HOUSE FISCAL AGENCY

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May 2025 Revenue Update

Major Taxes

Cash collections from Michigan's major taxes, penalties and interest, and lottery transfers totaled $2,537.7 million in May 2025, $98.6 million less than in May 2024. For the fiscal year-to-date, collections in FY 2024-25 were $1,096.3 million (or 6.4%) higher than during FY 2023-24.

Net income tax revenue totaled $1,086.1 million in May 2025, and for FY 2024-25 collections through May were $1,097.8 million more than the same period during FY 2023-24. Year-to-date gross income tax collections in FY 2024-25 were $876.4 million higher than one year ago due primarily to higher individual income tax (IIT) withholding and annual payments and lower (less negative) refunds.

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 $163.5 million lower through May 2025 than a year ago. MBT refunds through May 2025 were $62.2 million more negative than last year while CIT collections over the same period were $93.4 million lower than last year's amount. Year-to-date insurance taxes were also lower than a year ago by $8.3 million (or 3.1%).

Revenue from consumption taxes, which consist of the sales tax, the use tax, beer and wine taxes, liquor taxes, and tobacco taxes, totaled $1,065.6 million in May 2025, and were collectively $19.5 million higher than in FY 2023-24 on a year-to-date basis. Sales tax collections were $86.7 million (or 1.5%) above last year's amount on a year-to-date basis, while use tax collections were $39.9 million (or 3.2%) lower than a year ago.

Revenue from online gaming totaled $45.4 million in May 2025 and collections through May were $73.6 million (or 33.1%) higher than the same period during FY 2023-24. Year-to-date revenue from recreational marihuana sales through May 2025 was $3.8 million higher than one year ago. The transfer from the lottery to the School Aid Fund was $111.6 million in May 2025, and year-to-date transfers were $53.0 million lower than FY 2023-24. Year-to-date revenue from the real estate transfer tax was $31.2 million (or 15.3%) above last year.

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

General Fund/General Purpose revenue from Michigan's major taxes was estimated[1] to be $1,113.2 million in May 2025, about $11.0 million below the projection established at the May 2025 consensus revenue estimating conference (CREC). Weaker than expected IIT withholding and CIT revenue offset higher than anticipated IIT quarterly and annual payments.

Because May collections are the only monthly revenues since the most recent CREC, year-to-date GF/GP tax revenue for FY 2024-25 was also about $11.0 million below the projected amount.

School Aid Fund (SAF) Revenue

School Aid Fund revenue from Michigan's major taxes was estimated[1] to be $1,252.1 million in May 2025, about $26.1 million above the amount established at the May 2025 CREC, led by higher than anticipated sales tax, gross IIT collections, and online gaming revenues.

For the same reason as with year-to-date GF/GP revenue, year-to-date SAF revenue for FY 2024-25 was also about $26.1 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 May Revenue Collections

Millions of Dollars

Major Taxes	FY 2024-25 May	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	$1,002.8	$7,595.4	$8,008.4	$413.0	5.4%	$13,571.9	5.9%
Flow Through Entity Tax	(15.1)	575.6	626.5	50.9	8.8%	1,000.0	4.4%
Quarterly Income Tax	52.5	539.1	651.5	112.4	20.8%	1,233.0	10.9%
Annual Income Tax	233.8	997.1	1,297.2	300.2	30.1%	1,518.0	26.3%
Gross Income Tax	**$1,274.1**	**$9,707.2**	**$10,583.6**	**$876.4**	**9.0%**	**$17,322.9**	**7.7%**
Less: Income Tax Refunds	187.9	3,571.1	3,349.7	(221.4)	(6.2%)	3,650.0	17.0%
Net Income Tax	**$1,086.1**	**$6,136.2**	**$7,233.9**	**$1,097.8**	**17.9%**	**$13,672.9**	**5.4%**
Business Taxes							
Single Business Tax	0.0	(0.3)	0.2	0.5		0.0	
Michigan Business Tax	(2.7)	(367.0)	(429.2)	(62.2)		(496.9)	
Corporate Income Tax	80.3	1,250.1	1,156.7	(93.4)	(7.5%)	2,192.5	0.9%
Insurance Company Taxes	7.6	271.7	263.3	(8.3)	(3.1%)	548.5	2.1%
Subtotal	**$85.2**	**$1,154.6**	**$991.1**	**($163.5)**	**(14.2%)**	**$2,244.1**	**(4.7%)**
Consumption Taxes							
Sales Tax	894.1	5,965.9	6,052.6	86.7	1.5%	10,728.8	1.4%
Use Tax (excluding LCSA levy)	108.2	1,252.6	1,212.6	(39.9)	(3.2%)	2,105.0	(1.1%)
Beer and Wine Taxes	1.1	21.7	21.1	(0.6)	(2.6%)	44.6	(0.7%)
Liquor Excise Tax	13.8	88.2	88.8	0.6	0.7%	148.0	2.6%
Tobacco Taxes	48.4	373.1	345.8	(27.3)	(7.3%)	629.0	(5.8%)
Subtotal	**$1,065.6**	**$7,701.4**	**$7,721.0**	**$19.5**	**0.3%**	**$13,655.4**	**0.7%**
Other Miscellaneous Taxes							
State Education Tax	27.1	508.6	594.5	85.8	16.9%	2,880.0	4.5%
Real Estate Transfer Tax	34.7	204.2	235.4	31.2	15.3%	424.5	4.9%
Essential Services Assessment	5.8	6.7	7.6	1.0	14.3%	157.0	6.6%
Industrial & Commercial Facilities Taxes	3.7	29.5	21.4	(8.1)	(27.4%)	50.0	(6.9%)
Casino Wagering Tax	9.2	59.4	61.4	1.9	3.3%	104.2	3.7%
iGaming, Sports Betting, Fantasy Sports	45.4	222.5	296.1	73.6	33.1%	475.0	18.7%
Recreational Marihuana Excise Tax	13.5	162.2	166.1	3.8	2.4%	327.1	(1.3%)
Gas and Oil Severance Tax	1.8	12.7	12.2	(0.5)	(4.0%)	22.0	0.5%
Telephone and Telegraph Tax	0.3	13.4	6.3	(7.1)	(53.2%)	42.0	(2.3%)
Penalties and Interest	47.7	87.5	101.3	13.8	15.8%	157.0	(8.7%)
Lottery Transfer to School Aid Fund	111.6	738.4	685.4	($53.0)	(7.2%)	1,155.0	(7.5%)
Subtotal	**$300.8**	**$2,045.2**	**$2,187.7**	**$142.5**	**7.0%**	**$5,793.8**	**2.0%**
TOTAL	**$2,537.7**	**$17,037.3**	**$18,133.7**	**$1,096.3**	**6.4%**	**$35,366.2**	**2.3%**

Note: Numbers may not add due to rounding.