



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

February 28, 2025

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 January 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 2025
Projected Revenues and Expenditures
January 31, 2025
(\$ in millions)

	FISCAL 2025
Beginning Balance	\$ 1,901.7
Revenues	
Ongoing:	
January 2025 Consensus Revenue	\$ 14,715.5
Local Government Program Payments	\$ (552.2)
Public Safety Trust Fund	\$ (75.0)
Revenue Sharing Trust Fund	\$ (75.0)
Subtotal Ongoing Revenue	\$ 14,013.3
One-Time:	
One-time Revenue Adjustments	\$ 66.9
Subtotal One-Time Revenue	\$ 66.9
Total Revenue	\$ 14,080.2
Expenditures	
Ongoing:	
Public Acts 120 and 121 of 2024	\$ 13,605.7
Community District Trust Fund	\$ 77.2
Subtotal Ongoing Expenditures	\$ 13,682.9
One-Time:	
Public Acts 120 and 121 of 2024	\$ 1,269.8
Subtotal One-Time Expenditures	\$ 1,269.8
Total Expenditures	\$ 14,952.7
Ending Balance	\$ 1,029.2

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2024. Final year-end activity will be reflected in the fiscal year 2024 Annual Comprehensive Financial Report.

SCHOOL AID FUND
Fiscal Year 2025
Projected Revenues and Expenditures
January 31, 2024
(\$ in millions)

	FISCAL 2025
Beginning Balance	\$ 404.3 ¹
Revenues	
Ongoing:	
January 2025 Consensus Forecast	\$ 18,459.6
General Fund	\$ 50.0
Community District Trust Fund	\$ 41.0
Federal Revenue	\$ 2,272.8
Subtotal Ongoing Revenue	\$ 20,823.4
One-Time:	
General Fund	\$ 28.9
General Fund - Community District Trust Fund Revenue Deposit	\$ 77.2
Enrollment Stability Reserve Fund - Public Act 120 of 2024	\$ 71.0
MPSERS Reserve Fund - Public Act 120 of 2024	\$ 334.1
Transportation Reserve Fund - Public Act 120 of 2024	\$ 125.0
School Meals Reserve Fund - Public Act 120 of 2024	\$ 30.0
GSRP Reserve Fund - Public Act 120 of 2024	\$ 18.0
Educator Fellowship Fund - Public Act 120 of 2024	\$ 30.0
Revenue Deposits - Sec. 11z - Public Act 120 of 2024	\$ (25.0)
Work Project Lapse - September 25, 2024	\$ 107.1
Subtotal One-Time Revenue	\$ 796.2
Total Revenue	\$ 21,619.6
Expenditures	
Ongoing:	
School Aid - Public Act 120 of 2024	\$ 19,460.4
Community Colleges - Public Act 120 of 2024	\$ 456.7
Universities - Public Act 120 of 2024	\$ 451.7
Subtotal Ongoing Expenditures	\$ 20,368.7
One-Time:	
School Aid - Public Act 120 of 2024	\$ 1,183.9
School Aid - Public Act 148 of 2024	\$ 126.0
Community Colleges - Public Act 120 of 2024	\$ 5.1
Universities - Public Act 120 of 2024	\$ 10.0
Subtotal One-Time Expenditures	\$ 1,325.0
Total Expenditures	\$ 21,693.7
Ending Balance	\$ 330.2

¹ This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2024. Final year-end activity will be reflected in the fiscal year 2024 Annual Comprehensive Financial Report.

² Legislation will be effective the 91st day after the final adjournment of the 2024 Regular Session.

SUMMARY OF EXPENDITURES AND ENCUMBRANCES
GENERAL FUND - ALL PURPOSE
January 31, 2025
(\$ in millions)

Fiscal Year 2024

Fiscal Year 2025

Expenditures & Encumbrances Year to Date FY 2024	Expenditures & Encumbrances Fiscal Year End SEP 30, 2024	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 2025
59.3	172.4	Agriculture and Rural Development	156.9	5.2	172.8	334.9	59.9
48.1	131.8	Attorney General	127.3	0.0	47.0	174.2	42.7
181.1	702.5	Capital Outlay (3)	523.8	0.0	3,507.1	4,030.9	227.5
6.7	23.4	Civil Rights	29.2	2.0	15.5	46.6	10.1
680.1	1,992.6	Colleges and Universities	2,193.1	0.0	183.8	2,376.9	701.3
838.6	2,079.1	Corrections	2,137.2	0.0	654.3	2,791.5	836.0
247.5	843.0	Education	232.3	0.0	824.8	1,057.1	99.7
285.9	1,557.6	Environment, Great Lakes, and Energy	976.8	113.0	4,477.4	5,567.3	250.5
3.4	9.4	Executive Office	9.3	0.0	0.2	9.6	3.6
10,405.5	36,265.3	Health and Human Services	37,582.3	0.0	4,908.0	42,490.2	11,299.0
28.5	72.6	Insurance and Financial Service	78.6	1.3	0.8	80.7	23.9
77.4	335.9	Judiciary	373.4	0.0	178.0	551.5	95.4
782.3	2,059.4	Labor and Economic Opportunity	1,141.2	553.5	5,283.4	6,978.1	499.6
8.7	27.9	Legislative Auditor General	31.2	0.0	17.2	48.5	9.6
60.4	186.3	Legislature	196.7	0.0	249.5	446.2	59.3
282.7	621.2	Licensing and Regulatory Affairs	608.4	82.9	231.4	922.7	298.3
0.0	1.4	Lifelong Education, Advancement, and Potential	654.3	0.0	148.1	802.4	280.3
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
432.8	615.5	Michigan Strategic Fund	251.6	0.0	0.0	251.6	224.6
37.8	38.7	Michigan Veterans' Facility Authority	47.0	0.0	0.0	47.0	47.0
70.5	125.4	Military and Veterans Affairs	120.9	15.5	16.9	153.3	75.0
70.6	214.6	Natural Resources	161.7	5.0	138.6	305.2	101.9
91.7	286.6	State	291.8	10.2	139.0	441.0	88.8
0.0	2.0	State Land Bank Authority	2.0	0.0	0.0	2.0	0.0
341.4	1,038.4	State Police	951.2	126.6	851.9	1,929.8	410.2
203.2	1,152.2	Technology, Management and Budget (4)	542.9	1,290.0	908.0	2,740.9	184.0
45.8	67.7	Transportation	36.6	552.0	70.4	659.0	32.8
971.4	5,057.3	Treasury	2,604.5	154.4	548.7	3,307.6	911.6
\$16,261.3	\$55,680.1		\$52,062.2	\$2,911.7	\$23,603.2	\$78,577.0	\$16,872.9

(1) Includes boilerplate appropriations.

(2) Carryforward amounts do not include authorization related to amounts appropriated for the fiscal year 2024. Entry of these amounts is expected in March 2025.

(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 2025
January 31, 2025
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	24,924.9	0.0	24,924.9
Total state spending from state resources	46,818.9	0.0	46,818.9
Percentage of state spending from state resources paid to local units	53.24%	0.00%	53.24%
Required payments to local units (48.97%)	22,927.2	0.0	22,927.2
Surplus/(deficit)	\$1,997.7	\$0.0	\$1,997.7

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

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 2,022,586</u>
Total Assets	<u><u>\$ 2,022,586</u></u>

LIABILITIES

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

FUND BALANCES

Committed	<u>2,022,586</u>
Total Fund Balances	<u>2,022,586</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,022,586</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2024 through January 31, 2025
(\$ in thousands)

REVENUES

Miscellaneous	\$ 26,068
	<hr/>
Total Revenues	26,068
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EXPENDITURES

Current:	
General government	-
	<hr/>
Total Expenditures	-
	<hr/>
Excess of Revenues over (under) Expenditures	26,068
	<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	\$ 26,068 ¹
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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**

January 31, 2025

(\$ in thousands)

ASSETS

Current Assets:

Equity in common cash	\$ 62,765
Investments	-
Other current assets	-
Total Current Assets	<u>62,765</u>

Noncurrent Assets:

Investments	<u>758,415</u>
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Total Assets	<u><u>\$ 821,171</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable and other liabilities	\$ 8,213
Amounts due to other funds	-
Total Current Liabilities	<u>8,213</u>

Total Liabilities	<u>8,213</u>
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FUND BALANCES

Nonspendable	500,000
Restricted	<u>312,959</u>

Total Fund Balances	<u>812,959</u>
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Total Liabilities and Fund Balances	<u><u>\$ 821,171</u></u>
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STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2024 through January 31, 2025
(\$ in thousands)

REVENUES

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	5,320
	5,320
Total Revenues	5,320

EXPENDITURES

Current:	
General government	553
Conservation, environment, recreation, and agriculture	5,623
Capital outlay	1,281
	7,457
Total Expenditures	7,457
Excess of Revenues over (under) Expenditures	(2,137)

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues	-
Proceeds from sale of capital assets	-
Transfers from other funds	-
Transfers to other funds	-
	-
Total Other Financing Sources (Uses)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ (2,137) ¹

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

REVENUE OVERVIEW

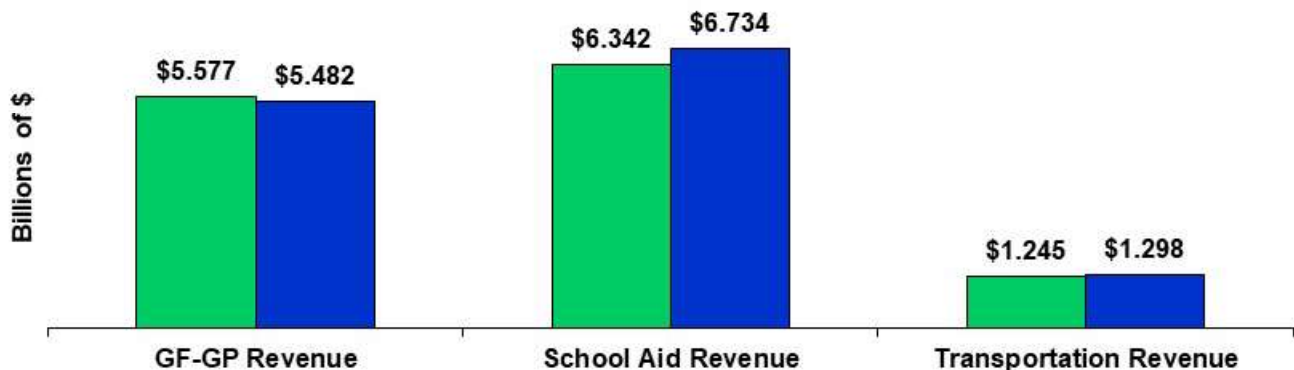
Office of Revenue and Tax Analysis
Michigan Department of Treasury

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

Total General Fund - General Purpose (GF-GP) cash collections were \$322.8 million (17.9 percent) lower in January 2025 than in January 2024. January 2025 School Aid Fund cash collections were \$78.8 million (5.9 percent) higher than in January 2024. January 2025 transportation collections were \$15.7 million (4.8 percent) higher than in January 2024 (see revenue summary table). January is the fourth 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 down \$95.0 million (1.7 percent) from a year ago. School Aid Fund cash collections are up \$392.2 million (6.2 percent), and transportation collections are up \$53.0 million (4.3 percent).

The FY 2024-25 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 10, 2025. The revenue estimate for net GF-GP revenue for FY 2024-25 is \$14,715.5 million and the net School Aid revenue forecast is \$18,459.6 million. The Transportation Funds revenue forecast is \$4,281.2 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

October through January Collections FY 2023-24 and FY 2024-25



Source: Office of Revenue and Tax Analysis

■ FY 2023-24 ■ FY 2024-25

January Revenue Collections FY 2023-24 and FY 2024-25



Source: Office of Revenue and Tax Analysis

■ FY 2023-24 ■ FY 2024-25

October through January Collections FY 2023-24 and FY 2024-25



Source: Office of Revenue and Tax Analysis

■ FY 2023-24 ■ FY 2024-25

Revenue Summary FY 2024-25
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: January 31, 2025

Month-End Cash Collections Data				October Through January Cash Collections Data						Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2023-24	FY 2024-25	FY 2024-25	
2024	2025	Amount	Percent		FY 2023-24	FY 2024-25	Amount	Percent	May 2024 Forecast	Statutory Estimate	January 2025 Forecast	
Income Taxes												
\$1,256,461	\$1,274,919	\$18,457	1.5%	Withholding	\$4,329,249	\$4,637,919	\$308,670	7.1%	\$12,581,900	\$12,997,800	\$13,379,500	
263,857	296,560	32,703	12.4%	Quarterlies	367,552	413,576	46,024	12.5%	999,000	1,010,700	1,145,000	
140,353	113,690	(26,663)	-19.0%	Flow Through Entity Tax	287,042	247,290	(39,752)	-13.8%	972,800	1,014,800	960,000	
8,549	9,190	641	7.5%	Annuals	154,009	139,961	(14,049)	-9.1%	1,152,500	1,268,900	1,318,000	
\$1,669,220	\$1,694,358	\$25,138	1.5%	Gross Collections	\$5,137,853	\$5,438,746	\$300,894	5.9%	\$15,706,200	\$16,292,200	\$16,802,500	
40,125	77,998	37,873	94.4%	Less: Refunds	227,639	284,904	57,266	25.2%	3,317,000	3,251,700	3,150,000	
0	0	0	na	Less: State Campaign Fund	0	0	0	na	800	800	800	
\$1,629,095	\$1,616,360	(\$12,735)	-0.8%	Net Personal Income	\$4,910,214	\$5,153,842	\$243,628	5.0%	\$12,388,400	\$13,039,700	\$13,651,700	
50,000	50,000	0	0.0%	Less: Disbursements to MTF	200,000	200,000	0	0.0%	600,000	600,000	600,000	
5,750	5,750	0	0.0%	Less: Disburse to Renew Michigan/GJFM	23,000	23,000	0	0.0%	69,000	69,000	69,000	
397,430	403,392	5,962	1.5%	Less: Disbursements to SAF	1,223,186	1,294,924	71,738	5.9%	3,785,700	3,922,500	4,104,800	
\$1,175,915	\$1,157,218	(\$18,697)	-1.6%	Net Personal Income To GF-GP	\$3,464,028	\$3,635,918	\$171,890	5.0%	\$7,933,700	\$8,448,200	\$8,877,900	
Consumption Taxes												
\$142,973	\$152,730	\$9,757	6.8%	Sales (a)	\$574,210	\$569,155	(\$5,055)	-0.9%	\$1,566,200	\$1,609,800	\$1,637,300	
167,031	134,827	(32,204)	-19.3%	Use (a) (h)	445,004	425,682	(19,322)	-4.3%	1,280,400	1,308,200	1,245,200	
10,767	9,890	(878)	-8.2%	Tobacco	45,117	42,019	(3,098)	-6.9%	137,300	134,400	129,200	
8,829	8,885	56	0.6%	Beer, Wine & Mixed Spirits	20,803	20,501	(301)	-1.4%	46,000	47,000	45,600	
8,103	8,282	178	2.2%	Liquor Specific	24,082	24,427	345	1.4%	65,600	66,400	69,100	
\$337,703	\$314,614	(\$23,089)	-6.8%	Total Consumption Taxes	\$1,109,216	\$1,081,785	(\$27,431)	-2.5%	\$3,095,500	\$3,165,800	\$3,126,400	
Other Taxes												
\$4	\$1	(\$3)	-81.8%	Single Business	\$10	\$8	(\$2)	-23.7%	\$0	\$0	\$0	
122,977	113,395	(9,582)	-7.8%	Insurance Premiums Taxes	\$240,897	239,233	(1,664)	-0.7%	523,000	541,300	563,500	
122,981	113,395	(9,586)	-7.8%	Sub-total SBT & Insurance	240,907	239,240	(1,667)	-0.7%	523,000	541,300	563,500	
(169,138)	(368,369)	(199,231)	-118.0%	Michigan Business Tax	(200,556)	(425,066)	(224,510)	-112.0%	(494,600)	(503,400)	(496,900)	
185,100	140,261	(44,839)	-24.2%	Corporate Income Tax	697,531	697,864	333	0.0%	1,625,000	1,598,300	1,620,000	
57	3	(54)	-95.2%	Telephone & Telegraph	13,354	11,039	(2,315)	-17.3%	34,000	33,000	42,000	
2,481	3,397	916	36.9%	Oil & Gas Severance	9,926	7,642	(2,284)	-23.0%	27,000	28,000	22,000	
6,643	9,201	2,558	38.5%	Penalties & Interest	32,389	30,426	(1,963)	-6.1%	143,000	147,000	157,000	
(892)	164	1,056	118.4%	Essential Services Assessment	(464)	1,637	2,101	452.7%	150,000	159,000	157,000	
21	(159)	(180)	na	Miscellaneous Other/Railroad	276	29	(248)	-89.6%	15,000	15,000	8,000	
(12,500)	(12,583)	(83)	-0.7%	Treasury Enforcement Programs (e)	(51,250)	(50,333)	917	1.8%	(151,000)	(152,000)	(150,000)	
\$134,753	(\$114,690)	(\$249,443)	-185.1%	Total Other Taxes	\$742,113	\$512,477	(\$229,636)	-30.9%	\$1,871,400	\$1,866,200	\$1,922,600	
\$1,648,371	\$1,357,142	(\$291,229)	-17.7%	Subtotal GF-GP Taxes	\$5,315,357	\$5,230,180	(\$85,177)	-1.6%	\$12,900,600	\$13,480,200	\$13,926,900	

continued

Revenue Summary FY 2024-25
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: January 31, 2025

Month-End Cash Collections Data				October Through January Cash Collections Data					Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2023-24	FY 2024-25	FY 2024-25
2024	2025	Amount	Percent		FY 2023-24	FY 2024-25	Amount	Percent	May 2024 Forecast	Statutory Estimate	January 2025 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$3,333	\$3,333	\$0	0.0%	\$10,000	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	33	33	0	0.0%	100	100	100
583	583	0	0.0%	Services	2,333	2,333	0	0.0%	7,000	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	4,667	4,667	0	0.0%	14,000	14,000	14,000
118,025	79,211	(38,814)	-32.9%	Investments/Interest Costs	118,025	79,211	(38,814)	-32.9%	550,000	285,000	285,000
833	833	0	0.0%	Misc. Non-tax Revenue	3,333	3,333	0	0.0%	35,000	35,000	35,000
25,000	28,750	3,750	15.0%	Liquor Purchase Revolving Fund	100,000	115,000	15,000	15.0%	298,100	292,500	293,500
7,500	11,000	3,500	46.7%	From Other Funds-Lottery & Escheats	30,000	44,000	14,000	46.7%	134,000	134,000	144,000
\$153,950	\$122,386	(\$31,564)	-20.5%	Total Non-Tax Revenue	\$261,725	\$251,911	(\$9,814)	-3.7%	\$1,048,200	\$777,600	\$788,600
\$1,802,321	\$1,479,527	(\$322,794)	-17.9%	Total GF-GP Revenue	\$5,577,082	\$5,482,090	(\$94,991)	-1.7%	\$13,948,800	\$14,257,800	\$14,715,500
School Aid Fund											
\$372,911	\$394,458	\$21,547	5.8%	Sales Tax 4%	\$1,480,255	\$1,467,276	(\$12,979)	-0.9%	\$4,307,100	\$4,347,900	\$4,387,900
291,166	324,097	32,931	11.3%	Sales Tax 2%	1,107,138	1,172,828	65,690	5.9%	3,375,800	3,409,600	3,442,900
85,993	77,289	(8,704)	-10.1%	Use Tax 2%	316,245	307,932	(8,313)	-2.6%	972,900	991,400	959,800
20,340	29,583	9,244	45.4%	State Education Property Tax	1,627,627	1,886,034	258,407	15.9%	2,715,000	2,812,600	2,870,000
31,915	41,416	9,501	29.8%	Real Estate Transfer Tax	137,127	149,285	12,158	8.9%	370,000	385,000	412,000
90,000	100,000	10,000	11.1%	Lottery Transfer (b)	291,981	303,577	11,596	4.0%	1,270,000	1,270,000	1,255,000
7,625	8,382	756	9.9%	Casino Wagering Tax	30,523	34,877	4,353	14.3%	479,200	499,000	527,000
6,817	6,870	53	0.8%	Liquor Excise Tax	20,540	20,073	(466)	-2.3%	77,100	78,500	80,900
21,859	20,077	(1,782)	-8.2%	Cigarette/Tobacco Tax	91,595	85,306	(6,289)	-6.9%	242,100	235,700	223,300
1,058	615	(443)	-41.8%	Indus. & Comm. Facilities Taxes	12,951	9,918	(3,033)	-23.4%	45,000	45,000	50,000
622	383	(239)	-38.4%	Specific Other	2,880	2,264	(616)	-21.4%	143,600	149,700	146,000
397,430	403,392	5,962	1.5%	Income Tax Earmarking	1,223,186	1,294,924	71,738	5.9%	3,785,700	3,922,500	4,104,800
\$1,327,736	\$1,406,564	\$78,827	5.9%	Total School Aid Fund	\$6,342,047	\$6,734,294	\$392,246	6.2%	\$17,783,600	\$18,146,900	\$18,459,600
Multi-Fund Revenue Summary											
\$912,685	\$981,528	\$68,843	7.5%	Sales Tax 6%	\$3,574,230	\$3,618,287	\$44,057	1.2%	\$10,487,300	\$10,588,800	\$10,688,800
621,519	657,430	35,911	5.8%	Sales Tax 4% (d)	2,467,091	2,445,459	(21,632)	-0.9%	7,111,500	7,179,200	7,245,900
291,166	324,097	32,931	11.3%	Sales Tax 2%	1,107,138	1,172,828	65,690	5.9%	3,375,800	3,409,600	3,442,900
257,980	231,867	(26,113)	-10.1%	Use Tax 6% (g)	948,734	923,795	(24,939)	-2.6%	2,815,000	2,869,400	2,849,800
53,068	46,670	(6,398)	-12.1%	Recreational Marihuana	126,671	127,664	993	0.8%	330,300	347,700	337,100
54,107	49,697	(4,410)	-8.2%	Tobacco Taxes	226,719	211,153	(15,567)	-6.9%	691,000	676,800	650,000
0	0	0	na	Tobacco Settlement	0	13	13	na	na	na	na

continued

Revenue Summary FY 2024-25
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: January 31, 2025

Month-End Cash Collections Data				October Through January Cash Collections Data					Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2023-24	FY 2024-25	FY 2024-25
2024	2025	Amount	Percent		FY 2023-24	FY 2024-25	Amount	Percent	May 2024 Forecast	Statutory Estimate	January 2025 Forecast
Major Transportation Revenues											
\$21,795	\$20,122	(\$1,672)	-7.7%	Diesel Fuel / Motor Carrier Fuel Tax	\$90,805	\$94,057	\$3,252	3.6%	\$273,000	\$279,000	\$279,000
96,969	104,452	7,484	7.7%	Gasoline	409,257	434,538	25,281	6.2%	1,259,000	1,297,000	1,303,000
140,811	151,645	10,834	7.7%	Motor Vehicle Registration	483,593	512,363	28,770	5.9%	1,542,000	1,585,000	1,532,000
3,712	3,851	139	3.7%	Other Taxes, Fees & Misc.	15,185	15,125	(60)	-0.4%	372,757	379,471	381,787
11,481	10,417	(1,065)	-9.3%	Comprehensive Transportation (c)	45,925	41,667	(4,258)	-9.3%	181,279	186,147	185,447
50,000	50,000	0	0.0%	Income Tax Earmarking	200,000	200,000	0	0.0%	600,000	600,000	600,000
<u>\$324,767</u>	<u>\$340,487</u>	<u>\$15,720</u>	<u>4.8%</u>	Total Major Trans. Revenues	<u>\$1,244,765</u>	<u>\$1,297,749</u>	<u>\$52,985</u>	<u>4.3%</u>	<u>\$4,228,036</u>	<u>\$4,326,618</u>	<u>\$4,281,234</u>
Lottery Sales By Games											
\$226,294	\$165,506	(\$60,787)	-26.9%	Instant Games (f)	\$835,794	\$782,370	(\$53,424)	-6.4%	na	na	na
88,862	67,705	(21,157)	-23.8%	Daily Games	314,512	306,590	(7,922)	-2.5%	na	na	na
43,092	24,402	(18,691)	-43.4%	Lotto and Big Game (f)	175,129	147,131	(27,998)	-16.0%	na	na	na
711	539	(172)	-24.2%	Keno Game	2,440	2,275	(166)	-6.8%	na	na	na
3,779	2,921	(858)	-22.7%	Lucky For Life	12,725	12,545	(180)	-1.4%	na	na	na
5,486	8,774	3,288	59.9%	Other (f)	23,316	45,747	22,431	96.2%	na	na	na
60,781	42,355	(18,426)	-30.3%	Club Games	206,285	192,910	(13,375)	-6.5%	na	na	na
<u>\$429,005</u>	<u>\$312,202</u>	<u>(\$116,803)</u>	<u>-27.2%</u>	Total Lottery Sales	<u>\$1,570,201</u>	<u>\$1,489,568</u>	<u>(\$80,634)</u>	<u>-5.1%</u>	<u>na</u>	<u>na</u>	<u>na</u>

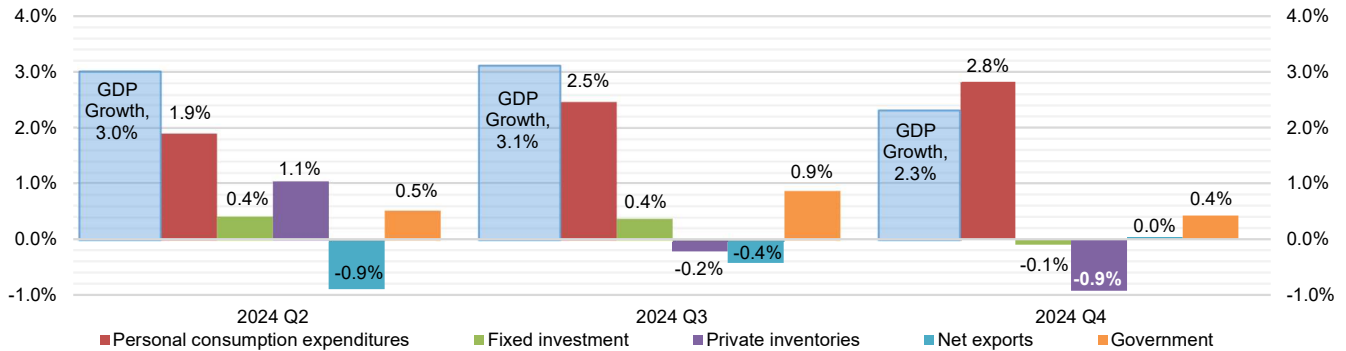
- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (b) The statutory estimate does not include an estimate of lottery sales. It only includes an estimate 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 2024 revenues were \$187.4 million and the year-to date 2025 revenues are \$190.1 million. Per 2014 Public Act 80, the total fiscal year 2024 Local Community Stabilization Share (LCSS) was \$561.7 million and the total fiscal year 2025 LCSS is \$569.8 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2024 LCSS revenues were \$187.4 million and the year-to-date 2025 LCSS revenues are \$190.1 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 2.3 percent annual rate in the fourth quarter of 2024, according to the “advance” estimate released by the Bureau of Economic Analysis, down from the 3.1 percent annual rate in the third quarter of 2024. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

Real GDP Growth and Contributions to Percent Change



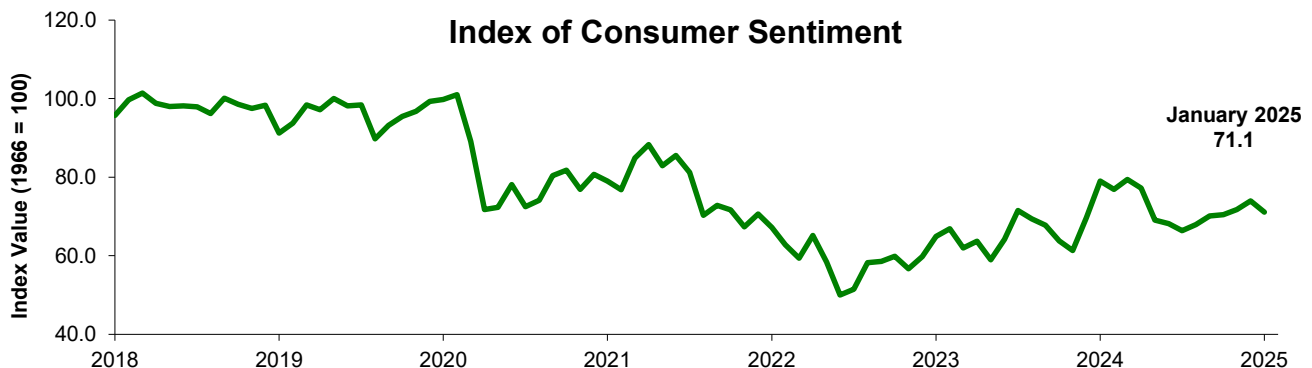
Source: Bureau of Economic Analysis

Personal consumption expenditures and government drove the increase in GDP in the fourth quarter of 2024, while net exports made minimal contribution. Decline in private inventories and fixed investment reduced the fourth quarter GDP growth. Real final sales increased by 3.2 percent in the fourth quarter, while the implicit price deflator increased by 2.2 percent in the same period.

U.S. wage and salary employment increased by 143,000 jobs in January 2025, with total employment 7.2 million above the February 2020 pre-pandemic level. In January, the sectors with the largest increases in employment include private education and health services with a gain of 61,000 jobs, retail trade with an increase of 34,000 jobs, and government with 32,000 additional jobs. Employment decreases in January were observed in professional and business services with a loss of 11,000 jobs, mining and logging with a decrease of 7,000 jobs, and leisure and hospitality with 3,000 fewer jobs.

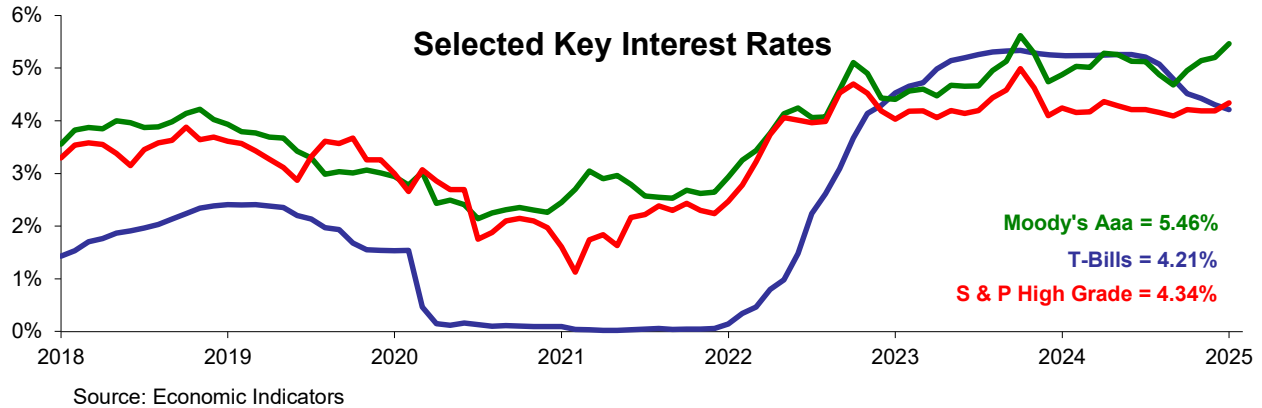
In January, the U.S. unemployment rate decreased to 4.0 percent. Civilian employment increased to 163.9 million, up 2.2 million from December. The number of unemployed decreased 37,000 from December, to 6.8 million in January. The labor force participation rate edged up to 62.6 percent in January, 0.7 percentage points below the pre-pandemic rate in February 2020.

The **Index of Consumer Sentiment** decreased to 71.1 index-points in January, down 2.9 index-points from the prior month. Consumer sentiment is 7.9 index-points below the year-ago level.

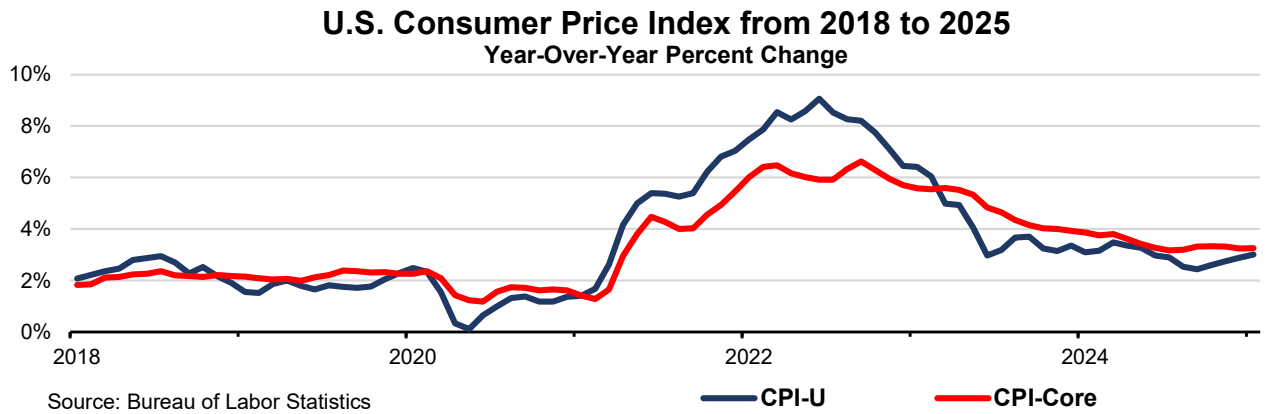


Source: University of Michigan, Survey Research Center

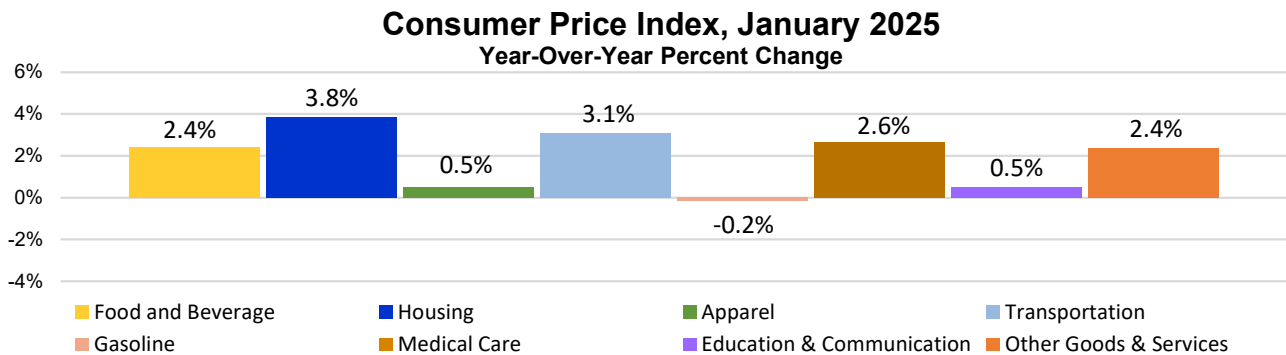
Short-term **interest rates** decreased in January, with a 3-month Treasury bill (T-bill) rate of 4.21 percent. The T-bill rate is 102 basis points (where one basis point equals one-hundredth of one percent) lower than the 5.23 percent rate in January 2024. The Aaa corporate bond rate increased by 26 basis points in January to an interest rate of 5.46 percent, up 59 basis points from a year ago. The interest rate on S&P high-grade municipal bonds increased in January at an interest rate of 4.34 percent, up 10 basis points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 3.0 percent from January 2024 to January 2025, a 0.1 percentage points increase from December'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 3.3 percent year-over-year in January, a 0.1 percentage points increase from the prior month's rate. CPI-U and CPI-Core data are not seasonally adjusted.

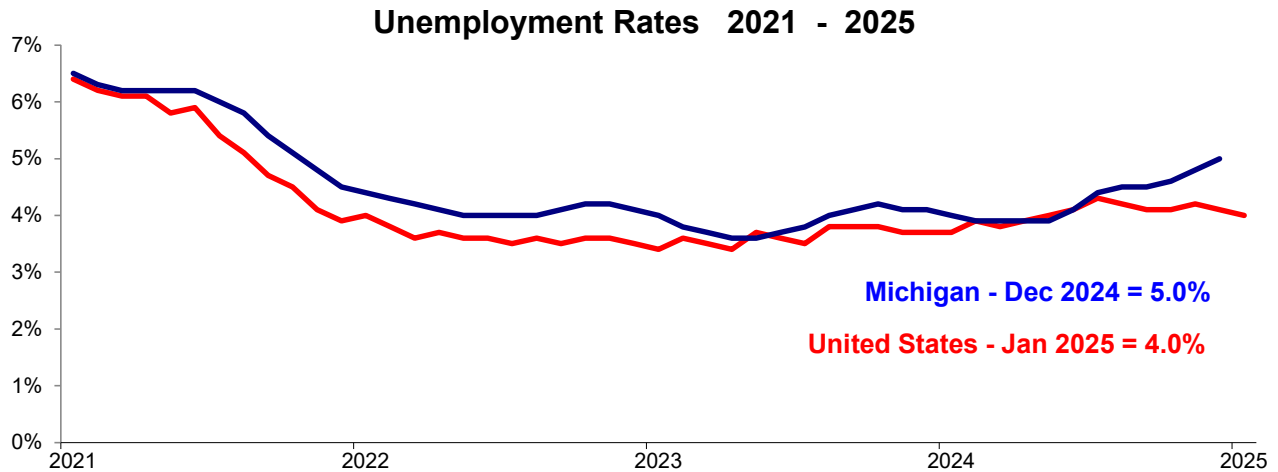


Housing exhibited the largest year-over-year price increase at 3.8 percent for January, followed by transportation with a 3.1 percent increase, and medical care with a 2.6 percent increase. Gasoline experienced a year-over-year price decline of 0.2 percent in January. These sector data are seasonally adjusted.



Michigan Economy

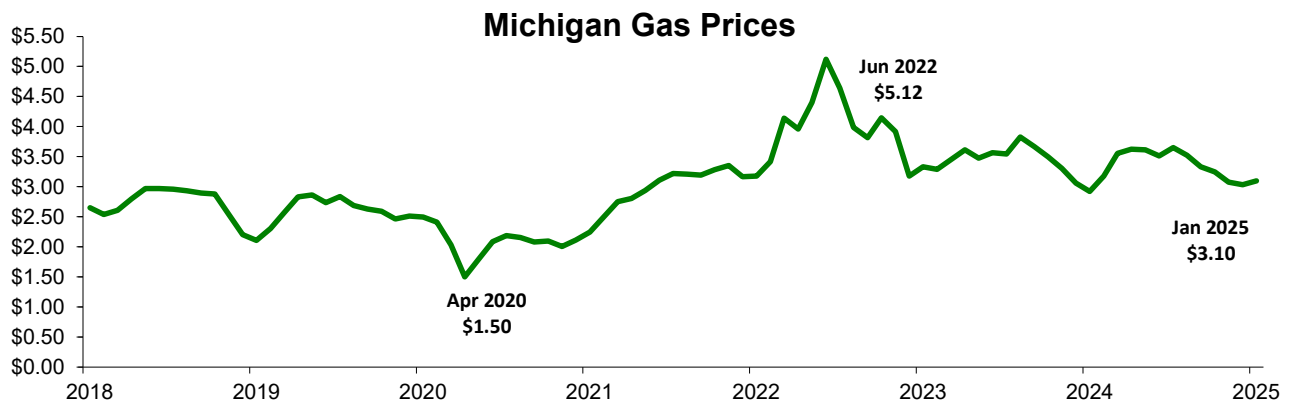
The **Michigan jobless rate** was 5.0 percent in December, according to the most recent data available. Michigan's employment data is currently undergoing the annual benchmarking process and January 2025 data will be released in March along with revisions for previous years. The national unemployment rate was 4.0 percent in January, 0.1 percentage points below December's rate. Michigan's December unemployment rate of 5.0 percent is 1.3 percentage points higher than the February 2020 pre-pandemic rate of 3.7 percent.



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

Michigan wage and salary employment increased by 6,000 jobs in December from the prior month to a total of 4.5 million jobs, with January data being released next month. Compared to last year, employment in December was up 43,000 jobs, or 1.0 percent from December 2023. The sectors with the largest employment increases in December were leisure and hospitality services with a gain of 3,000 jobs, while financial activities, private education and health services, and government tied with an increase of 2,000 jobs each. Employment losses in December were observed in manufacturing with 2,000 jobs lost, and construction services with 1,000 fewer jobs.

Michigan gasoline prices increased in January to \$3.10 per gallon, 6.3 cents a gallon above last month's average. Year-over-year gasoline prices were 17.4 cents per gallon higher than in January 2024. Diesel prices of \$3.55 per gallon in January decreased by 4.7 cents a gallon from December. Diesel prices were down 32.5 cents per gallon from the January 2024 price of \$4.88 per gallon.

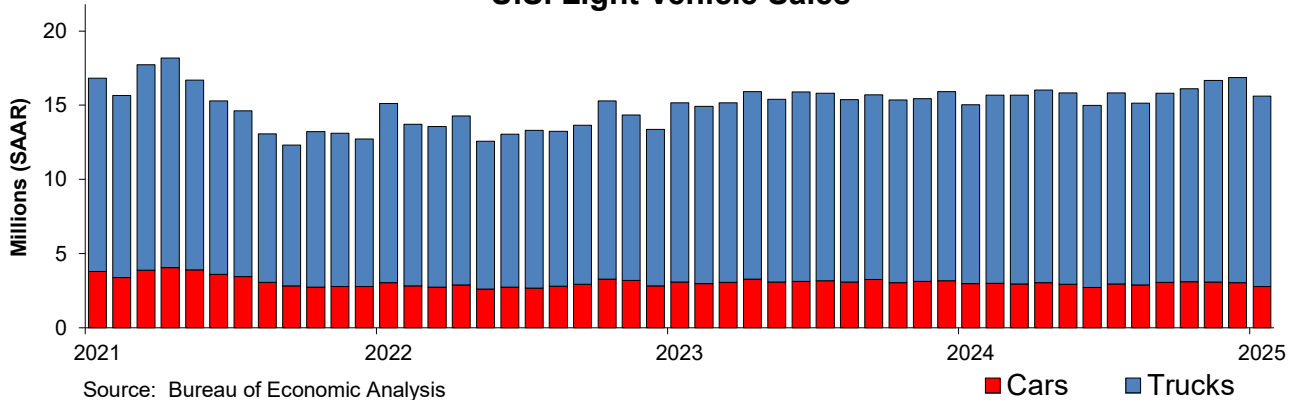


Source: AAA Michigan

Motor Vehicle Sector

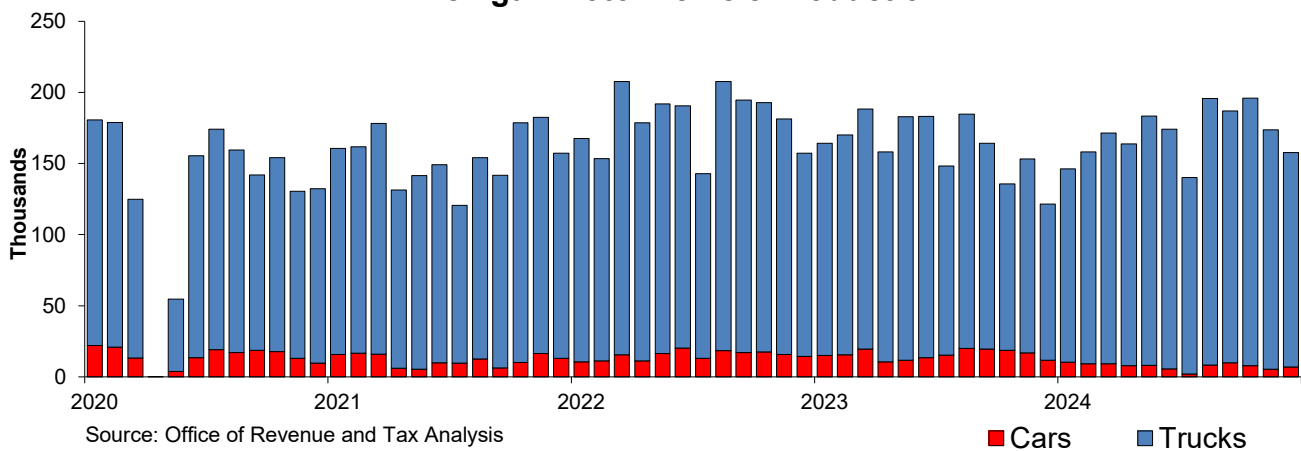
U.S. light vehicle sales (cars and light trucks) decreased by 7.5 percent in January from December, selling at a 15.6 million unit seasonally adjusted annual rate. Domestic car sales decreased 8.8 percent while light truck sales decreased 8.1 percent from December. Import car sales decreased 8.9 percent while import light truck sales decreased 4.0 percent from December. Compared to January 2024, light vehicle sales were up 3.8 percent. Domestic car sales decreased 14.0 percent while light truck sales increased 4.4 percent from the year ago levels. January import car sales increased 7.9 percent while import light truck sales increased 14.9 percent from last year. Domestic light vehicles recorded a 75.5 percent share of January 2025 sales, down 2.0 percentage points from January 2024.

U.S. Light Vehicle Sales



Michigan motor vehicle production decreased in December to 157,665 total units, according to the most recent available data. Michigan's December production was 9.2 percent lower than November's production and 29.9 percent above the level in December 2023. Nationally, motor vehicle production totaled 750,971 units, 7,418 units higher than the 743,553 units from a year ago. In December, Michigan's car production was 6,981 units while the State's truck production was 150,684 units. Michigan motor vehicle production data are not seasonally adjusted.

Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit
Based on the January 10, 2025 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	<u>Fiscal Year 2023-24 Estimate</u>	<u>Fiscal Year 2024-25 Estimate</u>	<u>Fiscal Year 2025-26 Estimate</u>
Applicable Calendar Year Personal Income	\$582,021	\$613,719	\$643,791
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$55,233.8</u>	<u>\$58,241.9</u>	<u>\$61,095.8</u>
Revenue Limit	\$55,233.8	\$58,241.9	\$61,095.8
State Revenue Subject to Limit	<u>\$44,597.0</u>	<u>\$45,216.5</u>	<u>\$46,511.1</u>
Amount Under (Over) Limit	\$10,636.8	\$13,025.4	\$14,584.6

Sources:

Personal Income Estimate

The FY 2023-24 calculation uses the January 10, 2025 Consensus Revenue Agreement.
The FY 2024-25 calculation uses the January 10, 2025 Consensus Revenue Agreement.
The FY 2025-26 calculation uses the January 10, 2025 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2023-24 calculation uses the January 10, 2025 Consensus Revenue Agreement.
The FY 2024-25 calculation uses the January 10, 2025 Consensus Revenue Agreement.
The FY 2025-26 calculation uses the January 10, 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