



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

January 30, 2026

The Honorable Sarah Anthony, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Ann Bollin, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending December 31, 2025. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

www.michigan.gov/budget under "Spending and Revenue Reports".

If you have questions concerning the information in this report, please contact this office.

Sincerely,

Jennifer L. Flood
State Budget Director

Attachment

cc: Winnie Brinks, Senate Maj. Leader
Aric Nesbitt, Senate Min. Leader
Matt Hall, Speaker of the House
Ranjeev Puri, House Min. Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency
Mary Cavanagh, Chair, Senate Finance,
Insurance, & Consumer Protection Com.

Mark Tisdell, Chair, House Finance Committee
JoAnne Huls, Executive Office
Tricia Foster, Executive Office
Zack Pohl, Executive Office
Rachael Eubanks, State Treasurer
Kyle Guerrant, Deputy State Budget Director
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2026
Projected Revenues and Expenditures
December 31, 2025
(\$ in millions)

	FISCAL 2026
Beginning Balance	\$ 911.8 ¹
Revenues	
Ongoing:	
May 2025 Consensus Revenue	\$ 15,114.6
Research and Development Tax Credit	\$ (100.0)
Estimated Impact of Tax Changes	\$ (495.8)
Local Government Program Payments	\$ (677.2)
Subtotal Ongoing Revenue	\$ 13,841.6
One-Time:	
Estimated Impact of Tax Changes	\$ (241.6)
One-time Revenue Adjustments	\$ (2.7)
Subtotal One-Time Revenue	\$ (244.3)
Total Revenue	\$ 13,597.3 ²
Expenditures	
Ongoing:	
Public Acts 15 and 22 of 2025	\$ 13,588.1
Subtotal Ongoing Expenditures	\$ 13,588.1
One-Time:	
Public Acts 15 and 22 of 2025	\$ 526.5
Subtotal One-Time Expenditures	\$ 526.5
Total Expenditures	\$ 14,114.6
Ending Balance	\$ 394.5

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2025. Final year-end activity will be reflected in the fiscal year 2025 Annual Comprehensive Financial Report.

² Revenue totals are adjusted for estimated impacts of recently enacted tax changes.

SCHOOL AID FUND
Fiscal Year 2026
Projected Revenues and Expenditures
December 31, 2025
(\$ in millions)

	FISCAL 2026
Beginning Balance	\$ 1,198.7
Revenues	
Ongoing:	
May 2025 Consensus Forecast	\$ 18,934.3
General Fund	\$ 46.2
Federal Revenue	\$ 2,407.7
Subtotal Ongoing Revenue	\$ 21,388.2
One-Time:	
General Fund	\$ 27.0
Enrollment Stability Reserve Fund - Public Act 15 of 2025	\$ 71.0
Transportation Reserve Fund - Public Act 15 of 2025	\$ 125.0
Great Start Readiness Reserve Fund - Public Act 15 of 2025	\$ 18.0
School Consolidation and Infrastructure Fund - Public Act 15 of 2025	\$ 100.0
Educator Fellowship Fund - Public Act 15 of 2025	\$ 30.0
State School Aid Pupil Support Reserve Fund	\$ 97.0
General Pupil Support Reserve Fund	\$ 0.6
Revenue Deposits - Public Act 15 of 2025	\$ (457.9)
Deposit from Consolidation and Infrastructure Fund - Sec. 11x	\$ 83.4
Subtotal One-Time Revenue	\$ 94.1
Total Revenue	\$ 21,482.3
Expenditures	
Ongoing:	
School Aid - Public Act 15 of 2025	\$ 20,044.5
Community Colleges - Public Act 15 of 2025	\$ 482.1
Universities - Public Act 15 of 2025	\$ 851.1
Subtotal Ongoing Expenditures	\$ 21,377.7
One-Time:	
School Aid - Public Act 15 of 2025	\$ 1,248.3
Community Colleges - Public Act 15 of 2025	\$ 11.0
Subtotal One-Time Expenditures	\$ 1,259.3
Total Expenditures	\$ 22,637.0
Ending Balance	\$ 44.0

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2025. Final year-end activity will be reflected in the fiscal year 2025 Annual Comprehensive Financial Report.

**SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE**

December 31, 2025

(\$ in millions)

Fiscal Year 2025			Fiscal Year 2026				
Expenditures & Encumbrances Year to Date FY 2025	Expenditures & Encumbrances Fiscal Year End SEP 30, 2025	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards (2)	Total Authorization	Expenditures & Encumbrances Year to Date FY 2026
44.4	182.3	Agriculture and Rural Development	145.9	5.2	184.8	335.9	64.1
30.3	131.8	Attorney General	122.9	3.0	50.7	176.6	31.5
189.5	750.9	Capital Outlay (3)	370.2	3.2	3,795.0	4,168.4	169.6
6.0	29.7	Civil Rights	28.4	2.0	15.2	45.6	6.4
581.7	2,165.8	Colleges and Universities	1,486.1	300.0	185.6	1,971.8	599.2
644.5	2,156.5	Corrections	2,153.7	0.0	677.3	2,831.0	665.3
88.8	345.2	Education	229.5	0.0	826.1	1,055.6	63.9
186.9	1,026.1	Environment, Great Lakes, and Energy	905.1	0.0	4,468.2	5,373.3	239.3
2.8	9.3	Executive Office	9.6	0.0	0.1	9.7	3.0
8,782.9	37,973.4	Health and Human Services	29,933.4	9,331.4	4,640.9	43,905.7	9,783.5
17.8	72.5	Insurance and Financial Services	79.4	1.2	8.8	89.4	20.4
64.4	394.7	Judiciary	383.6	0.0	181.0	564.6	77.3
435.4	1,820.2	Labor and Economic Opportunity	867.1	50.3	5,319.6	6,237.0	424.4
6.5	29.5	Legislative Auditor General	31.7	0.0	22.0	53.7	7.7
44.9	186.2	Legislature	196.8	0.0	296.0	492.8	48.7
249.2	589.1	Licensing and Regulatory Affairs	585.2	120.0	224.4	929.6	178.4
220.6	752.1	Lifelong Education, Advancement, and Potential	669.3	0.0	158.4	827.7	176.5
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
198.3	248.1	Michigan Strategic Fund	65.4	1.0	0.0	66.4	47.9
47.0	47.0	Michigan Veterans' Facility Authority	47.9	4.9	0.0	52.7	47.9
56.8	134.3	Military and Veterans Affairs	120.2	9.5	17.2	146.9	38.4
89.1	222.2	Natural Resources	161.4	1.8	122.9	286.1	78.8
66.3	283.8	State	295.0	10.2	160.8	466.0	89.1
0.0	2.0	State Land Bank Authority	2.0	0.0	0.0	2.0	0.0
273.1	1,495.2	State Police	962.3	148.9	862.4	1,973.5	257.8
142.7	1,035.5	Technology, Management and Budget (4)	550.3	260.0	924.6	1,734.9	176.1
31.9	36.7	Transportation	0.0	552.0	71.4	623.4	2.0
832.1	5,109.0	Treasury	2,555.6	159.1	550.3	3,265.0	855.5
\$13,333.8	\$57,229.0		\$42,958.2	\$10,963.5	\$23,794.0	\$77,715.6	\$14,152.6

(1) Includes boilerplate appropriations.

(2) Carryforward amounts do not include authorization related to amounts appropriated for the fiscal year 2025. Entry of these amounts is expected in January 2026.

(3) Includes all capital outlay activity regardless of agency.

(4) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2026
December 31, 2025
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	26,247.5	0.0	26,247.5
Total state spending from state resources	45,929.2	0.0	45,929.2
Percentage of state spending from state resources paid to local units	57.15%	0.00%	57.15%
Required payments to local units (48.97%)	22,491.5	0.0	22,491.5
Surplus/(deficit)	\$3,756.0	\$0.0	\$3,756.0

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
December 31, 2025
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 2,157,367</u>
Total Assets	<u><u>\$ 2,157,367</u></u>

LIABILITIES

Current Liabilities:	
Total Current Liabilities	<u>\$ -</u>
Total Liabilities	<u>-</u>

FUND BALANCES

Committed	<u>2,157,367</u>
Total Fund Balances	<u>2,157,367</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,157,367</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2025 through December 31, 2025
 (\$ in thousands)

REVENUES

Miscellaneous		\$ -
		<hr/>
Total Revenues		-
		<hr/>

EXPENDITURES

Current:		
General government		-
		<hr/>
Total Expenditures		-
		<hr/>
Excess of Revenues over (under) Expenditures		-
		<hr/>

OTHER FINANCING SOURCES (USES)

Transfers from other funds		-
Transfers to other funds		-
		<hr/>
Total Other Financing Sources (Uses)		-
		<hr/>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		\$ - ¹
		<hr/> <hr/>

¹ Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

**STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
MICHIGAN NATURAL RESOURCES TRUST FUND**

December 31, 2025

(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 52,475
Investments	-
Other current assets	-
Total Current Assets	<u>52,475</u>

Noncurrent Assets:

Investments	<u>828,794</u>
-------------	----------------

Total Assets	<u><u>\$ 881,269</u></u>
--------------	--------------------------

LIABILITIES

Current Liabilities:

Accounts payable and other liabilities	\$ 6,446
Amounts due to other funds	-
Total Current Liabilities	<u>6,446</u>

Total Liabilities	<u>6,446</u>
-------------------	--------------

FUND BALANCES

Nonspendable	500,000
Restricted	<u>374,824</u>

Total Fund Balances	<u>874,824</u>
---------------------	----------------

Total Liabilities and Fund Balances	<u><u>\$ 881,269</u></u>
-------------------------------------	--------------------------

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
October 1, 2025 through December 31, 2025
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		18,995
		18,995
Total Revenues		18,995

EXPENDITURES

Current:		
General government		747
Conservation, environment, recreation, and agriculture		436
Capital outlay		6,032
		6,032
Total Expenditures		7,215
Excess of Revenues over (under) Expenditures		11,780

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		309
Transfers from other funds		-
Transfers to other funds		-
		-
Total Other Financing Sources (Uses)		309
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		\$ 12,089 ¹

¹ Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

REVENUE OVERVIEW

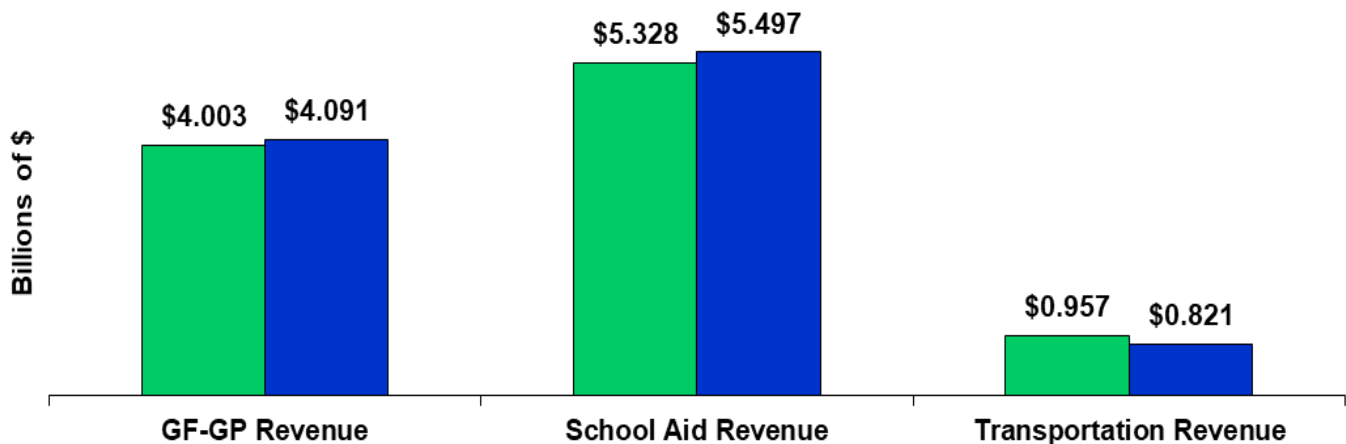
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for December 2025, representing some November and December economic activity in Michigan.

Total General Fund - General Purpose (GF-GP) cash collections were \$190.6 million (11.5 percent) lower in December 2025 than in December 2024. December 2025 School Aid Fund cash collections were \$14.4 million (1.1 percent) higher than in December 2024. December 2025 transportation collections were \$46.0 million (14.9 percent) lower than in December 2024 (see revenue summary table). GF-GP collections will be higher and transportation collections will show a decline in FY 2026 as the GF-GP withholding tax earmark has been replaced by a GF-GP corporate income tax transfer that will be later in the fiscal year. December is the third month of the State's fiscal year (FY). Year-to-date collection totals generally provide a more accurate view of collections since they are less affected by the timing of payments. Year-to-date GF-GP cash collections are up \$88.1 million (2.2 percent) from a year ago. School Aid Fund cash collections are up \$169.2 million (3.2 percent), and transportation collections are down \$136.2 million (14.2 percent).

The FY 2025-26 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on May 16, 2025. The revenue estimate for net GF-GP revenue for FY 2025-26 is \$15,114.6 million and the net School Aid revenue forecast is \$18,934.3 million. The Transportation Funds revenue forecast is \$4,383.5 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

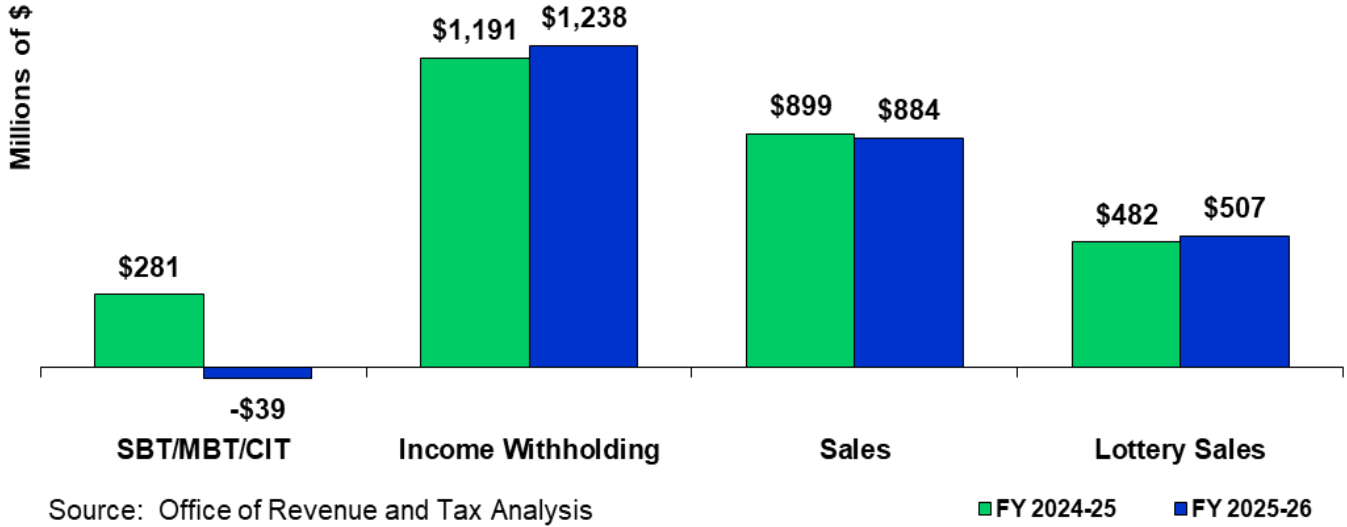
October through December Collections FY 2024-25 and FY 2025-26



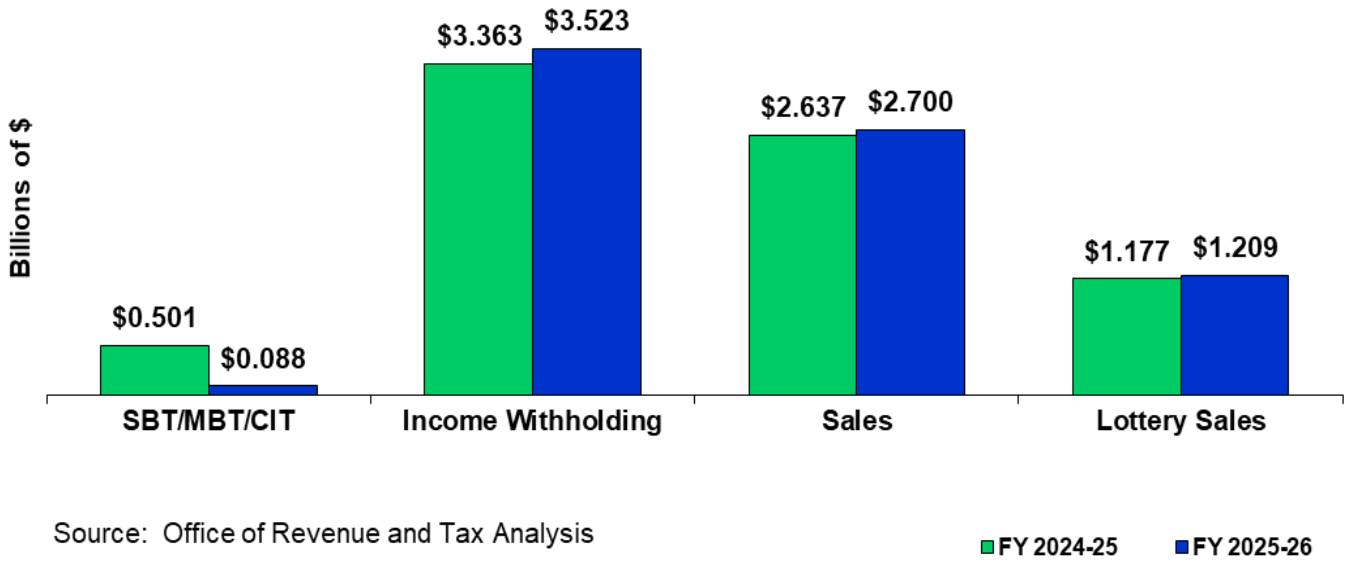
Source: Office of Revenue and Tax Analysis

■ FY 2024-25 ■ FY 2025-26

December Revenue Collections FY 2024-25 and FY 2025-26



October through December Collections FY 2024-25 and FY 2025-26



Revenue Summary FY 2025-26
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: December 31, 2025

Month-End Cash Collections Data				October Through December Cash Collections Data					Revenue Projections		
December		Difference		Source of Revenue	Year-to-Date		Difference		FY 2024-25	FY 2024-25	FY 2025-26
2024	2025	Amount	Percent		FY 2024-25	FY 2025-26	Amount	Percent	May 2025 Forecast	Statutory Estimate	May 2025 Forecast
Income Taxes											
\$1,191,487	\$1,237,523	\$46,036	3.9%	Withholding	\$3,363,001	\$3,523,355	\$160,355	4.8%	\$13,571,900	\$13,866,700	\$13,866,700
68,620	71,208	2,587	3.8%	Quarterlies	117,016	140,977	23,961	20.5%	1,233,000	1,220,100	1,220,100
184,501	240,861	56,360	30.5%	Flow Through Entity Tax	133,600	214,028	80,428	60.2%	1,000,000	1,010,000	1,010,000
19,964	22,726	2,762	13.8%	Annuals	130,771	138,416	7,645	5.8%	1,518,000	1,508,300	1,508,300
\$1,464,573	\$1,572,318	\$107,745	7.4%	Gross Collections	\$3,744,388	\$4,016,776	\$272,388	7.3%	\$17,322,900	\$17,605,100	\$17,605,100
40,232	53,096	12,864	32.0%	Less: Refunds	206,906	144,985	(61,921)	-29.9%	3,650,000	3,738,500	3,738,500
0	0	0	na	Less: State Campaign Fund	0	0	0	na	800	800	800
\$1,424,341	\$1,519,222	\$94,881	6.7%	Net Personal Income	\$3,537,482	\$3,871,791	\$334,309	9.5%	\$13,672,100	\$13,865,800	\$13,865,800
50,000	0	(50,000)	-100.0%	Less: Disbursements to MTF	150,000	0	(150,000)	-100.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disburse to Renew Michigan/GJFM	17,250	17,250	0	0.0%	69,000	69,000	69,000
348,713	374,369	25,656	7.4%	Less: Disbursements to SAF	891,532	956,384	64,852	7.3%	4,231,900	4,342,000	4,342,000
\$1,019,877	\$1,139,103	\$119,225	11.7%	Net Personal Income To GF-GP	\$2,478,700	\$2,898,157	\$419,458	16.9%	\$8,771,200	\$8,854,800	\$8,854,800
Consumption Taxes											
\$142,599	\$139,815	(\$2,784)	-2.0%	Sales (a)	\$416,425	\$427,166	\$10,741	2.6%	\$1,638,700	\$1,661,500	\$1,661,500
145,884	151,007	5,123	3.5%	Use (a) (h)	290,855	321,836	30,981	10.7%	1,178,500	1,237,400	1,237,400
10,068	9,220	(848)	-8.4%	Tobacco	32,130	30,879	(1,251)	-3.9%	125,100	123,600	123,600
1,114	980	(134)	-12.0%	Beer, Wine & Mixed Spirits	11,616	10,958	(658)	-5.7%	44,600	46,600	46,600
6,434	304	(6,130)	-95.3%	Liquor Specific	16,146	10,159	(5,987)	-37.1%	67,100	68,000	68,000
\$306,099	\$301,327	(\$4,772)	-1.6%	Total Consumption Taxes	\$767,171	\$800,997	\$33,826	4.4%	\$3,054,000	\$3,137,100	\$3,137,100
Other Taxes											
\$3	\$0	(\$3)	-87.3%	Single Business	\$7	\$2	(\$5)	-74.8%	\$0	\$0	\$0
4,582	5,610	1,028	22.4%	Insurance Premiums Taxes	\$125,838	131,682	5,844	4.6%	548,500	565,400	565,400
4,585	5,610	1,025	22.4%	Sub-total SBT & Insurance	125,845	131,683	5,839	4.6%	548,500	565,400	565,400
(19,933)	(394,167)	(374,234)	na	Michigan Business Tax	(56,697)	(396,529)	(339,832)	na	(496,900)	(507,700)	(507,700)
300,999	354,858	53,860	17.9%	Corporate Income Tax	557,603	484,370	(73,233)	-13.1%	1,592,500	2,165,500	2,165,500
2,958	9,998	7,040	238.0%	Telephone & Telegraph	11,036	20,023	8,987	81.4%	42,000	41,000	41,000
736	1,452	716	97.2%	Oil & Gas Severance	4,244	4,622	377	8.9%	22,000	23,000	23,000
7,275	13,490	6,215	85.4%	Penalties & Interest	21,225	54,676	33,452	158.0%	157,000	162,500	162,500
35	197	163	470.0%	Essential Services Assessment	1,473	688	(786)	-53.3%	157,000	158,000	158,000
36	206	171	480.0%	Miscellaneous Other/Railroad	188	243	56	29.6%	8,000	8,000	8,000
(12,583)	(12,583)	0	0.0%	Treasury Enforcement Programs (e)	(37,750)	(37,750)	0	0.0%	(150,000)	(151,000)	(151,000)
\$284,106	(\$20,938)	(\$305,044)	-107.4%	Total Other Taxes	\$627,167	\$262,027	(\$365,140)	-58.2%	\$1,880,100	\$2,464,700	\$2,464,700
\$1,610,082	\$1,419,491	(\$190,591)	-11.8%	Subtotal GF-GP Taxes	\$3,873,038	\$3,961,181	\$88,144	2.3%	\$13,705,300	\$14,456,600	\$14,456,600

continued

Revenue Summary FY 2025-26
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: December 31, 2025

Month-End Cash Collections Data				October Through December Cash Collections Data					Revenue Projections		
December		Difference		Source of Revenue	Year-to-Date		Difference		FY 2024-25	FY 2024-25	FY 2025-26
2024	2025	Amount	Percent		FY 2024-25	FY 2025-26	Amount	Percent	May 2025 Forecast	Statutory Estimate	May 2025 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$2,500	\$2,500	\$0	0.0%	\$10,000	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	25	25	0	0.0%	100	100	100
583	583	0	0.0%	Services	1,750	1,750	0	0.0%	7,000	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	3,500	3,500	0	0.0%	14,000	14,000	14,000
0	0	0	na	Investments/Interest Costs	0	0	0	na	285,000	150,000	150,000
833	833	0	0.0%	Misc. Non-tax Revenue	2,500	2,500	0	0.0%	35,000	35,000	35,000
28,750	28,750	0	0.0%	Liquor Purchase Revolving Fund	86,250	86,250	0	0.0%	293,500	297,900	297,900
11,000	11,000	0	0.0%	From Other Funds-Lottery & Escheats	33,000	33,000	0	0.0%	144,000	144,000	144,000
<u>\$43,175</u>	<u>\$43,175</u>	<u>\$0</u>	<u>0.0%</u>	Total Non-Tax Revenue	<u>\$129,525</u>	<u>\$129,525</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$788,600</u>	<u>\$658,000</u>	<u>\$658,000</u>
\$1,653,257	\$1,462,666	(\$190,591)	-11.5%	Total GF-GP Revenue	\$4,002,563	\$4,090,706	\$88,144	2.2%	\$14,493,900	\$15,114,600	\$15,114,600
School Aid Fund											
\$364,637	\$357,956	(\$6,681)	-1.8%	Sales Tax 4%	\$1,072,817	\$1,097,259	\$24,442	2.3%	\$4,403,800	\$4,476,600	\$4,476,600
291,757	286,965	(4,792)	-1.6%	Sales Tax 2%	848,730	871,568	22,837	2.7%	3,456,300	3,516,000	3,516,000
72,942	75,504	2,562	3.5%	Use Tax 2%	230,643	239,852	9,210	4.0%	926,500	957,000	957,000
43,761	60,698	16,937	38.7%	State Education Property Tax	1,856,450	1,939,136	82,686	4.5%	2,880,000	2,966,100	2,966,100
29,754	29,742	(11)	0.0%	Real Estate Transfer Tax	107,869	107,374	(495)	-0.5%	424,500	431,800	431,800
118,577	107,588	(10,989)	-9.3%	Lottery Transfer (b)	203,577	187,588	(15,989)	-7.9%	1,155,000	1,155,300	1,155,300
8,865	8,664	(201)	-2.3%	Casino Wagering Tax	26,495	17,757	(8,738)	-33.0%	579,200	599,700	599,700
6,305	0	(6,305)	-100.0%	Liquor Excise Tax	13,204	6,289	(6,914)	-52.4%	80,900	82,900	82,900
20,439	18,718	(1,721)	-8.4%	Cigarette/Tobacco Tax	65,228	62,689	(2,539)	-3.9%	214,600	210,800	210,800
247	264	16	6.7%	Indus. & Comm. Facilities Taxes	9,303	9,064	(239)	-2.6%	50,000	50,000	50,000
606	509	(97)	-16.0%	Specific Other	1,881	1,934	53	2.8%	142,500	146,000	146,000
348,713	374,369	25,656	7.4%	Income Tax Earmarking	891,532	956,384	64,852	7.3%	4,231,900	4,342,000	4,342,000
<u>\$1,306,604</u>	<u>\$1,320,977</u>	<u>\$14,374</u>	<u>1.1%</u>	Total School Aid Fund	<u>\$5,327,730</u>	<u>\$5,496,897</u>	<u>\$169,167</u>	<u>3.2%</u>	<u>\$18,545,200</u>	<u>\$18,934,300</u>	<u>\$18,934,300</u>
Multi-Fund Revenue Summary											
\$899,486	\$883,558	(\$15,927)	-1.8%	Sales Tax 6%	\$2,636,759	\$2,700,333	\$63,574	2.4%	\$10,728,800	\$10,908,000	\$10,908,000
607,728	596,593	(11,135)	-1.8%	Sales Tax 4% (d)	1,788,029	1,828,766	40,737	2.3%	7,272,500	7,392,000	7,392,000
291,757	286,965	(4,792)	-1.6%	Sales Tax 2%	848,730	871,568	22,837	2.7%	3,456,300	3,516,000	3,516,000
218,826	226,511	7,685	3.5%	Use Tax 6% (g)	691,928	719,557	27,629	4.0%	2,749,800	2,840,800	2,840,800
15,166	14,614	(552)	-3.6%	Recreational Marihuana	80,994	78,169	(2,825)	-3.5%	322,100	332,100	332,100
50,592	46,332	(4,260)	-8.4%	Tobacco Taxes	161,456	155,172	(6,284)	-3.9%	629,000	621,000	621,000
13	1	(12)	-92.7%	Tobacco Settlement	13	1	(12)	-92.7%	na	na	na

continued

Revenue Summary FY 2025-26
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: December 31, 2025

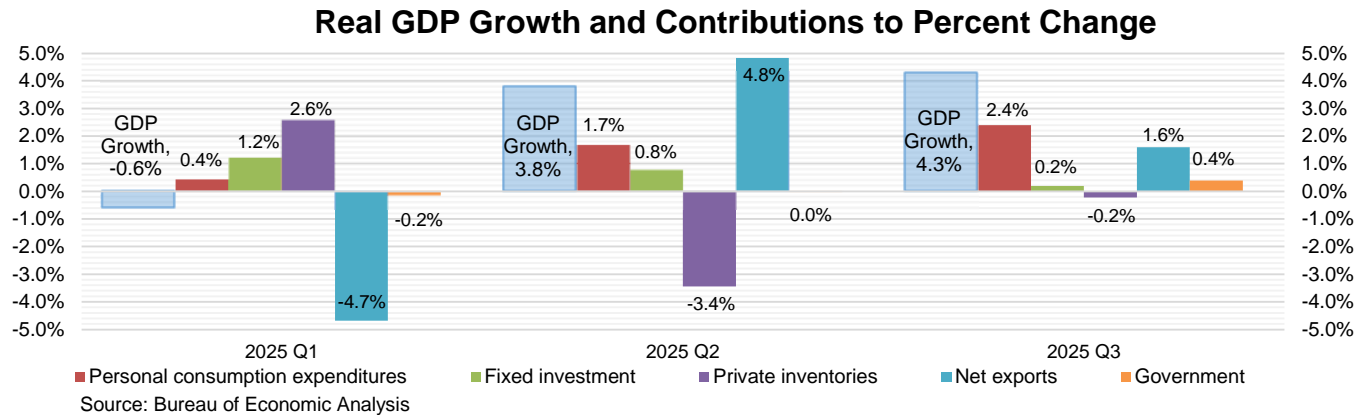
Month-End Cash Collections Data				October Through December Cash Collections Data				Revenue Projections			
December		Difference		Source of Revenue	Year-to-Date		Difference		FY 2024-25 May 2025 Forecast	FY 2024-25 Statutory Estimate	FY 2025-26 May 2025 Forecast
2024	2025	Amount	Percent		FY 2024-25	FY 2025-26	Amount	Percent			
Major Transportation Revenues											
\$22,031	\$20,699	(\$1,332)	-6.0%	Diesel Fuel / Motor Carrier Fuel Tax	\$73,994	\$74,629	\$635	0.9%	\$279,000	\$279,000	\$286,000
105,335	105,791	456	0.4%	Gasoline	330,086	338,874	8,788	2.7%	1,303,000	1,297,000	1,341,000
117,858	123,372	5,514	4.7%	Motor Vehicle Registration	360,718	365,072	4,354	1.2%	1,532,000	1,585,000	1,585,000
3,549	2,959	(590)	-16.6%	Other Taxes, Fees & Misc.	11,274	11,248	(25)	-0.2%	378,287	379,471	383,732
10,417	10,417	0	0.0%	Comprehensive Transportation (c)	31,250	31,250	0	0.0%	185,447	186,147	187,800
50,000	0	(50,000)	-100.0%	Income Tax Earmarking	150,000	0	(150,000)	-100.0%	600,000	600,000	600,000
<u>\$309,189</u>	<u>\$263,238</u>	<u>(\$45,952)</u>	<u>-14.9%</u>	Total Major Trans. Revenues	<u>\$957,321</u>	<u>\$821,073</u>	<u>(\$136,248)</u>	<u>-14.2%</u>	<u>\$4,277,734</u>	<u>\$4,326,618</u>	<u>\$4,383,532</u>
Lottery Sales By Games											
\$252,157	\$241,108	(\$11,049)	-4.4%	Instant Games (f)	\$616,864	\$586,137	(\$30,726)	-5.0%	na	na	na
92,005	90,539	(1,466)	-1.6%	Daily Games	238,885	233,638	(5,247)	-2.2%	na	na	na
64,431	102,917	38,486	59.7%	Lotto and Big Game (f)	122,729	194,906	72,177	58.8%	na	na	na
668	620	(49)	-7.3%	Keno Game	1,736	1,624	(112)	-6.5%	na	na	na
3,737	3,594	(143)	-3.8%	Lucky For Life	9,624	9,042	(582)	-6.0%	na	na	na
12,860	19,695	6,835	53.1%	Other (f)	36,973	55,076	18,103	49.0%	na	na	na
56,339	48,430	(7,909)	-14.0%	Club Games	150,555	128,377	(22,179)	-14.7%	na	na	na
<u>\$482,199</u>	<u>\$506,903</u>	<u>\$24,705</u>	<u>5.1%</u>	Total Lottery Sales	<u>\$1,177,366</u>	<u>\$1,208,800</u>	<u>\$31,434</u>	<u>2.7%</u>	<u>na</u>	<u>na</u>	<u>na</u>

- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (b) The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School Aid Fund transfer. The transfers shown are actual transfers from Lottery to School Aid Fund.
- (c) The Comprehensive Transportation Fund distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the Comprehensive Transportation Fund).
- (d) 2% collections adjusted to reflect exemption on residential utilities.
- (e) Non-tax revenue items other than interest are estimates.
- (f) Lottery Sales include iLottery net win amounts; and Other lottery games includes the new Fast Cash games, which began in July 2017.
- (g) Gross Use tax collections include the transferred amounts to the Local Community Stabilization Authority, which are front-loaded at the beginning of the fiscal year. The year-to-date 2025 revenues were \$170.4 million and the year-to date 2026 revenues are \$157.9 million. Per 2014 Public Act 80, the total fiscal year 2026 Local Community Stabilization Share (LCSS) was \$569.8 million and the total fiscal year 2026 LCSS is \$571.4 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2025 LCSS revenues were \$170.4 million and the year-to-date 2026 LCSS revenues are \$157.9 million.

Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights
(All data seasonally adjusted unless otherwise noted.)
U.S. Economy

U.S. real **Gross Domestic Product** increased at a 4.3 percent annual rate in the third quarter of 2025, according to the initial estimate released by the Bureau of Economic Analysis, up from the 3.8 percent annual rate in the second quarter of 2025. Due to the recent federal government shutdown, the initial estimate replaces the releases of the advance and the second estimates for the third quarter of 2025. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

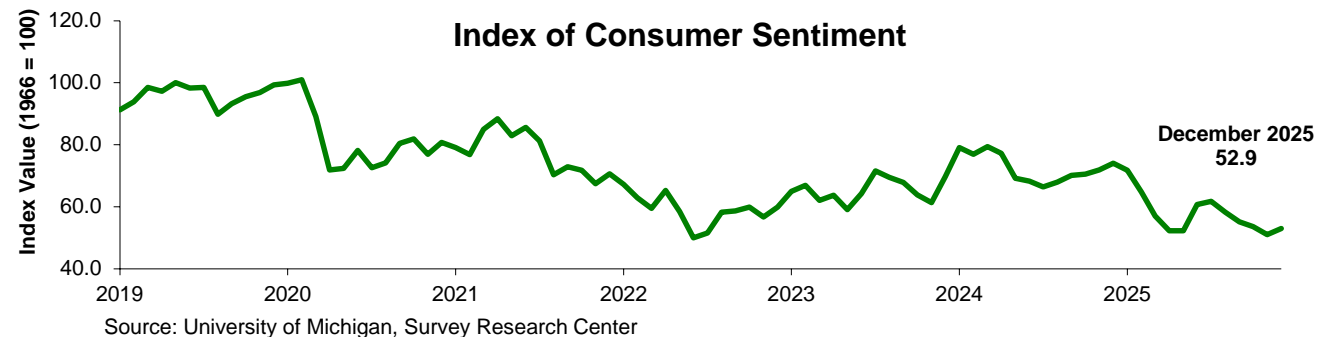


Consumer spending, exports, and government spending drove the increase in GDP in the third quarter of 2025, offsetting the decline in private inventories. Real final sales increased by 4.6 percent in the third quarter, while the implicit price deflator increased by 3.7 percent in the same period.

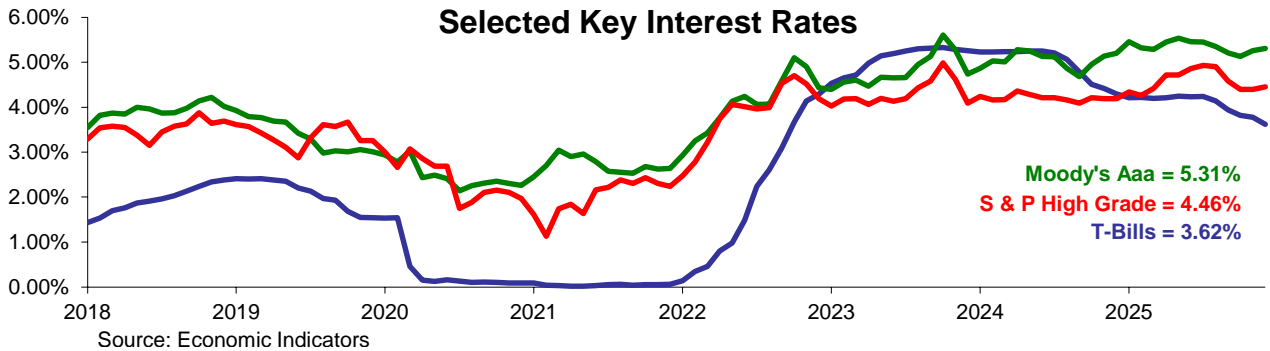
U.S. wage and salary employment increased by 50,000 jobs in December, after the revised decline of 56,000 jobs in November. In December, the sectors with the largest employment increases include leisure and hospitality services with a gain of 47,000 jobs, private education and health services with an increase of 41,000 jobs, and government with 13,000 additional jobs. The largest employment declines in December were observed in retail trade services with 25,000 jobs lost, construction services with a decrease of 11,000 jobs, and professional and business services with 9,000 fewer jobs.

In December, the **U.S. unemployment rate** decreased to 4.4 percent, 0.1 percentage points below the revised November rate. Civilian employment increased to 164.0 million in December from 163.8 million in November, while the number of unemployed decreased to 7.5 million from 7.8 million in the same period. The December labor force participation rate of 62.4 percent is 0.1 percentage points lower than November's rate, and below the pre-pandemic rate of 63.3 percent in February 2020.

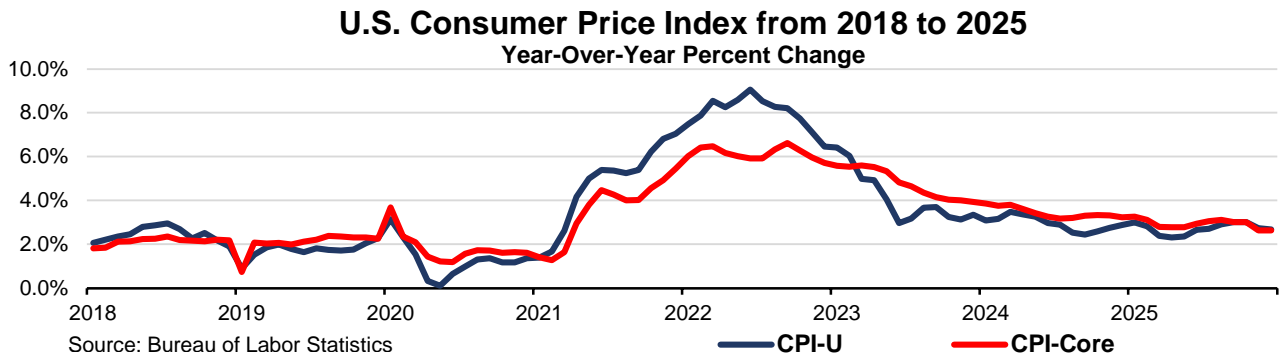
The **Index of Consumer Sentiment** inched up to 52.9 in December, 1.9 index-points above November's reading. Pocketbook issues continue to dominate consumer views of the economy, with year-ahead and long-run inflation expectations easing and expectations for personal finances and business conditions rising in December. Consumer sentiment is 21.1 index-points below the year-ago level.



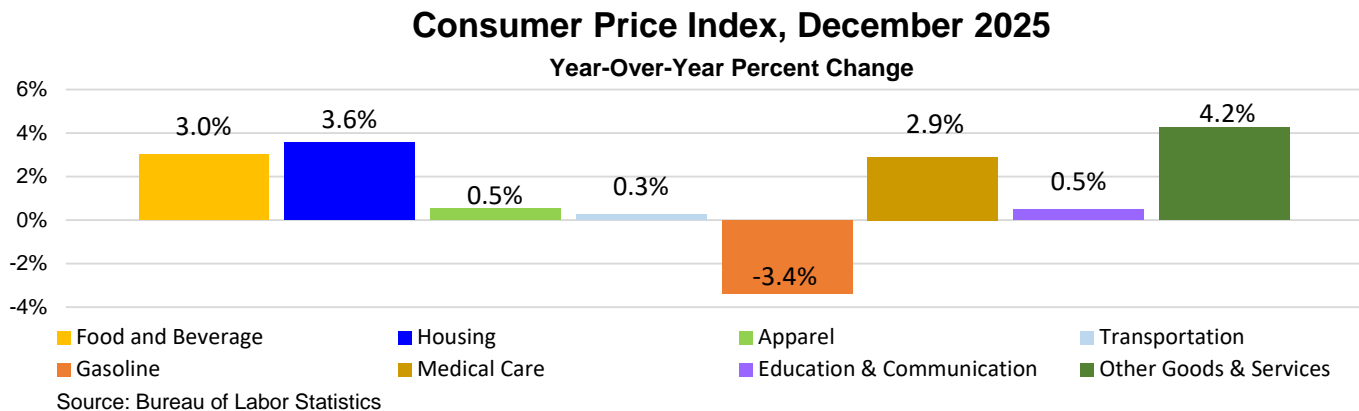
Short-term **interest rates** decreased in December by 16 basis points (where one basis point equals one-hundredth of one percent) to a 3-month Treasury bill (T-bill) rate of 3.62 percent. The T-bill rate is 68 basis points lower than the 4.30 percent rate in December 2024. The Aaa corporate bond rate increased by 5 basis points in December to an interest rate of 5.31 percent, 11 basis points higher than a year ago. The interest rate on S&P high-grade municipal bonds edged up to 4.46 percent in December, 6 basis points higher than the prior month's rate, and 27 basis points higher than a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 2.7 percent from December 2024 to December 2025, unchanged from November's rate. The Consumer Price Index-Core (CPI-Core) measures the change in all consumer items aside from food and energy prices. The CPI-Core rose 2.6 percent year-over-year in December, also unchanged from November's rate. CPI-U and CPI-Core data are not seasonally adjusted. Due to the recent federal government shutdown, the Bureau of Labor Statistics (BLS) did not collect survey data for the October CPI, so headline and core published.

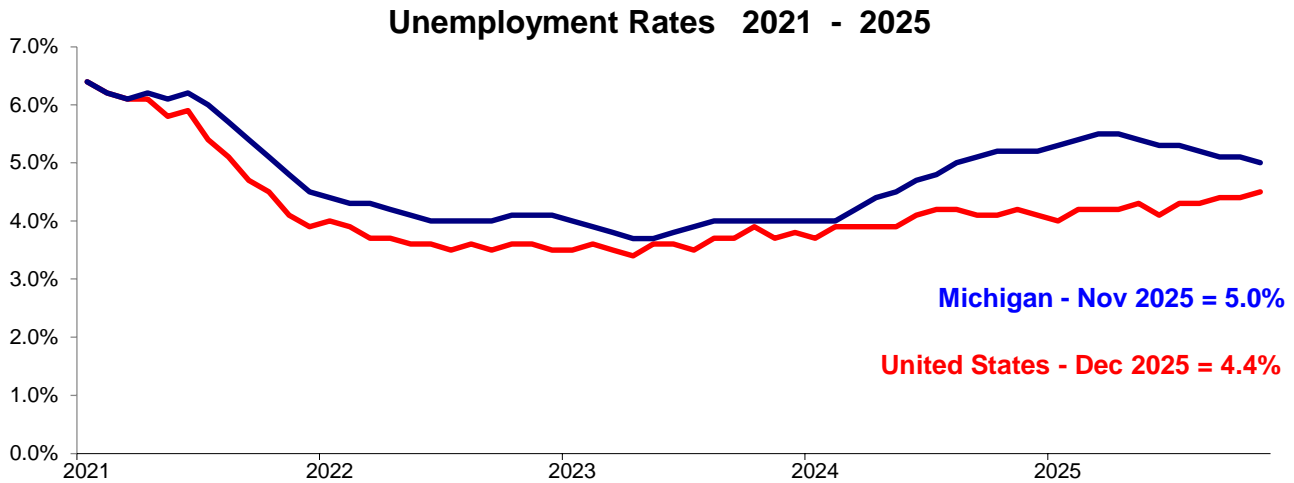


In December, other goods and services exhibited the largest year-over-year price increase at 4.2 percent, followed by housing with an increase of 3.6 percent, food and beverage with a 3.0 percent increase, and medical care with a 2.9 percent increase. Gasoline experienced a price decline of 3.4 percent in December. These sector data are seasonally adjusted.



Michigan Economy

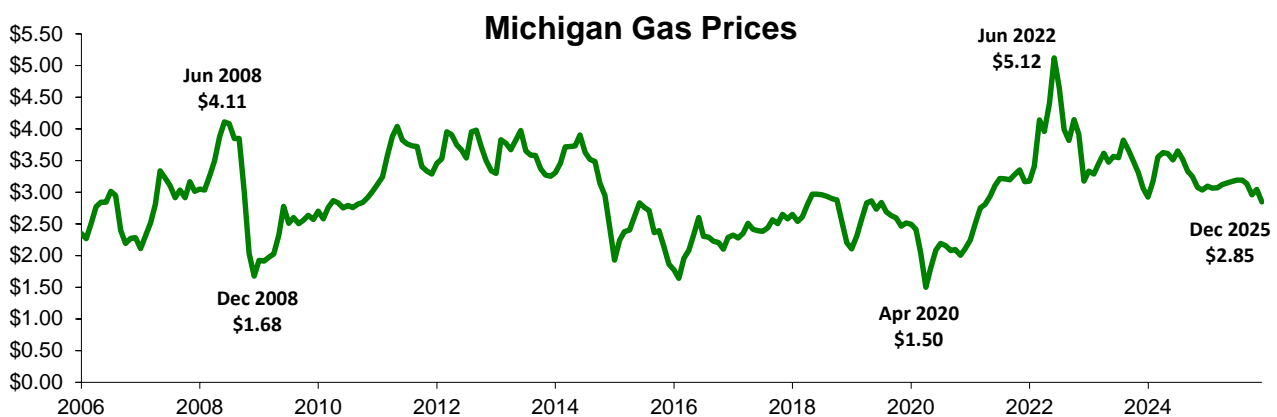
The **Michigan jobless rate** was 5.0 percent in November, down 0.1 percentage points from September. The national unemployment rate was 4.4 percent in December. Michigan's November unemployment rate is 0.2 percentage points lower than a year ago. Due to the recent federal government shutdown, BLS did not collect household survey data for October, so statistics for the unemployment rate will not be published for that month.



Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

Michigan wage and salary employment increased by 2,600 jobs in November from the prior month and is 40,400 jobs higher than a year ago. With a gain of 1,700 jobs each, private education and health services tied with trade, transportation, and utilities as the sectors with the largest employment increases in November, followed by government services with 1,400 additional jobs, and other services with an increase of 400 jobs. The largest employment decreases in November were observed in construction services with 1,100 fewer jobs, manufacturing with a loss of 900 jobs, and professional and business services with a decline of 400 jobs.

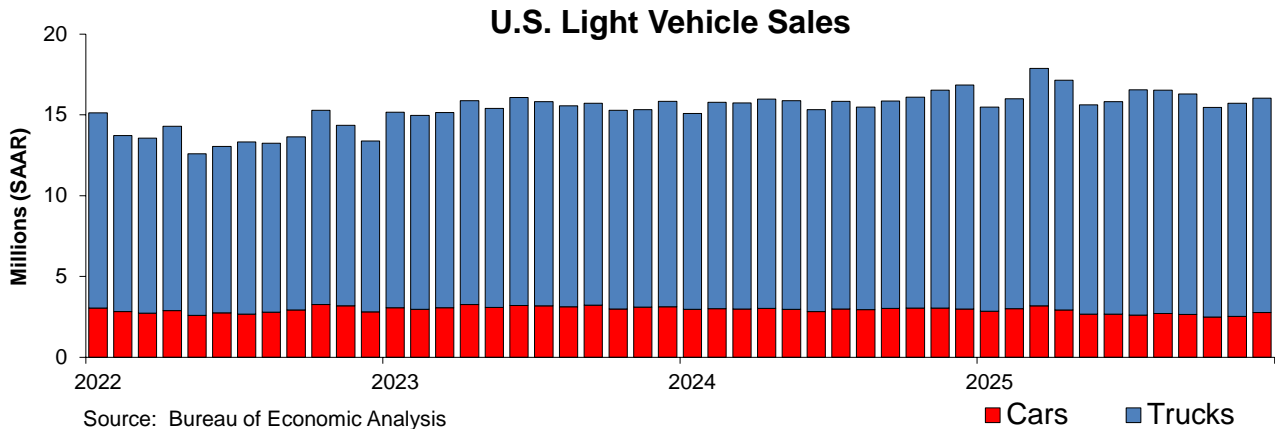
Michigan gasoline prices in December decreased 2.0 cents to \$2.85 per gallon from the prior month's average. Year-over-year gasoline prices were 18.9 cents per gallon lower than in December 2024. Diesel prices were \$3.68 per gallon in December, 17.5 cents lower than November's average price, and slightly higher than the \$3.60 per gallon average price in December 2024.



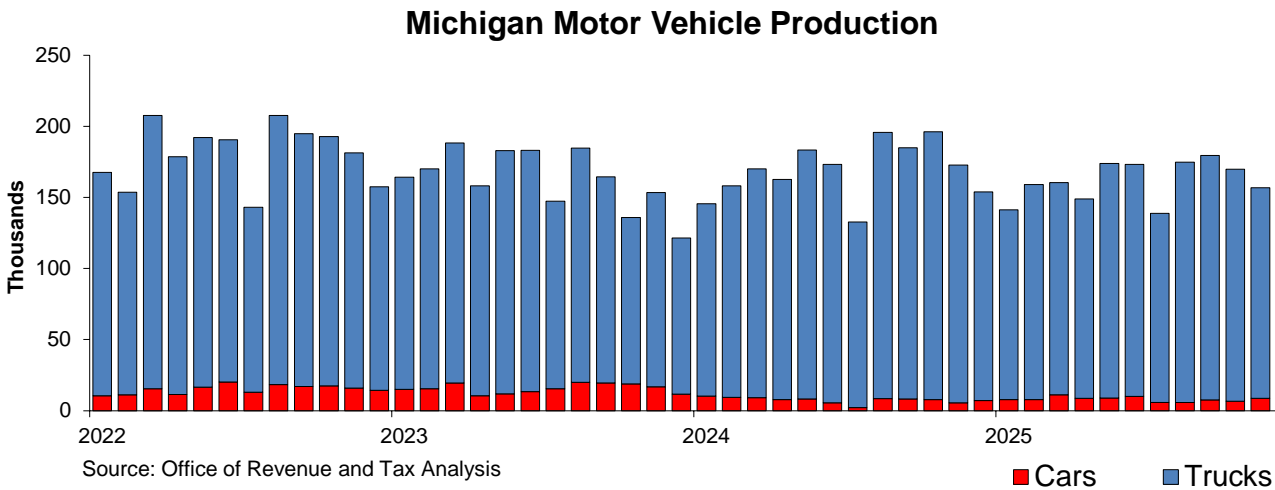
Source: AAA Michigan

Motor Vehicle Sector

U.S. light vehicle sales (cars and light trucks) increased 1.9 percent in December, selling at a 16.0 million units seasonally adjusted annual rate. Domestic car sales increased 12.1 percent in December, while sales of domestic light trucks increased 2.1 percent from November. Import car sales increased 4.5 percent and import light truck sales decreased 6.2 percent from November. Compared to December 2024, light vehicle sales were down 4.9 percent. Domestic car sales decreased 0.3 percent, and light truck sales decreased 1.3 percent from the year ago levels. December import car sales decreased 20.0 percent, while import light truck sales decreased 15.5 percent from last year. Domestic light vehicles recorded a 79.2 percent share of December 2025 sales, up from the 76.2 percent share registered in December 2024.



Michigan motor vehicle production increased in December to 159,011 units, 1.5 percent higher than November's production, and 3.4 percent above last year's level. Nationally, motor vehicle production decreased in December to 780,203 total units, or 2.4 percent lower than the prior month, but higher than its year ago level by 7.6 percent. From November to December, Michigan's car production decreased from 8,539 units to 8,506, while the State's truck production increased from 148,117 units to 150,505. Michigan motor vehicle production data are not seasonally adjusted.



**Summary Estimates of the Constitutional Revenue Limit
Based on the May 16, 2025 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2023-24 Actual	Fiscal Year 2024-25 Estimate	Fiscal Year 2025-26 Estimate
Applicable Calendar Year Personal Income	\$572,325	\$613,719	\$641,085
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$54,313.6</u>	<u>\$58,241.9</u>	<u>\$60,839.0</u>
Revenue Limit	\$54,313.6	\$58,241.9	\$60,839.0
State Revenue Subject to Limit	<u>\$46,090.3</u>	<u>\$45,089.8</u>	<u>\$46,194.9</u>
Amount Under (Over) Limit	\$8,223.4	\$13,152.1	\$14,644.1

Sources:

Personal Income Estimate

The FY 2023-24 calculation uses the official personal income estimate from the Bureau of Economic Analysis
The FY 2024-25 calculation uses the May 16, 2025 Consensus Revenue Agreement.
The FY 2025-26 calculation uses the May 16, 2025 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2023-24 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2024
The FY 2024-25 calculation uses the May 16, 2025 Consensus Revenue Agreement.
The FY 2025-26 calculation uses the May 16, 2025 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury