GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

JENNIFER L. FLOOD
DIRECTOR

August 28, 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 July 31, 2026. 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 Majority Leader
Aric Nesbitt, Senate Minority Leader
Matt Hall, Speaker of the House
Ranjeev Puri, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency
Mary Cavanaugh, Chair, Senate Finance, Insurance & Consumer Protection Committee
Mark Tisdel, Chair, House Finance Committee
Zack Pohl , Executive Office
Tricia Foster, Executive Office
Kara Cook, Executive Office
Rachael Eubanks, State Treasurer
Alex Coulon, Acting Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2026
Projected Revenues and Expenditures

July 31, 2026
($ in millions)

		FISCAL 2026
Beginning Balance	**$**	**240.6**
Revenues		
Ongoing:		
May 2026 Consensus Revenue	$	14,362.0
Research and Development Tax Credit	$	(100.0)
Local Government Program Payments	$	(677.2)
Lapse Excess Use Tax	$	50.0
Subtotal Ongoing Revenue	**$**	**13,634.8**
One-Time:		
One-time Revenue Adjustments	$	773.0
Subtotal One-Time Revenue	**$**	**773.0**
Total Revenue	**$**	**14,407.8**
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
Public Acts 16 and 21 of 2026	$	475.7
Negotiated One-Time Lapses	$	(603.5)
Subtotal One-Time Expenditures	**$**	**398.7**
Total Expenditures	**$**	**13,986.8**
Ending Balance	**$**	**661.6**

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

		FISCAL 2026
Beginning Balance	**$**	**1,705.6**
Revenues		
Ongoing:		
May 2026 Consensus Forecast	$	19,214.8
General Fund	$	46.2
Federal Revenue	$	2,407.7
Subtotal Ongoing Revenue	**$**	**21,668.7**
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	$	(456.1)
Deposit from Consolidation and Infrastructure Fund - Sec. 11x	$	83.4
Subtotal One-Time Revenue	**$**	**95.9**
Total Revenue	**$**	**21,764.6**
Expenditures		
Ongoing:		
School Aid - Public Act 15 of 2025	$	20,044.5
School Aid - Public Act 25 of 2026	$	(187.3)
Community Colleges - Public Act 15 of 2025	$	482.1
Community Colleges - Public Act 25 of 2026	$	2.4
Universities - Public Act 15 of 2025	$	850.8
Subtotal Ongoing Expenditures	**$**	**21,192.5**
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	**$**	**1,259.3**
Total Expenditures	**$**	**22,451.8**
Ending Balance	**$**	**1,018.5**

SUMMARY OF EXPENDITURES AND ENCUMBERANCES
GENERAL FUND - ALL PURPOSE

July 31, 2026
($ 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	Total Authorization	Expenditures & Encumbrances Year to Date FY 2026
145.9	182.3	Agriculture and Rural Development	145.9	5.2	191.5	342.6	160.9
107.5	131.8	Attorney General	122.9	3.8	50.7	177.4	104.2
580.8	750.9	Capital Outlay (2)	370.2	8.2	3,785.3	4,163.6	586.9
24.3	29.7	Civil Rights	28.4	2.2	15.2	45.9	24.1
1,656.6	2,165.8	Colleges and Universities	1,486.1	407.2	185.6	2,078.9	1,736.7
1,813.6	2,156.5	Corrections	2,153.7	25.0	728.9	2,907.6	1,905.7
228.8	345.2	Education	229.5	1.8	832.7	1,064.0	208.6
747.2	1,026.1	Environment, Great Lakes, and Energy	905.1	207.3	4,998.7	6,111.2	710.2
8.3	9.3	Executive Office	9.6	0.0	0.1	9.7	9.1
28,925.3	38,019.2	Health and Human Services	29,933.4	10,767.8	5,576.5	46,277.7	30,822.9
59.6	72.5	Insurance and Financial Services	79.4	2.6	8.8	90.8	62.8
282.2	394.7	Judiciary	383.6	6.0	181.0	570.6	292.0
1,243.0	1,840.2	Labor and Economic Opportunity	867.1	74.0	5,584.9	6,526.0	663.9
23.5	29.5	Legislative Auditor General	31.7	0.0	22.0	53.7	25.1
140.4	186.2	Legislature	196.8	0.0	296.0	492.8	145.9
495.7	589.2	Licensing and Regulatory Affairs	585.2	120.2	289.9	995.3	470.2
562.9	745.0	Lifelong Education, Advancement, and Potential	669.3	44.8	156.2	870.3	534.8
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
251.6	248.1	Michigan Strategic Fund	65.4	(0.5)	0.0	64.9	64.9
47.0	47.0	Michigan Veterans' Facility Authority	47.9	4.9	0.0	52.7	47.9
123.5	134.3	Military and Veterans Affairs	120.2	182.1	16.7	319.1	118.2
181.4	222.2	Natural Resources	161.4	4.2	146.8	312.3	172.4
219.5	283.8	State	295.0	10.2	160.8	466.0	235.8
0.0	2.0	State Land Bank Authority	2.0	0.0	0.0	2.0	0.0
840.8	1,483.4	State Police	962.3	198.5	1,333.9	2,494.7	792.5
715.9	888.1	Technology, Management and Budget (3)	550.3	295.8	1,139.8	1,985.9	506.2
32.0	36.7	Transportation	0.0	552.0	78.3	630.3	8.0
2,179.3	5,109.2	Treasury	2,555.6	175.8	583.2	3,314.6	2,171.0
$41,636.7	**$57,128.7**		**$42,958.2**	**$13,099.0**	**$26,393.8**	**$82,450.9**	**$42,580.9**

(1) Includes boilerplate appropriations.
(2) Includes all capital outlay activity regardless of agency.
(3) Includes Civil Service Commission.

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2026

July 31, 2026

($ in millions)

	Initial Appropriations	Exec Order and Supplementals	Total Appropriations Year-to-Date
Payments to local units of government	26,247.5	137.6	26,385.1
Total state spending from state resources	45,929.2	1007.4	46,936.6
Percentage of state spending from state resources paid to local units	57.15%	13.66%	56.21%
Required payments to local units (48.97%)	22,491.5	493.3	22,984.9
Surplus/(deficit)	**$3,756.0**	**($355.7)**	**$3,400.2**

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

July 31, 2026
($ in thousands)

ASSETS		
Current Assets:		
Equity in common cash	$	2,236,926
Total Assets	$	2,236,926
LIABILITIES		
Current Liabilities:		
Total Current Liabilities	$	-
Total Liabilities		-
FUND BALANCES		
Committed		2,236,926
Total Fund Balances		2,236,926
Total Liabilities and Fund Balances	$	2,236,926

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

October 1, 2025 through July 31, 2026
($ in thousands)

REVENUES		
Miscellaneous	$	79,960
Total Revenues		79,960
EXPENDITURES		
Current:		
General Government		401
Total Expenditures		401
Excess of Revenues over (under) Expenditures		79,559
OTHER FINANCING SOURCES (USES)		
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	$	79,559 [1]

[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

July 31, 2026
($ in thousands)

ASSETS		
Current Assets:		
Equity in common cash	$	62,149
Investments		-
Other current assets		-
Total Current Assets		62,149
Noncurrent Assets:		
Investments		843,337
Total Assets	$	905,486
LIABILITIES		
Current Liabilities:		
Accounts payable and other liabilities	$	3,980
Amounts due to other funds		-
Total Current Liabilities		3,980
Total Liabilities		3,980
FUND BALANCES		
Nonspendable		500,000
Restricted		401,506
Total Fund Balances		901,506
Total Liabilities and Fund Balances	$	905,486

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2025 through July 31, 2026
($ in thousands)

REVENUES		
Taxes	$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		65,434
Total Revenues		65,434
EXPENDITURES		
Current:		
General Government		5,213
Conservation, environment, recreation, and agriculture		9,525
Capital outlay		12,210
Total Expenditures		26,948
Excess of Revenues over (under) Expenditures		38,486
OTHER FINANCING SOURCES (USES)		
Proceeds from bond issues		-
Proceeds from sale of capital assets		310
Transfers from other funds		3
Transfers to other funds		(27)
Total Other Financing Sources (Uses)		286
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	$	38,772 [1]

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

REVENUE OVERVIEW

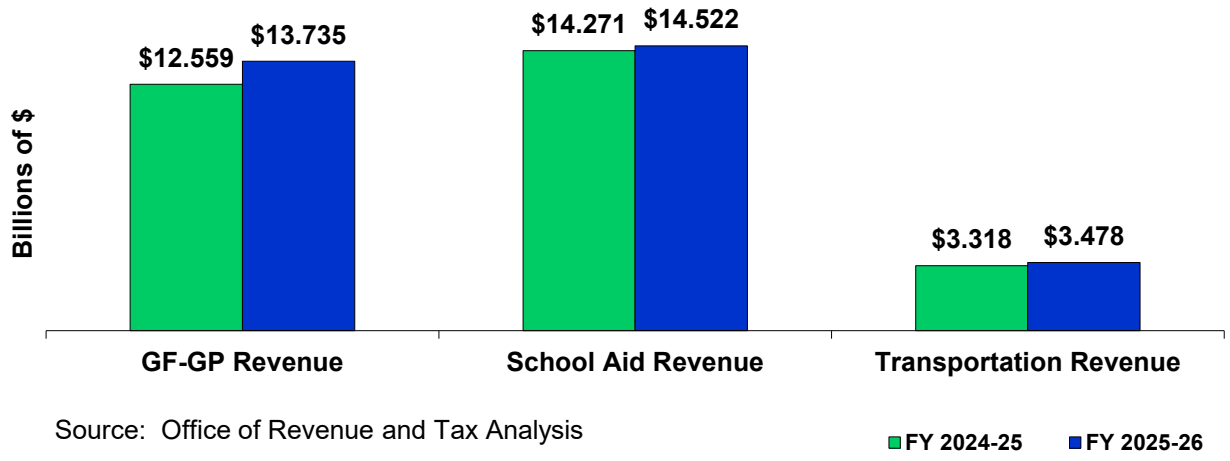
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for July 2026, representing some June and July economic activity in Michigan.

Timing of revenues year-over-year affected total General Fund - General Purpose (GF-GP) cash collections which were $133.1 million (9.1 percent) higher in July 2026 than in July 2025. July 2026 School Aid Fund cash collections were $33.8 million (2.6 percent) higher than in July 2025. July 2026 transportation collections were $85.6 million (25.1 percent) higher than in July 2025 (see revenue summary table). GF-GP collections and transportation collections will be affected in FY 2026 as the GF-GP withholding tax earmark has been replaced by a GF-GP corporate income tax transfer that will be made later in the fiscal year. July is the tenth 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 $1,175.7 million (9.4 percent) from a year ago. School Aid Fund cash collections are up $250.5 million (1.8 percent), and transportation collections are up $159.7 million (4.8 percent).

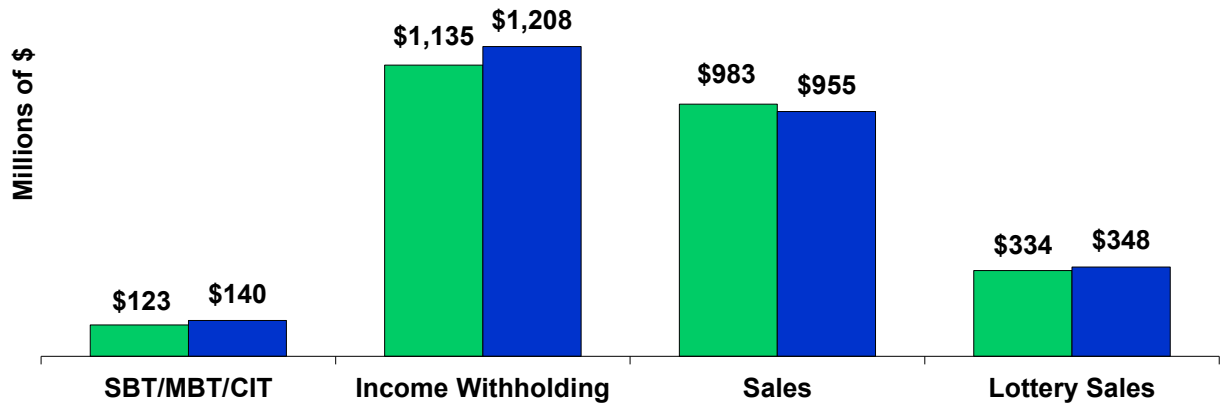
The FY 2025-26 revenue projections presented in the revenue summary table on page 12 are from the Consensus Revenue Estimating Conference held on May 15, 2026. The revenue estimate for net GF–GP revenue for FY 2025-26 is $14,362.0 million and the net School Aid revenue forecast is $19,214.8 million. The Transportation Funds revenue forecast is $5,549.3 million. By law, the Consensus Revenue Estimating Conferences are held in the second week of January and the third week of May.

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



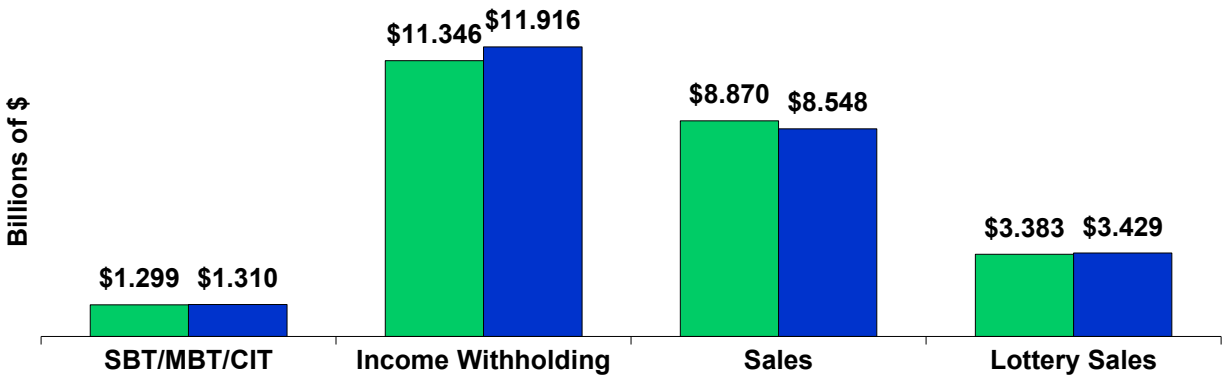
Source: Office of Revenue and Tax Analysis

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



Source: Office of Revenue and Tax Analysis

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



Source: Office of Revenue and Tax Analysis

Revenue Summary FY 2025-26
General Fund-General Purpose, School Aid, and Transportation Funds
($ in thousands)
For The Month Ended: July 31, 2026

Month-End Cash Collections Data					October Through July Cash Collections Data				Revenue Projections		
July		Difference			Year-to-Date		Difference				
2025	2026	Amount	Percent	Source of Revenue	FY 2024-25	FY2025-26	Amount	Percent	FY 2024-25 Total[(i)]	FY 2025-26 Statutory Estimate	FY 2025-26 May 2026 Forecast
				Income Taxes							
$1,135,446	$1,208,237	$72,791	6.4%	Withholding	$11,345,723	$11,916,459	$570,735	5.0%	$13,517,600	$13,866,700	$14,135,100
29,743	37,340	7,597	25.5%	Quarterlies	1,000,131	1,117,270	117,139	11.7%	1,379,100	1,220,100	1,464,600
(2,432)	(4,361)	(1,929)	79.3%	Flow Through Entity Tax	757,531	927,552	170,021	22.4%	999,900	1,010,000	1,110,000
30,096	34,146	4,050	13.5%	Annuals	1,447,255	1,420,945	(26,310)	-1.8%	1,505,300	1,508,300	1,445,400
$1,192,854	$1,275,362	$82,508	6.9%	Gross Collections	$14,550,641	$15,382,226	$831,586	5.7%	$17,401,900	$17,605,100	$18,155,100
88,795	70,451	(18,345)	-20.7%	Less: Refunds	3,646,788	3,658,794	12,006	0.3%	4,052,900	3,738,500	4,038,900
0	0	0	na	Less: State Campaign Funds	0	0	0	na	500	800	800
$1,104,058	$1,204,911	$100,853	9.1%	Net Personal Income	$10,903,853	$11,723,432	$819,580	7.5%	$13,348,500	$13,865,800	$14,115,400
50,000	0	(50,000)	-100.0%	Less: Disbursements to MTF	500,000	0	(500,000)	-100.0%	600,000	600,000	0
5,750	5,750	0	0.0%	Less: Disburse to Renew Michigan/GJFM	57,500	57,500	0	0.0%	73,600	69,000	69,000
277,722	309,989	32,267	11.6%	Less: Disbursements to SAF	3,449,577	3,683,759	234,182	6.8%	4,232,300	4,342,000	4,481,600
$770,586	$889,172	$118,585	15.4%	**Net Personal Income to GF-GP**	$6,896,775	$7,982,173	$1,085,398	15.7%	$8,442,600	$8,854,800	$9,564,800
				Consumption Taxes							
$154,704	$127,346	($27,357)	-17.7%	Sales (a)	$1,404,703	$1,272,047	($132,656)	-9.4%	$1,644,900	$1,661,500	$904,400
133,543	165,387	31,844	23.8%	Use (a) (h)	1,015,910	1,168,128	152,218	15.0%	1,149,500	1,237,400	1,256,800
10,772	11,238	466	4.3%	Tobacco	101,231	99,307	(1,924)	-1.9%	122,700	123,600	119,300
9,276	8,795	(481)	-5.2%	Beer, Wine & Mixed Spirits	40,769	38,775	(1,994)	-4.9%	42,900	46,600	42,000
8,932	3,548	(5,384)	-60.3%	Liquor Specific	63,752	51,591	(12,162)	-19.1%	68,000	68,000	64,400
$317,226	$316,315	($912)	-0.3%	**Total Consumption Taxes**	$2,626,366	$2,629,848	$3,482	0.1%	$3,028,000	$3,137,100	$2,386,900
				Other Taxes							
$3	$2	($1)	-39.5%	Single Business	$226	$109	($117)	-51.7%	$200	$0	$0
120,995	125,946	4,950	4.1%	Insurance Premiums Tax	$507,647	514,922	7,275	1.4%	526,700	565,400	555,000
120,998	125,947	4,950	4.1%	Sub-total SBT & Insurance	507,874	515,031	7,158	1.4%	526,900	565,400	555,000
(6,958)	(260)	6,698	96.3%	Michigan Business Tax	(430,461)	(464,578)	(34,117)	-7.9%	(429,100)	(507,700)	(503,100)
129,666	140,247	10,581	8.2%	Corporate Income Tax	1,729,484	1,774,349	44,866	2.6%	1,501,400	2,165,500	1,325,000
22,219	31,019	8,800	39.6%	Telephone & Telegraph	33,684	52,500	18,816	55.9%	53,000	41,000	50,000
1,592	2,140	548	34.4%	Oil & Gas Severance	16,956	20,209	3,254	19.2%	19,400	23,000	23,000
10,785	14,920	4,134	38.3%	Penalties & Interest	129,631	215,285	85,655	66.1%	192,200	158,000	205,000
28,990	30,425	1,434	4.9%	Essential Services Assessment	47,163	43,482	(3,680)	-7.8%	156,300	162,500	163,000
1,501	1,741	240	16.0%	Miscellaneous Other/Railroad	1,743	2,018	276	15.8%	11,000	8,000	8,000
(12,583)	(12,583)	0	0.0%	Treasury Enforcement Programs (e)	(125,833)	(125,833)	0	0.0%	(152,300)	(151,000)	(152,000)
$296,211	$333,595	$37,385	12.6%	**Total Other Taxes**	$2,418,113	$2,547,496	$129,383	5.4%	$1,878,800	$2,464,700	$1,673,900
$1,384,024	$1,539,082	$155,058	11.2%	**Subtotal GF-GP Taxes**	$11,941,254	$13,159,517	$1,218,263	10.2%	$13,349,400	$14,456,600	$13,625,600

continued

Revenue Summary FY 2025-26
General Fund-General Purpose, School Aid, and Transportation Funds
($ in thousands)
For The Month Ended: July 31, 2026

Month-End Cash Collections Data					October Through June Cash Collections Data				Revenue Projections		
June		Difference			Year-to-Date		Difference				
2025	2026	Amount	Percent	Source of Revenue	FY 2024-25	FY2025-26	Amount	Percent	FY 2024-25 Total[(i)]	FY 2025-26 Statutory Estimate	FY 2025-26 May 2026 Forecast
				Non-Tax Revenue (e)							
$833	$833	$0	0.0%	Federal Aid	$8,333	$8,333	$0	0.0%	$10,700	$10,000	$10,000
8	8	0	0.0%	Local Agencies	83	83	0	0.0%	0	100	100
583	583	0	0.0%	Services	5,833	5,833	0	0.0%	3,700	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	11,667	11,667	0	0.0%	14,300	14,000	14,000
41,592	15,328	(26,264)	-63.1%	Investments/Interest Costs	186,109	113,578	(72,531)	-39.0%	434,100	150,000	190,000
833	833	0	0.0%	Misc. Non-Tax Revenue	8,333	8,333	0	0.0%	61,300	35,000	35,000
28,750	27,617	(1,133)	-3.9%	Liquor Purchase Revolving Fund	287,500	279,567	(7,933)	-2.8%	275,200	297,900	278,300
11,000	16,417	5,417	49.2%	From Other Funds-Lottery & Escheats	110,000	147,917	37,917	34.5%	332,600	144,000	202,000
$84,767	$62,786	($21,981)	-25.9%	**Total Non-Tax Revenue**	$617,859	$575,311	($42,547)	-6.9%	$1,131,900	$658,000	$736,400
$1,468,791	$1,601,868	$133,077	9.1%	**Total GF-GP Revenue**	$12,559,113	$13,734,828	$1,175,716	9.4%	$14,481,200	$15,114,600	$14,362,000
				School Aid Fund							
$398,397	$333,453	($64,944)	-16.3%	Sales Tax 4%	$3,616,684	$3,297,579	($319,106)	-8.8%	$4,449,900	$4,476,600	$4,709,500
319,104	398,834	79,730	25.0%	Sales Tax 2%	2,841,808	3,051,808	210,000	7.4%	3,480,900	3,516,000	3,201,100
81,322	97,277	15,955	19.6%	Use Tax 2%	745,436	822,212	76,776	10.3%	921,400	957,000	966,800
21,547	14,328	(7,218)	-33.5%	State Education Property Tax	2,040,081	2,130,032	89,950	4.4%	2,911,900	2,966,100	3,055,000
40,109	40,858	749	1.9%	Real Estate Transfer Tax	350,819	372,631	21,813	6.2%	440,200	431,800	455,000
90,000	80,000	(10,000)	-11.1%	Lottery Transfer (b)	823,577	767,588	(55,989)	-6.8%	1,163,800	1,155,300	1,127,000
8,623	9,078	455	5.3%	Casino Wagering Tax	87,120	87,921	801	0.9%	633,300	599,700	743,000
6,276	0	(6,276)	-100.0%	Liquor Excise Tax	54,706	39,474	(15,231)	-27.8%	73,700	82,900	75,000
21,869	22,815	946	4.3%	Cigarette/Tobacco Tax	205,514	201,608	(3,906)	-1.9%	215,200	210,800	206,600
8,383	3,147	(5,236)	-62.5%	Indus. & Comm. Facilities Taxes	40,692	52,282	11,590	28.5%	53,300	50,000	59,000
7,568	4,944	(2,625)	-34.7%	Specific Other	15,267	14,914	(352)	-2.3%	137,700	146,000	135,200
277,722	309,989	32,267	11.6%	Income Tax Earmarking	3,449,577	3,683,759	234,182	6.8%	4,232,300	4,342,000	4,481,600
$1,280,921	$1,314,723	$33,802	2.6%	**Total School Aid Fund**	$14,271,282	$14,521,809	$250,528	1.8%	$18,713,600	$18,934,300	$19,214,800
				Multi-Fund Revenue Summary							
$983,099	$954,589	($28,511)	-2.9%	Sales Tax 6%	$8,869,615	$8,547,773	($321,843)	-3.6%	$10,802,600	$10,908,000	$9,965,200
663,995	555,755	(108,241)	-16.3%	Sales Tax 4% (d)	6,027,807	5,495,964	(531,843)	-8.8%	7,321,700	7,392,000	6,764,100
319,104	398,834	79,730	25.0%	Sales Tax 2%	2,841,808	3,051,808	210,000	7.4%	3,480,900	3,516,000	3,201,100
243,967	291,831	47,864	19.6%	Use Tax 6% (g)	2,236,308	2,466,637	230,329	10.3%	2,715,700	2,840,800	2,870,000
48,492	47,976	(515)	-1.1%	Recreational Marihuana	280,077	272,075	(8,002)	-2.9%	299,800	332,100	306,300
54,131	56,473	2,341	4.3%	Tobacco Taxes	508,699	499,031	(9,668)	-1.9%	623,400	621,000	602,000
0	4	4	na	Tobacco Settlement	187,656	178,085	(9,571)	-5.1%	na	na	na

continued

Revenue Summary FY 2025-26
General Fund-General Purpose, School Aid, and Transportation Funds
($ in thousands)
For The Month Ended: July 31, 2026

Month-End Cash Collections Data					October Through June Cash Collections Data				Revenue Projections		
June		Difference			Year-to-Date		Difference				
2025	2026	Amount	Percent	Source of Revenue	FY 2024-25	FY2025-26	Amount	Percent	FY 2024-25 Total[(i)]	FY 2025-26 Statutory Estimate	FY 2025-26 May 2026 Forecast
				Major Transportation Revenues							
$26,234	$41,611	$15,377	58.6%	Diesel Fuel / Motor Carrier Fuel Tax	$239,477	$322,520	$83,042	34.7%	$288,000	$279,000	$416,000
115,589	197,385	81,796	70.8%	Gasoline	1,085,069	1,557,733	472,664	43.6%	1,340,900	1,297,000	1,969,400
132,925	134,146	1,222	0.9%	Motor Vehicle Registration	1,344,411	1,373,801	29,390	2.2%	1,581,100	1,585,000	1,619,000
0	37,377	37,377	na	Wholesale Marihuana Tax	0	73,404	73,404	na	0	0	315,000
5,289	5,124	(165)	-3.1%	Other Taxes, Fees & Misc.	45,048	46,236	1,188	2.6%	364,426	379,471	1,068,849
10,417	10,417	0	0.0%	Comprehensive Transportation (c)	104,167	104,167	0	0.0%	194,402	186,147	161,084
50,000	0	(50,000)	-100.0%	Income Tax Earmarking	500,000	0	(500,000)	-100.0%	600,000	600,000	0
$340,454	$426,060	$85,607	25.1%	**Total Major Trans. Revenues**	$3,318,173	$3,477,861	$159,688	4.8%	$4,368,828	$4,326,618	$5,549,333
				Lottery Sales By Games							
$177,660	$177,469	($190)	-0.1%	Instant Games (f)	$1,818,372	$1,756,180	($62,192)	-3.4%	na	na	na
74,040	75,568	1,528	2.1%	Daily Games	707,991	728,522	20,531	2.9%	na	na	na
27,825	40,747	12,922	46.4%	Lotto and Big Game (f)	291,526	367,688	76,162	26.1%	na	na	na
520	489	(32)	-6.1%	Keno Game	5,432	4,905	(526)	-9.7%	na	na	na
2,887	0	(2,887)	-100.0%	Lucky For Life	28,632	14,355	(14,277)	-49.9%	na	na	na
11,362	13,367	2,005	17.6%	Other (f)	104,442	145,115	40,672	38.9%	na	na	na
39,914	40,302	387	1.0%	Club Games	426,580	412,727	(13,853)	-3.2%	na	na	na
$334,209	$347,942	$13,733	4.1%	**Total Lottery Sales**	$3,382,975	$3,429,493	$46,517	1.4%	na	na	na

(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 $474.9 million and the year-to date 2026 revenues are $476.2 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.

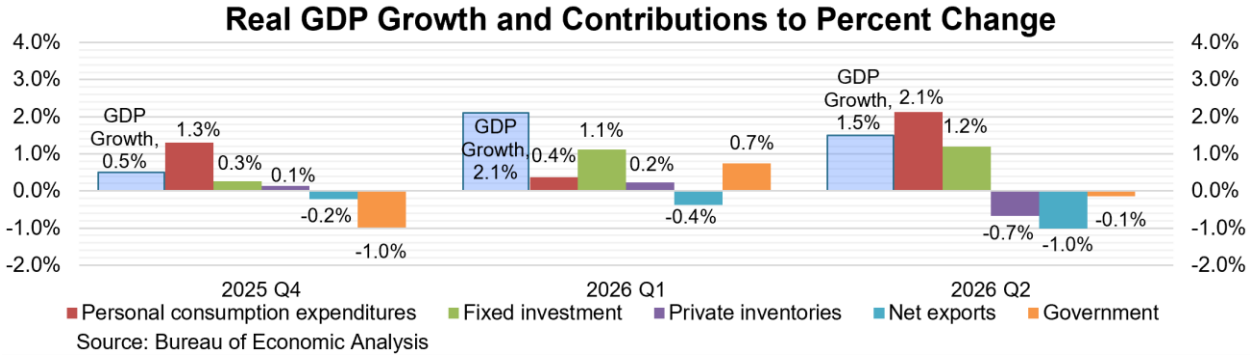
(h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2025 LCSS revenues were $474.9 million and the year-to-date 2026 LCSS revenues are $476.2 million.

(i) Official Annual Comprehensive Financial Report figures are adjusted to put them on a comparable basis with Consensus Estimates.

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 1.5 percent annual rate in the second quarter of 2026, according to the advance estimate released by the Bureau of Economic Analysis, compared to a 2.1 percent growth rate in the first quarter of 2026. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

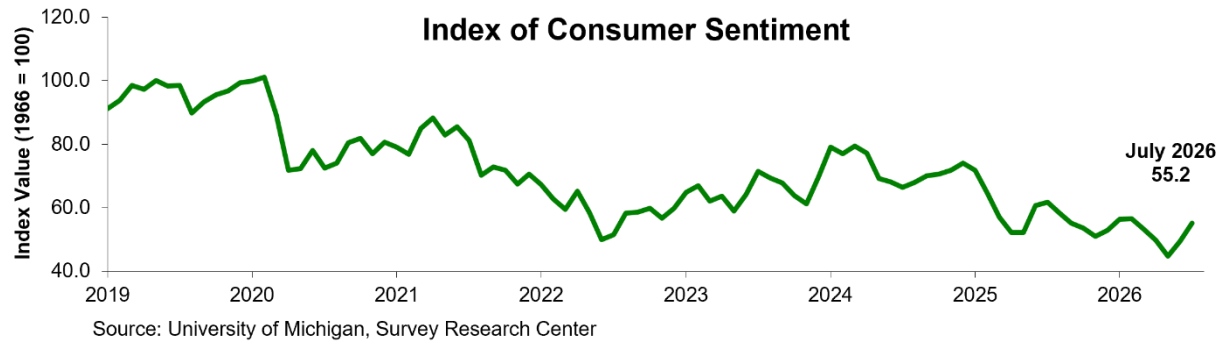


Consumer spending and fixed investment were the largest contributors to the GDP increase in the second quarter of 2026, offsetting the declines in net exports, private inventories, and government spending. Real final sales increased by 2.2 percent in the second quarter, while the implicit price deflator increased by 6.2 percent in the same period.

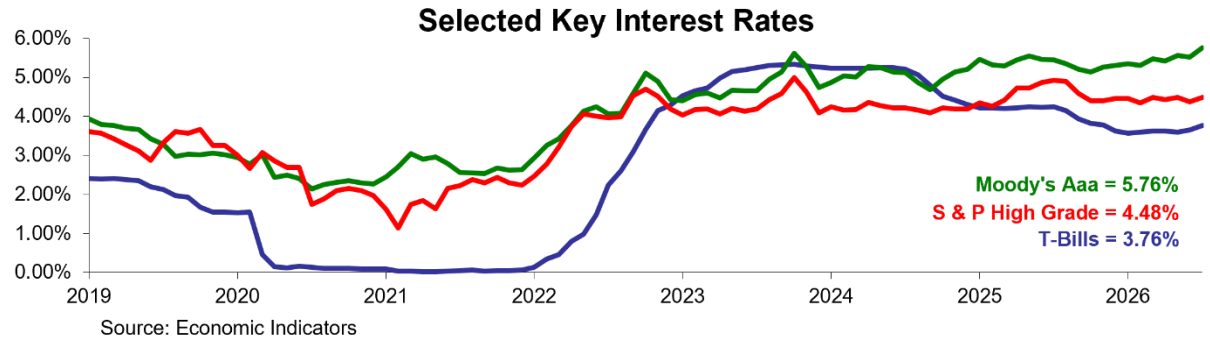
U.S. wage and salary employment decreased by 23,000 jobs in July, compared to a revised 20,000 jobs gained in June. In July, the sectors with the largest employment increases include private education and health services with a gain of 25,000 jobs, construction services with an increase of 22,000 jobs, and professional and business services with 18,000 additional jobs. The largest employment declines in July were observed in government services with a decrease of 53,000 jobs, leisure and hospitality services with 40,000 jobs lost, and retail trade with 19,000 fewer jobs.

In July, the U.S. unemployment rate was 4.1 percent, 0.1 percentage points lower than the June rate. Civilian employment decreased to 162.2 million in July from 162.3 million in June, while the number of unemployed decreased to 6.9 million from 7.1 million in the same period. The July labor force participation rate decreased to 61.4 percent, 0.1 percentage points lower than June's rate, and below the pre-pandemic rate of 63.3 percent in February 2020.

The Index of Consumer Sentiment rose to 55.2 in July, 5.7 index-points above June's reading, but 6.5 points below the year ago index level. Sentiment improvement was widespread across income, education, wealth, and age groups.

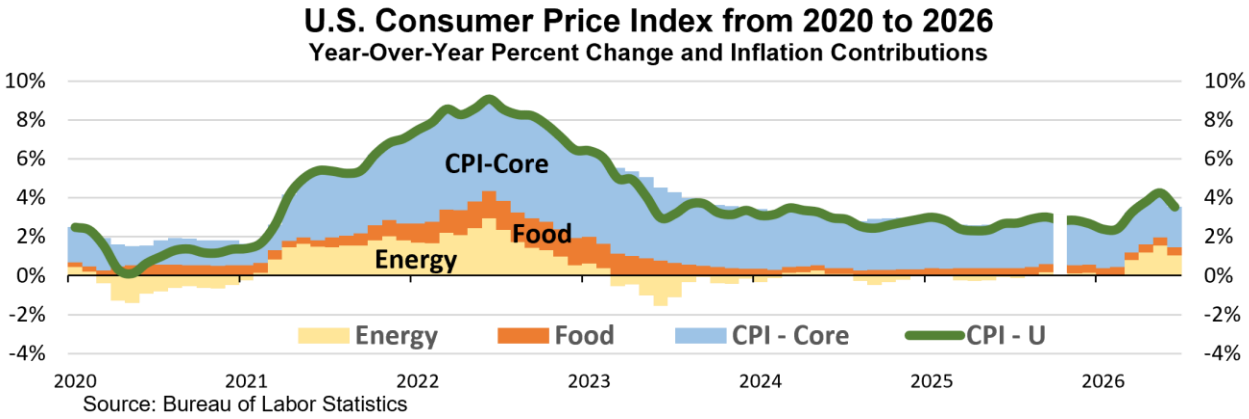


Short-term interest rates increased in July by 11 basis points (where one basis point equals one-hundredth of one percent) to a 3-month Treasury bill (T-bill) rate of 3.76 percent. The T-bill rate is 48 basis points lower than the 4.24 percent rate in July 2025. The Aaa corporate bond rate increased by 24 basis points in July to an interest rate of 5.76 percent, 31 basis points higher than a year ago. The interest rate on S&P high-grade municipal bonds increased to 4.48 percent in July, 11 basis points higher than the prior month's rate, and 45 basis points lower than a year ago.



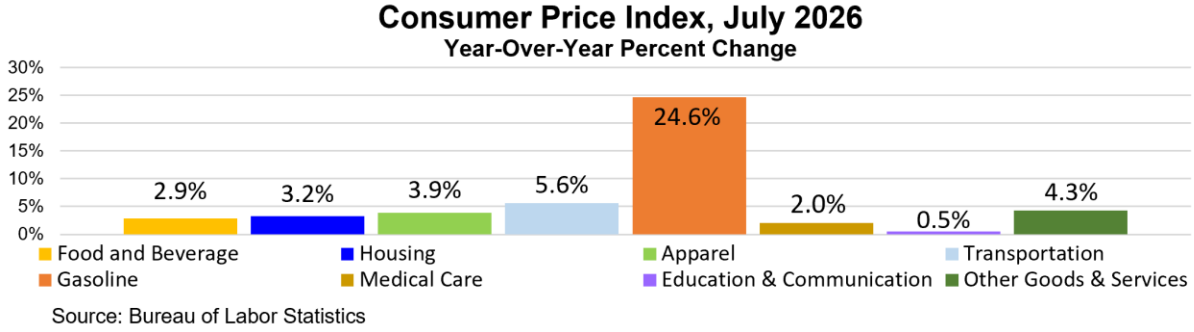
Source: Economic Indicators

U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 3.4 percent from July 2025 to July 2026, 0.1 percentage points lower than June'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 2.5 percent year-over-year in July, lower than the 2.6 percent rate in June. CPI-U and CPI-Core data are not seasonally adjusted. October 2025 headline and core inflation indices are unavailable due to the 2025 lapse in federal government appropriations.



Source: Bureau of Labor Statistics

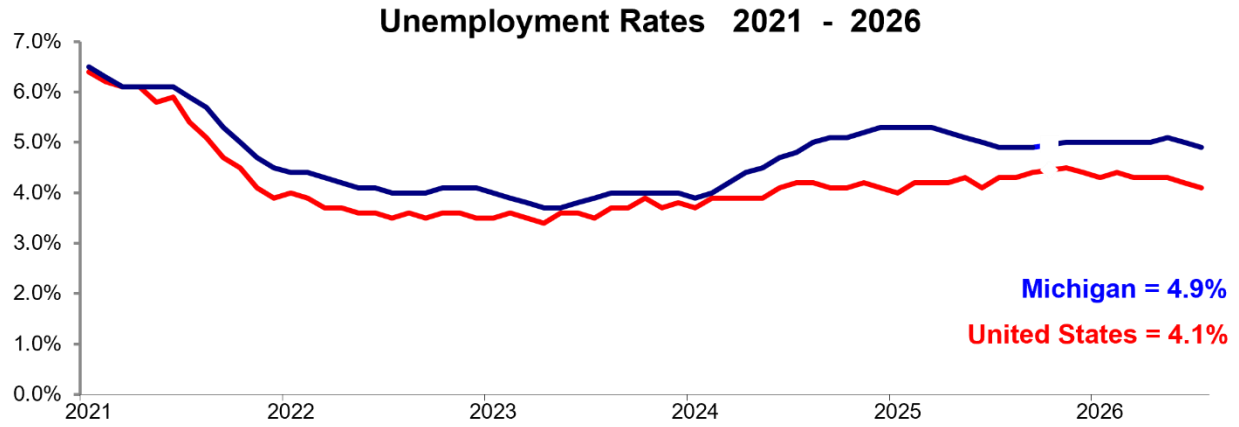
Gasoline continued to exhibit the largest year-over-year price increase at 24.6 percent in July, down from a 26.7 percent increase in June. Transportation services prices increased 5.6 percent in the same period, followed by year-over-year increases of 4.3 percent for other goods and services, and 3.9 percent for apparel. These sector data are seasonally adjusted.



Source: Bureau of Labor Statistics

Michigan Economy

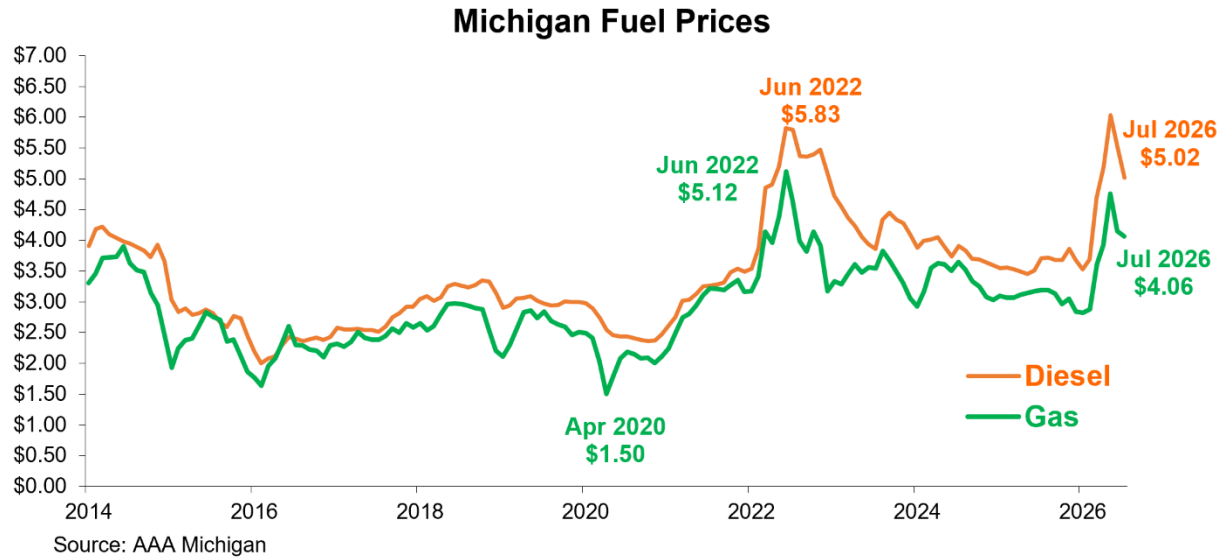
The Michigan jobless rate declined to 4.9 percent in July, 0.1 percentage points lower than the rate in June. The national unemployment rate was 4.1 percent in July. Michigan's July rate is unchanged from a year ago. Due to the 2025 lapse in federal government appropriations, October 2025 unemployment rate statistics were not published.



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

Michigan wage and salary employment increased by 7,500 jobs in July from the prior month, and is 8,200 jobs higher than a year ago. For July, sectors with the largest net employment increases were manufacturing with a gain of 3,600 jobs, education and health services with an increase of 2,000 jobs, and leisure and hospitality services with 1,900 additional jobs. Sectors with the largest net job losses in July were professional and business services with a decline of 2,600 jobs, followed by financial activities with a loss of 600 jobs, and other services with 200 fewer jobs.

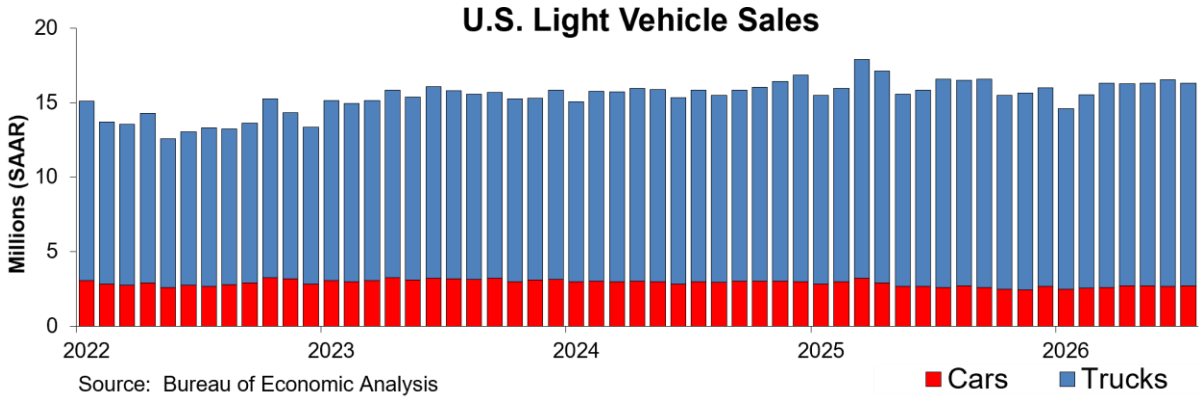
Michigan gasoline prices in July decreased 9.2 cents to $4.06 per gallon from the prior month's average. Year-over-year gasoline prices were 86.9 cents per gallon higher than in July 2025. Diesel prices were $5.02 per gallon in July, 49.7 cents lower than the prior month's average price, and $1.31 higher than the average price in July 2025.



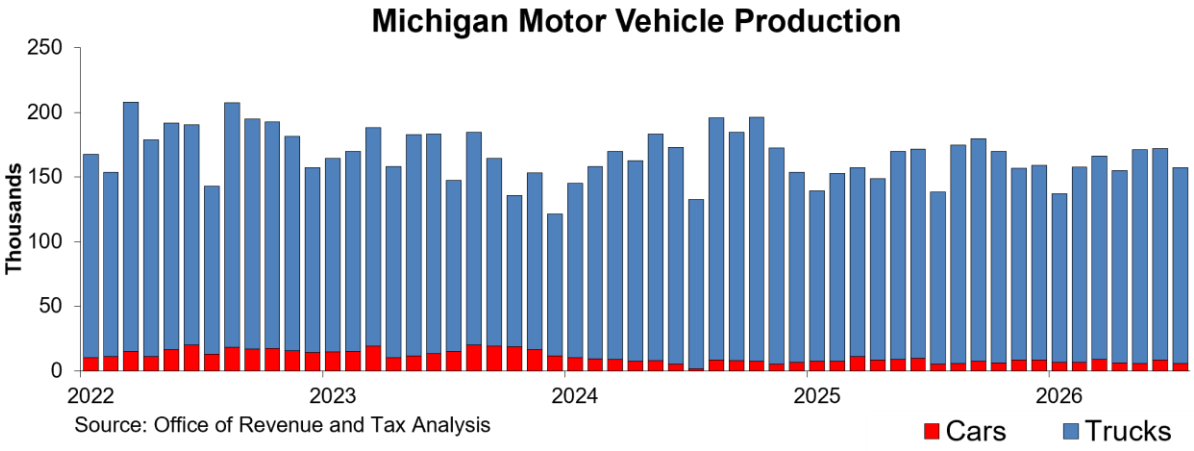
Source: AAA Michigan

Motor Vehicle Sector

U.S. light vehicle sales (cars and light trucks) decreased 1.4 percent in July, selling at a 16.3 million units seasonally adjusted annual rate. Domestic car sales increased 1.0 percent in July, and sales of domestic light trucks decreased 1.9 percent from June. Import car sales decreased 0.3 percent and import light truck sales decreased 1.5 percent from June. Compared to July 2025, light vehicle sales were down 1.5 percent. Domestic car sales increased 4.9 percent, and light truck sales decreased 4.3 percent from the year ago levels. July import car sales increased 1.0 percent, while import light truck sales increased 4.9 percent from last year. Domestic light vehicles recorded a 76.7 percent share of July 2026 sales, down from the 77.9 percent share registered in July 2025.



Michigan motor vehicle production decreased in July to 157,195 units, 8.6 percent lower than June's production, and 13.3 percent above last year's level. Nationally, motor vehicle production decreased in July to 822,122 total units, 9.7 percent lower than the prior month, and 7.8 percent above its year ago level. From June to July, Michigan's car production decreased from 8,331 units to 5,641, while the State's truck production decreased from 163,676 units to 151,554. Michigan motor vehicle production data are not seasonally adjusted.



Summary Estimates of the Constitutional Revenue Limit
Based on the May 15, 2026 Consensus Revenue Agreement
(Article IX, Section 26)

(in millions)

	Fiscal Year 2024-25 Actual	Fiscal Year 2025-26 Estimate	Fiscal Year 2026-27 Estimate
Applicable Calendar Year Personal Income	$613,719	$645,847	$696,515
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	$58,241.9	$61,290.9	$66,099.3
Revenue Limit	$58,241.9	$61,290.9	$66,099.3
State Revenue Subject to Limit	$46,417.7	$48,803.7	$51,113.0
Amount Under (Over) Limit	**$11,824.2**	**$12,487.2**	**$14,986.3**

Sources:

Personal Income Estimate
The FY 2024-25 calculation uses the official personal income estimate from the Bureau of Economic Analysis
The FY 2025-26 calculation uses the May 15, 2026 Consensus Revenue Agreement.
The FY 2026-27 calculation uses the May 15, 2026 Consensus Revenue Agreement.

Revenue Subject to the Limit
The FY 2024-25 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2025
The FY 2025-26 calculation uses the May 15, 2026 Consensus Revenue Agreement.
The FY 2026-27 calculation uses the May 15, 2026 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

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