



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN J. WALSH
DIRECTOR

April 30, 2018

The Honorable Dave Hildenbrand, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Laura Cox, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

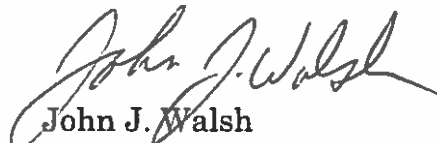
Dear Legislators:

Attached is the monthly financial report for the month ending March 31, 2018. 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 "Financial Reports".

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

Sincerely,


John J. Walsh
State Budget Director

Attachment

cc: Governor Rick Snyder
Arlan Meekhof, Sen. Maj. Leader
Jim Ananich, Senate Min. Leader
Tom Leonard, Speaker of the House
Sam Singh, House Min. Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency

House Fiscal Agency
Jack Brandenburg, Chair, Senate Finance Com.
Jim Tedder, Chair, House Tax Policy Com.
Beth Emmitt, Deputy Chief of Staff
Darin Ackerman, Executive Office
Mike Moody, Office of Financial Management
Kyle Jen, Deputy State Budget Director
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2018
Projected Revenues and Expenditures
March 31, 2018
(\$ in millions)

FISCAL
2018

Beginning Balance, October 1, 2017		<i>see one-time revenue</i>
Current General Fund General Purpose Revenues, January 2018 Consensus Estimate	\$	10,307.7
Revenue Adjustments:		
Net Federal Tax Reform Impact	\$	7.2
Michigan Personal Exemption Increase (PA 38 of 2018)	\$	(6.1)
Local Government Program Payments	\$	(465.9)
Subtotal Additional Revenue Adjustments	\$	(464.8)
Total Fiscal Year Resources Available For Expenditure GF/GP - Ongoing	\$	9,842.9
Expenditures, Current Law:		
PA 107 and PA 108 of 2017	\$	9,746.2
Total Expenditures Projected - Ongoing	\$	9,746.2
Current Year Revenues minus Ongoing Costs	\$	96.7
One-Time Revenue		
Beginning Balance	\$	622.5
Accelerate Elimination of Driver Responsibility Fees (PA 43 of 2018)	\$	(28.5)
Local Government Program Payments	\$	(5.8)
Lawsuit Settlement Proceeds (AG, DEQ)	\$	(6.4)
Total Fiscal Year Resources Available For Expenditure GF/GP - One-Time	\$	581.8
One-Time Expenditures		
PA 107, PA 108, PA 158, and PA 201 of 2017; PA 82 of 2018	\$	663.7
Pending Supplemental 2018-3, 2018-5	\$	(89.9)
Total Expenditures Projected - One-Time	\$	573.8
One-Time Revenue minus One-Time Spending	\$	8.0
Projected Ending Balance, September 30, 2018	\$	104.7

¹ Fiscal year 2017 ending balance as published in the State of Michigan Comprehensive Annual Financial Report, January 2018.

SCHOOL AID FUND
Fiscal Year 2018
Projected Revenues and Expenditures
March 31, 2018
(\$ in millions)

	FISCAL 2018
Beginning Balance, October 1, 2017	see one-time revenue
Current Year School Aid Fund Revenues, January 2018 Consensus Estimate	\$ 13,084.5
Revenue Adjustments:	
Sales Tax on Difference (PA 1 / PA 2 of 2018)	\$ (0.2)
Increase Personal Exemption (PA 38 of 2018)	\$ (1.9)
Net Federal Tax Reform	\$ 0.8
MPSERS Retirement Obligation Reform Reserve Fund Deposit	\$ (55.0)
General Fund	\$ 215.0
General Fund Adjustment (Pending Supplemental 2018-5)	\$ (137.0)
Community District Trust Fund	\$ 72.0
MPSERS Retirement Obligation Reform Reserve Fund	\$ 23.1
Federal Revenue	\$ 1,726.9
Subtotal Additional Revenue Adjustments	\$ 1,843.8
Total FY Resources Available for Expenditure School Aid Fund	\$ 14,928.3
School Aid Ongoing Costs	
PA 143 of 2017	\$ 14,266.4
Pending Supplemental (2018-5)	\$ (11.2)
Community Colleges Ongoing Costs	
PA 108 of 2017	\$ 394.7
Universities Ongoing Costs	
PA 108 of 2017	\$ 237.9
Total School Aid Fund Ongoing Costs Projected	\$ 14,887.9
Current Year Revenues minus Ongoing Costs	\$ 40.4
Beginning Balance (One-Time Revenue)	
	\$ 377.4
One-Time Spending Items	
PA 143 of 2017 - School Aid	\$ 317.9
PA 108 of 2017 - Community Colleges	\$ 3.6
PA 108 of 2017 - Universities	\$ 0.4
One-Time Revenue minus One-Time Spending	\$ 55.5
Projected Ending Balance, September 30, 2018	\$ 96.0

¹ Fiscal year 2017 ending balance as published in the State of Michigan Comprehensive Annual Financial Report, January 2018.

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

March 31, 2018
(\$ IN MILLIONS)

Fiscal Year 2017 (1)		Fiscal Year 2018					
Expenditures & Encumbrances Year to Date FY 2017	Fiscal Year End SEP 30, 2017	Department	Initial Appropriations (2)	Executive Orders & Supplemental Appropriations (2)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2018
34.9	82.1	Agriculture and Rural Development	114.4	11.5	13.2	139.1	62.9
40.1	88.2	Attorney General	99.7	5.8	11.3	116.8	35.9
133.0	253.3	Capital Outlay (3)	312.3	69.2	241.6	623.1	199.1
6.2	14.3	Civil Rights	16.2	2.7	0.9	19.8	6.8
830.8	1,472.9	Colleges and Universities	1,391.9	6.0	4.8	1,402.7	792.5
886.5	1,960.2	Corrections	1,992.0	24.0	134.4	2,150.5	1,027.5
108.4	291.4	Education	351.2	33.6	45.6	430.5	154.3
81.2	253.5	Environmental Quality	485.1	76.1	395.2	956.4	185.8
3.5	5.2	Executive Office	6.8	0.0	0.0	6.9	5.5
10,588.4	23,184.1	Health and Human Services	25,391.4	601.9	270.6	26,263.9	11,058.9
20.9	50.5	Insurance and Financial Service	66.7	6.0	0.0	72.7	21.9
95.9	264.1	Judiciary	300.0	0.4	4.8	305.3	128.5
2.0	4.0	Land Bank Fast Track Authority	4.0	0.0	0.0	4.0	2.0
10.5	22.8	Legislative Auditor General	24.3	0.0	0.8	25.0	10.7
63.8	129.9	Legislature	152.2	0.0	23.6	175.8	71.5
188.6	311.2	Licensing and Regulatory Affairs	386.2	124.9	42.5	553.6	253.2
83.1	156.4	Michigan Strategic Fund	181.7	0.0	0.0	181.8	61.3
67.0	143.0	Military and Veterans Affairs	152.7	17.6	14.7	185.1	95.6
37.9	97.0	Natural Resources	127.9	9.1	36.1	173.1	69.4
88.6	225.8	State	248.3	19.7	43.1	311.1	121.9
253.1	615.1	State Police	693.9	29.9	19.4	743.3	292.7
100.4	255.7	Talent and Economic Development	425.8	44.0	16.7	486.5	99.9
263.8	620.3	Technology, Management and Budget (4)	543.2	163.1	94.8	801.2	234.9
7.8	5.0	Transportation	0.0	148.6	0.9	149.5	0.9
877.4	3,206.1	Treasury	1,829.1	83.2	93.6	2,005.9	1,030.6
\$14,873.7	\$33,712.0		\$35,297.2	\$1,477.3	\$1,508.7	\$38,283.2	\$16,024.3

(1) FY2017 expenditure and encumbrance amounts are obtained from MAIN and do not include prior appropriation year activity.

(2) Includes boilerplate appropriations.

(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 2018
March, 2018
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	17,966.0	7.5	17,973.5
Total state spending from state resources	32,281.1	72.7	32,353.8
Percentage of state spending from state resources paid to local units	55.65%		55.55%
Required payments to local units (48.97%)	15,808.1		15,843.7
Surplus/(deficit)	\$2,157.9		\$2,129.8

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
 October 1, 2017 Through March 31, 2018
 (in thousands)

REVENUES

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

EXPENDITURES

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

OTHER FINANCING SOURCES (USES)

Transfers from other funds	75,000
Transfers to other funds	<u> -</u>
Total Other Financing Sources (Uses)	<u> 75,000</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u><u> \$ 75,000</u></u> ¹

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

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
 October 1, 2017 through March 31, 2018
 (in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>24,457</u>
Total Revenues		<u>24,457</u>

EXPENDITURES

Current:		
General government		1,925
Conservation, environment, recreation, and agriculture		3,685
Capital outlay		<u>23</u>
Total Expenditures		<u>5,633</u>
Excess of Revenues over (under) Expenditures		<u>18,824</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		-
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>-</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<u><u>18,824</u></u> ¹

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

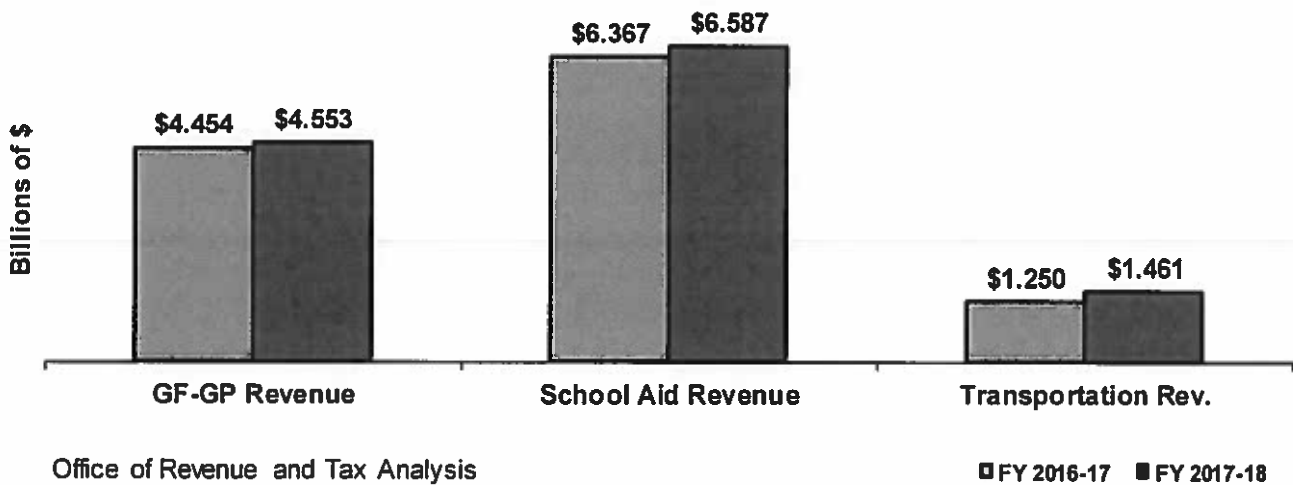
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for March 2018, representing some February 2018 and some March 2018 economic activity in Michigan.

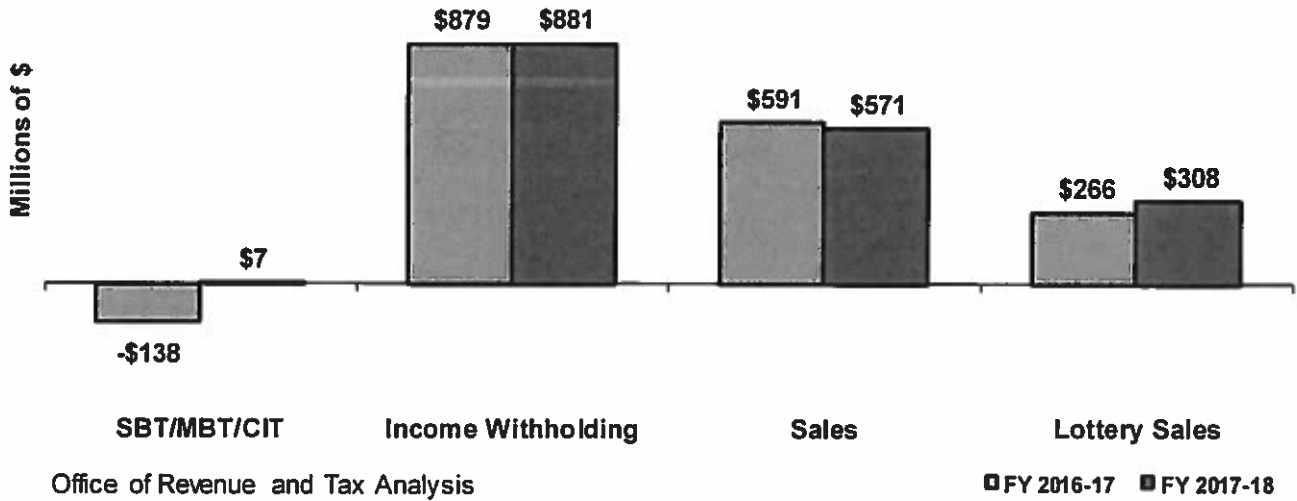
Total General Fund - General Purpose cash collections were \$206.4 million (77.4 percent) higher in March 2018 than in March 2017. The March 2018 School Aid Fund cash collections were \$0.3 million (0.0 percent) lower than in March 2017. March 2018 transportation collections were \$26.0 million (11.4 percent) higher than in March 2017 (see revenue table). March is the sixth 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 \$98.9 million (2.2 percent) from a year ago. School Aid Fund cash collections are up \$220.2 million (3.5 percent) and transportation collections are up \$211.2 million (16.9 percent). The majority of the transportation revenue increase is the result of tax changes.

The FY 2017-18 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 11, 2018. The revenue estimate for net General Fund – General Purpose revenue for FY 2017-18 is \$10,307.7 million and the net School Aid revenue forecast is \$13,084.5 million. The Transportation Funds revenue forecast is \$3,039.3 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held on May 16, 2018.

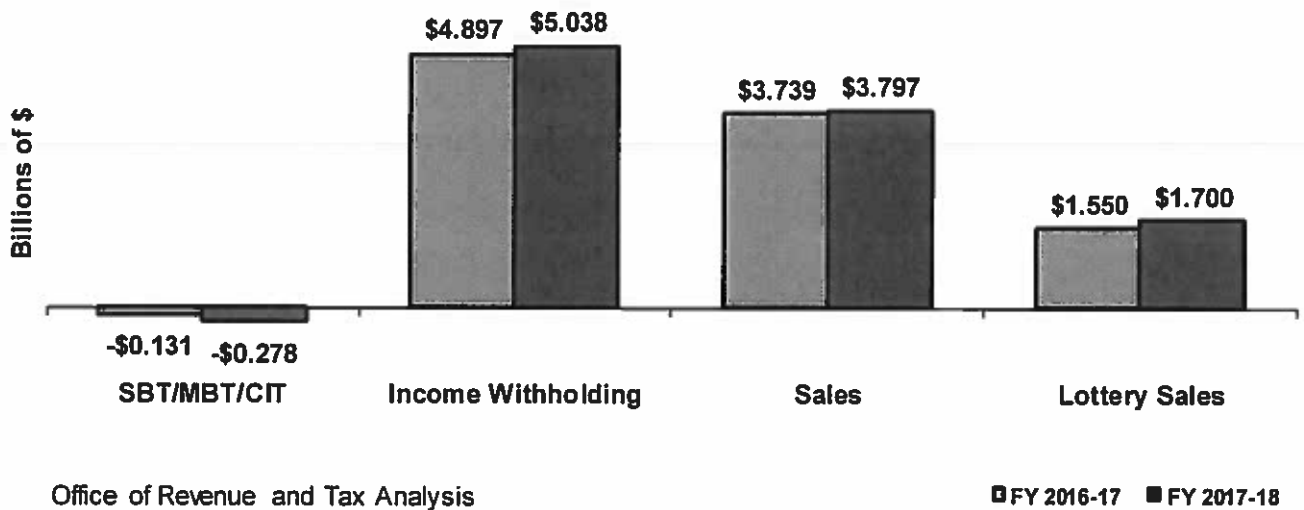
**October through March Collections
FY 2016-17 and FY 2017-18**



March Revenue Collections FY 2016-17 and FY 2017-18



October through March Collections FY 2016-17 and FY 2017-18



Revenue Summary FY 2017-18
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2018

Month-End Cash Collections Data				October Through March Cash Collections Data				Revenue Projections					
March	Difference			Year-to-Date			Difference	Percent	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2017-18
	2017	2018	Amount	Percent	Source of Revenue	FY 2016-17							
\$879,089	\$881,447	\$2,358	0.3%	Withholding	\$4,897,297	\$5,038,232	\$140,935	2.9%	\$9,335,200	\$9,841,100	\$9,841,100	\$9,698,400	
15,821	18,965	3,144	19.9%	Quarterlies	484,008	722,620	238,612	49.3%	1,194,500	1,191,400	1,191,400	1,241,100	
75,748	93,955	18,207	24.0%	Annuals	192,070	207,563	15,493	8.1%	880,200	937,500	937,500	950,600	
970,658	984,367	23,709	2.4%	Gross Collections	5,573,375	5,968,415	395,040	7.1%	\$11,409,900	\$11,970,000	\$11,970,000	\$11,890,100	
574,827	552,571	(22,256)	-3.9%	Less: Refunds	1,125,473	1,140,983	15,510	1.4%	1,956,800	1,927,500	1,927,500	1,990,100	
0	0	0	na	State Campaign Fund	0	0	0	na	1,200	800	800	800	
395,831	441,796	45,965	11.6%	Net Personal Income	4,447,902	4,827,432	379,530	8.5%	\$9,451,900	\$10,041,700	\$10,041,700	\$9,899,200	
222,829	232,149	9,320	4.2%	Less: Disbursements to SAF	1,284,955	1,389,947	104,993	8.2%	\$2,720,400	\$2,850,000	\$2,850,000	\$2,831,000	
\$173,002	\$209,647	\$36,645	21.2%	Net Personal Income To GF-GP	\$3,162,947	\$3,437,484	\$274,537	8.7%	\$6,731,500	\$7,191,700	\$7,191,700	\$7,068,200	
\$94,014	\$91,304	(\$2,710)	-2.9%	Sales (e)	\$604,050	\$594,751	(\$9,299)	-1.5%	\$1,223,700	\$1,253,900	\$1,253,900	\$1,271,600	
77,396	106,219	28,824	37.2%	Use (a) (f) (i)	315,756	248,680	(67,077)	-21.2%	591,600	579,700	579,700	558,700	
13,382	13,033	(348)	-2.6%	Tobacco	90,473	87,929	(2,544)	-2.8%	186,500	184,400	184,400	185,000	
3,336	3,412	75	2.3%	Beer, Wine & Mixed Spirits	23,649	23,441	(208)	-0.9%	51,100	53,000	53,000	52,500	
3,428	2,563	(865)	-25.2%	Liquor Specific	21,716	18,057	(3,649)	-16.8%	54,700	54,200	54,200	56,000	
\$191,557	\$216,532	\$24,975	13.0%	Total Consumption Taxes	\$1,055,645	\$972,869	(\$82,776)	-7.8%	\$2,107,600	\$2,125,200	\$2,125,200	\$2,123,800	
(\$11,905)	(\$114)	\$11,791	-99.0%	Single Business	\$3,712	\$12,098	\$8,386	226.0%	\$18,700	\$0	\$0	\$5,000	
5,758	6,519	761	13.2%	Insurance Premiums Taxes	173,157	210,797	37,640	21.7%	370,700	408,900	408,900	412,100	
(6,147)	6,405	12,553	na	Sub-total SBT & Insurance	175,869	222,895	46,026	26.0%	389,400	408,900	408,900	417,100	
(177,757)	(21,477)	156,280	87.9%	Michigan Business Tax	(609,245)	(652,664)	(43,419)	-7.1%	(704,600)	(755,600)	(755,600)	(757,900)	
51,215	29,068	(22,147)	-43.2%	Corporate Income Tax	475,005	362,308	(112,698)	-23.7%	1,105,600	950,200	950,200	955,200	
0	(0)	(0)	na	Inheritance / Estate	24	8	(15)	-64.7%	0	0	0	0	
0	0	(0)	-100.0%	Telephone & Telegraph	13,869	14,590	721	5.2%	35,600	36,000	36,000	35,000	
2,464	2,292	(173)	-7.0%	Oil & Gas Severance	12,250	12,844	593	4.8%	23,500	27,000	27,000	25,000	
12,698	11,239	(1,459)	-11.5%	Penalties & Interest	47,335	66,242	18,907	39.9%	112,800	116,000	116,000	112,000	
22	(14)	(36)	na	Essential Services Assessment	1,731	396	(1,336)	-77.1%	84,000	82,100	82,100	91,100	
1	29	28	2483.0%	Miscellaneous Other/Railroad	43	71	28	63.8%	2,500	2,000	2,000	2,000	
(12,333)	(12,500)	(167)	-1.4%	Treasury Enforcement Programs (e)	(73,750)	(74,500)	(750)	-1.0%	(148,100)	(148,000)	(148,000)	(150,000)	
(\$129,837)	\$15,042	\$144,879	na	Total Other Taxes	\$44,133	(\$47,811)	(\$91,944)	na	\$900,700	\$718,600	\$718,600	\$729,500	
\$234,721	\$441,221	\$206,500	88.0%	Subtotal GF-GP Taxes	\$4,262,725	\$4,362,542	\$99,818	2.3%	\$9,739,800	\$10,035,500	\$10,035,500	\$9,921,500	

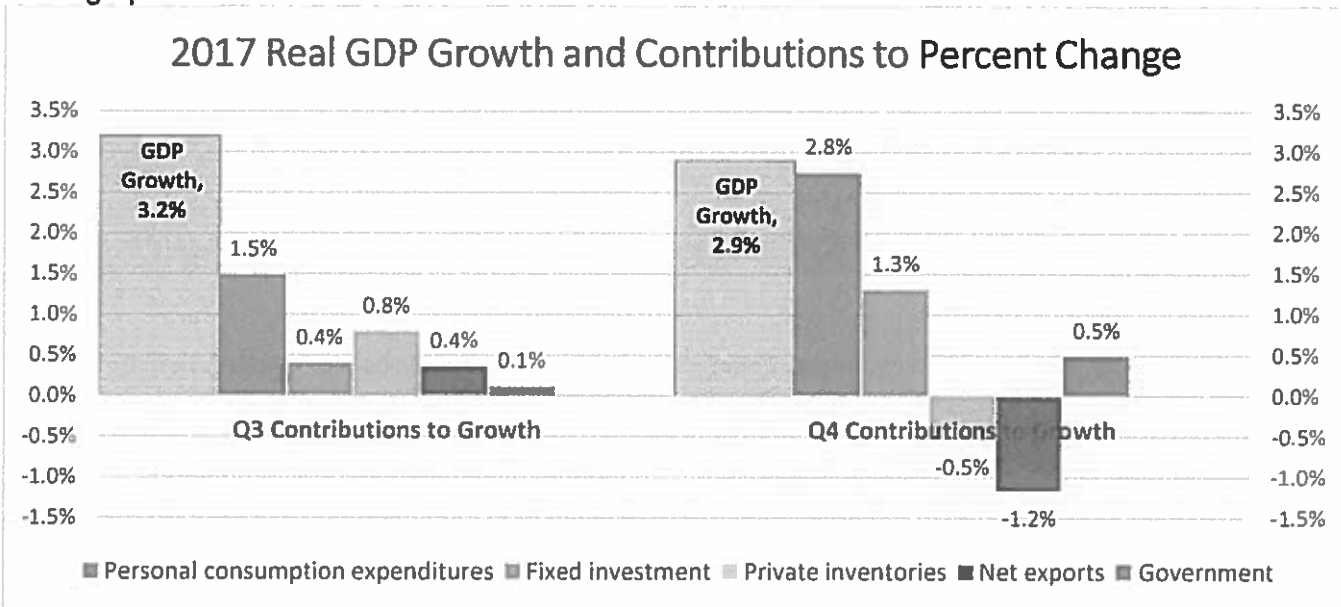
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Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U. S. Economy

U.S. **Gross Domestic Product** continues to expand and point toward future growth. Real GDP increased for the eighth consecutive year in 2017. In 2017, real GDP grew 2.3 percent which was stronger than the 2016 growth rate of 1.5 percent. The advance estimate of real GDP for the fourth quarter of 2017 is \$17,286.5 billion (chained 2009 dollars), an increase of 2.9 percent at an annual rate. In the third quarter of 2017, real gross domestic product increased 3.2 percent. The increase in fourth quarter real GDP was mainly due to growth in personal consumption expenditures, non-residential fixed investment, and government spending. The third and fourth quarter contributions to the percent change in GDP are shown in the graph below.



Source: Bureau of Economic Analysis

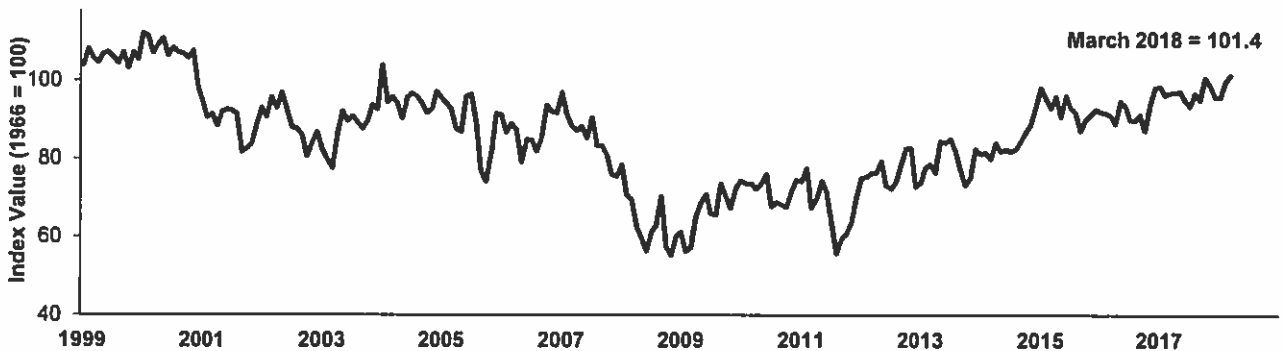
Consumer spending growth improved in the fourth quarter and is expected to benefit in the future from tax reform. Private inventory investment and net exports were negative in the fourth quarter after providing a boost in the third quarter. Real final sales increased 3.4 percent in the fourth quarter while on the inflation front, the implicit price deflator increased 2.3 percent in the fourth quarter.

U. S. labor markets continued to grow in March but at a slower pace. **U.S. payroll employment** increased by 103,000 jobs in March 2018, down from the 326,000 jobs from February's revised total. Professional and business services employment gained 33,000 jobs while the retail trade and leisure and hospitality services grew by 25,000 jobs in March. Average hourly earnings totaled \$26.82 in March and increased 2.7 percent from a year ago as earnings are beginning to show larger increases in recent months. In March, the **U. S. unemployment rate** remained unchanged from a month ago at 4.1 percent for the sixth consecutive month and was 0.4 percentage points lower than a year ago. Civilian employment totaled 155.2 million persons in March, while the number unemployed was 6.6 million.

The **Index of Consumer Sentiment** increased in March to 101.4 index-points, 1.7 index-points above the February value and 4.5 index-points above March 2017. Survey Director Richard Curtin noted, "Consumer sentiment at month's end was marginally below the mid-month reading due to uncertainty about the impact of the proposed trade tariffs. The Sentiment Index, however, still reached the highest level since 2004, and the Current Conditions Index set a new all-time peak. Importantly, all of the March

gain in the Sentiment Index was among households with incomes in the bottom third (+14.1); those in the middle third were unchanged, while the Index fell among households in the top third (-5.6)."

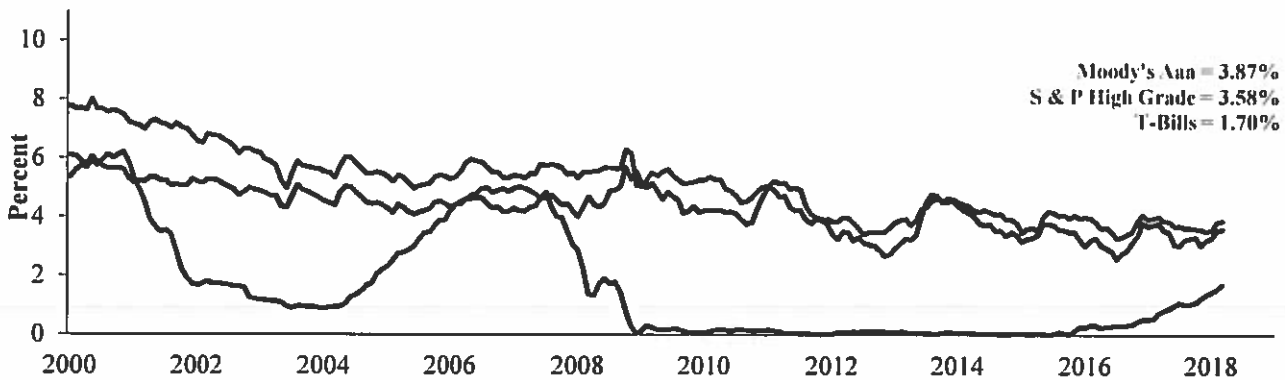
Index of Consumer Sentiment



Source: University of Michigan, Survey Research Center

Overall **interest rates** are up, with the T-bill rate spiking up more than commercial paper as the Federal Reserve continues to raise the federal funds rate. Short-term interest rates increased 0.17 percentage points in March as the 3-month Treasury bill (T-bill) rate was 1.70 percent. Compared to one year ago, the T-bill rate increased 0.98 percentage points. The Aaa corporate bond rate, a long-term interest rate, increased 0.05 percentage points to an interest yield of 3.87 percent in March. The Aaa bond yield was down 0.14 percentage point from its year-ago level. The interest rate on high-grade municipal bonds increased 0.04 percentage points from the February level to 3.58 percent in March. The Federal Open Market Committee (FOMC) raised the target range for the federal funds rate to 1.50-1.75 percent for the March 21st meeting. The FOMC stated "In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation."

Selected Key Interest Rates



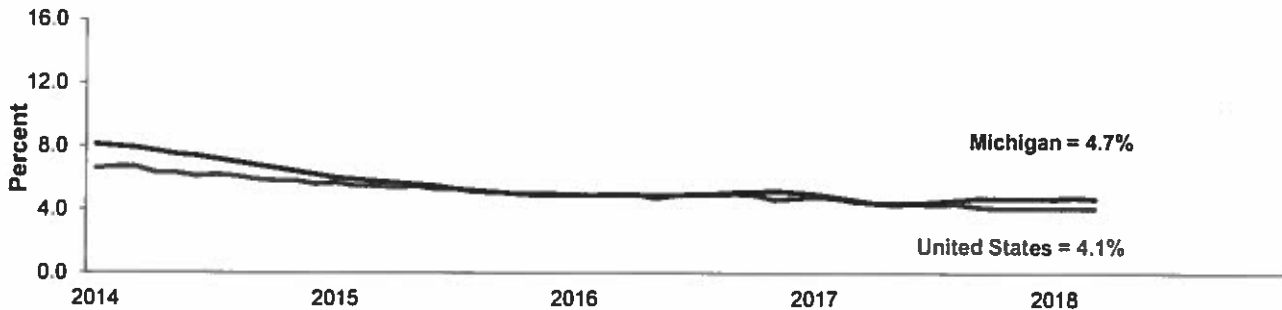
Source: Economic Indicators

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), decreased 0.1 in March, down from a 0.2 percent increase in February. Energy prices decreased 2.8 percent in March, after a 0.1 percent increase in February, while the all-items less food and energy component increased 0.2 percent in March. Compared to March 2017, the all-items index increased 2.4 percent. For major component groups, the changes from one year ago were: food and beverages, 1.3 percent; medical care, 2.0 percent; apparel, 0.3 percent; education and communication, -0.2 percent; other goods and services, 2.6 percent; recreation, 0.6 percent; housing, 3.0 percent; and transportation, 3.9 percent, with gasoline prices up 11.1 percent. Oil prices are at a four-year high accounting for recent higher gasoline prices.

Michigan Economy

In March, the *Michigan jobless rate* decreased 0.1 percentage points to 4.7 percent. The March unemployment rate is 0.1 percentage points above the year ago level. In March, the labor force rose 1,000 to 4,898,000, while the number of people employed was increased 3,000 to 4,668,000. In March, the number of unemployed people fell by 3,000 to 230,000 unemployed people.

Unemployment Rates 2014 - 2018



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

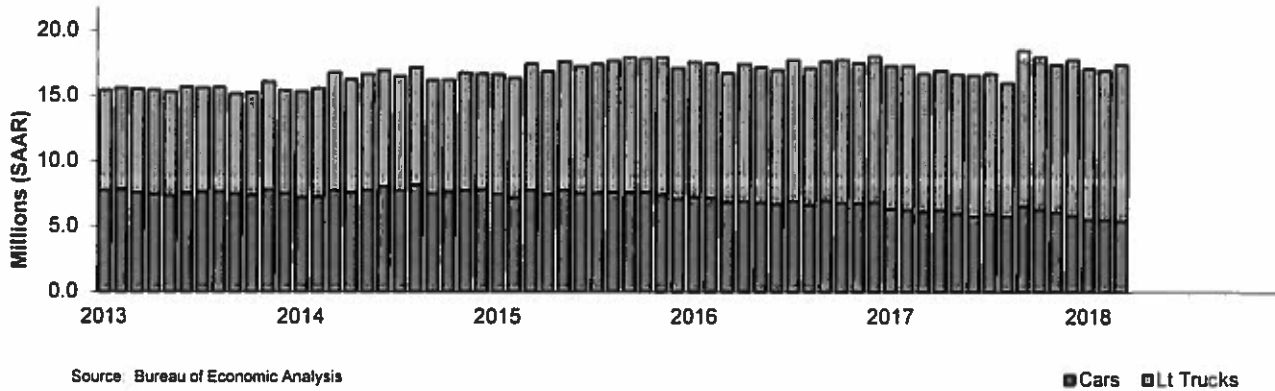
Michigan wage and salary employment increased by 10,000 jobs in March compared with the February level, and was up 61,000 jobs (1.4 percent) from March 2017. Professional and business services gained 4,000 jobs from last month while the trade, transportation, and utilities sector increased by 3,000 jobs. Over the past 12 months, leisure and hospitality services has grown 2.5 percent while other services increased 2.4 percent.

Michigan's personal income increased 2.6 percent in 2017, which was below the U.S. growth rate of 3.1 percent and was the 33rd strongest rate in the nation. 2017 annual income was held back by a weak growth rate in the fourth quarter, which ranked 40th nationally for the quarter. For the previous two years, Michigan's total personal income growth rate was higher than the national average. From the period of 2009-2017, total personal income grew 34.1 percent and ranked 21st nationally.

Michigan per capita personal income totaled \$45,255 in 2017, up from \$44,231 in 2016. Michigan's per capita personal income is 90 percent of the U.S. total of \$50,392. On a per capita basis, Michigan had the 25th highest growth rate in the nation at 2.3 percent. Although the growth rate slowed in 2017, Michigan had the 10th highest growth rate in 2016 and 5th highest in 2015. From 2009 to 2017, per capita income grew by 33.2 percent, which ranked 5th nationally.

Motor Vehicle Sector

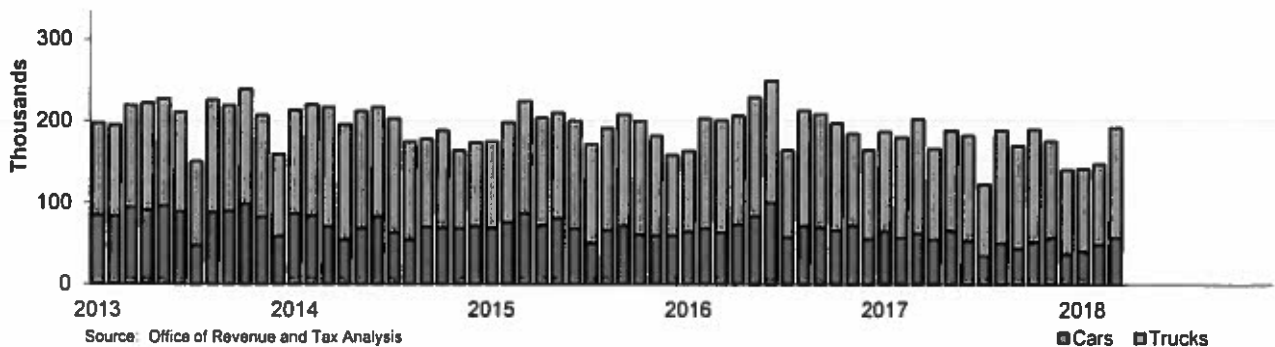
U. S. Light Vehicle Sales



U.S. light vehicle sales (cars + light trucks) increased 2.5 percent in March compared to February, selling at a 17.4 million unit seasonally adjusted annual rate. Domestic car sales decreased 0.4 percent from February while domestic light truck sales increased 6.2 percent. Import car sales decreased 3.5 percent while import light truck sales decreased 2.1 percent. Compared to last year, light vehicle sales increased 4.1 percent. Domestic car sales decreased 10.1 percent from the year ago level while domestic light truck sales increased 10.5 percent. Import car sales were down 16.3 percent from last year while import truck sales increased 23.5 percent. As a result, the domestic share of U.S. light vehicle sales decreased 0.7 percentage points from a year ago. For fiscal year 2018 year-to-date, domestic light vehicles recorded a 76.8 percent share of a 17.4 million-unit market.

Michigan motor vehicle production increased to 192,077 units in March from 147,929 units in February. From a year ago, motor vehicle production decreased 6 percent in both Michigan and nationally. In March, Michigan's car production was 56,970 units while the state's truck production was 135,107 units. Compared with a year ago, car production decreased 9 percent in Michigan and decreased 13 percent nationwide. The state's truck production decreased 4 percent while national truck production decreased 2 percent 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 11, 2018 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2016-17 Estimate	Fiscal Year 2017-18 Estimate	Fiscal Year 2018-19 Estimate
Applicable Calendar Year Personal Income	\$424,807	\$439,361	\$452,542
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$40,314.2</u>	<u>\$41,695.4</u>	<u>\$42,946.2</u>
Revenue Limit	\$40,314.2	\$41,695.4	\$42,946.2
State Revenue Subject to Limit	<u>\$31,689.6</u>	<u>\$32,682.8</u>	<u>\$33,581.6</u>
Amount Under (Over) Limit	\$8,624.6	\$9,012.6	\$9,364.6

Sources:

Personal Income Estimate

The FY 2016-17 calculation uses the official personal income estimate for calendar year 2015 (Survey of Current Business, October 2016).

The FY 2017-18 calculation uses the official personal income estimate for calendar year 2016 (Survey of Current Business, October 2017).

The FY 2018-19 calculation uses the January 11, 2018 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2016-17 calculation uses the January 11, 2018 Consensus Revenue Agreement.

The FY 2017-18 calculation uses the January 11, 2018 Consensus Revenue Agreement.

The FY 2018-19 calculation uses the January 11, 2018 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

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