HOUSE FISCAL AGENCY

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July 2025 Revenue Update

Major Taxes

Cash collections from Michigan's major taxes, penalties and interest, and lottery transfers totaled $2,912.5 million in July 2025, $50.1 million less than in July 2024. For the fiscal year-to-date, collections in FY 2024-25 were $1,288.5 million (or 5.6%) higher than during FY 2023-24.

Net income tax revenue totaled $1,104.1 million in July 2025, and for FY 2024-25 collections through July were $1,291.4 million more than the same period during FY 2023-24. Year-to-date gross income tax collections in FY 2024-25 were $1,042.9 million higher than one year ago due primarily to higher individual income tax (IIT) withholding, quarterly (estimated), and annual payments.

Net business taxes are composed of the single business tax (SBT), the Michigan business tax (MBT), the corporate income tax (CIT), and insurance company taxes. Because of their inherent volatility, monthly collections of business taxes often display significant fluctuations that diverge from historical trends. On a fiscal year-to-date basis, net business taxes were $183.8 million lower through July 2025 than a year ago. MBT refunds through July 2025 were $81.6 million more negative than last year while CIT collections over the same period were $93.0 million (or 5.6%) lower than last year's amount. Year-to-date insurance taxes were also lower than a year ago by $9.7 million (or 2.4%).

Revenue from consumption taxes, which consist of the sales tax, the use tax, beer and wine taxes, liquor taxes, and tobacco taxes, totaled $1,258.2 million in July 2025, and were collectively $39.4 million higher than in FY 2023-24 on a year-to-date basis. Sales tax collections were $150.6 million (or 1.9%) above last year's amount on a year-to-date basis, while use tax collections were $70.9 million (or 4.3%) lower than a year ago.

Revenue from online gaming totaled $44.3 million in July 2025 and collections through July were $97.0 million (or 33.5%) higher than the same period during FY 2023-24. Year-to-date revenue from recreational marihuana sales through July 2025 was $2.8 million (or 1.2%) higher than one year ago. The transfer from the lottery to the School Aid Fund was $69.7 million in July 2025, and year-to-date transfers were $100.5 million lower than FY 2023-24.

General Fund/General Purpose (GF/GP) Tax Revenue

General Fund/General Purpose revenue from Michigan's major taxes was estimated[1] to be $1,421.1 million in July 2025, about $71.7 million below the projection established at the May 2025 consensus revenue estimating conference (CREC) primarily due to above forecast IIT quarterly (estimated) payments being more than offset by the remaining IIT components (withholding, FTE, annuals, and refunds) coming in below forecast and lower than expected business tax collections (MBT, CIT, and Insurance).

On a year-to-date basis, GF/GP tax revenue for FY 2024-25 was approximately $95.7 million below the projected amount.

School Aid Fund (SAF) Revenue

School Aid Fund revenue from Michigan's major taxes was estimated[1] to be $1,283.2 million in July 2025, about $6.8 million below the amount established at the May 2025 CREC. While sales and use tax and internet gaming were all above the forecasted amount for the month, recreational marihuana was $11.8 million below the forecasted amount and the transfer from the lottery was approximately $36.1 million below the monthly target.

On a year-to-date basis, SAF revenue for FY 2024-25 was approximately $23.6 million above the consensus revenue projections.

[1] Because of accruals and undistributed revenue, monthly fund splits are estimated.

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FY 2024-25 July Revenue Collections

Millions of Dollars

Major Taxes	FY 2024-25 July	Year-to-Date Collections FY 2023-24	Year-to-Date Collections FY 2024-25	Change from FY 2023-24 Year-to-Date Dollar	Change from FY 2023-24 Year-to-Date % Change	FY 2024-25 Estimates (May 2025 CREC) Dollar	FY 2024-25 Estimates (May 2025 CREC) % Change
Individual Income Tax							
Withholding	$1,135.4	$9,706.8	$10,253.4	$546.6	5.6%	$13,571.9	5.9%
Flow Through Entity Tax	(2.4)	781.2	812.5	31.2	4.0%	1,000.0	4.4%
Quarterly Income Tax	29.7	793.1	967.6	174.5	22.0%	1,233.0	10.9%
Annual Income Tax	30.1	1,065.8	1,356.4	290.6	27.3%	1,518.0	26.3%
Gross Income Tax	**$1,192.9**	**$12,347.0**	**$13,389.9**	**$1,042.9**	**8.4%**	**$17,322.9**	**7.7%**
Less: Income Tax Refunds	88.8	3,779.3	3,530.8	(248.6)	(6.6%)	3,650.0	17.0%
Net Income Tax	**$1,104.1**	**$8,567.7**	**$9,859.1**	**$1,291.4**	**15.1%**	**$13,672.9**	**5.4%**
Business Taxes							
Single Business Tax	0.0	(0.3)	0.2	0.5		0.0	
Michigan Business Tax	(7.0)	(339.6)	(421.2)	(81.6)		(496.9)	
Corporate Income Tax	129.7	1,659.6	1,566.5	(93.0)	(5.6%)	2,192.5	0.9%
Insurance Company Taxes	121.0	396.6	386.9	(9.7)	(2.4%)	548.5	2.1%
Subtotal	**$243.7**	**$1,716.3**	**$1,532.5**	**($183.8)**	**(10.7%)**	**$2,244.1**	**(4.7%)**
Consumption Taxes							
Sales Tax	983.1	7,825.2	7,975.8	150.6	1.9%	10,728.8	1.4%
Use Tax (excluding LCSA levy)	196.5	1,641.4	1,570.5	(70.9)	(4.3%)	2,105.0	(1.1%)
Beer and Wine Taxes	9.3	32.6	31.5	(1.1)	(3.3%)	44.6	(0.7%)
Liquor Excise Tax	15.2	118.8	115.9	(2.9)	(2.5%)	148.0	2.6%
Tobacco Taxes	54.1	490.4	454.0	(36.4)	(7.4%)	629.0	(5.8%)
Subtotal	**$1,258.2**	**$10,108.4**	**$10,147.7**	**$39.4**	**0.4%**	**$13,655.4**	**0.7%**
Other Miscellaneous Taxes							
State Education Tax	21.5	553.8	653.1	99.3	17.9%	2,880.0	4.5%
Real Estate Transfer Tax	40.1	282.0	312.7	30.7	10.9%	424.5	4.9%
Essential Services Assessment	29.0	40.4	46.6	6.2	15.3%	157.0	6.6%
Industrial & Commercial Facilities Taxes	10.2	37.1	36.9	(0.2)	(0.5%)	50.0	(6.9%)
Casino Wagering Tax	8.6	76.5	78.2	1.6	2.1%	104.2	3.7%
iGaming, Sports Betting, Fantasy Sports	44.3	289.6	386.7	97.0	33.5%	475.0	18.7%
Recreational Marihuana Excise Tax	48.5	225.2	228.0	2.8	1.2%	327.1	(1.3%)
Gas and Oil Severance Tax	1.6	15.9	15.3	(0.7)	(4.1%)	22.0	0.5%
Telephone and Telegraph Tax	22.2	43.4	28.6	(14.8)	(34.0%)	42.0	(2.3%)
Penalties and Interest	10.8	101.9	121.8	19.9	19.5%	157.0	(8.7%)
Lottery Transfer to School Aid Fund	69.7	940.8	840.3	(100.5)	(10.7%)	1,155.0	(7.5%)
Subtotal	**$306.5**	**$2,606.7**	**$2,748.1**	**$141.4**	**5.4%**	**$5,793.8**	**2.0%**
TOTAL	**$2,912.5**	**$22,999.0**	**$24,287.5**	**$1,288.5**	**5.6%**	**$35,366.2**	**2.3%**

Note: Numbers may not add due to rounding.