



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

DAVID P. MASSARON  
DIRECTOR

March 2, 2021

The Honorable Jim Stamas, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Thomas Albert, 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, 2021. 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](http://www.michigan.gov/budget) under "Spending and Revenue Reports".

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

Sincerely,

David P. Massaron  
State Budget Director

Attachment

cc: Mike Shirkey, Senate Maj. Leader  
Jim Ananich, Senate Min. Leader  
Jason Wentworth, Speaker of the House  
Donna Lasinski, House Min. Leader  
Senate Appropriations Committee  
House Appropriations Committee  
Senate Fiscal Agency  
House Fiscal Agency

Jim Runestad, Chair, Senate Finance Com.  
Matt Hall, Chair, House Tax Policy Com.  
JoAnne Huls, Executive Office  
Tricia Foster, Executive Office  
Jen Flood, Executive Office  
Bethany Wicksall, Acting Deputy State Budget Dir.  
Heather Boyd, Office of Financial Mgmt.  
Internal State Budget Office Distribution

**GENERAL FUND, GENERAL PURPOSE**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**January 31, 2021**  
(\$ in millions)

**FISCAL**  
**2021**

<b>Beginning Balance</b>	<b>\$ 2,364.3</b>
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**Revenues**

**Ongoing:**

January 2021 Consensus Forecast	\$ 10,237.5
Shift Venture MI Fund II to Voucher Purchase	\$ 75.0
Local Government Program Payments	\$ (490.1)
<b>Subtotal Ongoing Revenue</b>	<b>\$ 9,822.4</b>

**One-Time:**

Miscellaneous Adjustments	\$ 11.2
<b>Subtotal One-Time Revenue</b>	<b>\$ 11.2</b>

<b>Total Revenue</b>	<b>\$ 9,833.6</b>
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**Expenditures**

**Ongoing:**

Public Acts 165 and 166 of 2020	\$ 10,316.9
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 10,316.9</b>

**One-Time:**

Public Acts 165 and 166 of 2020	\$ 285.3
Public Act 257 of 2020	\$ 243.3
Reserve for Disallowance	\$ 62.8
Transfer to BSF	\$ 35.0
<b>Subtotal One-Time Expenditures</b>	<b>\$ 626.4</b>

<b>Total Expenditures</b>	<b>\$ 10,943.3</b>
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<b>Ending Balance</b>	<b>\$ 1,254.6</b>
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<sup>1</sup> This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2020. Final year-end activity will be reflected in the fiscal year 2020 Comprehensive Annual Financial Report (CAFR). The beginning balance is the estimated fiscal year 2020 CAFR balance as of February 19, 2021.

**SCHOOL AID FUND**  
**Fiscal Year 2021**  
**Projected Revenues and Expenditures**  
**January 31, 2021**  
(\$ in millions)

**FISCAL  
2021**

<b>Beginning Balance</b>	<b>\$ 1,182.6</b>
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**Revenues**

**Ongoing:**

January 2021 Consensus Forecast	\$ 14,030.2
General Fund	\$ 40.0
Community District Trust Fund	\$ 77.7
Federal Revenue	\$ 1,806.9
<b>Subtotal Ongoing Revenue</b>	<b>\$ 15,954.8</b>

**One-Time:**

General Fund	\$ 11.0
<b>Subtotal One-Time Revenue</b>	<b>\$ 11.0</b>

<b>Total Revenue</b>	<b>\$ 15,965.8</b>
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**Expenditures**

**Ongoing:**

School Aid - PA 165 of 2020	\$ 15,340.1
Community Colleges - PA 165 of 2020	\$ 425.7
Universities - PA 165 of 2020	\$ 356.1
<b>Subtotal Ongoing Expenditures</b>	<b>\$ 16,121.9</b>

**One-Time:**

School Aid - PA 165 of 2020	\$ 185.0
<b>Subtotal One-Time Expenditures</b>	<b>\$ 185.0</b>

<b>Total Expenditures</b>	<b>\$ 16,306.9</b>
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<b>Ending Balance</b>	<b>\$ 841.5</b>
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<sup>1</sup> This report does not reflect final revenue and expenditure data for the fiscal year ending September 30, 2020. Final year-end activity will be reflected in the fiscal year 2020 Comprehensive Annual Financial Report (CAFR). The beginning balance is the estimated fiscal year 2020 CAFR balance as of February 19, 2021.

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

January 31, 2021

(\$ in millions)

Fiscal Year 2020				Fiscal Year 2021			
Expenditures & Encumbrances Year to Date FY 2020	Fiscal Year End SEP 30, 2020	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2021
54.2	110.5	Agriculture and Rural Development	121.3	5.2	23.8	150.3	48.3
31.2	93.2	Attorney General	105.3	2.1	20.0	127.4	29.1
196.7	389.6	Capital Outlay (2)	332.4	0.0	673.9	1,006.3	125.6
4.8	14.0	Civil Rights	18.0	1.5	1.9	21.4	4.1
502.2	1,435.8	Colleges and Universities	1,343.9	0.0	110.7	1,454.5	563.6
821.1	2,017.3	Corrections	2,050.7	2.5	250.6	2,303.8	784.4
114.7	1,134.0	Education	516.7	7.2	155.7	679.5	221.6
143.3	502.2	Environment, Great Lakes, and Energy	480.9	3.0	658.5	1,142.4	132.9
5.2	7.4	Executive Office	7.1	0.0	0.9	8.1	4.7
8,058.8	26,619.9	Health and Human Services	28,453.2	275.0	1,186.7	29,914.9	9,829.8
17.0	53.9	Insurance and Financial Service	73.3	1.5	0.0	74.8	17.0
67.1	271.3	Judiciary	313.6	0.4	4.9	319.0	63.9
167.5	444.8	Labor and Economic Opportunity	745.2	22.5	2,850.0	3,617.7	187.2
8.6	24.2	Legislative Auditor General	26.7	0.0	3.5	30.2	8.2
55.9	154.3	Legislature	172.4	0.0	93.8	266.2	53.8
148.4	333.4	Licensing and Regulatory Affairs	452.6	58.5	39.8	551.0	208.2
0.0	0.1	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
26.0	86.7	Michigan Strategic Fund	120.3	58.5	0.0	178.8	97.0
0.0	0.0	Michigan Veterans' Facility Authority	41.3	1.2	0.0	42.5	21.3
87.0	171.9	Military and Veterans Affairs	102.4	22.2	12.5	137.1	55.1
61.9	132.7	Natural Resources	136.5	5.0	58.2	199.7	52.0
79.4	252.4	State	254.3	12.1	88.1	354.5	77.2
0.0	0.0	State Land Bank Authority	0.0	0.0	0.0	0.0	0.0
224.8	837.6	State Police	737.2	34.4	504.3	1,275.9	190.3
113.1	1,047.2	Technology, Management and Budget (3)	495.0	194.4	379.0	1,068.4	279.2
2.9	6.2	Transportation	0.0	47.0	29.5	76.5	0.0
810.0	3,758.1	Treasury	2,080.6	126.4	197.6	2,404.6	862.3
<b>\$11,801.8</b>	<b>\$39,898.7</b>		<b>\$39,180.9</b>	<b>\$880.6</b>	<b>\$7,374.2</b>	<b>\$47,435.7</b>	<b>\$13,916.5</b>

(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 2021**  
**January 31, 2021**  
(\$ in millions)

	<b>INITIAL APPROPRIATIONS</b>	<b>EXEC. ORDER and SUPPLEMENTALS</b>	<b>TOTAL APPROPRIATIONS YEAR-TO-DATE</b>
Payments to local units of government	19,907.4	0.0	19,907.4
Total state spending from state resources	35,359.1	243.3	35,602.4
Percentage of state spending from state resources paid to local units	56.30%	0.00%	55.92%
Required payments to local units (48.97%)	17,315.4	119.1	17,434.5
<b>Surplus/(deficit)</b>	<b>\$2,592.0</b>	<b>(\$119.1)</b>	<b>\$2,472.9</b>

**STATE OF MICHIGAN**  
**YEAR-TO-DATE BALANCE SHEET**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
January 31, 2021  
(\$ in thousands)

**ASSETS**

Current Assets:

Equity in common cash	\$ 840,768
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Total Assets	<u>\$ 840,768</u>
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**LIABILITIES**

Current Liabilities:

Total Current Liabilities	<u>\$ -</u>
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Total Liabilities	<u>-</u>
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**FUND BALANCES**

Committed	<u>840,768</u>
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Total Fund Balances	<u>840,768</u>
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Total Liabilities and Fund Balances	<u>\$ 840,768</u>
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**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND**  
October 1, 2020 through January 31, 2021  
(\$ 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	11,667
Transfers to other funds	-
	<hr/>
Total Other Financing Sources (Uses)	11,667
	<hr/>
Excess of Revenues and Other Sources	
over (under) Expenditures and	
Other Uses	\$ 11,667 <sup>1</sup>
	<hr/> <hr/>

<sup>1</sup> 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, 2021

(\$ in thousands)

**ASSETS**

Current Assets:

Equity in common cash	\$ 86,272
Investments	-
Other current assets	-
Total Current Assets	<u>86,272</u>

Noncurrent Assets:

Investments	<u>695,243</u>
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Total Assets	<u><u>\$ 781,515</u></u>
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**LIABILITIES**

Current Liabilities:

Accounts payable and other liabilities	\$ 10,977
Amounts due to other funds	-
Total Current Liabilities	<u>10,977</u>

Total Liabilities	<u>10,977</u>
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**FUND BALANCES**

Nonspendable	500,000
Restricted	<u>270,538</u>

Total Fund Balances	<u>770,538</u>
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Total Liabilities and Fund Balances	<u><u>\$ 781,515</u></u>
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**STATE OF MICHIGAN**  
**YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES**  
**MICHIGAN NATURAL RESOURCES TRUST FUND**

October 1, 2020 through January 31, 2021  
(\$ in thousands)

**REVENUES**

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	33,402
	<hr/>
Total Revenues	33,402
	<hr/>

**EXPENDITURES**

Current:	
General government	1,267
Conservation, environment, recreation, and agriculture	4,577
Capital outlay	406
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Total Expenditures	6,250
	<hr/>
Excess of Revenues over (under) Expenditures	27,153
	<hr/>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues	-
Proceeds from sale of capital assets	-
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	\$ 27,153 <sup>1</sup>
	<hr/> <hr/>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

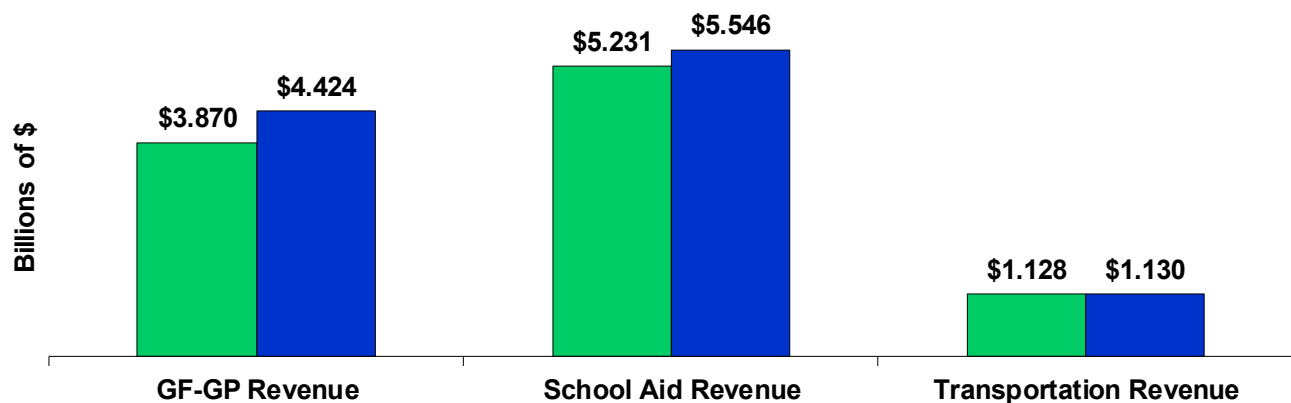
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for January 2021, representing some December and some January economic activity in Michigan.

Total General Fund - General Purpose cash collections were \$384.1 million (36.8 percent) higher in January 2021 than in January 2020. The January 2021 School Aid Fund cash collections were \$136.0 million (14.3 percent) higher than in January 2020. January 2021 transportation collections were \$6.7 million (2.2 percent) higher than in January 2020 (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 General Fund - General Purpose cash collections are up \$554.6 million (14.3 percent) from a year ago. School Aid Fund cash collections are up \$315.0 million (6.0 percent) and transportation collections are up \$1.3 million (0.1 percent).

The FY 2020-21 revenue projections presented in the revenue summary table on page 11 are from the special Consensus Revenue Estimating Conference held on January 15, 2021. The revenue estimate for net General Fund – General Purpose revenue for FY 2020-21 is \$10,237.5 million and the net School Aid revenue forecast is \$14,030.2 million. The Transportation Funds revenue forecast is \$3,680.9 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

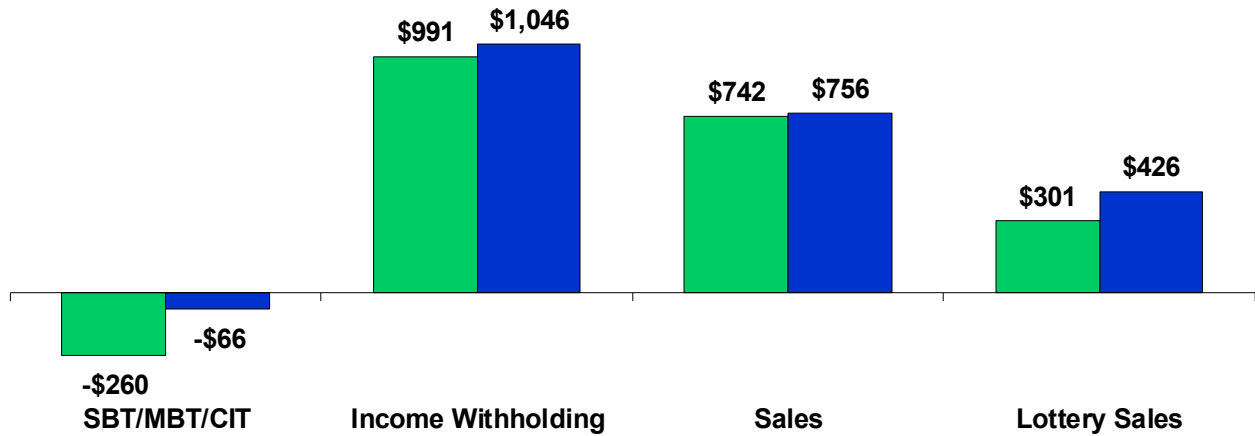
**October through January Collections  
FY 2019-20 and FY 2020-21**



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

### January Revenue Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

### October through January Collections FY 2019-20 and FY 2020-21



Source: Office of Revenue and Tax Analysis

■ FY 2019-20 ■ FY 2020-21

**Revenue Summary FY 2020-21**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: January 31, 2021**

Month-End Cash Collections Data				October Through January Cash Collections Data					Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent			
Income Taxes											
\$990,983	\$1,045,862	\$54,879	5.5%	Withholding	\$3,604,439	\$3,735,971	\$131,532	3.6%	\$10,502,700	\$9,971,300	\$10,364,500
318,768	388,220	69,452	21.8%	Quarterlies	431,245	518,400	87,156	20.2%	1,208,400	1,019,500	976,400
14,692	31,275	16,583	113.0%	Annuals	115,013	143,568	28,556	24.8%	1,298,100	1,147,600	1,229,600
\$1,324,443	\$1,465,357	\$140,915	10.6%	Gross Collections	\$4,150,697	\$4,397,940	\$247,243	6.0%	\$13,009,200	\$12,138,400	\$12,570,500
35,110	17,893	(17,217)	-49.0%	Less: Refunds	171,495	144,634	(26,860)	-15.7%	2,517,700	2,366,900	2,416,400
0	0	0	na	State Campaign Fund	0	0	0	na	600	800	800
\$1,289,333	\$1,447,465	\$158,132	12.3%	Net Personal Income	\$3,979,202	\$4,253,305	\$274,104	6.9%	\$10,490,900	\$9,770,700	\$10,153,300
39,000	50,000	11,000	28.2%	Less: Disbursements to MTF	156,000	200,000	44,000	28.2%	468,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	23,000	23,000	0	0.0%	69,000	69,000	69,000
308,329	341,138	32,808	10.6%	Less: Disbursements to SAF	966,258	1,023,844	57,586	6.0%	3,093,000	2,889,900	2,993,000
\$936,253	\$1,050,577	\$114,324	12.2%	Net Personal Income To GF-GP	\$2,833,943	\$3,006,461	\$172,518	6.1%	\$6,860,900	\$6,211,800	\$6,491,300
Consumption Taxes											
\$117,749	\$118,142	\$394	0.3%	Sales (a)	\$463,922	\$476,789	\$12,867	2.8%	\$1,299,800	\$1,250,200	\$1,274,700
114,582	178,082	63,500	55.4%	Use (a) (h)	221,739	390,517	168,778	76.1%	735,300	654,500	818,300
14,028	14,913	885	6.3%	Tobacco	57,872	60,111	2,238	3.9%	180,100	167,800	174,700
4,488	10,144	5,657	126.0%	Beer, Wine & Mixed Spirits	16,901	23,687	6,787	40.2%	51,400	50,500	53,000
7,826	329	(7,496)	-95.8%	Liquor Specific	17,684	13,816	(3,867)	-21.9%	73,100	57,500	68,000
\$258,672	\$321,611	\$62,938	24.3%	Total Consumption Taxes	\$778,117	\$964,920	\$186,803	24.0%	\$2,339,700	\$2,180,500	\$2,388,700
Other Taxes											
(\$2,506)	(\$791)	\$1,715	-68.4%	Single Business	(\$6,991)	(\$359)	\$6,632	-94.9%	(\$5,400)	\$0	\$0
81,183	90,130	8,947	11.0%	Insurance Premiums Taxes	\$175,465	186,306	10,841	6.2%	456,800	380,400	398,700
78,677	89,339	10,662	13.6%	Sub-total SBT & Insurance	168,474	185,946	17,472	10.4%	451,400	380,400	398,700
(339,863)	(174,301)	165,562	-48.7%	Michigan Business Tax	(452,170)	(368,419)	83,751	18.5%	(553,700)	(643,900)	(626,900)
82,004	109,376	27,372	33.4%	Corporate Income Tax	429,078	516,704	87,626	20.4%	1,104,800	912,800	1,074,400
0	0	0	na	Inheritance / Estate	0	0	0	na	0	0	0
0	795	795	na	Telephone & Telegraph	11,355	11,087	(268)	-2.4%	32,400	30,000	32,000
1,929	1,603	(325)	-16.9%	Oil & Gas Severance	6,652	5,216	(1,436)	-21.6%	12,800	12,000	12,000
6,976	8,713	1,737	24.9%	Penalties & Interest	29,487	32,835	3,349	11.4%	90,700	127,000	120,000
163	132	(31)	-19.0%	Essential Services Assessment	669	1,120	451	67.5%	122,000	125,000	126,000
64	2	(62)	-96.3%	Miscellaneous Other/Railroad	91	81	(9)	-10.4%	3,800	2,000	2,000
(11,667)	(12,667)	(1,000)	-8.6%	Treasury Enforcement Programs (e)	(46,667)	(50,667)	(4,000)	-8.6%	(139,800)	(152,000)	(152,000)
(\$181,717)	\$22,993	\$204,710	na	Total Other Taxes	\$146,968	\$333,904	\$186,935	127.0%	\$1,124,400	\$793,300	\$986,200
\$1,013,209	\$1,395,181	\$381,972	37.7%	Subtotal GF-GP Taxes	\$3,759,029	\$4,305,285	\$546,256	14.5%	\$10,325,000	\$9,185,600	\$9,866,200

*continued*

**Revenue Summary FY 2020-21**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: January 31, 2021**

Month-End Cash Collections Data				October Through January Cash Collections Data						Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary Total (i)	FY 2020-21 Statutory Estimate	FY 2020-21 January 2021 Forecast	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent				
Non-Tax Revenue (e)												
\$1,250	\$833	(\$417)	-33.3%	Federal Aid	\$5,000	\$3,333	(\$1,667)	-33.3%	\$3,900	\$10,000	\$10,000	
8	8	0	0.0%	Local Agencies	33	33	0	0.0%	300	100	100	
500	583	83	16.7%	Services	2,000	2,333	333	16.7%	3,800	7,000	7,000	
1,000	1,167	167	16.7%	Licenses & Permits	4,000	4,667	667	16.7%	51,100	14,000	14,000	
3,474	3,474	0	0.0%	Investments/Interest Costs	3,474	3,474	0	0.0%	6,700	4,000	2,000	
833	833	0	0.0%	Misc. Non-tax Revenue	3,333	3,333	0	0.0%	14,500	10,000	10,000	
16,250	18,750	2,500	15.4%	Liquor Purchase Revolving Fund	65,000	75,000	10,000	15.4%	290,300	225,000	250,000	
7,000	6,750	(250)	-3.6%	From Other Funds-Lottery & Escheats	28,000	27,000	(1,000)	-3.6%	75,100	81,000	78,200	
\$30,315	\$32,399	\$2,083	6.9%	Total Non-Tax Revenue	\$110,840	\$119,174	\$8,333	7.5%	\$445,700	\$351,100	\$371,300	
\$1,043,524	\$1,427,579	\$384,055	36.8%	Total GF-GP Revenue	\$3,869,869	\$4,424,459	\$554,590	14.3%	\$10,770,700	\$9,536,700	\$10,237,500	
School Aid Fund												
\$308,714	\$308,607	(\$108)	0.0%	Sales Tax 4%	\$1,204,720	\$1,230,718	\$25,999	2.2%	\$3,387,600	\$3,344,700	\$3,444,400	
227,643	241,281	13,639	6.0%	Sales Tax 2%	870,946	856,442	(14,504)	-1.7%	2,656,400	2,604,600	2,686,400	
57,304	89,049	31,745	55.4%	Use Tax 2%	200,386	301,657	101,270	50.5%	622,500	576,000	657,900	
12,578	25,181	12,602	100.0%	State Education Property Tax	1,406,439	1,447,707	41,269	2.9%	2,189,900	2,163,000	2,237,600	
28,537	37,977	9,440	33.1%	Real Estate Transfer Tax	123,518	163,642	40,124	32.5%	335,400	325,000	363,600	
110,000	141,983	31,983	29.1%	Lottery Transfer (b)	271,822	321,983	50,161	18.5%	1,179,900	1,026,800	1,058,100	
9,722	7,183	(2,539)	-26.1%	Casino Wagering Tax	39,897	21,375	(18,522)	-46.4%	67,000	112,800	116,500	
7,755	0	(7,755)	-100.0%	Liquor Excise Tax	17,273	12,863	(4,410)	-25.5%	70,900	57,100	67,600	
28,479	30,275	1,796	6.3%	Cigarette/Tobacco Tax	117,489	122,034	4,544	3.9%	331,800	314,900	322,300	
1,101	637	(464)	-42.2%	Indus. & Comm. Facilities Taxes	8,605	11,658	3,052	35.5%	40,900	33,000	37,000	
588	13,015	12,426	2112.0%	Recreational Marihuana	588	29,066	28,477	na	0	27,300	19,300	
320	756	436	136.0%	Specific Other	3,013	2,961	(51)	-1.7%	27,000	26,800	26,500	
308,329	341,138	32,808	10.6%	Income Tax Earmarking	966,258	1,023,844	57,586	6.0%	3,093,000	2,889,900	2,993,000	
\$1,101,071	\$1,237,081	\$136,010	12.4%	Total School Aid Fund	\$5,230,956	\$5,545,951	\$314,995	6.0%	\$14,002,300	\$13,501,900	\$14,030,200	
Multi-Fund Revenue Summary												
\$742,167	\$755,626	\$13,459	1.8%	Sales Tax 6%	\$2,878,813	\$2,907,640	\$28,827	1.0%	\$8,307,700	\$8,159,000	\$8,406,000	
514,524	514,345	(179)	0.0%	Sales Tax 4% (d)	2,007,866	2,051,197	43,331	2.2%	5,651,300	5,554,400	5,719,600	
227,643	241,281	13,639	6.0%	Sales Tax 2%	870,946	856,442	(14,504)	-1.7%	2,656,400	2,604,600	2,686,400	
171,912	267,147	95,235	55.4%	Use Tax 6% (g)	601,159	904,970	303,811	50.5%	1,813,200	1,722,000	1,967,700	
70,492	74,937	4,445	6.3%	Tobacco Taxes	290,815	302,064	11,249	3.9%	904,100	847,100	879,000	
0	0	0	na	Tobacco Settlement	3,270	0	(3,270)	-100.0%	na	na	na	

*continued*

**Revenue Summary FY 2020-21**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

**For The Month Ended: January 31, 2021**

Month-End Cash Collections Data				October Through January Cash Collections Data						Revenue Projections		
January		Difference		Source of Revenue	Year-to-Date		Difference		FY 2019-20 Preliminary	FY 2020-21 Statutory	FY 2020-21 January 2021	
2020	2021	Amount	Percent		FY 2019-20	FY 2020-21	Amount	Percent	Total (i)	Estimate	Forecast	
Major Transportation Revenues												
\$20,962	\$22,181	\$1,219	5.8%	Diesel Fuel / Motor Carrier Fuel Tax	\$84,442	\$84,200	(\$242)	-0.3%	\$229,917	\$227,000	\$238,000	
99,242	85,269	(13,973)	-14.1%	Gasoline	405,455	348,693	(56,762)	-14.0%	1,086,857	1,150,000	1,155,000	
136,004	144,790	8,786	6.5%	Motor Vehicle Registration	430,058	445,371	15,314	3.6%	1,345,111	1,373,000	1,373,000	
4,915	4,553	(362)	-7.4%	Other Taxes, Fees & Misc.	18,589	17,310	(1,279)	-6.9%	119,062	217,996	182,419	
8,472	8,537	65	0.8%	Comprehensive Transportation (c)	33,887	34,146	259	0.8%	102,047	102,439	132,523	
39,000	50,000	11,000	28.2%	Income Tax Earmarking	156,000	200,000	44,000	28.2%	468,000	600,000	600,000	
\$308,595	\$315,330	\$6,735	2.2%	Total Major Trans. Revenues	\$1,128,431	\$1,129,721	\$1,290	0.1%	\$3,350,994	\$3,670,435	\$3,680,942	
Lottery Sales By Games												
\$134,127	\$207,959	\$73,832	55.0%	Instant Games (f)	\$596,896	\$829,215	\$232,319	38.9%	na	na	na	
67,235	87,002	19,767	29.4%	Daily Games	291,479	365,599	74,120	25.4%	na	na	na	
34,430	99,657	65,227	189.0%	Lotto and Big Game (f)	120,386	207,815	87,429	72.6%	na	na	na	
639	683	45	7.0%	Keno Game	2,729	2,822	93	3.4%	na	na	na	
1,026	1,154	128	12.5%	Lucky For Life	4,377	4,412	35	0.8%	na	na	na	
9,608	6,565	(3,043)	-31.7%	Other (f)	40,514	21,674	(18,840)	-46.5%	na	na	na	
53,933	23,022	(30,912)	-57.3%	Club Games	213,011	143,248	(69,763)	-32.8%	na	na	na	
\$300,996	\$426,041	\$125,045	41.5%	Total Lottery Sales	\$1,269,393	\$1,574,786	\$305,393	24.1%	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 2020 revenues were \$179.0 million and the year-to-date 2021 revenues are \$212.8 million. Per 2014 Public Act 80, the total fiscal year 2020 Local Community Stabilization Share (LCSS) was \$465.9 million and the total fiscal year 2021 LCSS is \$491.5 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2020 LCSS revenues were \$179.0 million and the year-to-date 2021 LCSS revenues are \$212.8 million.
- (i) Official CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.

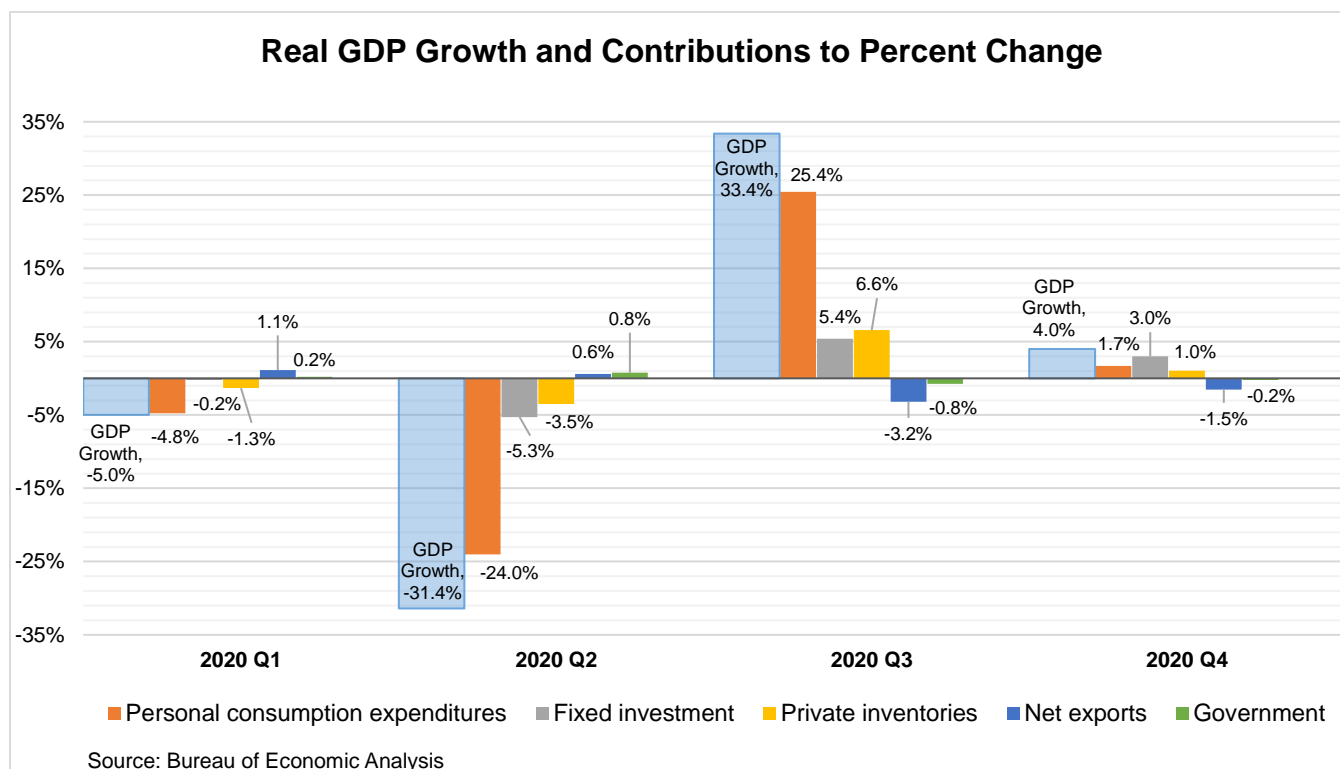
Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U.S. Economy

U.S. real **Gross Domestic Product** increased at a 4.0 percent annual rate in the fourth quarter of 2020, according to the “advance” estimate, after an increase of a 33.4 percent annual rate in the third quarter. The coronavirus (COVID-19) pandemic that hit the U.S. in 2020 drove the significant swings in GDP. The 2020 quarterly contributions to the percent change in GDP are shown in the graph below. According to advance estimates, annual real GDP decreased 3.5 percent in 2020, a decline from the 2.2 percent growth of 2019.

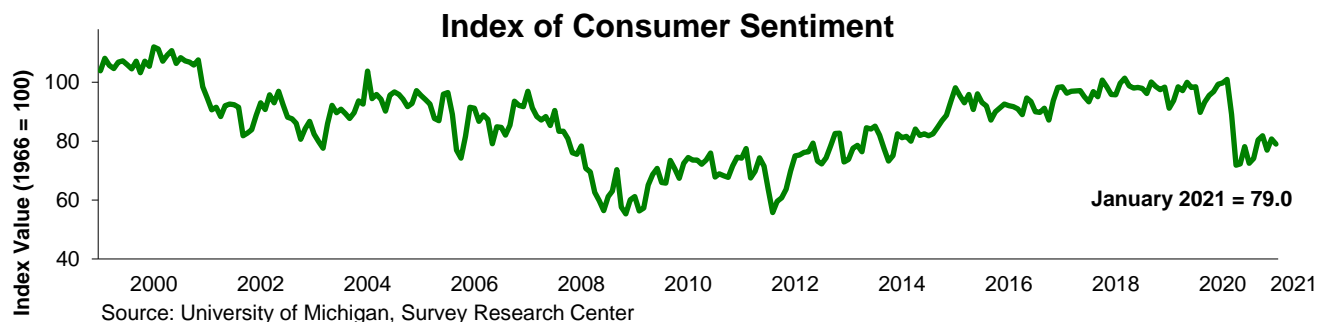


Fixed investment contributed significantly to the increase in the fourth quarter, along with personal consumption expenditures and private inventories. Net exports and government spending were both drags on the economy. Real final sales increased 3.0 percent in the fourth quarter while on the inflation front, the implicit price deflator increased by 1.9 percent.

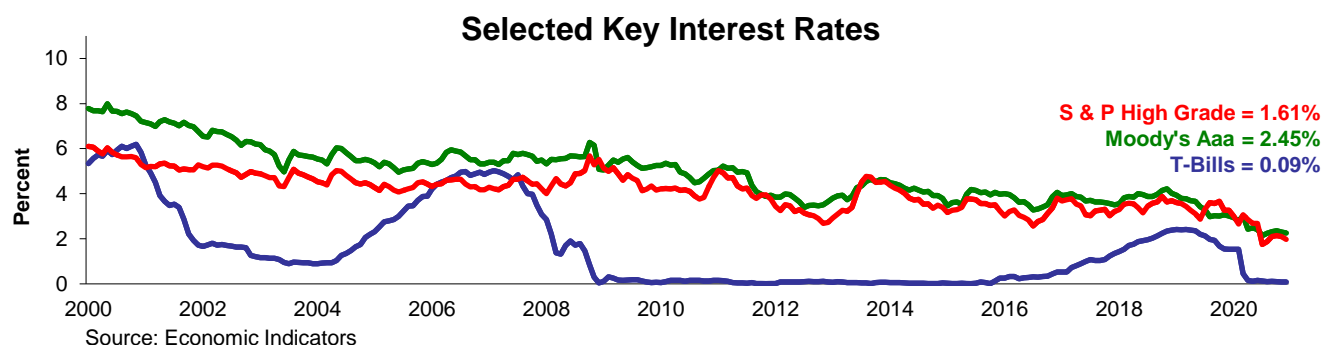
**U.S. wage and salary employment** increased by 49,000 jobs in January. Employment levels were still 9.9 million payroll jobs, or 6.5 percent, below the February 2020 level. In January, sectors with the largest increases in employment include professional and business services with 97,000 jobs, government employment with 43,000 jobs, information with 16,000 jobs, and wholesale trade with 14,300 jobs. Sectors with the largest declines in employment include the leisure and hospitality sector with 61,000 jobs lost, retail trade with 37,800 jobs lost, and transportation and warehousing with 27,800 jobs lost.

In January, the U.S. unemployment rate declined slightly to 6.3 percent, down from December's 6.7 percent. Civilian employment totaled 150.0 million, a slight increase from December's 149.8 million, while the number unemployed declined slightly to 10.1 million. Of the unemployed, 2.7 million were reported as being on a temporary layoff, a decrease of 0.3 million from 3.0 million in December.

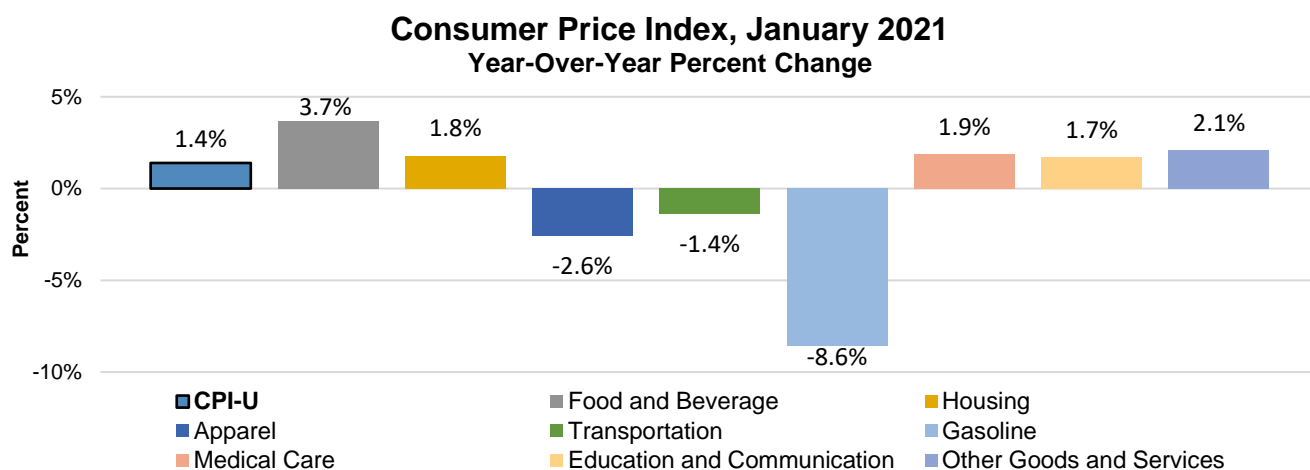
The **Index of Consumer Sentiment** decreased 1.7 index-points from December, down to 79.0 in January. The year-over-year consumer sentiment is 20.8 index-points below January 2020 levels.



Short-term **interest rates** remained flat in January, as the 3-month Treasury bill (T-bill) rate continued at 0.09 percent for the third month in a row. Compared to one year ago, the T-bill rate decreased 1.44 percentage points. The Aaa corporate bond rate increased 0.19 percentage points to an interest yield of 2.45 percent in January and was down 0.49 percentage points from its year-ago level. The interest rate on high-grade municipal bonds declined 0.36 percentage points to 1.61 percent in January and was down 1.39 percentage points from a year ago.



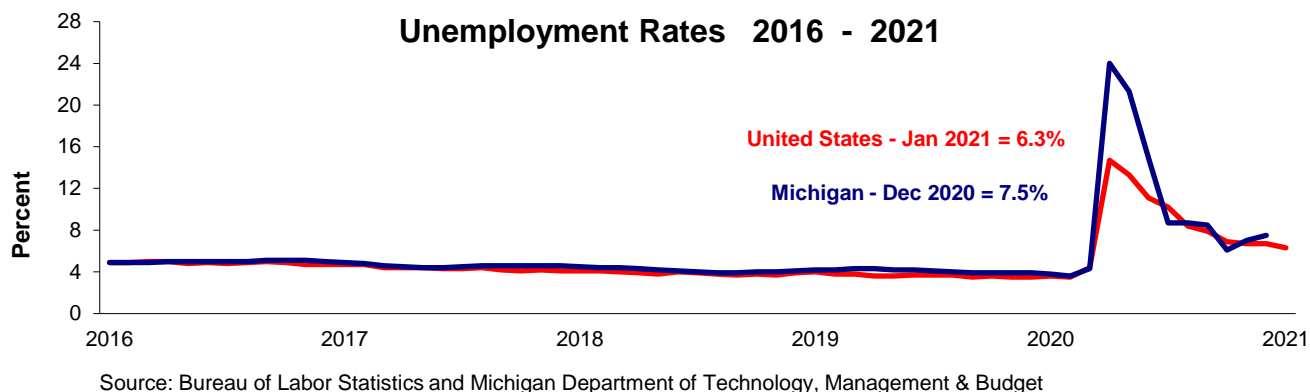
**U.S. retail prices**, as measured by the Consumer Price Index (CPI-U), are up 1.4 percent from January 2020. Food and beverage experienced the largest year-over-year price increase (3.7 percent), followed by other goods and services (2.1 percent), medical care (1.9 percent), housing (1.8 percent), and education and communication (1.7 percent). Gasoline declined the most (-8.6 percent), followed by apparel (-2.6 percent) and transportation (-1.4 percent).





## Michigan Economy

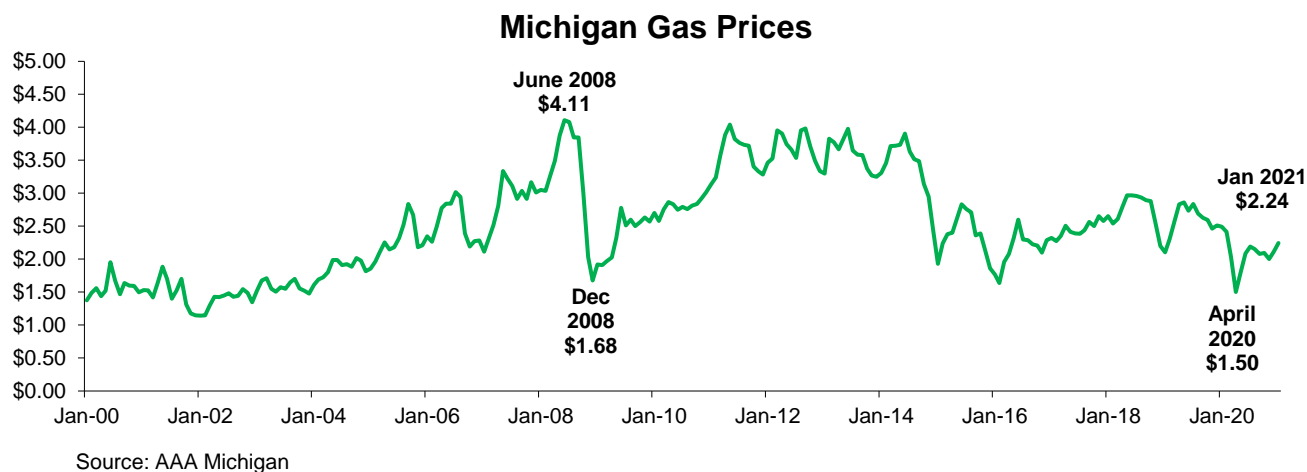
The **Michigan jobless rate** increased 0.5 percentage points to 7.5 percent in December, according to the most recent data, up from November's 7.0 percent jobless rate. This is the second increase in a row in Michigan's unemployment rate since April. The civilian labor force decreased by 141,000 in December, a 2.9 percent decline from November, while the number unemployed increased by 14,000, a 4.1 percent increase. The number unemployed is 88.0 percent higher than in December 2019.



**Michigan wage and salary employment** declined in December by 64,000 jobs from November, and was down 487,000 jobs, or 10.9 percent, from December 2019. In December, sectors with the largest declines include leisure and hospitality services with 60,000 jobs lost and government with 8,000 jobs lost. The sectors with the largest gains include trade, transportation, and utilities as well as retail trade which each gained 8,000 jobs. All other major sectors had relatively flat employment changes.

**Michigan initial claims for unemployment** increased in March, April, and May, peaking at 388,554 initial claims the week ending April 4<sup>th</sup> and were down to 18,318 the week of February 13<sup>th</sup>. In total, there were 2,336,085 initial claims over the past forty-eight weeks. In the last ten weeks, Michigan has averaged 21,066 initial claims each week, a slight increase from the ten-week averages of August through October. Michigan initial claims data are not seasonally adjusted.

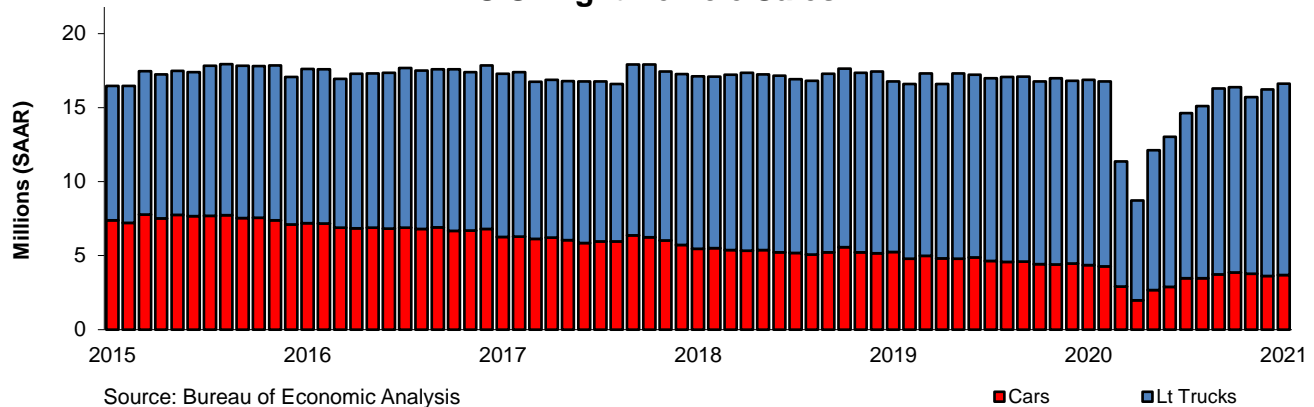
Michigan gasoline prices increased slightly in January 2021 to \$2.24 per gallon, up 10 cents a gallon from last month's average of \$2.11 per gallon. Gasoline prices are down 10.0 percent from the January 2020 average of \$2.49 per gallon. Average prices since March 2020 have been down year-over-year as a result of decreased demand for crude oil due to the COVID-19 pandemic.



## Motor Vehicle Sector

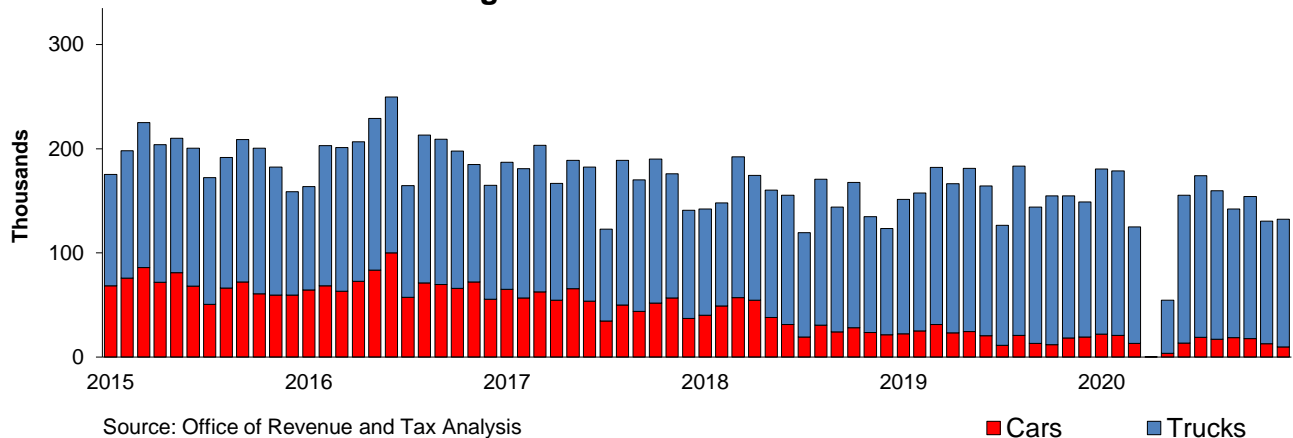
**U.S. light vehicle sales** (cars and light trucks) increased 2.5 percent in January from December, selling at a 16.6 million unit seasonally adjusted annual rate. Domestic car sales declined only 0.9 percent while light truck sales increased 2.1 percent from December. Import car sales increased 10.3 percent while light truck sales increased 4.5 percent from December. Compared to last year, light vehicle sales in January were down slightly, declining 1.5 percent. Domestic car sales decreased 18.3 percent and light truck sales increased 2.3 percent from the year ago levels. Import car sales were down 5.6 percent while import light truck sales were up 7.1 percent from last year. For January 2021, domestic light vehicles recorded a 76.9 percent share of a 16.6 million unit market, down 1.1 percent from December.

### U.S. Light Vehicle Sales



**Michigan motor vehicle production** was up slightly in December, with 132,289 total units, 1.4 percent above November's production, but down 11.2 percent from a year ago, according to the most recently available data. Nationally, motor vehicle production was down 2.1 percent from a year ago. In December, Michigan's car production was 9,646 units while the state's truck production was 122,643 units. Compared with a year ago, car production declined 50.1 percent in Michigan but declined only 15.9 percent nationwide, while truck production declined 5.4 percent in Michigan and increased 2.4 percent nationwide from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

### Michigan Motor Vehicle Production



**Summary Estimates of the Constitutional Revenue Limit**  
**Based on the January 15, 2021 Consensus Revenue Agreement**  
**(Article IX, Section 26)**  
(in millions)

	<b>Fiscal Year 2019-20 Estimate</b>	<b>Fiscal Year 2020-21 Estimate</b>	<b>Fiscal Year 2021-22 Estimate</b>
Applicable Calendar Year Personal Income	\$484,030	\$491,632	\$521,130
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$45,934.4</u>	<u>\$46,655.9</u>	<u>\$49,455.2</u>
Revenue Limit	\$45,934.4	\$46,655.9	\$49,455.2
State Revenue Subject to Limit	<u>\$34,527.8</u>	<u>\$34,135.5</u>	<u>\$35,332.8</u>
<b>Amount Under (Over) Limit</b>	<b>\$11,406.6</b>	<b>\$12,520.4</b>	<b>\$14,122.4</b>

Sources:

Personal Income Estimate

The FY 2019-20 calculation uses the official personal income estimate for calendar year 2018 (Survey of Current Business, October 2019).

The FY 2020-21 calculation uses the official personal income estimate for calendar year 2019 (Survey of Current Business, October 2020).

The FY 2021-22 calculation uses the January 15, 2021 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2019-20 calculation uses the January 15, 2021 Consensus Revenue Agreement.

The FY 2020-21 calculation uses the January 15, 2021 Consensus Revenue Agreement.

The FY 2021-22 calculation uses the January 15, 2021 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