

2018-2019 ANNUAL REPORT

of the Michigan State Treasurer



Gretchen Whitmer, Governor | Rachael Eubanks, Treasurer

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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) 2018-2019. 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 2019.

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>2019</u>	<u>2018</u>
<u>Assets</u>		
Demand Deposits	\$ 879,157	\$ 886,591
Prime Commercial Paper - At Cost	5,600,556	5,058,291
Emergency Municipal Loans	280,049	290,728
Total	<u>\$ 6,759,762</u>	<u>\$ 6,235,610</u>
 <u>Equities</u>		
Available Equity of Other Funds	\$ 6,608,418	\$ 6,114,728
Outstanding Warrants	151,344	120,882
Total	<u>\$ 6,759,762</u>	<u>\$ 6,235,610</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	
								2019 Total	2018 Total
Legislative Retirement	\$ 1,387	\$ -0-	\$ 135,518	\$ -0-	\$ 15,174	\$ -0-	\$ -0-	\$ 152,079	\$ 150,496
State Police Retirement	68,100	234,333	386,869	163,850	320,008	280,644	274,862	1,728,666	1,675,375
State Employees' Retirement	607,616	2,056,646	3,395,931	1,438,137	2,809,576	2,463,123	2,413,323	15,184,352	14,867,876
Public School Employees' Retirement	2,041,719	7,834,210	12,932,438	5,479,484	10,702,097	9,382,842	9,188,012	57,560,802	56,285,710
Judges' Retirement	8,911	37,017	61,130	25,907	50,567	44,359	43,441	271,332	272,076
Military Pension Fund	1,814	7,727	12,760	5,403	10,564	9,255	9,067	56,590	16,960
Michigan Veterans' Trust	267	18,015	23,310	3,218	18,584	-0-	-0-	63,394	61,214
Game & Fish Lifetime License Trust	13,886	2,572	-0-	-0-	-0-	-0-	-0-	16,458	18,021
Game & Fish Protection Trust	10,514	87,776	80,742	10,089	57,203	-0-	-0-	246,324	240,171
Michigan Natural Resources Trust	62,713	246,694	236,133	31,106	167,426	-0-	-0-	744,072	741,199
Michigan State Parks Endowment	27,032	120,077	97,965	12,249	73,828	-0-	-0-	331,151	316,625
Children's Trust	1,255	7,904	7,523	2,177	8,627	-0-	-0-	27,486	27,423
Michigan Nongame Fish and Wildlife Trust	2,047	6,535	1,527	-0-	-0-	-0-	-0-	10,109	9,322
State Lottery	13,309	182,466	-0-	-0-	-0-	-0-	-0-	195,775	179,697
Michigan Education Trust	42,981	272,301	324,194	97,755	297,687	-0-	-0-	1,034,918	1,044,068
Mackinac Bridge Authority	5,421	106,532	-0-	-0-	-0-	-0-	-0-	111,953	99,052
Gift, Bequests and Deposits Investment	25,302	9,604	6,955	1,133	4,466	-0-	-0-	47,460	44,397
Totals	\$ 2,934,274	\$ 11,230,409	\$ 17,702,995	\$ 7,270,508	\$ 14,535,807	\$ 12,180,223	\$ 11,928,705	\$ 77,782,921	\$ 76,049,682

Schedule 3



Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2019	2018
General	\$ (5,078)	\$ -0-	\$ (5,078)	\$ (6,210)
Game and Fish Lifetime License Trust	210	302	513	45
State Aeronautics	124	-0-	124	(67)
Michigan Veterans' Benefit Trust	31	4,076	4,107	4,159
State Trunkline	13,516	-0-	13,516	9,852
Michigan State Waterways	817	-0-	817	500
Blue Water Bridge	1,708	-0-	1,708	1,133
Michigan Transportation	4,931	-0-	4,931	2,945
Comprehensive Transportation	4,043	-0-	4,043	2,056
School Aid	8,793	-0-	8,793	6,355
MI Game and Fish Protection Trust	240	15,373	15,613	13,384
State Park Improvement	1,571	-0-	1,571	1,085
Forest Development	1,000	-0-	1,000	585
Michigan Natural Resources Trust	1,023	44,189	45,212	38,468
Michigan State Parks Endowment	474	20,558	21,032	15,685
Safety Education and Training	107	-0-	107	68
Bottle Deposits	1,133	-0-	1,133	576
State Construction Code	367	-0-	367	172
Children's Trust	17	2,117	2,134	1,528
Homeowner Construction Lien Recovery	7	-0-	7	4
Michigan Nongame Fish and Wildlife	45	722	767	183
21st Century Jobs Trust	8,608	-0-	8,608	5,685
Michigan Merit Award Trust	261	-0-	261	146
State Trunkline Bond Proceeds	2,255	-0-	2,255	1,875
Comprehensive Transportation Bond Proceeds	85	-0-	85	31
Outdoor Recreation Legacy	101	-0-	101	49
Off-Road Vehicle	291	-0-	291	189
Snowmobile	399	-0-	399	234
Community District Education Trust	86	-0-	86	63
Unemployment Obligation Trust	318	-0-	318	309
Liquor Purchasing Revolving	3,739	-0-	3,739	3,222
State Lottery	1,625	21,927	23,552	(3,275)
Michigan Strategic	1,866	-0-	1,866	1
Michigan State Housing Development	95	-0-	95	78
Land Bank Fast Track	307	-0-	307	209
Jobs For Michigan Investment	6,395	-0-	6,395	-0-

Schedule 3



Continued. . . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2019	2018
State Sponsored Group Insurance	\$ 8,089	\$ -0-	\$ 8,089	\$ 5,945
State Water Pollution Control Loan	21	-0-	21	11
School Loan Revolving	26,407	-0-	26,407	21,545
Combined State Trunkline Bond and Interest Redemption	63	-0-	63	65
Combined Comprehensive Transportation Bond and Interest Redemption	9	-0-	9	7
Recreation & Environmental Protection Bond Redemption	22	-0-	22	15
Legislative Other Post Employment Benefits	118	-0-	118	30
Legislative Retirement	59	4,394	4,453	10,705
State Police Retirement	21	93,267	93,288	175,584
State Employees' Retirement	114	823,594	823,708	1,563,558
Public School Employees' Retirement	(327)	3,116,795	3,116,468	5,963,289
Judges' Retirement	5	14,690	14,694	29,541
Military Retirement Pension Fund	(7)	2,888	2,881	595
Michigan Employment Security Act Contingent	4,045	-0-	4,045	2,898
Military Family Relief	58	-0-	58	38
Intrastate Switched Toll Restructuring	95	-0-	95	82
Children's Institute	2	-0-	2	2
Gifts, Bequests, and Deposits Investment	605	1,949	2,554	381
Silicosis, Dust Disease, and Logging Industry Compensation	32	-0-	32	24
Second Injury	211	-0-	211	136
Hospital Patients' Trust	7	-0-	7	3
Self-Insurers' Security	735	-0-	735	509
State Employees' Deferred Compensation I (457)	10	-0-	10	16
State Employees' Deferred Compensation II (401 (k))	9	-0-	9	2,470
MPSERS Defined Contribution 457	(341)	-0-	(341)	(567)
State of Michigan Defined Contribution Plans	(238)	-0-	(238)	(2,545)
Environmental Quality Deposits	64	-0-	64	44
Utility Consumer Representation	44	-0-	44	28
Transportation Related Trust	(783)	-0-	(783)	(615)
MPSERS Defined Contribution 401K	410	-0-	410	624
City Income Tax	281	-0-	281	196
Mackinac Bridge Authority	-0-	8,976	8,976	(782)
Michigan Education Trust	-0-	56,432	56,432	55,437
TOTALS	\$ 101,352	\$ 4,232,250	\$ 4,333,602	\$ 7,930,593

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 is the Chair of the State of Michigan Investment Board (the "SMIB"), which is the fiduciary and custodian for the defined benefit public pension fund system and the fiduciary for the defined contribution retirement plan sponsored by the State (collectively, the "State of Michigan Retirement System"). The SMIB delegated duties to the Bureau of Investments to invest, prudently manage, and oversee the assets of the State of Michigan Retirement System and to take certain other actions that support the Bureau of Investment's mandate in this regard. The State Treasurer, under authority provided by State statutes, has investment authority for various Michigan trust funds and the State's common cash (for which the State Treasurer is the fiduciary).

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. Derivative securities or related contractual agreements are only used to hedge assets held or to replicate asset returns. Derivatives are not used for speculation or to leverage the investment portfolios.

Investments in derivatives are detailed below:

- **Future Contracts** – Fixed Income and International Equity Investment Pools. Future contracts are used to enhance management flexibility, manage duration, and yield curve exposure. On September 30, 2019 and September 30, 2018, future contracts represented less than 0.1 percent of the fixed income investment category, less than 0.1 percent of the international equity investment category and less than 0.1 percent of the total pension trust funds, respectively.
- **Option Contracts** – Domestic Equity Investment, Fixed Income Investment, and International Equity Investment Pools. Option Contracts are investments on single securities to provide downside protection and enhance current income. On September 30, 2019 and 2018, option contracts represent 2.5 percent and 2.8 percent of the domestic equity investment category of the pension trust funds, less than 0.0 percent of fixed income investment category, less than 0.0 percent of the equity international investment category, and 0.6 percent and 0.7 percent of the total pension trust funds, respectively.
- **Swaps** – Fixed Income Investment and International Equity Investment Pools – 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 exposure, and manage credit exposure. On September 30, 2019 and 2018, fixed income swap agreements represent less than 0.0 percent of the Fixed Income Category. International equity investment swap agreements are investments tied to stock market indices in approximately 48 foreign countries and are the core of the international equity market investment strategy. On September 30, 2019 and 2018, the swap agreements represented 15.9 percent and 17.3 percent of the international equity investment category, respectively.



The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2019 and 2018, they represent 2.5 percent and 3.0 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 \$11.9 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 investments at September 30, 2019 and 2018, was \$5,611.5 and \$5,063.9 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, 2019 and 2018, was \$2,896.7 and \$3,246.5 million, respectively. The amortized cost of the securities lending cash collateral pool at September 30, 2019 and 2018, was \$2,956.2 and \$3,307.8 million respectively. The fair value of securities lending cash collateral pool at September 30, 2019 and 2018, was \$2,956.5 and \$3,306.9 million respectively.

NOTE 2: CHANGE IN REPORTING OF FUNDS

Effective for FY ended September 30, 2019:

No funds were added or removed from Schedule 2 or 3.

Effective for FY ended September 30, 2018:

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

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
2019	(5,078)	\$ 3,116,468	\$ 823,708	\$ 93,288	\$ 14,694	\$ 2,881	\$ 287,643	\$ 4,333,604
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

(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)
2019	\$ 101,354	\$ 106,432	\$ (5,078)
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)

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 2018	1,560.2	4,053.5	5,613.8	179.9	243.6	6,037.3
November	1,729.5	3,945.0	5,674.4	294.1	138.9	6,107.5
December	1,853.3	3,726.2	5,579.5	287.0	111.0	5,977.5
January 2019	1,850.4	3,720.6	5,571.0	109.7	108.5	5,789.2
February	495.7	3,765.8	4,261.5	146.3	108.5	4,516.3
March	(297.4)	3,704.3	3,407.0	220.9	87.1	3,715.0
April	128.7	4,180.7	4,309.4	91.9	109.3	4,510.5
May	(283.2)	3,980.0	3,696.8	234.9	98.0	4,029.7
June	125.0	4,009.7	4,134.7	220.4	90.5	4,445.6
July	34.9	4,276.7	4,311.6	147.2	105.9	4,564.7
August	195.0	4,296.3	4,491.3	143.0	105.0	4,739.4
September	2,105.0	4,157.7	6,262.7	251.6	94.1	6,608.5

(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 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
September 2019	956.4	1,148.6	4,157.7	6,262.7	251.6	94.1 ^(d)	6,608.5

(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.

Table 4



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

Fund	Cash Balances 10-1-18	Cash Balances 9-30-19	Warrants Outstanding	Available Balances 9-30-19
GENERAL AND SCHOOL AID				
General	\$ 2,847,414	\$ 3,643,948	\$ (81,440)	\$ 3,725,388
School Aid	(1,246,754)	(1,620,633)	(241)	(1,620,392)
Total General and School Aid	\$ 1,600,660	\$ 2,023,315	\$ (81,681)	\$ 2,104,995
SPECIAL REVENUE				
Game and Fish Protection	\$ 15,117	\$ 13,815	\$ (35)	\$ 13,851
Michigan Employment Security Act-Administration	(6,020)	(10,973)	(96)	(10,876)
State Aeronautics	2,216	9,453	(589)	10,042
Michigan Veterans' Trust	1,469	126	(71)	196
State Trunkline	764,916	773,749	(7,205)	780,954
Michigan State Waterways	34,909	39,803	(345)	40,148
Blue Water Bridge	74,305	76,285	(27)	76,312
Michigan Transportation	103,130	44,623	(6,360)	50,983
Comprehensive Transportation	204,898	246,812	(166)	246,978
Game and Fish Protection Trust	2,708	12,514	-0-	12,514
State Park Improvement	57,400	67,054	(287)	67,341
Forest Development	39,298	44,579	(100)	44,679
Michigan Natural Resources Trust	42,784	66,291	(211)	66,502
Michigan State Parks Endowment	13,308	28,696	(168)	28,864
Safety Education and Training	6,232	4,656	(17)	4,673
Bottle Deposits	54,332	67,009	(156)	67,164
State Construction Code	11,635	20,065	(1)	20,066
Children's Trust	1,988	1,236	(9)	1,246
State Casino Gaming	14,459	12,057	(1)	12,059
Homeowner Construction Lien Recovery	285	300	-0-	300
Michigan Nongame Fish and Wildlife	1,800	2,047	-0-	2,047
21st Century Jobs Trust	333,352	275,094	-0-	275,094
Michigan Merit Award Trust	16,094	17,734	(63)	17,798
Outdoor Recreation Legacy	4,493	5,734	(37)	5,771
Off-Road Vehicle	13,259	13,670	(24)	13,694
Snowmobile	15,660	18,307	(20)	18,327
Community District Education Trust	11,484	11,391	-0-	11,391
Unemployment Obligation Trust	1,554	1,062	-0-	1,062
State Building Authority Advance Financing	(8,313)	(22,451)	(926)	(21,525)
Michigan Strategic	101,897	92,249	(701)	92,951
Land Bank Fast Track Authority	13,833	14,954	(33)	14,988
Jobs for Michigan Investment	206,366	223,180	(151)	223,331
Michigan Finance Authority - School Loan Revolving	1,170,981	1,118,311	-0-	1,118,311
State Building Authority - Capital Projects	49	-0-	-0-	-0-
Total Special Revenue	\$ 3,321,879	\$ 3,289,432	\$ (17,803)	\$ 3,307,235

(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 10-1-18	Cash Balances 9-30-19	Warrants Outstanding	Available Balances 9-30-19
BOND AND DEBT SERVICE				
Clean Michigan Initiative Bond - Local Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
1994 State Trunkline Bond Proceeds	27	-0-	-0-	-0-
State Trunkline Bond Proceeds	105,359	89,006	-0-	89,006
Comprehensive Transportation Bond Proceeds	4,556	3,253	-0-	3,253
Combined State Trunkline Bond and Interest Redemption	1	-0-	-0-	-0-
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	-0-	-0-	-0-
Recreation and Environmental Protection Bond Redemption	1,893	1,884	-0-	1,884
School Loan Bond Redemption	-0-	-0-	-0-	-0-
Total Bond and Debt Service	\$ 111,837	\$ 94,143	\$ -0-	\$ 94,143
ENTERPRISE				
Liquor Purchasing Revolving	\$ 121,270	\$ 73,456	\$ (1,301)	\$ 74,757
State Lottery	5,355	(1,552)	(7,430)	5,878
Michigan State Housing Development Authority	-0-	(6)	(3)	(3)
Michigan Finance Authority - State Water Revolving	45,030	68	-0-	68
Total Enterprise	\$ 171,655	\$ 71,966	\$ (8,734)	\$ 80,700
INTERNAL SERVICE				
Correctional Industries Revolving	\$ 610	\$ 1,333	\$ (57)	\$ 1,391
Motor Transport	6,090	(869)	(2,153)	1,284
Office Services Revolving	22,635	32,710	(123)	32,833
Information Technology	58,247	23,241	(3,662)	26,903
Risk Management	13,515	11,713	-0-	11,713
State Sponsored Group Insurance	341,031	362,462	(51)	362,513
Total Internal Service	\$ 442,128	\$ 430,589	\$ (6,047)	\$ 436,636
RETIREMENT				
Legislative	\$ 1,984	\$ 1,299	\$ -0-	\$ 1,299
State Police	7,429	12,177	(125)	12,302
State Employees'	133,556	117,945	(1,181)	119,126
Public School Employees'	105,021	95,186	(22,192)	117,378
Judges'	864	816	(1)	817
Military	560	597	-0-	597
Total Retirement	\$ 249,414	\$ 228,120	\$ (23,499)	\$ 251,619

Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-18	Cash Balances 9-30-19	Warrants Outstanding	Available Balances 9-30-19
TRUST AND AGENCY				
Michigan Employment Security Act Contingent	160,104	140,224	-0-	140,224
Military Family Relief	2,396	2,509	-0-	2,509
IntraState Switched Toll Restructuring	5,361	2,496	(15)	2,511
Children's Institute Trust	104	106	-0-	106
Abandoned and Unclaimed Property (Escheats)	111,316	122,061	(9,622)	131,683
Gifts, Bequests and Deposits Investment	23,088	24,499	(401)	24,901
Silicosis, Dust Disease, and Logging Industry Compensation	1,699	1,552	(48)	1,601
Second Injury	11,369	9,566	(259)	9,825
Hospital Patients	210	299	(19)	318
Self-Insurers' Security	32,042	32,361	(28)	32,389
State Employees' Deferred Comp. I (457)	348	200	-0-	200
State Employees' Deferred Comp. II (401K)	2,395	2,002	-0-	2,002
State of Michigan MPERS DC 457	3,944	1,228	(1,844)	3,073
State Employees' Defined Contribution Plan	(2,197)	(2,435)	-0-	(2,435)
Special Assessment Deferment	2,716	2,771	(2)	2,773
Environmental Quality Deposits	2,682	2,755	-0-	2,755
Insurance Carrier Deposits	1,104	4,280	(1)	4,281
Utility Consumer Representation	2,579	2,809	-0-	2,809
Transportation Related	(36,077)	(40,401)	(36)	(40,366)
State of Michigan MPERS DC 401K	1,454	2,651	-0-	2,651
State of Michigan Personal Health Care	-0-	-0-	-0-	-0-
City Income Tax	9,945	5,493	(1,243)	6,736
Social Welfare	2,211	2,538	(9)	2,546
EAA 457	18	24	-0-	24
EAA 401K	22	26	-0-	26
Total Trust and Agency	338,834	319,615	(13,527)	333,142
GRAND TOTALS	6,236,408	6,457,179	151,291	6,608,471

Table 5



Demand Depositories as of September 30, 2019 (In Thousands of Dollars)

City	Depository Bank	Deposits ^(a)	City	Depository Bank	Deposits ^(a)
Adrian	First Federal Bank	\$ 179	Ionia	Independent Bank	135
Baldwin	Lake-Osceola State Bank	55		Mercantile	5,144
Cheboygan	Citizens National Bank	64	Iron Mountain	First National Bank of Iron Mountain	145
Chelsea	Chelsea State Bank	70	Lansing	Bank of America	14,107
Coldwater	Century Bank and Trust	150	Manistique	mBank	333
	Southern Michigan Bank & Trust	340	Midland	Chemical Bank and Trust	10,016
Croswell	Eastern Michigan Bank	76	Monroe	Monroe Bank and Trust	30
Detroit	JPMorgan Chase, N.A.	797,815	Munising	Peoples State Bank of Munising	30
	Comerica Bank	8,826	Newberry	Tahquamenon Area Credit Union	48
East Tawas	Huron Community Bank	130	Norway	Northern Interstate Bank	28
Escanaba	Upper Peninsula State Bank	142	Ontonagon	Citizens State Bank	50
Ewen	Gogebic Range Bank	52	Port Austin	Port Austin State Bank	26
Gladstone	First Bank, Upper Michigan	148	St. Ignace	First National Bank of St. Ignace	43
Grand Blanc	The State Bank	3,569	Sault Ste Marie	Central Savings Bank	79
Grand Rapids	Fifth Third Bank	34,230		Soo Co-Op Credit Union	26
Hancock	Superior National Bank and Trust	122	Shelby	Shelby State Bank	137
Hillsdale	Hillsdale County National Bank	120	Wakefield	First National Bank of Wakefield	149
Honor	Honor State Bank	47	Zeeland	Huntington National Bank	2,497
			Total		\$ 879,158

(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 \$1,153,446,000 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 2019, the State did not issue any 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 9-30-19
School Bond Loan^(a)							
Series 2009A (Refunding)	2009	2015-2020	\$ -0-	\$ -0-	\$ 22,360	\$ 3,019	\$ 32,770
Series 2009A	2009	2015-2020	-0-	-0-	23,115	3,121	33,870
Series 2009B (Refunding)	2009	2010-2030	-0-	-0-	2,288	2,322	10,935
Series 2010B (Refunding)	2010	2016-2020	-0-	-0-	7,735	1,007	20,975
Series 2010B	2010	2016-2020	-0-	-0-	7,180	935	19,485
Series 2011A	2011	2014-2023	-0-	-0-	12,500	3,218	59,100
Series 2011B	2011	2023	-0-	-0-	-0-	1,114	30,110
Series 2012A (Refunding)	2012	2013-2026	-0-	-0-	5,436	1,066	25,872
Series 2012A	2012	2013-2026	-0-	-0-	14,644	2,870	69,688
Series 2013A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000
Series 2016A (Refunding)	2016	2016-2022	-0-	-0-	2,665	2,127	120,815
Environmental Protection^(b)							
Series 2008A (Refunding)	2008	2011-2019	-0-	-0-	8,692	298	-0-
Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	684	231	4,280
Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	6,364	705	13,723
Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	2,662	1,051	20,301
Series 2017A	2017	2022-2027	-0-	-0-	-0-	68	1,369
Series 2017B	2017	2020-2025	-0-	-0-	-0-	85	4,343
Clean Michigan Initiative^(b)							
Series 2008A	2008	2011-2019	-0-	-0-	2,010	50	-0-
Series 2008A (Refunding)	2008	2011-2019	-0-	-0-	17,648	343	-0-
Series 2008B	2008	2011-2019	-0-	-0-	994	51	-0-
Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	2,916	983	18,245
Series 2011A	2011	2021-2025	-0-	-0-	-0-	369	9,617
Series 2011B	2011	2013-2020	-0-	-0-	1,377	111	2,755
Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	903	73	1,807
Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	15,106	1,673	32,577
Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	9,693	2,768	51,634
Series 2016B (Refunding)	2016	2022-2026	-0-	-0-	-0-	2,062	43,164
Series 2017A	2017	2022-2027	-0-	-0-	-0-	447	8,936
Series 2017B	2017	2020-2025	-0-	-0-	-0-	150	7,727
Series 2018	2018	2027-2033	-0-	-0-	-0-	582	23,545
Great Lakes Water Quality^(b)							
Series 2008B	2008	2011-2019	-0-	-0-	331	17	-0-
Series 2011A	2011	2021-2025	-0-	-0-	-0-	925	24,123
Series 2011A (Refunding)	2011	2021-2025	-0-	-0-	-0-	395	10,295
Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	5,099	410	10,199
Series 2014A	2014	2024-2029	-0-	-0-	-0-	3,257	65,140
Series 2014B	2014	2027	-0-	-0-	-0-	724	20,155
Series 2015A (Refunding)	2015	2027-2029	-0-	-0-	-0-	1,253	25,050
Series 2016A	2016	2021-2024	-0-	-0-	-0-	4,112	82,240
Series 2016B (Refunding)	2016	2022-2026	-0-	-0-	-0-	802	16,786
Series 2017A	2017	2022-2027	-0-	-0-	-0-	3,435	68,695
Series 2017B	2017	2020-2025	-0-	-0-	-0-	555	28,505
Series 2018	2018	2027-2033	-0-	-0-	-0-	3,107	125,655
Total General Obligation Bonded Debt			\$ -0-	\$ -0-	\$ 172,402	\$ 58,559	\$ 1,344,486

(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.

Table 7



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

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-19
Mackinac Island State Park Commission	\$ -0-	\$ 60	\$ 70	\$ 1,455
Michigan State Housing Development Authority ^(b)	753,810	206,790	88,600	2,981,320
Michigan Finance Authority ^(c)	2,429,162	1,893,312	782,925	18,723,366 *
Michigan State Building Authority ^(d)	235,580	99,743	140,505	2,909,745 *
Total Special Authority Debt	\$ 3,418,552	\$ 2,199,905	\$ 1,012,100	\$ 24,615,886

* 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 as of September 30, 2019.

(b) The new issues include \$754 million of new bond issues for the year.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability was \$649.4 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 was \$185.1 million. Outstanding principal does not include commercial paper notes issued by the Authority; \$73.6 million of commercial paper notes was outstanding.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-19
Health	\$ 1,287,195	\$ 169,256	\$ 348,023	\$ 8,896,794
Higher Education	51,745	74,595	19,003	527,423
Municipal	1,055,601	930,199	296,657	7,264,545
Public School Academies	34,621	56,910	13,256	221,236
Tobacco	-0-	21,725	55,920	1,156,636
Private K-12	-0-	N/A	N/A	37,361
Student Loan	-0-	80,167	16,718	444,727
Unemployment	-0-	560,460	33,348	174,644
Total Michigan Finance Authority Debt	\$ 2,429,162	\$ 1,893,312	\$ 782,925	\$ 18,723,366

Table 8



General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended September 30,	Principal	Interest	Total ^(a)
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-
2037	-0-	-0-	-0-
Total	\$ 1,344,485	\$ 306,772	\$ 1,651,257

(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,				
	2015	2016	2017	2018	2019
School Bond Loan	\$ 974,264	\$ 903,882	\$ 814,726	\$ 721,543	\$ 623,620 *
Environmental Programs	686,735	680,060	721,010	795,345	720,865 *
Total General Obligation Debt	\$ 1,660,999	\$ 1,583,942	\$ 1,535,736	\$ 1,516,888	\$ 1,344,485
NON-GENERAL OBLIGATION DEBT					
Michigan Department of Transportation Tax					
Dedicated Bonds	\$1,104,810	\$961,470	\$822,460	\$677,205	\$524,395
MDOT Grant Anticipation Bonds	716,305	616,625	607,110	601,285	595,130
Michigan Department of Natural Resources					
State Park Revenue Bonds	7,900	7,060	6,185	5,265	4,305
Special Authorities-Revenue Bonds and Notes: (a)					
Mackinac Island State Park Commission	1,685	1,630	1,575	1,515	1,455
Michigan State Housing Development Authority	2,092,780	2,362,250	2,100,310	2,434,300	2,981,320
Michigan State Building Authority	3,107,035	3,031,728	3,053,655	2,957,850	2,909,745 *
Michigan Finance Authority (b)	18,556,416	18,852,904	18,271,815	18,218,003	18,723,366 *
Total Non-General Obligation Debt	\$ 25,586,931	\$ 25,833,667	\$ 24,863,110	\$ 24,895,423	\$ 25,739,716

* 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.

Table 10



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 9-30-19
Michigan Department of Transportation								
Tax Dedicated Bonds Michigan								
Comprehensive Transportation	RF. Series 2005	2005	2023	62,180	\$ -0-	\$ 7,645	\$ 1,789	\$ 26,435
	RF. Series 2009	2009	2019	42,335	-0-	8,115	391	-0-
	RF. Series 2011	2011	2022	18,470	-0-	2,030	376	6,710
	RF. Series 2013	2013	2023	10,130	-0-	-0-	46	1,540
	RF. Series 2015	2015	2031	29,380	-0-	1,110	1,337	26,190
State Trunkline Fund								
	RF. SR. 1998-A	1998	2019	377,890	-0-	34,120	938	-0-
	RF. SR. 2004	2004	2022	103,450	-0-	10,485	2,065	34,870
	RF. SR. 2005	2005	2022	223,020	-0-	20,020	4,389	69,795
	New & RF. SR 2009	2009	2027	146,190	-0-	-0-	7,299	146,185
	Series 2011	2011	2037	90,980	-0-	2,635	3,785	76,790
	RF. SR 2012	2012	2022	49,305	-0-	3,475	1,146	21,185
	RF. SR 2014	2014	2022	265,085	-0-	63,175	4,586	60,640
	RF. SR 2015	2015	2023	54,055	-0-	-0-	2,615	54,055
MDOT Grant Anticipation Bonds	Series 2016	2016	2027	607,110	-0-	6,155	29,708	595,130
Michigan Department of Natural Resources State Park								
Revenue Bonds	Series 2002	2002	2022	15,500	-0-	960	211	4,305
Total Special Revenue Debt					\$ -0-	\$ 159,925	\$ 60,681	\$ 1,123,830

State Tax Collections

State taxes and fees totaling \$26,836,193 (in thousands) were collected during fiscal year 2019, which is an increase of 2.79% from the previous fiscal year.

Major tax collections for fiscal year 2019 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)	10-1-14 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	10-1-18 to 9-30-19
Income Tax:					
Withholding Tax	\$8,470,585	\$8,999,148	\$9,268,902	\$9,651,988	\$9,969,459
Individual Flow-Through Withholding	155,565	166,237	84,635	(9,878)	(1,637)
Individual Income Tax	936,455	923,447	887,594	979,704	1,319,155
Individual Income Tax Estimates	1,034,436	1,063,465	1,185,912	1,509,396	1,283,846
Individual Income Tax Penalty and Interest	\$39,815	42,903	41,417	36,540	32,665
Gross Individual Income Tax Collections	10,636,856	11,195,200	11,468,460	12,167,750	12,603,488
Tax Refunds and Tax Credits	(1,744,525)	(1,856,661)	(1,897,567)	(1,913,557)	(2,116,450)
Net Individual Income Tax	\$8,892,331	\$9,338,538	\$9,570,893	\$10,254,193	\$10,487,038
Single Business Tax ^(a)	19,015	20,158	21,145	27,649	(66,610)
Single Business Tax Penalty and Interest	3,441	4,218	661	1,265	4,699
Gross Single Business Tax	22,456	24,376	21,806	28,914	(61,911)
Tax Refunds	(16,290)	(26,111)	(2,037)	(1,878)	(3,851)
Net Single Business Tax	\$6,166	(\$1,735)	\$19,768	\$27,036	(\$65,762)
Michigan Business Tax ^(a)	125,229	65,137	(99,956)	97,309	66,787
Michigan Business Tax Penalty and Interest	18,132	13,378	11,513	31,458	18,851
Gross Michigan Business Tax	143,361	78,515	(88,443)	128,767	85,638
Tax Refunds	(985,036)	(1,114,596)	(630,385)	(752,778)	(595,735)
Net Michigan Business Tax	(\$841,675)	(\$1,036,081)	(\$718,828)	(\$624,011)	(\$510,097)
Corporate Income Tax ^(a)	1,151,609	1,022,275	1,191,766	1,165,814	1,360,662
Corporate Flow-Through Withholding	24,533	36,852	15,097	(1,907)	(2,216)
Corporate Income Tax Penalty and Interest	13,090	14,982	22,535	25,222	32,738
Gross Corporate Income Tax	1,189,232	1,074,109	1,229,398	1,189,129	1,391,184
Tax Refunds	(119,992)	(122,451)	(124,009)	(156,302)	(157,137)
Net Corporate Income Tax	\$1,069,240	\$951,658	\$1,105,389	\$1,032,827	\$1,234,047
Airport Parking Tax	24,810	27,322	28,489	29,885	31,275
Airport Parking Tax Penalty and Interest	5	-0-	-0-	-0-	0
Cigarette - Tobacco Products Tax	865,928	880,350	870,565	839,040	794,432
Cigarette - Tobacco Products Tax Penalty and Interest	172	157	126	148	182
Commercial Mobile Radio Service Tax	28,827	28,539	28,741	34,486	43,378
Convention Facility Tax	23,606	24,877	26,374	28,348	28,139
Convention Facility Tax Penalty and Interest	25	27	71	34	44
Environmental Protection Regulatory Fee	53,420	53,271	53,248	58,251	58,421
Essential Services Assessment ^(e)	N/A	66,459	85,323	98,410	111,797
Estate Tax ^(b)	-0-	-0-	-0-	-0-	0
Gas and Oil Privilege Fee	6,595	3,612	4,585	4,921	4,792
Gas and Oil Severance Tax	32,922	20,232	23,747	28,347	23,382
Health Insurance Claims Assessment Tax ^(g)	228,573	227,356	279,064	329,700	80,681
Industrial/Commercial Facilities Tax	35,133	34,752	35,845	36,606	39,047
Inheritance Tax ^(b)	(136)	20	28	21	(7)
Insurance Provider Assessment (IPA) ^(g)	N/A	N/A	N/A	N/A	451,775
Insurance-Retaliatory Tax	361,229	304,073	349,856	397,383	372,190
Intangibles Tax ^(c)	-0-	-0-	-0-	-0-	-0-
Motor Fuel Taxes	995,092	1,020,487	1,328,779	1,457,664	1,485,118
Non-Cigarette - Tobacco Products Tax	77,481	77,413	80,807	85,123	92,374
Real Estate Transfer Tax	264,752	275,553	326,329	340,916	348,455
Sales Tax	7,296,218	7,297,552	7,784,342	8,008,044	8,222,200
Sales, Use and Withholding Penalty and Interest	43,616	36,809	25,574	40,939	41,035
State Education Tax	1,841,399	1,883,828	1,913,918	1,976,256	1,996,498
State Housing Development Service Fee	12,523	12,947	11,464	14,697	14,242
Use Tax	2,060,829	2,015,433	1,353,405	1,436,354	1,330,235
Utility Property Tax	47,331	38,928	37,200	36,869	32,271
Other Taxes and Fees ^(d)	147,209	145,612	140,889	134,706	89,011
TOTAL	\$23,573,621	\$23,727,989	\$24,765,992	\$26,107,193	\$26,836,193

(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, which was 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. The Estate Tax was repealed at the federal level by January 1, 2005.

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

(d) Includes Assessor's Training & Certification Fees, Garnishments 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 has ended. Flow-Through Withholding is now reported with the Corporate Income Tax and Individual Income Tax.

(g) Insurance Provider Assessment is new for 2019, per Public Act 175 of 2018 and was created to replace the Health Insurance Claims Assessment Tax to support Michigan's Medicaid program.



Table 12



Michigan State Taxes and Fees (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-18 to 9-30-19	Disposition
Aircraft Registration	1923	Transportation	August 1	505	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	31,275	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	5,376	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing and Regulatory Affairs	Monthly reports and/or stamps	50,025	General Fund
Casino Wagering	1999	Treasury (GCB)	Daily	118,138	School Aid Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	794,432	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	43,378	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	28,139	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	1,201,309	General Fund
Corporate Organization	1891	Licensing and Regulatory Affairs	At time of incorporation, admission or increase in stock	27,948	General Fund
Diesel Fuel	1947	Treasury	20th of each month	226,706	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	58,421	First \$20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to Refined Petroleum Fund.
Essential Services Assessment	2014	Treasury	August 15th	111,797	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	4,792	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	23,382	General Fund
Gasoline	1925	Treasury	20th of each month	1,228,217	Michigan Transportation Fund
Health Insurance Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	80,681	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Treasury (GCB)	At end of each day's racing	2,280	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	10,454,372	23.808% of gross collections to School Aid Fund with remainder to General Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	39,047	School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	(7)	General Fund
Insurance Company Retaliatory	1987	Treasury	Last day of April, July, October & January	372,190	General Fund
Insurance Provider Assessment (IPA)	2019	Treasury - Special Taxes	Quarterly Electronic Payments	451,775	Administered on behalf of Department of Health and Human Services
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	60,344	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	60,158	School Aid Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	61,213	General Fund
Marine Fuel	1947	Treasury	20th of each month	596	Michigan State Waterways Fund
Michigan Business	2007	Treasury	15th of April, July, October and January	(528,948)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of quarter	22,057	Michigan Transportation Fund
Motor Carrier's Privilege	1933	MSP & PSC	January 1	8,700	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	1,349,361	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	92,374	75% to Medical Benefits Trust Funds, 25% to General Fund.
Nonferrous Metallic Minerals Extraction Severance Tax	2012	Treasury	February 15	1,589	65% to Local Units, 35% to Rural Development Fund
Quality Assurance Assessment Fees	2002	Treasury	Quarterly basis	1,375,211	Medicaid program
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	348,455	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	8,222,200	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	(84,152)	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,991	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	1,996,498	School Aid Fund
Use	1937	Treasury	15th of each month	1,330,235	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	32,271	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	9,602	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 2018 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
2018	429,567	429,570	429,570	348,261	14,622	41.98	34.96	53.23
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

(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
	2017	2018	
City	\$ 2,432,467	\$ 2,526,312	3.86%
County	2,166,717	2,313,677	6.78%
Township	1,114,771	1,187,681	6.54%
Village	86,613	90,931	4.99%
School	6,213,760	6,455,955	3.90%
State Education Tax	1,968,998	2,046,976	3.96%
Totals	\$ 13,983,326 ^(a)	\$ 14,621,532 ^(b)	

(a) \$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.

(b) \$783.3 million of the total property taxes levied in 2018 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.

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