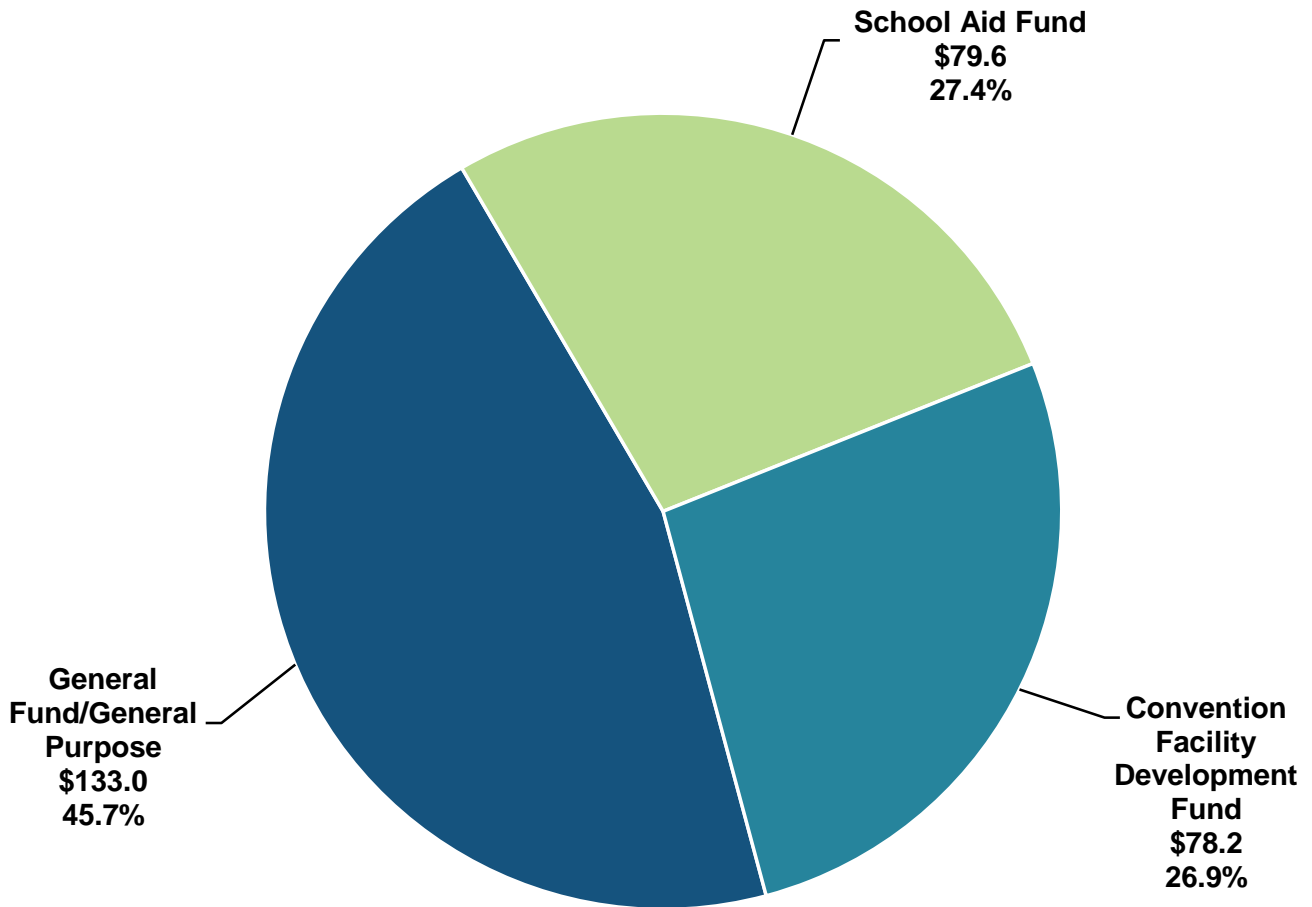
Note: Totals may not add due to rounding.

<b>GENERAL FUND/ GENERAL PURPOSE</b>	Receives 100% of beer and wine taxes and approximately one-third of liquor tax.
<b>SCHOOL AID FUND</b>	Receives approximately one-third of liquor tax.
<b>CONVENTION FACILITY DEVELOPMENT FUND</b>	Receives approximately one-third of liquor tax.

**STATE OF MICHIGAN  
ALCOHOL TAX REVENUE  
DISTRIBUTION  
ESTIMATED FY 2022-23**

**TOTAL RESOURCES: \$290.8 MILLION**

(Chart dollars in millions)







**State and Local  
Tax  
Information**

**FY 2020-21  
Final Collections**

**BUSINESS PRIVILEGE TAXES**FY 2020-21  
**Final Collections**

<b><u>AIRPORT PARKING EXCISE TAX</u></b>	<b>\$20,955,503</b>
<p><b>ENACTED:</b> 1987 PA 248  <b>BASE:</b> Amount charged for parking  <b>RATE:</b> 27% of amount charged for public parking at a “regional” airport  <b>DISPOSITION:</b> Airport Parking Fund</p>	
<b><u>CASINO WAGERING TAX</u></b>	<b>State portion \$90,572,173</b>
<p><b>ENACTED:</b> Voter-initiated law of 1996  <b>BASE:</b> Adjusted gross receipts received by gaming licensee  <b>RATE:</b> 19% of adjusted gross receipts for permanent casinos  <i>NOTE: In addition to the casino wagering tax, each casino annually pays \$8.33 million (indexed to inflation) to the State Services Fee Fund. The City of Detroit also levies a municipal services fee, which is the greater of 1.25% of adjusted gross receipts or \$4.0 million per casino.</i>  <b>DISPOSITION:</b> State portion—42.6%; 100% School Aid Fund  City of Detroit portion—57.4%</p>	
<b><u>CORPORATE INCOME TAX</u></b>	<b>\$1,701,707,103</b>
<p><b>ENACTED:</b> 2011 PA 38  <b>BASE:</b> Business income  <b>RATE:</b> 6.0%  <b>DISPOSITION:</b> General Fund/General Purpose</p>	
<b><u>CORPORATION FRANCHISE FEES</u></b>	<b>\$37,434,025</b>
<p><b>ENACTED:</b> 1972 PA 284  <b>BASE:</b> Domestic—authorized capital stock; Foreign—capital stock attributable to Michigan  <b>RATE:</b> Domestic—\$50 for first 60,000 shares, plus \$30 for each additional 20,000 shares;  Foreign—\$50 for shares attributable to Michigan, plus \$30 for each additional 20,000 shares  <b>DISPOSITION:</b> General Fund Restricted</p>	
<b><u>FANTASY CONTESTS</u></b>	<b>\$1,574,698</b>
<p><b>ENACTED:</b> 2019 PA 157  <b>BASE:</b> Fantasy contest adjusted reserves  <b>RATE:</b> 8.4%  <b>DISPOSITION:</b> 100% to the Fantasy Contest Fund; any amount remaining after administrative costs is deposited in the School Aid Fund</p>	
<b><u>FOREIGN INSURANCE COMPANY RETALIATORY TAX</u></b>	<b>\$20,758,205</b>
<p><b>ENACTED:</b> 1956 PA 218; 2011 PA 38  <b>BASE:</b> Gross premiums of out-of-state insurance companies  <b>RATE:</b> Effective rate of 1.25%; Foreign insurance at single business tax equivalent or amount equal to foreign imposed costs, whichever is higher  <b>DISPOSITION:</b> General Fund/General Purpose</p>	
<b><u>INSURANCE COMPANY PREMIUMS TAX</u></b>	<b>\$334,032,309</b>
<p><b>ENACTED:</b> 1956 PA 218; 2011 PA 38  <b>BASE:</b> Gross premiums of in-state insurance companies  <b>RATE:</b> Effective rate of 1.25%  <b>DISPOSITION:</b> General Fund/General Purpose</p>	



**BUSINESS PRIVILEGE TAXES**FY 2020-21  
Final Collections

<b><u>INTERNET GAMING</u></b>	<b>\$187,687,488</b>
<p><b>ENACTED:</b> 2019 PA 152</p> <p><b>BASE:</b> Adjusted gross receipts of Internet gaming provider</p> <p><b>RATE:</b> 20% to 28%, based on amount of a provider's adjusted gross receipts</p> <p><b>DISPOSITION:</b> <u>Non-tribal:</u>  30% to the city of Detroit  5% (maximum of \$3.0 million) to the Agriculture Equine Industry Development Fund  65% to the Internet Gaming Fund; any amount remaining after administrative costs and other small distributions is deposited in the School Aid Fund</p> <p><u>Tribal:</u>  70% to the Internet Gaming Fund  10% to the Michigan Strategic Fund  20% to local units of government</p>	
<b><u>INTERNET SPORTS BETTING</u></b>	<b>\$5,994,131</b>
<p><b>ENACTED:</b> 2019 PA 149</p> <p><b>BASE:</b> Adjusted gross sports betting receipts of Internet sports betting operator</p> <p><b>RATE:</b> 8.4%</p> <p><b>DISPOSITION:</b> <u>Non-tribal:</u>  30% to the city of Detroit  5% (maximum of \$3.0 million) to the Agriculture Equine Industry Development Fund  65% to the Internet Sports Betting Fund; any amount remaining after administrative costs and other small distributions is deposited in the School Aid Fund</p> <p><u>Tribal:</u>  90% to the Internet Sports Betting Fund  10% to the Michigan Strategic Fund</p>	
<b><u>MICHIGAN BUSINESS TAX</u></b>	<b>(\$490,476,135)</b>
<p><b>ENACTED:</b> 2007 PA 36</p> <p><b>BASE:</b> Business income and gross receipts less purchases from other firms</p> <p><b>RATE:</b> 4.95% on business income and 0.80% on gross receipts less purchases from other firms</p> <p><b>DISPOSITION:</b> General Fund/General Purpose</p>	
<b><u>OIL AND GAS SEVERANCE TAX</u></b>	<b>\$20,935,764</b>
<p><b>ENACTED:</b> 1929 PA 48</p> <p><b>BASE:</b> Gross cash market value of oil and gas severed</p> <p><b>RATE:</b> Oil at 6.6%; Gas at 5%; Stripper wells and/or marginal properties at 4%</p> <p><b>DISPOSITION:</b> General Fund/General Purpose</p>	
<b><u>RETAIL SPORTS BETTING</u></b>	<b>\$2,593,699</b>
<p><b>ENACTED:</b> 2019 PA 158</p> <p><b>BASE:</b> Adjusted gross sports betting receipts</p> <p><b>RATE:</b> 8.4%</p> <p><b>DISPOSITION:</b> 55% to the city of Detroit  45% to the School Aid Fund</p>	

**BUSINESS PRIVILEGE TAXES**

**FY 2020-21  
Final Collections**

<b><u>SIMULCAST WAGERING TAX</u></b>	<b>\$3,079,646</b>
ENACTED: 1995 PA 279	
BASE: Amounts wagered on interstate and inter-track simulcast horse races	
RATE: 3.5%	
DISPOSITION: Agriculture Equine Industry Development Fund	
<b><u>STATE CONVENTION FACILITY DEVELOPMENT ACT</u></b>	<b>\$9,740,347</b>
ENACTED: 1985 PA 1063	
BASE: Amount charged transient guests for lodging in a hotel/motel, depending on county population and hotel/motel capacity	
RATE: Variable; up to 6% of amount transient guests pay for lodging	
DISPOSITION: General Fund Restricted and Convention Facilities Development Fund	
<b><u>UNEMPLOYMENT INSURANCE CONTRIBUTIONS</u></b>	<b>\$13,970,616,589</b>
ENACTED: 1936 PA 1 (Extra Session)	
BASE: Wages paid per covered employee up to \$9,000 limit, or wages equal to federal unemployment tax base—whichever is higher	
RATE: Variable	
DISPOSITION: Bureau of Worker’s and Unemployment Compensation	

**INCOME TAXES**

**FY 2020-21  
Final Collections**

<b><u>INDIVIDUAL INCOME TAX</u></b>	<b>Gross = \$14,538,305,699</b>
	<b>Net of Refunds = \$11,841,440,942</b>
ENACTED: 1967 PA 281	
BASE: Federal adjusted gross income of individuals, estates, and trusts, with adjustments	
RATE: 4.25%	
DISPOSITION: General Fund/General Purpose Approximately 23.8% of gross revenue to the School Aid Fund	
<b><u>UNIFORM CITY INCOME TAX</u></b>	<b>\$603,927,584</b>
ENACTED: 1964 PA 284	
BASE: Income of city residents and income earned in city	
RATE: Maximum 1% of income for residents and corporations; Maximum 0.5% income for non-residents (exceptions: 2.5% resident; 1.25% non-resident in Detroit; 1.0% on corporations located in Detroit; Highland Park, Grand Rapids, and Saginaw may levy 2.0% resident, 1.0% non-resident)	
DISPOSITION: General Fund of city	

**CONSUMPTION TAXES**

FY 2020-21  
**Final Collections**

<b><u>BEER TAX</u></b>	<b>\$36,961,583</b>
<b>ENACTED:</b> 1998 PA 58 <b>BASE:</b> Beer manufactured or sold in Michigan <b>RATE:</b> \$6.30 per barrel (\$2 per barrel credit for small brewers) <b>DISPOSITION:</b> General Fund/General Purpose	
<b><u>LIQUOR TAX</u></b>	<b>\$234,300,157</b>
<b>ENACTED:</b> 1998 PA 58 <b>BASE:</b> Base price of spirits <b>RATE:</b> 12% <b>DISPOSITION:</b> 4%—General Fund/General Purpose; 4%—School Aid Fund; 4%—Convention Facility Development Fund	
<b><u>RECREATIONAL MARIHUANA EXCISE TAX</u></b>	<b>\$140,757,250</b>
<b>ENACTED:</b> Initiated Law 1 of 2018 <b>BASE:</b> Sales price of recreational marihuana <b>RATE:</b> 10% <b>DISPOSITION:</b> Net revenue is distributed as follows: 35% to the School Aid Fund, 35% to the Michigan Transportation Fund, 15% to counties, and 15% to cities, villages, and townships	
<b><u>SALES TAX</u></b>	<b>\$9,414,782,877</b>
<b>ENACTED:</b> 1933 PA 167 <b>BASE:</b> Gross proceeds from retail sale of tangible personal property for use or consumption <b>RATE:</b> 6%; 4% for electricity, natural gas, and home heating fuel <b>DISPOSITION:</b> About 10% Constitutional revenue sharing; 72.9% School Aid Fund; 1.1% Comprehensive Transportation Fund; Remainder to General Fund/General Purpose	
<b><u>TOBACCO PRODUCTS TAXES</u></b>	<b>\$891,807,557</b>
<b>ENACTED:</b> 1993 PA 327 <b>BASE:</b> Tobacco products sold in Michigan <b>RATE:</b> Cigarettes at \$2.00 per pack of 20; Other tobacco products at 32% of wholesale price <b>DISPOSITION:</b> From cigarettes—41.5% School Aid Fund, 19.2% General Fund/General Purpose, 3.7% Healthy Michigan Fund, 2.8% Health and Safety Fund, 31.4% Medicaid Benefits Trust Fund, 0.6% Wayne County; From other tobacco products—75% Medicaid Benefits Trust Fund, 25% General Fund/General Purpose	
<b><u>UNIFORM CITY UTILITY USERS TAX</u></b>	<b>\$46,455,202</b>
<b>ENACTED:</b> 1990 PA 100 <b>BASE:</b> Privilege of consuming public telephone, electric, steam, or gas service in Detroit <b>RATE:</b> Between 1/4 of 1% and 5% <b>DISPOSITION:</b> To hire police officers	
<b><u>USE TAX</u></b>	<b>\$2,135,079,929</b>
<b>ENACTED:</b> 1937 PA 94 <b>BASE:</b> Purchase price of tangible personal property and certain services <b>RATE:</b> 6%; 4% for electricity, natural gas, and home heating fuel <b>DISPOSITION:</b> 33.3% School Aid Fund; the remainder, less any amount levied by the Local Community Stabilization Authority, accrues to General Fund/General Purpose	

**REVENUE SOURCE AND DISTRIBUTION**

**CONSUMPTION TAXES**

**FY 2020-21  
Final Collections**

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<b><u>WINE TAX</u></b>	<b>\$14,583,287</b>
<b>ENACTED:</b> 1998 PA 58	
<b>BASE:</b> Wine sold in Michigan	
<b>RATE:</b> Per liter—\$0.135 if ≤16% alcohol; \$0.20 if >16% alcohol; mixed spirit drinks \$0.48	
<b>DISPOSITION:</b> General Fund/General Purpose	

**PROPERTY TAXES**

**FY 2020-21  
Final Collections**

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<b><u>COMMERCIAL FOREST TAX</u></b>	<b>\$4,155,574</b>
<b>ENACTED:</b> 1995 PA 57	
<b>BASE:</b> Lands placed in commercial forest reserve and cash value of timber thereon	
<b>RATE:</b> Specific—\$1.10 per acre (\$1.20 per acre to local units); Withdrawal—\$1.00 per acre fee plus per acre penalty based on ad valorem taxes (varies)	
<b>DISPOSITION:</b> To local units in same proportion as general property tax; school portion to School Aid Fund	

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<b><u>COUNTY REAL ESTATE TRANSFER TAX</u></b>	<b>\$71,915,047</b>
<b>ENACTED:</b> 1966 PA 134	
<b>BASE:</b> Fair market value of property transferred	
<b>RATE:</b> \$0.55 per \$500 (0.11%); Wayne County may impose a higher rate with voter approval	
<b>DISPOSITION:</b> General Fund of county in which tax is collected	

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<b><u>INDUSTRIAL FACILITIES TAX</u></b>	<b>\$41,919,456</b>
<b>ENACTED:</b> 1974 PA 198	
<b>BASE:</b> Restored/replacement facility—taxable value, excluding land and inventory in year prior to exemption; New facility—current taxable value, excluding land and inventory	
<b>RATE:</b> Restored facility—same as local property tax; New or replacement facility—50% of all taxes other than the state education tax plus 100% of the state education tax	
<b>DISPOSITION:</b> To local units in same proportion as general property tax; school portion to School Aid Fund	

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<b><u>LOW GRADE IRON ORE SPECIFIC TAX</u></b>	<b>\$4,625,326</b>
<b>ENACTED:</b> 1951 PA 77	
<b>BASE:</b> Rated annual capacity of production and treatment plant, and gross ton value of ore	
<b>RATE:</b> 1.1% at full production	
<b>DISPOSITION:</b> To local units in same proportion as general property tax; school portion to School Aid Fund	

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<b><u>MOBILE HOME TRAILER COACH TAX</u></b>	<b>\$3,425,174</b>
<b>ENACTED:</b> 1959 PA 243	
<b>BASE:</b> Occupied trailer coaches in licensed trailer coach parks	
<b>RATE:</b> \$3 per month per coach	
<b>DISPOSITION:</b> School Aid Fund—\$2 per coach; Counties and municipalities—\$0.50 per coach	

**PROPERTY TAXES**

**FY 2020-21  
Final Collections**

<b><u>NEIGHBORHOOD ENTERPRISE ZONE FACILITIES</u></b>	<b>Included in industrial facilities</b>
<b>ENACTED:</b> 1992 PA 147	
<b>BASE:</b> Rehabilitated facility—state equalized value in prior year of exemption, excluding land; New facility—state equalized value, excluding land	
<b>RATE:</b> Homesteads—50% of average rate of other homestead or qualified agricultural property; Non-homesteads—50% of average rate of other commercial, industrial, and utility property	
<b>DISPOSITION:</b> To local units in same proportion as general property tax; school portion to School Aid Fund	
<b><u>STATE EDUCATION TAX</u></b>	<b>\$2,255,302,976</b>
<b>ENACTED:</b> 1993 PA 331	
<b>BASE:</b> Taxable value of all real and personal property (increase capped at the lesser of 5% or inflation)	
<b>RATE:</b> 6 mills (\$6 per \$1,000 of taxable value)	
<b>DISPOSITION:</b> School Aid Fund	
<b><u>STATE ESSENTIAL SERVICES ASSESSMENT</u></b>	<b>\$125,783,019</b>
<b>ENACTED:</b> 2014 PA 92	
<b>BASE:</b> Personal property eligible for an exemption under 2014 PA 87 as eligible manufacturing personal property	
<b>RATE:</b> Between 0.9 mills and 2.4 mills, depending on the age of the property	
<b>DISPOSITION:</b> General Fund/General Purpose	
<b><u>STATE REAL ESTATE TRANSFER TAX</u></b>	<b>\$490,329,865</b>
<b>ENACTED:</b> 1993 PA 330	
<b>BASE:</b> Fair market value of property transferred	
<b>RATE:</b> \$3.75 per \$500 (0.75%) or fraction thereof of total value	
<b>DISPOSITION:</b> School Aid Fund	
<b><u>TECHNOLOGY PARK FACILITIES TAX</u></b>	<b>Included in industrial facilities</b>
<b>ENACTED:</b> 1984 PA 385	
<b>BASE:</b> SEV of facility, excluding land	
<b>RATE:</b> New facility—50% of 1993 school operating taxes, plus 50% of other property taxes, except state education tax	
<b>DISPOSITION:</b> To local units in same proportion as general property tax; school portion to School Aid Fund	
<b><u>UTILITY PROPERTY TAX</u></b>	<b>\$32,397,821</b>
<b>ENACTED:</b> 1905 PA 282	
<b>BASE:</b> Taxable value of all property of telephone, telegraph, railroad, car loaning, sleeping car, and express car companies (certain exemptions for railroads)	
<b>RATE:</b> Average statewide general property tax paid by other business property in preceding calendar year	
<b>DISPOSITION:</b> General Fund/General Purpose	

**TRANSPORTATION TAXES**

FY 2020-21  
Final Collections

<b><u>AIRCRAFT WEIGHT TAX</u></b>	<b>\$265,599</b>
<p>ENACTED: 1945 PA 327                  BASE: The greater of maximum gross weight or maximum takeoff weight                  RATE: \$0.01 per pound                  DISPOSITION: Aeronautics Fund</p>	
<b><u>ALTERNATIVE MOTOR FUELS TAX</u></b>	<b>\$2,289,473</b>
<p>ENACTED: 2015 PA 176                  BASE: Fuels such as compressed natural gas, liquefied natural gas, hydrogen, and hydrogen compressed natural gas sold for operating vehicles on public highways                  RATE: \$0.263 per gallon equivalent of compressed or liquefied gas                  DISPOSITION: Michigan Transportation Fund</p>	
<b><u>AVIATION GASOLINE TAX</u></b>	<b>\$4,193,230</b>
<p>ENACTED: 1945 PA 327                  BASE: Fuel sold or used for propelling aircraft                  RATE: \$0.03 per gallon; \$0.015 per gallon refund to interstate airline operators                  DISPOSITION: Aeronautics Fund</p>	
<b><u>DIESEL FUEL TAX</u></b>	<b>\$233,021,630</b>
<p>ENACTED: 1951 PA 54                  BASE: Diesel fuel sold or used in vehicles operated on public highways (certain exemptions apply)                  RATE: \$0.263 per gallon                  DISPOSITION: Michigan Transportation Fund</p>	
<b><u>GASOLINE TAX</u></b>	<b>\$1,111,620,574</b>
<p>ENACTED: 1927 PA 150                  BASE: Gasoline sold or used in operating vehicles on public highways                  RATE: \$0.263 per gallon                  DISPOSITION: Michigan Transportation Fund</p>	
<b><u>LIQUEFIED PETROLEUM GAS TAX</u></b>	<b>Included in alternative fuels</b>
<p>ENACTED: 1953 PA 147                  BASE: Liquefied petroleum gas sold or used in operating vehicles on public highways                  RATE: \$0.263 per gallon                  DISPOSITION: Michigan Transportation Fund</p>	
<b><u>MARINE VESSEL FUEL TAX</u></b>	<b>\$1,588,563</b>
<p>ENACTED: 1995 PA 58                  BASE: Gas and diesel fuel sold for propelling watercraft, off-road vehicles, and snowmobiles                  RATE: \$0.263 per gallon with refund for certain vessels                  DISPOSITION: Recreation Improvement Fund</p>	

TRANSPORTATION TAXES

FY 2020-21  
Final Collections

<b><u>MOTOR CARRIER FUEL TAX</u></b>	<b>\$7,201,945</b>
ENACTED: 1980 PA 119	
BASE: Motor fuel consumed in commercial motor vehicles while operating on public highways	
RATE: \$0.263 per gallon for fuel consumed in Michigan	
DISPOSITION: Michigan Transportation Fund	
<b><u>MOTOR VEHICLE REGISTRATION TAX</u></b>	<b>\$1,403,514,017</b>
ENACTED: 1949 PA 300	
BASE: Weight of vehicle, or type or price of vehicle; maximum loaded weight for large trucks	
RATE: Varies	
DISPOSITION: Michigan Transportation Fund and Scrap Tire Regulation Fund	
<b><u>WATERCRAFT REGISTRATION TAX</u></b>	<b>\$10,872,857</b>
ENACTED: 1995 PA 58	
BASE: Length of boat (certain exemptions apply)	
RATE: \$14 to \$448 (depending on length of boat); three-year registration period	
DISPOSITION: 17.5% State Waterways Fund; 33.5% Harbor Development Fund; 49% Marine Safety Fund	







# **Constitutional and Statutory State Revenue Dedication**

# STATE REVENUE DEDICATION

## BUSINESS PRIVILEGE TAXES

### SIMULCAST WAGERING

<u>Disposition</u>	<u>Authority</u>
100% Agriculture Equine Industry Development Fund	Statute

### AIRPORT PARKING EXCISE

<u>Disposition</u>	<u>Authority</u>
100% Airport Parking Fund	Constitution and Statute

### CASINO WAGERING

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

## INCOME TAX AND LOTTERY PROCEEDS

### GROSS INCOME TAX COLLECTIONS

<u>Disposition</u>	<u>Authority</u>
23.8% School Aid Fund	Statute

### NET LOTTERY PROCEEDS

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

## CONSUMPTION TAXES

### LIQUOR (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
100% General Fund/General Purpose	Statute

### GENERAL SALES\*

<u>Disposition</u>	<u>Authority</u>
Not more than 25% for transportation purposes <i>*Imposed directly or indirectly on fuels sold to propel motor vehicles on highways, sale of motor vehicles, and sale of the parts and accessories of motor vehicles</i>	Constitution

### LIQUOR (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

### SALES (at 2% Rate)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Constitution

### LIQUOR (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
100% Convention Facility Development Fund	Statute

### SALES (at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
60% School Aid Fund 15% Revenue sharing to cities, villages, and townships on a population basis	Constitution

# STATE REVENUE DEDICATION

## CONSUMPTION TAXES

### TOBACCO PRODUCTS (Cigarette)

<u>Approximate Distribution</u>	<u>Authority</u>
41.4% School Aid Fund	Constitution
31.7% Medicaid Benefits Trust Fund	and Statute
19.2% General Fund/General Purpose	
3.7% Healthy Michigan Fund	
2.4% Health and Safety Fund	
0.6% Wayne County	
\$3.3 million Capitol Historic Trust Fund	
\$4.0 million Other State Agencies	

### SALES (amount equal to sales at 4% Rate)

<u>Disposition</u>	<u>Authority</u>
21.3% Revenue sharing to counties, cities, villages, and townships	Statute subject to appropriation

### TOBACCO PRODUCTS (other than Cigarette)

<u>Disposition</u>	<u>Authority</u>
75% Medicaid Benefits Trust Fund	Statute
25% General Fund/General Purpose	

### USE (at 2% Rate)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Constitution

## PROPERTY TAXES

### COMMERCIAL FOREST

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

### PRIVATE FOREST

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

### INDUSTRIAL FACILITIES

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

### STATE EDUCATION (SET)

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

### LOW GRADE IRON ORE SPECIFIC

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

### STATE ESSENTIAL SERVICES ASSESSMENT

<u>Disposition</u>	<u>Authority</u>
100% General Fund/General Purpose	Statute

### MOBILE HOME TRAILER COACH

<u>Disposition</u>	<u>Authority</u>
67% School Aid Fund	Statute

### STATE REAL ESTATE TRANSFER

<u>Disposition</u>	<u>Authority</u>
100% School Aid Fund	Statute

### NEIGHBORHOOD ENTERPRISE ZONE FACILITIES

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

### TECHNOLOGY PARK FACILITIES

<u>Disposition</u>	<u>Authority</u>
School district share to School Aid Fund	Statute

## REVENUE SOURCE AND DISTRIBUTION

# STATE REVENUE DEDICATION

## TRANSPORTATION TAXES

### AIRCRAFT WEIGHT

<u>Disposition</u>	<u>Authority</u>
100% Aeronautics Fund	Statute

### MARINE VESSEL FUEL

<u>Disposition</u>	<u>Authority</u>
Recreation Improvement Fund	Statute

### AVIATION GASOLINE

<u>Disposition</u>	<u>Authority</u>
100% Aeronautics Fund	Statute

### MOTOR FUEL SPECIFIC

<u>Disposition</u>	<u>Authority</u>
Transportation purposes	Constitution

### DIESEL FUEL

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

### MOTOR CARRIER FUEL

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

### GASOLINE

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

### MOTOR VEHICLE REGISTRATION

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute
Certain fees to Scrap Tire Regulation Fund	

### LIQUEFIED PETROLEUM GAS

<u>Disposition</u>	<u>Authority</u>
100% Michigan Transportation Fund	Statute

### WATERCRAFT REGISTRATION

<u>Disposition</u>	<u>Authority</u>
17.5% State Waterways Fund	Statute
33.5% Harbor Development Fund	
49% Marine Safety Fund	

*Note: Revenue not constitutionally or statutorily earmarked (dedicated) is General Fund/General Purpose.*



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Natural Resources Trust Fund .....	Austin Scott
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