HOUSE FISCAL AGENCY

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October 2025 Revenue Update

Major Taxes

Cash collections from Michigan's major taxes, penalties and interest, and lottery transfers totaled $4,341.5 million in October 2025, $234.9 million more than in October 2024. Cash collections in FY 2024-25 were $1,733.9 million (or 5.2%) higher than during FY 2023-24.

Net income tax revenue totaled $1,195.7 million in October 2025, and for FY 2024-25 collections were $1,517.0 million more than FY 2023-24. Year-to-date gross income tax collections in FY 2024-25 were $1,315.9 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. For FY 2024-25, net business taxes were $354.3 million lower than last year. MBT refunds were $58.7 million more negative than last year while CIT collections were $286.3 million (or 13.0%) lower than last year's amount. Insurance taxes were also lower than a year ago by $9.8 million (or 1.8%).

Revenue from consumption taxes, which consist of the sales tax, the use tax, beer and wine taxes, liquor taxes, and tobacco taxes, totaled $1,217.5 million in October 2025, and were collectively $130.1 million higher than FY 2023-24. Sales tax collections were $214.4 million (or 2.0%) above last year's amount, while use tax collections were $37.0 million (or 1.7%) lower than last year.

Revenue from online gaming totaled $47.8 million in October 2025 and FY 2024-25 collections were $135.2 million (or 34.3%) higher than FY 2023-24. Recreational marihuana revenue for FY 2024-25 was $0.2 million (or 0.1%) higher than last year. The transfer from the lottery to the School Aid Fund was $88.9 million in October 2025, and transfers for the year were $45.4 million lower than FY 2023-24. State Education Tax (SET) revenue was $267.1 million (or 10.0%) higher and real estate transfer tax collections were $43.3 million (or 10.9%) higher in FY 2024-25 than 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 $1,418.3 million in October 2025, about $39.6 million above the projection established at the May 2025 consensus revenue estimating conference (CREC) primarily due to higher IIT withholding and quarterlies and lower MBT refunds offsetting below forecast CIT revenue.

GF/GP cash collections for FY 2024-25 were approximately $227.3 million below the projected amount with lower CIT collections and higher IIT refunds offsetting above forecast IIT quarterly payments and sales and use tax revenue.

School Aid Fund (SAF) Revenue

School Aid Fund revenue from Michigan's major taxes was estimated[1] to be $2,715.1 million in October 2025, about $74.7 million above the amount established at the May 2025 CREC.

SAF revenue for FY 2024-25 was approximately $219.8 million above the consensus revenue projections primarily due to above forecast net IIT collections, sales and use tax collections, SET, and online gaming revenue.

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

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FY 2024-25 October Revenue Collections

Millions of Dollars

Major Taxes	FY 2024-25 October	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	$1,166.3	$12,901.1	$13,592.0	$690.9	5.4%	$13,571.9	5.9%
Flow Through Entity Tax	(24.7)	962.7	1,000.7	38.1	4.0%	1,000.0	4.4%
Quarterly Income Tax	54.4	1,114.9	1,375.8	260.9	23.4%	1,233.0	10.9%
Annual Income Tax	91.3	1,184.1	1,510.1	326.0	27.5%	1,518.0	26.3%
Gross Income Tax	**$1,287.3**	**$16,162.8**	**$17,478.7**	**$1,315.9**	**8.1%**	**$17,322.9**	**7.7%**
Less: Income Tax Refunds	91.5	4,033.5	3,832.3	(201.1)	(5.0%)	3,650.0	17.0%
Net Income Tax	**$1,195.7**	**$12,129.3**	**$13,646.3**	**$1,517.0**	**12.5%**	**$13,672.9**	**5.4%**
Business Taxes							
Single Business Tax	0.0	(0.3)	0.2	0.5		0.0	
Michigan Business Tax	(5.4)	(360.8)	(419.5)	(58.7)		(496.9)	
Corporate Income Tax	97.5	2,195.8	1,909.6	(286.3)	(13.0%)	2,192.5	0.9%
Insurance Company Taxes	122.3	536.3	526.5	(9.8)	(1.8%)	548.5	2.1%
Subtotal	**$214.3**	**$2,371.1**	**$2,016.7**	**($354.3)**	**(14.9%)**	**$2,244.1**	**(4.7%)**
Consumption Taxes							
Sales Tax	942.6	10,588.7	10,803.1	214.4	2.0%	10,728.8	1.4%
Use Tax (excluding LCSA levy)	207.3	2,199.1	2,162.2	(37.0)	(1.7%)	2,105.0	(1.1%)
Beer and Wine Taxes	8.7	44.9	42.9	(2.0)	(4.5%)	44.6	(0.7%)
Liquor Excise Tax	3.2	148.5	146.1	(2.4)	(1.6%)	148.0	2.6%
Tobacco Taxes	55.7	664.5	621.6	(42.9)	(6.5%)	629.0	(5.8%)
Subtotal	**$1,217.5**	**$13,645.8**	**$13,775.9**	**$130.1**	**1.0%**	**$13,655.4**	**0.7%**
Other Miscellaneous Taxes							
State Education Tax	1,448.7	2,658.9	2,926.0	267.1	10.0%	2,880.0	4.5%
Real Estate Transfer Tax	37.4	396.8	440.1	43.3	10.9%	424.5	4.9%
Essential Services Assessment	0.3	146.4	156.2	9.8	6.7%	157.0	6.6%
Industrial & Commercial Facilities Taxes	6.9	57.5	58.0	0.5	0.8%	50.0	(6.9%)
Casino Wagering Tax	9.1	102.3	103.4	1.1	1.1%	104.2	3.7%
iGaming, Sports Betting, Fantasy Sports	47.8	393.8	529.1	135.2	34.3%	475.0	18.7%
Recreational Marihuana Excise Tax	48.9	305.4	305.7	0.2	0.1%	327.1	(1.3%)
Gas and Oil Severance Tax	1.9	21.0	20.4	(0.6)	(2.9%)	22.0	0.5%
Telephone and Telegraph Tax	7.2	51.4	45.3	(6.0)	(11.7%)	42.0	(2.3%)
Penalties and Interest	17.0	125.4	161.4	36.0	28.7%	157.0	(8.7%)
Lottery Transfer to School Aid Fund	88.9	1,210.4	1,164.9	(45.4)	(3.8%)	1,155.0	(7.5%)
Subtotal	**$1,714.0**	**$5,469.4**	**$5,910.5**	**$441.1**	**8.1%**	**$5,793.8**	**2.0%**
TOTAL	**$4,341.5**	**$33,615.5**	**$35,349.4**	**$1,733.9**	**5.2%**	**$35,366.2**	**2.3%**

Note: Numbers may not add due to rounding.