

2017-2018 ANNUAL REPORT

of the Michigan State Treasurer



Gretchen Whitmer, Governor

|

Rachael Eubanks, Treasurer

Table of Contents

State Treasurer's Letter of Transmittal	1
---	---

Cash and Investments

Schedule 1	State Treasurer's Common Cash - Assets and Equities	2
Schedule 2	Investment Portfolios of Specific Funds	3
Schedule 3	Investment Revenues	4
	Notes to Financial Schedules	6
	Cash and Investments	8
Table 1	Investment Revenues for Fiscal Years	8
Table 2	Available Month-End Common Cash	9
Table 3	Common Cash History	9
Table 4	State Treasurer's Common Cash Fund, Cash Balances, and Transactions by Fund	10
Table 5	Demand Depositories as of September 30, 2018	13

Bonds, Notes, and Taxes

	Bonds and Notes	14
Table 6	General Obligation Debt, Bond, and Note Payments	15
Table 7	Special Authority Revenue Bond Debt	16
Table 8	General Obligation Bond Payment Schedule	17
Table 9	Bonds and Notes Payable by Fiscal Year	17
Table 10	Special Revenue Debt, Bond, and Note Payments	18
	State Tax Collections	19
Table 11	Treasury Administered Taxes and Fees Collected on a Cash Basis	19
Table 12	Michigan State Taxes and Fees	20
	Local Property Taxes	21
Table 13	Local Property Tax Valuation, Levies, and Average Rates	21
Table 14	Distribution of Local Property Taxes	21

*Note: Dollar figures in financial tables represent thousands of dollars unless indicated otherwise.
Figures may not add to totals because of rounding.*



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

The Honorable Gretchen Whitmer
Members of the Michigan Legislature
People of the State of Michigan

Attached for your review is the Annual Report of the Michigan State Treasurer for Fiscal Year (FY) 2017-2018. This report contains financial information regarding the State Treasurer's Common Cash Fund; Investment Portfolios and Revenues; Michigan's General Obligation Debt, Bond, and Note Payments; as well as State Administered Tax Revenues collected during FY 2018.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Schedule 1



State Treasurer's Common Cash - Assets and Equities (In Thousands of Dollars)

		Fiscal Year Ended September 30	
		<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Demand Deposits		\$ 886,591	\$ 1,817,416
Prime Commercial Paper - At Cost		5,058,291	4,153,275
Emergency Municipal Loans		290,728	290,816
	Total	<u>\$ 6,235,610</u>	<u>\$ 6,261,507</u>
<u>Equities</u>			
Available Equity of Other Funds		\$ 6,114,728	\$ 6,127,044
Outstanding Warrants		120,882	134,463
	Total	<u>\$ 6,235,610</u>	<u>\$ 6,261,507</u>

Schedule 2



Investment Portfolios of Specific Funds (In Thousands of Dollars)

Fund	Short-Term Investments	Fixed Income Securities	Equities and Mutual Funds	Real Estate and Infrastructure	Private Equity	Absolute Return	International Equities	FY Ended Sept. 30 2018 Total	2017 Total
Legislative Retirement	\$ 1,984	\$ -0-	\$ 132,551	\$ -0-	\$ 15,961	\$ -0-	\$ -0-	\$ 150,496	\$ 156,295
State Police Retirement	44,436	202,016	439,900	175,998	274,255	251,263	287,507	1,675,375	1,533,319
State Employees' Retirement	462,588	1,784,820	3,885,797	1,554,703	2,420,483	2,219,592	2,539,893	14,867,876	13,737,513
Public School Employees' Retirement	1,371,592	6,803,540	14,811,687	5,927,213	9,228,591	8,462,370	9,680,717	56,285,710	52,564,966
Judges' Retirement	6,236	32,939	71,745	28,678	44,710	40,890	46,878	272,076	265,701
Military Pension Fund	772	1,996	4,442	1,726	2,727	2,423	2,874	16,960	4,458
Michigan Veterans' Trust	1,469	17,220	23,472	2,234	16,819	-0-	-0-	61,214	58,448
Game & Fish Lifetime License Trust	15,117	2,904	-0-	-0-	-0-	-0-	-0-	18,021	17,404
Game & Fish Protection Trust	2,708	81,947	84,567	7,106	63,843	-0-	-0-	240,171	237,788
Michigan Natural Resources Trust	42,784	267,440	245,910	22,128	162,937	-0-	-0-	741,199	729,914
Michigan State Parks Endowment	13,308	124,003	102,436	8,387	68,491	-0-	-0-	316,625	303,868
Children's Trust	1,950	7,933	7,902	1,808	7,830	-0-	-0-	27,423	27,469
Michigan Nongame Fish and Wildlife Trust	1,800	6,035	1,487	-0-	-0-	-0-	-0-	9,322	8,256
State Lottery	5,355	174,342	-0-	-0-	-0-	-0-	-0-	179,697	195,899
Michigan Education Trust	37,982	286,548	386,855	67,358	265,325	-0-	-0-	1,044,068	1,043,530
Mackinac Bridge Authority	9,687	89,365	-0-	-0-	-0-	-0-	-0-	99,052	90,794
Gift, Bequests and Deposits Investment	23,128	15,459	2,379	855	2,576	-0-	-0-	44,397	41,848
Totals	\$2,042,896	\$9,898,507	\$20,201,130	\$7,798,194	\$12,574,548	\$10,976,538	\$12,557,869	\$76,049,682	\$71,017,470

Schedule 3



Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2018	2017
General	\$ (6,210)	\$ -0-	\$ (6,210)	\$ 161
Game and Fish Lifetime License Trust	59	(13)	45	102
State Aeronautics	(67)	-0-	(67)	61
Michigan Veterans' Benefit Trust	33	4,126	4,159	4,658
State Trunkline	9,852	-0-	9,852	5,044
Michigan State Waterways	500	-0-	500	213
Blue Water Bridge	1,133	-0-	1,133	508
Michigan Transportation	2,945	-0-	2,945	1,528
Comprehensive Transportation	2,056	-0-	2,056	543
School Aid	6,355	-0-	6,355	1,329
MI Game and Fish Protection Trust	126	13,258	13,384	19,450
State Park Improvement	1,085	-0-	1,085	274
Forest Development	585	-0-	585	207
Michigan Natural Resources Trust	610	37,858	38,468	52,821
Michigan State Parks Endowment	249	15,435	15,685	22,266
Safety Education and Training	68	-0-	68	38
Bottle Deposits	576	-0-	576	314
State Construction Code	172	-0-	172	66
Children's Trust	20	1,508	1,528	1,718
Homeowner Construction Lien Recovery	4	-0-	4	2
Michigan Nongame Fish and Wildlife	24	159	183	296
21st Century Jobs Trust	5,685	-0-	5,685	2,852
Michigan Merit Award Trust	146	-0-	146	416
State Trunkline Bond Proceeds	1,875	-0-	1,875	462
Comprehensive Transportation Bond Proceeds	31	-0-	31	54
Outdoor Recreation Legacy	49	-0-	49	18
Off-Road Vehicle	189	-0-	189	83
Snowmobile	234	-0-	234	94
Community District Education Trust	63	-0-	63	(296)
Unemployment Obligation Trust	309	-0-	309	140
Liquor Purchasing Revolving	3,222	-0-	3,222	1,044
State Lottery	921	(4,196)	(3,275)	(2,114)
Michigan Strategic	1	-0-	1	494
Michigan State Housing Development	78	-0-	78	36
Land Bank Fast Track	209	-0-	209	86
Jobs For Michigan Investment	0	-0-	-0-	1,179

Schedule 3



Continued. . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2018	2017
State Sponsored Group Insurance	5,945	-0-	5,945	2,653
State Water Pollution Control Loan	11	-0-	11	17
School Loan Revolving	21,545	-0-	21,545	9,179
Combined State Trunkline Bond and Interest Redemption	65	-0-	65	(1)
Combined Comprehensive Transportation Bond and Interest Redemption	7	-0-	7	-0-
Recreation & Environmental Protection Bond Redemption	15	-0-	15	8
Legislative Other Post Employment Benefits	30	-0-	30	-0-
Legislative Retirement	(7)	10,711	10,705	19,102
State Police Retirement	67	175,517	175,584	187,337
State Employees' Retirement	578	1,562,981	1,563,558	1,682,249
Public School Employees' Retirement	1,864	5,961,425	5,963,289	6,379,065
Judges' Retirement	16	29,525	29,541	33,388
Military Retirement Pension Fund	5	590	595	60
Michigan Employment Security Act Contingent	2,898	-0-	2,898	1,375
Military Family Relief	38	-0-	38	18
Intrastate Switched Toll Restructuring	82	-0-	82	33
Children's Institute	2	-0-	2	1
Gifts, Bequests, and Deposits Investment	365	16	381	216
Silicosis, Dust Disease, and Logging Industry Compensation	24	-0-	24	9
Second Injury	136	-0-	136	66
Hospital Patients' Trust	3	-0-	3	1
Self-Insurers' Security	509	-0-	509	245
State Employees' Deferred Compensation I (457)	16	-0-	16	4
State Employees' Deferred Compensation II (401 (k))	2,470	-0-	2,470	3
MPERS Defined Contribution 457	(567)	-0-	(567)	26
State of Michigan Defined Contribution Plans	(2,545)	-0-	(2,545)	3
Environmental Quality Deposits	44	-0-	44	21
Utility Consumer Representation	28	-0-	28	13
Transportation Related Trust	(615)	-0-	(615)	(93)
MPERS Defined Contribution 401K	624	-0-	624	7
City Income Tax	196	-0-	196	63
Mackinac Bridge Authority	0	(782)	(782)	(23)
Michigan Education Trust	0	\$ 55,437	\$ 55,437	102,051
TOTALS	\$ 67,037	\$ 7,863,556	\$ 7,930,593	\$ 8,533,241

The accompanying notes are an integral part of the financial schedules.



NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a. Report Presentation

The accompanying financial schedules report the assets and equities of the State Treasurer's common cash (Schedule 1), investment portfolios of specific funds (Schedule 2), and investment revenues of the common cash and specific funds (Schedule 3).

The State Treasurer's common cash and specific funds are accounted for in various funds of the State of Michigan and reported in the *State of Michigan Comprehensive Annual Financial Report*.

The *State of Michigan Comprehensive Annual Financial Report* provides more extensive general disclosures regarding the State Treasurer's common cash and deposits and investments. These disclosures provide information regarding market values and risk levels of the deposits and investments.

Common Cash Pool. The State Treasurer, under the authority provided by State statute, manages the State's common cash pool. The pooling of cash allows the State Treasurer to invest money not needed to pay immediate obligations so that investment earnings on available cash are maximized. Pool investments are not segregated by fund; rather, each contributing fund's balance is treated as equity in the common cash pool.

Investments. The State Treasurer, under authority provided by State statutes, manages most investments for the State of Michigan.

Short-Term Investments: This category includes each of the listed fund's individually held short-term investments by classification, the fund's equity in the State Treasurer's common cash pool, and receivables and payables pertaining to security trades not yet settled at fiscal year-end.

Alternative Investments: These investments consist of limited partnerships.

Derivatives: Derivatives are financial instruments whose value is derived from, or based on, an underlying security, asset, reference rate, or index. The State Treasurer only uses derivative securities or related contractual agreements to hedge assets held or to replicate asset returns. Derivatives are not used for speculation or to leverage the investment portfolios.

The State Treasurer invests in derivatives as detailed below:

- **Fixed Income Investments (Derivatives – Future Contracts):** U. S. Treasury Bond Future Contracts are investments to manage duration and yield curve exposure. On September 30, 2018 and 2017, future contracts represent less than 0.1 percent of the fixed income investment category and less than 0.1 percent of the total pension trust funds.
- **Domestic Equity Investments (Derivatives – Option Contracts):** Option Contracts are investments on single securities to provide downside protection and enhance current income. On September 30, 2018 and 2017, option contracts represent 2.8 percent and 0.5 percent of the domestic equity investment category of the pension trust funds and 0.7 percent and 0.1 percent of the total pension trust funds, respectively.
- **Fixed Income Investments (Derivatives – Swaps):** FX swap agreements, interest rate swap agreements, and credit default swap agreements are investments used to reduce or eliminate currency risk on foreign bond transactions, adjust interest rate and yield curve exposures, and manage credit exposure. On September 30, 2018, swap agreements represent 0.0 percent of Fixed Income investment category.
- **International Equity Investments (Derivatives – Swaps):** International equity investment swap agreements are investments tied to stock market indices in approximately 46 foreign countries and are the core of the international equity market investment strategy. On September 30, 2018 and 2017, the swap agreements represented 17.3 percent and 17.6 percent of the international equity investment category, respectively.
- **Domestic Equity Investments (Derivatives – Swaps):** Domestic equity swap agreements are investments tied to U. S. Stock indices. On September 30, 2018 and 2017, these swap agreements represent 0.00 percent and 0.01 percent of the domestic equity investment category. In December 2017, domestic equity swaps investments matured.

The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2018 and 2017, they represent 3.0 percent and 3.2 percent of the total pension trust funds, respectively. *Separately issued financial reports including financial statements and required supplementary information are issued for the pension trust funds. These provide more extensive disclosure for derivatives.*



b. Basis of Accounting

Schedule 1, *State Treasurer's Common Cash - Assets and Equities*, is presented on the cash basis of accounting. (*The State of Michigan Comprehensive Annual Financial Report's* disclosure regarding the State Treasurer's common cash includes \$6.6 million in interest receivable, because it is presented on the modified accrual basis of accounting.) Schedule 2, *Investment Portfolios of Specific Funds*, and Schedule 3, *Investment Revenues*, are reported on the accrual basis of accounting.

These financial schedules are not intended to constitute a complete financial presentation of either the Department of Treasury or the State's General Fund in accordance with accounting principles generally accepted in the United States of America.

c. Valuations of Investments

Schedule 1. All investments are reported at cost.

Demand deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system.

The market value of prime commercial paper and time deposits - regular at September 30, 2018 and 2017, was \$5,063.9 and \$4,156.8 million, respectively.

Schedule 2. Methods used to value investments.

All investments are reported at fair value. Securities traded on a national exchange are valued at last reported sales price. Investments that do not have an established market are reported at estimated fair value.

d. Securities Lending Transactions

Under the authority of Act No. 314 of the Public Acts of 1965, the State lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State's third-party agent, State Street Bank, manages the securities lending program and receives cash collateral. The agent is not liable for any losses on the management of the cash collateral portfolio unless there is negligence or willful misconduct on its part. The collateral cash cannot be pledged or sold by the State and the State receives cash collateral in the amount of at least 100 percent of the fair value of the securities lent. The types of securities lent are government securities, corporate bonds, and equities. There is no restriction on the amount of securities lent. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. At September 30, 2018 and 2017, the State had no outstanding credit risk on the securities lent. The fair value of the securities lent at September 30, 2018 and 2017, was \$3,246.5 and \$4,239.0 million, respectively. The amortized cost of the securities lending cash collateral pool at September 30, 2018 and 2017, was \$3,307.8 and \$4,309.7 million respectively. The fair value of securities lending cash collateral pool at September 30, 2018 and 2017, was \$3,306.9 and \$4,312.1 million respectively.

NOTE 2: CHANGE IN REPORTING OF FUNDS

Effective for FY ended September 30, 2018:

Fund added to Schedule 3: Legislative Retirement Other Post Employment Benefits

Effective for FY ended September 30, 2017:

Funds added to Schedule 2: Military Retirement Pension

Funds added to Schedule 3: Community District Education Trust, Children's Institute, Hospital Patients' Trust, and City Income Tax

Funds removed from Schedule 3: Michigan Settlement Administration Auth

Cash and Investments

The State Treasurer manages the State's cash so funds not needed to pay immediate obligations are invested to earn income. Investments include time certificates of deposit and prime commercial paper as detailed in Schedule 1, *State Treasurer's Common Cash - Assets and Equities*.

Statutes also allow the State Treasurer to loan funds from the common cash pool to financially troubled municipalities in Michigan.

The common cash fund pools the cash balances of certain State funds until paid as provided by law.

Manageable common cash includes the following funds:

- General
- School Aid
- Budget Stabilization
- Special Revenue and Enterprise
- Internal Service
- Trust and Agency

The State Treasurer is authorized to transfer cash on hand and on deposit among the various funds in the State Treasury, except funds established to pay debts service on notes and bonds, in such a manner as to best manage the available cash, maximize short-term investment earnings, and ensure State obligations are paid when due.

Table 1



Investment Revenues for Fiscal Years (In Thousands of Dollars)

	General Fund Common Cash Earnings (Expenses) ^(a)	Public School Employees' Retirement	State Employees' Retirement	State Police Retirement	Judges' Retirement	Military Retirement	Other Investment Funds	Totals
2018	\$ (6,210)	\$5,963,289	\$1,563,558	\$175,584	\$29,541	\$595	\$204,236	7,930,593
2017	\$ 161	\$ 6,379,065	\$ 1,682,249	\$ 187,337	\$ 33,388	\$ 60	\$ 250,981	\$ 8,533,241
2016	1,124	3,541,618	924,720	102,769	19,342	NA	237,055	4,826,628
2015	620	1,127,098	286,039	31,483	6,641	NA	39,382	1,491,263
2014	530	6,682,047	1,679,814	186,612	38,064	NA	206,705	8,793,772
2013	239	5,159,840	1,265,073	142,161	31,685	NA	147,249	6,746,245
2012	(1,297)	5,735,829	1,379,714	155,136	35,594	NA	281,462	7,586,438
2011	(722)	1,594,584	404,603	45,826	10,786	NA	64,950	2,120,027
2010	(3,758)	3,846,693	927,685	104,319	22,723	NA	176,040	5,073,702
2009	(3,076)	(2,591,269)	(652,076)	(74,793)	(20,709)	NA	129,566	(3,212,357)

(a) See the table below for the annual total of earnings and distributions resulting in General Fund Common Cash Earnings (Expenses).

Fiscal Year Ending	Total State Treasurer's Common Cash Fund Earnings	Distribution of Earnings to Retirement and Other Funds Reported in Their Earnings	General Fund Common Cash Earnings (Expenses)
2018	\$67,037	73,247	(6,210)
2017	\$ 32,629	\$ 32,468	\$ 161
2016	13,734	12,610	1,124
2015	4,142	3,522	620
2014	3,119	2,589	530
2013	3,660	3,421	239
2012	2,246	3,543	(1,297)
2011	3,663	4,385	(722)
2010	2,901	6,659	(3,758)
2009	22,189	25,265	(3,076)

Table 2



Available Month-End Common Cash (In Millions of Dollars)

Month	Combined General Fund & School Aid Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^{(c)(d)}	Total Common Cash
October 2017	2,366.5	4,198.8	6,565.3	244.7	194.5	7,004.5
November	2,000.9	3,986.7	5,987.5	221.4	151.3	6,360.3
December	1,645.5	3,999.6	5,645.1	345.4	122.8	6,113.2
January 2018	1,486.0	4,004.4	5,490.4	155.2	122.9	5,768.5
February	742.6	3,973.0	4,715.6	262.0	122.8	5,100.5
March	309.9	3,944.7	4,254.6	216.1	112.9	4,583.5
April	411.8	3,948.3	4,360.1	137.6	139.6	4,637.3
May	(203.8)	3,818.9	3,615.1	212.5	72.7	3,900.2
June	(431.5)	3,876.4	3,444.9	237.1	120.8	3,802.8
July	(549.0)	4,057.8	3,508.8	158.7	120.8	3,788.3
August	(982.3)	4,229.7	3,247.4	135.0	118.9	3,501.4
September	1,520.6	4,237.5	5,758.1	247.1	111.8	6,117.0

(a) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the Budget Stabilization Fund is a committed subfund of the General Fund.

(b) Manageable Common Cash Includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.

(c) Includes Debt Service and Bond Funds.

(d) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition the School Bond Loan Fund, Environmental Protection Bond Fund, and the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund are restricted subfunds of the General Fund.

Table 3



Common Cash History (In Millions of Dollars)

Fiscal Year Ended	Combined General Fund and School Aid Fund	Budget Stabilization Fund ^(a)	Other Funds	Manageable Common Cash ^(b)	Retirement Funds	Bond Funds ^(c)	Total Common Cash
September 2009	(762.3)	2.2	1,843.8	1,083.7	138.7	317.4	1,539.8
September 2010	(373.7)	2.2	1,742.1	1,370.6	85.5	151.4	1,607.5
September 2011	1,025.1	2.2	2,109.5	3,136.8	244.5	109.9 ^(d)	3,491.2
September 2012	1,274.6	365.1	2,470.2	4,109.9	262.7	135.5 ^(d)	4,508.1
September 2013	1,586.5	505.6	2,727.2	4,819.3	521.2	82.3 ^(d)	5,422.8
September 2014	978.4	386.2	3,036.2	4,400.9	400.9	41.3 ^(d)	4,843.1
September 2015	818.8	498.1	3,395.3	4,712.3	177.7	32.5 ^(d)	4,922.4
September 2016	692.1	612.4	3,883.9	5,188.4	246.5	53.7 ^(d)	5,488.7
September 2017	851.9	710.0	4,137.2	5,699.1	302.5	125.4 ^(d)	6,127.0
September 2018	514.6	1,006.0	4,237.5	5,758.1	247.1	111.8 ^(d)	6,117.0

(a) The State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition during fiscal year 2011. As a result, the Budget Stabilization Fund was reclassified as a subfund of the General Fund.

(b) Manageable Common Cash Includes the General, School Aid, Budget Stabilization, Special Revenue, Enterprise, Internal Service, Trust, and Agency Funds.

(c) Includes Debt Service and Bond Funds.

(d) During fiscal year 2011, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition. As a result, the School Bond Loan Fund, Environmental Protection Bond Fund, the Clean Michigan Initiative Bond Fund – Environmental Projects and the Great Lakes Water Quality Bond Fund were reclassified and are accounted for as restricted subfunds of the General Fund.



State Treasurer's Common Cash Fund, Cash Balances, and Transactions by Fund^{(a) (b)} (In Thousands of Dollars)

Fund	Cash Balances 10-1-17	Cash Balances 9-30-18	Warrants Outstanding	Available Balances 9-30-18
GENERAL AND SCHOOL AID				
General ^(a)	2,882,135	2,847,414	79,764	2,767,650
School Aid	(1,213,524)	(1,246,754)	263	(1,247,016)
Total General and School Aid	1,668,610	1,600,660	80,027	1,520,634
SPECIAL REVENUE				
Game and Fish Protection	14,641	15,117	66	15,051
Michigan Employment Security Act-Administration	(5,548)	(6,020)	54	(6,074)
State Aeronautics	(2,321)	2,216	41	2,176
Michigan Veterans' Trust	2,830	1,469	35	1,434
State Trunkline	762,725	764,916	7,316	757,600
Michigan State Waterways	29,690	34,909	164	34,746
Blue Water Bridge	70,021	74,305	8	74,297
Michigan Transportation	36,178	103,130	1,169	101,961
Comprehensive Transportation	141,837	204,898	260	204,638
Game and Fish Protection Trust	2,375	2,708	-0-	2,708
State Park Improvement	41,097	57,400	340	57,060
Forest Development	28,086	39,298	27	39,271
Michigan Natural Resources Trust	28,760	42,784	153	42,631
Michigan State Parks Endowment	17,691	13,308	110	13,198
Safety Education and Training	9,021	6,232	5	6,227
Bottle Deposits	50,412	54,332	121	54,211
State Construction Code	9,447	11,635	3	11,632
Children's Trust	2,134	1,988	3	1,985
State Casino Gaming	14,467	14,459	276	14,184
Homeowner Construction Lien Recovery	260	285	-0-	285
Michigan Nongame Fish and Wildlife	1,440	1,800	-0-	1,800
21st Century Jobs Trust	304,184	333,352	-0-	333,352
Michigan Merit Award Trust	5,206	16,094	118	15,975
Outdoor Recreation Legacy	3,143	4,493	12	4,481
Off-Road Vehicle	11,308	13,259	23	13,236
Snowmobile	11,957	15,660	-0-	15,660
Community District Education Trust	5,358	11,484	-0-	11,484
Unemployment Obligation Trust	1,532	1,554	-0-	1,554
State Building Authority Advance Financing	(1,829)	(8,313)	3,464	(11,777)
Michigan Strategic	85,910	101,897	690	101,208
Land Bank Fast Track Authority	11,093	13,833	-0-	13,833
Jobs for Michigan Investment	187,299	206,366	1,701	204,665
Michigan Finance Authority - School Loan Revolving	1,476,934	1,170,981	-0-	1,170,981
State Building Authority - Capital Projects	40	49	-0-	49
Total Special Revenue	3,357,379	3,321,897	16,156	3,305,723

(a) In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definition, the Budget Stabilization Fund is a committed subfund of the General Fund.

(b) Due to changes in account reporting, the fund categories "Receipts," "Disbursements," "Transfers In" and "Transfers Out" are no longer included in Table 4.

Table 4



Continued... (In Thousands of Dollars)

Fund	Cash Balances 10-1-17	Cash Balances 9-30-18	Warrants Outstanding	Available Balances 9-30-18
BOND AND DEBT SERVICE				
Clean Michigan Initiative Bond - Local Projects	1	-0-	-0-	-0-
1994 State Trunkline Bond Proceeds	-0-	27	-0-	27
State Trunkline Bond Proceeds	117,169	105,359	-0-	105,359
Comprehensive Transportation Bond Proceeds	6,377	4,556	-0-	4,556
Combined State Trunkline Bond and Interest Redemption	-0-	1	-0-	1
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	-0-	-0-	-0-
Recreation and Environmental Protection Bond Redemption	1,899	1,893	30	1,863
School Loan Bond Redemption	-0-	-0-	-0-	-0-
Total Bond and Debt Service	125,447	111,837	30	111,807
ENTERPRISE				
Liquor Purchasing Revolving	83,671	121,270	2,409	118,861
State Lottery	4,044	5,355	1,247	4,108
Michigan State Housing Development Authority	-0-	-0-	-0-	-0-
Michigan Finance Authority - State Water Revolving	40,092	45,030	-0-	45,030
Total Enterprise	127,807	171,655	3,656	167,999
INTERNAL SERVICE				
Correctional Industries Revolving	(757)	610	4	606
Motor Transport	5,743	6,090	8	6,082
Office Services Revolving	20,611	22,635	49	22,586
Information Technology	(22,991)	58,247	3,002	55,245
Risk Management	13,735	13,515	15	13,500
State Sponsored Group Insurance	339,051	341,031	359	340,672
Total Internal Service	355,392	442,128	3,437	438,692
RETIREMENT				
Legislative	2,738	1,984	3	1,981
State Police	13,057	7,429	1,084	6,345
State Employees'	138,035	133,556	215	133,341
Public School Employees'	147,896	105,021	972	104,050
Judges'	1,679	864	-0-	864
Military	(98)	560	2	559
Total Retirement	303,307	249,414	2,274	247,139

Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-17	Cash Balances 9-30-18	Warrants Outstanding	Available Balances 9-30-18
TRUST AND AGENCY				
Michigan Employment Security Act Contingent	160,056	160,104	-0-	160,104
Military Family Relief	2,312	2,396	-0-	2,396
IntraState Switched Toll Restructuring	4,806	5,361	-0-	5,361
Children's Institute Trust	104	104	-0-	104
Abandoned and Unclaimed Property (Escheats)	111,331	111,316	10,666	100,650
Gifts, Bequests and Deposits Investment	20,128	23,088	319	22,770
Silicosis, Dust Disease, and Logging Industry Compensation	1,809	1,699	33	1,666
Second Injury	10,055	11,369	142	11,227
Hospital Patients	155	210	25	185
Self-Insurers' Security	32,277	32,042	152	31,890
State Employees' Deferred Comp. I (457)	95	348	-0-	348
State Employees' Deferred Comp. II (401K)	87	2,395	-0-	2,395
State of Michigan MPERS DC 457	3,580	3,944	520	3,425
State Employees' Defined Contribution Plan	259	(2,197)	-0-	(2,197)
Special Assessment Deferment	2,742	2,716	-0-	2,716
Environmental Quality Deposits	2,709	2,682	-0-	2,682
Insurance Carrier Deposits	2,242	1,104	3	1,102
Utility Consumer Representation	2,349	2,579	-0-	2,579
Transportation Related	(45,637)	(36,077)	548	(36,625)
State of Michigan MPERS DC 401K	1,207	1,454	-0-	1,454
State of Michigan Personal Health Care	-0-	-0-	-0-	-0-
City Income Tax	8,580	9,945	1,262	8,683
Social Welfare	2,322	2,211	129	2,082
EAA 457	-0-	18	-0-	18
EAA 401K	-0-	22	-0-	22
Total Trust and Agency	323,568	338,834	13,797	325,037
GRAND TOTALS	6,261,510	6,236,408	119,377	6,117,030

Table 5



Demand Depositories as of September 30, 2018 (In Thousands of Dollars)

City	Depository Bank	Deposits ^(a)	City	Depository Bank	Deposits ^(a)
Adrian	First Federal Bank	\$ 171	Ionia	Independent Bank	127
Baldwin	Lake-Osceola State Bank	42		Mercantile	2,128
Cheboygan	Citizens National Bank	64	Iron Mountain	First National Bank of Iron Mountain	158
Chelsea	Chelsea State Bank	96	Lansing	Bank of America	5,129
Coldwater	Century Bank and Trust	148	Manistique	mBank	584
	Southern Michigan Bank & Trust	123	Marquette	Wells Fargo Bank Michigan, N.A.	11,338
Croswell	Eastern Michigan Bank	75	Midland	Chemical Bank and Trust	9,616
Detroit	JPMorgan Chase, N.A.	816,119	Monroe	Monroe Bank and Trust	36
	Comerica Bank	8,944	Munising	Peoples State Bank of Munising	37
East Tawas	Huron Community Bank	101	Newberry	Tahquamenon Area Credit Union	27
Escanaba	Upper Peninsula State Bank	68	Norway	Northern Interstate Bank	30
Ewen	Gogebic Range Bank	25	Ontonagon	Citizens State Bank	41
Gladstone	First Bank, Upper Michigan	32	Port Austin	Port Austin State Bank	25
Grand Blanc	The State Bank	73	St. Ignace	First National Bank of St. Ignace	44
Grand Rapids	Fifth Third Bank	28,090	Sault Ste Marie	Central Savings Bank	59
Hancock	Superior National Bank and Trust	141		Soo Co-Op Credit Union	25
Hillsdale	Hillsdale County National Bank	112	Shelby	Shelby State Bank	181
Honor	Honor State Bank	61	Wakefield	First National Bank of Wakefield	115
			Zeeland	Huntington National Bank	2,414
			Total		\$ 886,599

(a) Deposits represent the account balance reported on bank statements and include deposits which are in the process of being collected through the banking system. Deposits are rounded to the nearest thousand and are secured by \$1,129,329,000 of collateral.

Bonds and Notes

The Michigan Constitution limits State general obligation debt to (1) short-term debt for State operating purposes, (2) short- and long-term debt for the purpose of making loans to school districts, and (3) long-term debt for voter-approved purposes.

Short-term debt for operating purposes is limited to an amount not in excess of 15 percent of undedicated revenues received during the preceding fiscal year (FY). Under the Michigan Constitution, as implemented by statutory provisions, such debt must be authorized by the State Administrative Board and issued only to meet obligations incurred pursuant to appropriation and must be repaid during the FY in which it was incurred. Such debt does not require voter approval.

The amount of debt incurred by the State for the purpose of making loans to school districts is recommended by the State Treasurer, who certifies the amounts necessary for loans to school districts semiannually. The bonds may be issued in whatever amount is required without voter approval. All other general obligation bonds issued by the State must be approved as to amount, purpose, and method of payment by a two-thirds vote of each house of the Legislature and by a majority vote of the public at a general election.

There is no limitation as to number or size of such general obligation issues.

General Obligation Debt

All current general obligation bond and note issues are presented in Table 6, General Obligation Debt, Bond, and Note Payments. During FY 2018, the State issued \$149.2 million in debt to fund the Environmental Programs.

Special Authority Revenue Bond Debt

Certain governmental authorities issue revenue bonds for construction projects and to acquire or build facilities for the State or its institutions of higher learning. These bonds, as shown in Table 7, Special Authority Revenue Bond Debt, are obligations of the individual authorities and are not a general obligation of the State.

Special Revenue Debt

The State periodically issues long-term bonds for specific purposes, as presented in Table 10, Special Revenue Debt, Bond, and Note Payments. These issues are not supported by the State's general credit, and their financing comes strictly from the designated revenue sources.

Table 6



General Obligation Debt, Bond, and Note Payments (In Thousands of Dollars)

Item		Issue Date	Maturity Dates	New Issues	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-18
School Bond Loan(a)								
	Series 2009 A (Refunding)	2009	2015-2020	\$ -0-	\$ -0-	\$ 41,490	\$ 9,025	\$ 112,115
	Series 2009 B (Refunding)	2009	2010-2030	-0-	-0-	3,078	2,632	13,223
	Series 2010 B (Refunding)	2010	2016-2020	-0-	-0-	14,430	2,469	55,375
	Series 2011 A	2011	2014-2023	-0-	-0-	12,000	3,668	71,600
	Series 2011 B	2011	2023	-0-	-0-	-0-	1,114	30,110
	Series 2012 A (Refunding)	2012	2013-2026	-0-	-0-	19,550	4,351	115,640
	Series 2013 A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000
	Series 2016 A (Refunding)	2016	2016-2022	-0-	-0-	2,635	2,155	123,480
Environmental General Obligation Debt(b)								
	Series 2008 A (Refunding)	2008	2011-2019	-0-	-0-	32,540	3,011	28,350
	Series 2008 B (Refunding)	2008	2011-2019	-0-	-0-	1,260	130	1,325
	Series 2010 A (Refunding)	2010	2012-2020	-0-	-0-	925	1,314	26,125
	Series 2011 A (Refunding)	2011	2021-2025	-0-	-0-	-0-	1,689	44,035
	Series 2011 B (Refunding)	2011	2013-2020	-0-	-0-	7,375	797	22,140
	Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	20,415	3,424	67,770
	Series 2014 A	2014	2023-2028	-0-	-0-	-0-	3,257	65,140
	Series 2014 B	2014	2026	-0-	-0-	-0-	724	20,155
	Series 2015 A (Refunding)	2015	2016-2028	-0-	-0-	12,350	5,688	109,340
	Series 2016 A	2016	2021-2024	-0-	-0-	-0-	4,112	82,240
	Series 2016 B (Refunding)	2016	2021-2025	-0-	-0-	-0-	2,864	59,950
	Series 2017 A	2017	2022-2027	-0-	-0-	-0-	2,436	79,000
	Series 2017 B	2017	2020-2025	-0-	-0-	-0-	487	40,575
	Series 2018	2018	2027-2033	149,200	-0-	-0-	-0-	149,200
Total General Obligation Bonded Debt				\$ 149,200	\$ 0	\$ 168,048	\$ 62,015	\$ 1,516,888

(a) PA 112 of 1961, as amended, provides that the State may borrow from time to time such amounts as shall be required for the purpose of making loans to school districts. Requirements are determined semiannually and general obligation debt is issued as needed.

(b) The following environmental classifications are represented by the respective Public Acts:

- PA 328 of 1988 provided for the issuance of \$660 million General Obligation Bonds related to Environmental Protection, of which \$0 million remains.
- PA 284 of 1988 and PA 451 of 1994, as amended, provided for the issuance of \$675 million General Obligation Bonds related to the Clean Michigan Initiative, of which \$37.6 million remains.
- PA 396 of 2002 provided for the issuance of \$1.0 billion General Obligation Bonds related to Great Lakes Water Quality, of which \$345 million remains.



Special Authority Revenue Bond Debt ^(a) (In Thousands of Dollars)

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-18
Mackinac Island State Park Commission	\$ -0-	\$ 60	\$ 73	\$ 1,515
Michigan State Housing Development Authority ^(b)	621,990	288,000	73,310	2,434,300
Michigan Finance Authority ^(c)	2,021,881	2,045,356	777,904	18,218,003 *
Michigan State Building Authority ^(d)	-0-	95,805	141,626	2,957,850 *
Total Special Authority Debt	\$ 2,643,871	\$ 2,429,221	\$ 992,913	\$ 23,611,668

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Information in the table is provided by each Authority.

(b) The new issues include \$622 million of new bond issues for the year. Amounts are as of September 30, 2018.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2018, was \$1,010.9 million. Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority.

(d) Balance does not include obligations that have been advanced refunded. The escrow principal liability as of September 30, 2018, was \$130.8 million. Also outstanding principal does not include commercial paper notes issued by the Authority. As of September 30, 2018, \$46.4 million of commercial paper notes was outstanding.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-18
Health	\$ 942,385	\$ 354,498	\$ 338,565	\$ 7,778,855
Higher Education	66,315	45,159	19,143	550,273
Municipal	909,193	950,288	277,262	7,155,153
Public School Academies	30,988	45,263	14,607	243,525
Tobacco	-0-	17,495	57,091	1,151,951
Private K-12	-0-	N/A	N/A	53,748
Student Loan	73,000	174,923	16,475	525,807
Unemployment	-0-	457,730	54,761	758,691
Total Michigan Finance Authority Debt	\$ 2,021,881	\$ 2,045,356	\$ 777,904	\$ 18,218,003

Table 8



General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended September 30,	Principal	Interest	Total ^(a)
2019	\$ 172,403	\$ 59,247	\$ 231,650
2020	153,144	52,364	205,508
2021	159,705	45,865	205,570
2022	159,479	41,047	200,526
2023	153,613	33,961	187,574
2024	106,385	28,652	135,037
2025	109,240	23,752	132,992
2026	106,197	19,440	125,637
2027	82,371	15,605	97,976
2028	65,586	12,219	77,805
2029	68,307	9,313	77,620
2030	44,059	15,002	59,061
2031	43,740	4,708	48,448
2032	45,430	3,211	48,641
2033	47,230	1,633	48,863
2034	-0-	-0-	-0-
2035	-0-	-0-	-0-
2036	-0-	-0-	-0-
Total	\$ 1,516,888	\$ 366,019	\$ 1,882,907

(a) Figures may not add to totals because of rounding.

Table 9



Bonds and Notes Payable by Fiscal Year (In Thousands of Dollars)

Item	Outstanding on September 30,				
	2014	2015	2016	2017	2018
GENERAL OBLIGATION DEBT					
School Loan Bond	\$ 1,053,887	\$ 974,264	\$ 903,882	\$ 814,726	\$ 721,543 *
Environmental Programs	763,575	686,735	680,060	721,010	795,345 *
Total General Obligation Debt	\$ 1,817,462	\$ 1,660,999	\$ 1,583,942	\$ 1,535,736	\$ 1,516,888
NON-GENERAL OBLIGATION DEBT					
Michigan Department of Transportation Tax					
Dedicated Bonds	\$ 1,235,440	\$ 1,104,810	\$ 961,470	\$ 822,460	\$ 677,205
MDOT Grant Anticipation Bonds	724,960	716,305	616,625	607,110	601,285
Michigan Department of Natural Resources					
State Park Revenue Bonds	8,700	7,900	7,060	6,185	5,265
Special Authorities-Revenue Bonds and Notes: (a)					
Mackinac Island State Park Commission	1,735	1,685	1,630	1,575	1,515
Michigan State Housing Development Authority	2,020,105	2,092,780	2,362,250	2,100,310	2,434,300
Michigan State Building Authority	3,105,869	3,107,035	3,031,728	3,053,655	2,957,850 *
Michigan Finance Authority (b)	17,537,276	18,556,416	18,852,904	18,271,815	18,218,003 *
Total Non-General Obligation Debt	\$ 24,634,085	\$ 25,586,931	\$ 25,833,667	\$ 24,863,110	\$ 24,895,423

* All or part of the principal amount not presented, and not represented in the totals due to the advance refunding of all or part of this obligation.

(a) Does not include the activity of the Michigan Strategic Fund.

(b) Executive Order 2010-2 consolidated 10 public finance authorities under the Michigan Finance Authority: Michigan Municipal Bond Authority; Michigan State Hospital Finance Authority; Michigan Higher Education Facilities Authority; Michigan Higher Education Assistance Authority; Michigan Higher Education Student Loan Authority; Michigan Public Educational Facilities Authority; Michigan Tobacco Settlement Finance Authority; Michigan Underground Storage Tank Financial Assurance Authority; Michigan State Higher Education Facilities Commission; Michigan Forest Finance Authority.



Special Revenue Debt, Bond, and Note Payments (In Thousands of Dollars)

Item		Issue Date	Maturity Dates	Amount Issued	Refunded Principal	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-18
Michigan Department of Transportation								
Tax Dedicated Bonds Michigan								
Comprehensive Transportation	RF. Series 2005	2005	2023	\$ 62,180	\$ -0-	\$ 5,300	\$ 2,067	\$ 34,080
	RF. Series 2009	2009	2019	42,335	-0-	7,710	795	8,115
	RF. Series 2011	2011	2022	18,470	-0-	1,945	465	8,740
	RF. Series 2013	2013	2023	10,130	-0-	2,035	97	1,540
	RF. Series 2015	2015	2031	29,380	-0-	1,060	1,386	27,300
State Trunkline Fund								
	RF. SR. 1998-A	1998	2019	377,890	-0-	32,290	2,765	34,120
	RF. SR. 2004	2004	2022	103,450	-0-	9,975	2,577	45,355
	RF. SR. 2005	2005	2022	223,020	-0-	18,550	5,427	89,815
	New & RF. SR 2009	2009	2027	146,190	-0-	5	7,299	146,185
	Series 2011	2011	2037	90,980	-0-	2,505	3,914	79,425
	RF. SR 2012	2012	2022	49,305	-0-	3,305	1,316	24,660
	RF. SR 2014	2014	2022	265,085	-0-	60,575	7,655	123,815
MDOT Grant Anticipation Bonds	RF. SR 2015	2015	2023	54,055	-0-	-0-	2,615	54,055
	Series 2009	2009	2016	281,910	-0-	-0-	21,495	-0-
	Series 2016	2016	2027	607,110	-0-	5,825	17,986	601,285
Michigan Department of Natural Resources State Park								
Revenue Bonds	Series 2002	2002	2022	15,500	-0-	920	250	5,265
Total Special Revenue Debt					\$ -0-	\$ 152,000	\$ 78,109	\$ 1,283,755

Series	Advanced Refunded from Series	Amount Refunded	FY 18 Paid from Escrow Principal	Interest	FY 18 Escrow Balance
Special Revenue Debt:					
Grant Anticipation	2016	\$ 697,715	\$ 281,905	\$ -0-	\$ -0-
		\$ 697,715	\$ 281,905	\$ -0-	\$ -0-

State Tax Collections

State taxes and fees totaling \$26,107,193 (in thousands) were collected during fiscal year 2018, which is an increase of 5.42% from the previous fiscal year.

Major tax collections for fiscal year 2018 and the previous

four years are detailed in Table 11, Treasury Administered Taxes and Fees Collected on a Cash Basis, below.

Table 12, Michigan State Taxes, identifies all Michigan taxes and gives administrative information about each.



Table 11

Treasury Administered Taxes and Fees Collected on a Cash Basis

(In Thousands of Dollars)

Type of Revenue ^(f)	10-1-13 to 9-30-14	10-1-14 to 9-30-15	10-1-15 to 9-30-16	10-1-16 to 9-30-17	10-1-17 to 9-30-18
Income Tax:					
Withholding Tax	\$8,073,344	\$8,470,585	\$8,999,148	\$9,268,902	\$9,651,988
Individual Flow-Through Withholding	140,524	155,565	166,237	84,635	(9,878)
Individual Income Tax	805,955	936,455	923,447	887,594	979,704
Individual Income Tax Estimates	878,563	1,034,436	1,063,465	1,185,912	1,509,396
Individual Income Tax Penalty and Interest	34,832	\$39,815	42,903	41,417	36,540
Gross Individual Income Tax Collections	9,933,218	10,636,856	11,195,200	11,468,460	12,167,750
Tax Refunds and Tax Credits	(1,753,456)	(1,744,525)	(1,856,661)	(1,897,567)	(1,913,557)
Net Individual Income Tax	\$8,179,762	\$8,892,331	\$9,338,538	\$9,570,893	\$10,254,193
Single Business Tax ^(a)	23,337	19,015	20,158	21,145	27,649
Single Business Tax Penalty and Interest	513	3,441	4,218	661	1,265
Gross Single Business Tax	23,850	22,456	24,376	21,806	28,914
Tax Refunds	(68,188)	(16,290)	(26,111)	(2,037)	(1,878)
Net Single Business Tax	(\$44,338)	\$6,166	(\$1,735)	\$19,768	\$27,036
Michigan Business Tax ^(a)	98,232	125,229	65,137	(99,956)	97,309
Michigan Business Tax Penalty and Interest	15,858	18,132	13,378	11,513	31,458
Gross Michigan Business Tax	114,090	143,361	78,515	(88,443)	128,767
Tax Refunds	(724,097)	(985,036)	(1,114,596)	(630,385)	(752,778)
Net Michigan Business Tax	(\$610,007)	(\$841,675)	(\$1,036,081)	(\$718,828)	(\$624,011)
Corporate Income Tax ^(a)	1,061,552	1,151,609	1,022,275	1,191,766	1,165,814
Corporate Flow-Through Withholding	25,729	24,533	36,852	15,097	(1,907)
Corporate Income Tax Penalty and Interest	9,705	13,090	14,982	22,535	25,222
Gross Corporate Income Tax	1,096,986	1,189,232	1,074,109	1,229,398	1,189,129
Tax Refunds	(129,390)	(119,992)	(122,451)	(124,009)	(156,302)
Net Corporate Income Tax	\$967,596	\$1,069,240	\$951,658	\$1,105,389	\$1,032,827
Airport Parking Tax	22,275	24,810	27,322	28,489	29,885
Airport Parking Tax Penalty and Interest	-0-	5	-0-	-0-	-0-
Cigarette - Tobacco Products Tax	857,700	865,928	880,350	870,565	839,040
Cigarette - Tobacco Products Tax Penalty and Interest	133	172	157	126	148
Commercial Mobile Radio Service Tax	27,964	28,827	28,539	28,741	34,486
Convention Facility Tax	21,759	23,606	24,877	26,374	28,348
Convention Facility Tax Penalty and Interest	44	25	27	71	34
Environmental Protection Regulatory Fee	54,393	53,420	53,271	53,248	58,251
Essential Services Assessment ^(a)	N/A	N/A	66,459	85,323	98,410
Estate Tax ^(b)	31	-0-	-0-	-0-	-0-
Gas and Oil Privilege Fee	10,891	6,595	3,612	4,585	4,921
Gas and Oil Severance Tax	64,531	32,922	20,232	23,747	28,347
Health Insurance Claims Assessment Tax	277,030	228,573	227,356	279,064	329,700
Industrial/Commercial Facilities Tax	33,474	35,133	34,752	35,845	36,606
Inheritance Tax ^(b)	304	(136)	20	28	21
Insurance-Retaliatory Tax	339,534	361,229	304,073	349,856	397,383
Intangibles Tax ^(c)	-0-	-0-	-0-	-0-	-0-
Motor Fuel Taxes	966,904	995,092	1,020,487	1,328,779	1,457,664
Non-Cigarette - Tobacco Products Tax	73,051	77,481	77,413	80,807	85,123
Real Estate Transfer Tax	219,647	264,752	275,553	326,329	340,916
Sales Tax	7,232,030	7,296,218	7,297,552	7,784,342	8,008,044
Sales, Use and Withholding Penalty and Interest	36,625	43,616	36,809	25,574	40,939
State Education Tax	1,797,186	1,841,399	1,883,828	1,913,918	1,976,256
State Housing Development Service Fee	17,919	12,523	12,947	11,464	14,697
Use Tax	1,584,555	2,060,829	2,015,433	1,353,405	1,436,354
Utility Property Tax	50,207	47,331	38,928	37,200	36,869
Other Taxes and Fees ^(d)	149,610	147,209	145,612	140,889	134,706
TOTAL	\$22,330,813	\$23,573,621	\$23,727,989	\$24,765,992	\$26,107,193

(a) Public Act 325 of 2006 repealed the Single Business Tax, effective December 31, 2007. It was replaced by the Michigan Business Tax, enacted in Public Act 36 of 2007, effective January 1, 2008. Repealed and replaced by Corporate Income Tax in 2012 per P.A. 39 of 2011.

(b) Public Act 54 of 1993 replaced the Inheritance Tax for dates of death after September 30, 1993, with the Estate Tax.

(c) Public Act 5 of 1995 repealed Public Act 301 of 1939 regarding collection of Intangible Taxes.

(d) Includes Assessor's Training & Certification Fees, Garnishment Fees, Court Fines, Fees & Assessments, Driver Responsibility Fees, Trailer Coach Parks Specific Tax, Commercial Forest Tax and Low Grade Iron Ore Specific Tax.

(e) New in 2016, per Public Act 92 of 2014.

(f) Flow-Through Withholding, Public Act 158 of 2016, requirement is ended. Flow-Through Withholding is now reported with the Corporate Income Tax and Individual Income Tax.

Table 12



Michigan State Taxes and Fees (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-17 to 9-30-18	Disposition
Aircraft Registration	1923	Transportation	August 1	403	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	29,885	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	4,389	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing and Regulatory Affairs	Monthly reports and/or stamps	51,114	General Fund
Casino Wagering	1999	Treasury (GCB)	Daily	115,252	School Aid Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	839,040	41.6% to School Aid Fund, 19.8% to General Fund, 3.8% to Healthy Michigan Fund, 31.9% to Medicaid Benefits Trust Fund, 2.4% to Health & Safety Fund, .5% to Wayne County Indigent Health Care.
Commercial Mobile Radio Services	1999	Treasury/MSP	Last day of February, April, July & October	34,486	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	28,348	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	1,007,604	General Fund
Corporate Organization	1891	Licensing and Regulatory Affairs	At time of incorporation, admission or increase in stock	26,698	General Fund
Diesel Fuel	1947	Treasury	20th of each month	213,045	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	58,251	First \$20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to Refined Petroleum Fund.
Essential Services Assessment	2014	Treasury	August 15th	98,410	General Fund
Estate	1994	Treasury	Nine months following date of death	-0-	General Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	4,921	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	28,347	General Fund
Gasoline	1925	Treasury	20th of each month	1,210,120	Michigan Transportation Fund
Health Insurance Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	329,700	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Treasury (GCB)	At end of each day's racing	2,870	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	10,217,653	23.808% of gross collections to School Aid Fund with remainder to General Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	36,606	School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	21	General Fund
Insurance Company Retaliatory	1987	Treasury	Last day of April, July, October & January	397,383	General Fund
Intangibles	1939	Treasury	April 30 or last day of 4th month after end of taxpayer's tax year	-0-	General Fund
Liquified Petroleum Gas	1953	Treasury	20th of each month	-0-	Michigan Transportation Fund
Liquor - 4% - Tourism and Convention Facility	1985	Licensing and Regulatory Affairs	At the time of sale to retail licensees	57,249	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	57,001	School Aid Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	57,833	General Fund
Marine Fuel	1947	Treasury	20th of each month	504	Michigan State Waterways Fund
Michigan Business	2007	Treasury	15th of April, July, October and January	(655,467)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of quarter	27,327	Michigan Transportation Fund
Motor Carrier's Privilege	1933	MSP & PSC	January 1	8,441	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	1,296,383	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	85,123	75% to Medical Benefits Trust Funds, 25% to General Fund.
Nonferrous Metallic Minerals Extraction Severance Tax	2012	Treasury	February 15	1,405	65% to Local Units, 35% to Rural Development Fund
Quality Assurance Assessment Fees	2002	Treasury	Quarterly basis	1,049,252	Medicaid program
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	340,916	School Aid Fund
Sales	1933	Treasury	15th and last day of each month for accelerated filers. 20th day of the month for non-accelerated filers	8,008,044	73.3% to School Aid Fund, 8.4% to General Fund, 1.1% to Comprehensive Transportation Fund, 16.2% to Local Units, less than 1% to the following: Healthy Initiative Fund, Enhanced Enforcement, State Aeronautics Fund, Qualified Airport Fund.
Single Business	1975	Treasury	April 30 or last day of 4th month after end of taxpayer's tax year	15,829	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,904	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	1,976,256	School Aid Fund
Use	1937	Treasury	15th of each month	1,436,354	66.6% to General Fund, 33.4% to School Aid Fund, less than 1% to the following: State Aeronautics Fund and Qualified Airport Fund.
Utility Property	1905	Treasury	July 1 or 1/2 on Aug. 1, 1/2 on Dec. 1	36,869	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	9,881	Michigan Conservation and Recreation Legacy Fund

Local Property Taxes

Each of Michigan's 83 counties "equalizes" the local property assessments. Equalization ensures that similar properties in different areas are assessed equitably. Following county equalization, the State Tax Commission equalizes among counties.

Local property taxes in Michigan are levied on taxable values (resulting from State equalization) by local units of government: school districts, cities, counties, townships and villages.

Table 13 shows local assessed valuation as well as state and county equalized valuations for calendar year 2017 and the prior decade. This table also lists the total Taxable Valuation and the average tax rate (millage) for each year. Table 14 shows how property tax dollars are apportioned among the various taxing units.

Michigan taxpayers' local property tax burden is lessened substantially by an income tax credit for property taxes paid.

Table 13



Local Property Tax Valuation, Levies, and Average Rates (In Millions of Dollars)

Calendar Year	Local Assessed Valuation	County Equalized Valuation	State Equalized Valuation	Taxable Valuation	Total Taxes Levied	Average Rate (Mills)	Homestead Average Rate ^(a)	Non-Homestead Average Rate
2017	415,525	415,540	415,540	335,481	13,983	41.68	34.56	52.96
2016	396,675	396,718	396,718	327,405	13,653	41.70	34.55	52.95
2015	382,421	382,415	382,415	327,674	13,475	41.12	34.21	52.33
2014	360,594	360,593	360,593	319,540	13,034	40.79	33.92	51.77
2013	350,023	350,025	350,025	316,726	12,818	40.47	33.53	51.47
2012	349,320	349,306	349,306	315,772	12,757	40.40	33.47	51.24
2011	362,765	362,775	362,775	323,616	12,946	40.00	33.68	50.97
2010	385,115	385,050	385,050	336,845	13,374	39.70	33.13	50.40
2009	423,892	423,901	423,901	360,567	14,110	39.13	32.86	51.09
2008	448,112	448,140	448,140	363,225	14,144	38.94	33.14	50.94
2007	453,058	453,109	453,109	357,298	14,254	39.89	32.72	51.49

(a) Homesteads include properties which received exemption from school operating millage. Property exemptions included: principal residence, qualified agricultural, qualified forest, supportive housing, property occupied by a public school academy, DNR, and industrial personal property.

Table 14



Distribution of Local Property Taxes (In Thousands of Dollars)

Taxing Unit	Taxes Levied		Percent of Increase
	2016	2017	
City	\$ 2,407,189	\$ 2,432,467	1.05%
County	2,115,098	2,166,717	2.44%
Township	1,074,732	1,114,771	3.73%
Village	84,341	86,613	2.69%
School	6,056,597	6,213,760	2.59%
State Education Tax	1,915,185	1,968,998	2.81%
Totals	\$ 13,653,142 ^(a)	\$ 13,983,326 ^(b)	

(a) \$579.7 million of the total property taxes levied in 2016 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

(b) \$579.3 million of the total property taxes levied in 2017 was refunded to taxpayers through the "circuit breaker" system of property tax credits against State income tax due or as a reimbursement if they exceed the income tax.

Published by the:

Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922

This report is available at
www.michigan.gov/treasury.

Issued under the authority of P.A. 122 of 1941.