



**2019-2020**  
**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) 2019-2020. 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 2020.

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>2020</u>	<u>2019</u>
<u>Assets</u>		
Demand Deposits	\$ 974,085	\$ 879,157
Prime Commercial Paper - At Cost	10,510,131	5,600,556
Emergency Municipal Loans	427,218	280,049
Total	<u>\$ 11,911,434</u>	<u>\$ 6,759,762</u>
 <u>Equities</u>		
Available Equity of Other Funds	\$ 11,680,785	\$ 6,608,224
Outstanding Warrants	230,649	151,538
Total	<u>\$ 11,911,434</u>	<u>\$ 6,759,762</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	Real Return and Opportunistic	International Equities	FY Ended Sept. 30 2020 Total	2019 Total
Legislative Retirement	\$ 1,710	-0-	129,057	-0-	14,558	-0-	-0-	-0-	145,325	\$152,079
State Police Retirement	95,641	218,219	381,289	142,494	351,549	85,279	218,390	284,590	1,777,451	1,728,666
State Employees' Retirement	892,426	1,895,787	3,308,439	1,240,333	3,052,195	743,857	1,896,917	2,470,649	15,500,603	15,184,352
Public School Employees' Retirement	2,750,475	7,295,414	12,733,284	4,772,106	11,739,761	2,863,179	7,301,367	9,509,301	58,964,887	57,560,802
Judges' Retirement	17,526	31,920	56,202	20,639	51,683	12,125	31,954	41,790	263,839	271,332
Military Pension Fund	2,470	6,974	12,171	4,563	11,218	2,733	6,978	9,094	56,201	56,590
Michigan Veterans' Trust	5,961	14,709	25,627	3,091	15,989	-0-	-0-	-0-	65,377	63,394
Game & Fish Lifetime License Trust	17,371	3,038	-0-	-0-	-0-	-0-	-0-	-0-	20,409	16,458
Game & Fish Protection Trust	19,506	90,382	87,340	10,265	48,182	-0-	-0-	-0-	255,675	246,324
Michigan Natural Resources Trust	102,660	234,180	254,491	31,301	131,514	-0-	-0-	-0-	754,146	744,072
Michigan State Parks Endowment	46,120	126,841	105,574	12,739	56,758	-0-	-0-	-0-	348,032	331,151
Children's Trust	1,723	8,765	7,521	1,904	6,911	-0-	-0-	-0-	26,824	27,486
Michigan Nongame Fish and Wildlife Trust	2,968	6,129	1,660	-0-	-0-	-0-	-0-	-0-	10,757	10,109
State Lottery	16,029	181,549	-0-	-0-	-0-	-0-	-0-	-0-	197,578	195,775
Michigan Education Trust	128,222	226,973	340,971	96,245	247,502	-0-	-0-	-0-	1,039,913	1,034,918
Mackinac Bridge Authority	26,783	92,422	-0-	-0-	-0-	-0-	-0-	-0-	119,205	111,953
Gift, Bequests and Deposits Investment	38,811	9,530	7,736	1,082	3,830	-0-	-0-	-0-	60,989	47,460
<b>Totals</b>	<b>\$4,166,402</b>	<b>\$10,442,832</b>	<b>\$17,451,362</b>	<b>\$6,336,762</b>	<b>\$15,731,650</b>	<b>\$3,707,173</b>	<b>\$9,455,606</b>	<b>\$12,315,424</b>	<b>\$79,607,211</b>	<b>\$77,782,921</b>

# Schedule 3



## Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2020	2019
General	\$ 30,524	\$ -0-	\$ 30,524	\$ (5,078)
Game and Fish Lifetime License Trust	96	159	255	513
State Aeronautics	162	-0-	162	124
Michigan Veterans' Benefit Trust	35	3,791	3,826	4,107
State Trunkline	6,541	-0-	6,541	13,516
Michigan State Waterways	414	-0-	414	817
Blue Water Bridge	828	-0-	828	1,708
Michigan Transportation	3,054	-0-	3,054	4,931
Comprehensive Transportation	2,190	-0-	2,190	4,043
School Aid	2,664	-0-	2,664	8,793
MI Game and Fish Protection Trust	228	16,892	17,120	15,613
State Park Improvement	670	-0-	670	1,571
Forest Development	525	-0-	525	1,000
Michigan Natural Resources Trust	899	42,917	43,816	45,212
Michigan State Parks Endowment	398	20,378	20,775	21,032
Safety Education and Training	58	-0-	58	107
Bottle Deposits	607	-0-	607	1,133
State Construction Code	236	-0-	236	367
Children's Trust	7	1,185	1,192	2,134
State Casino Gaming	2	-0-	2	-0-
Homeowner Construction Lien Recovery	3	-0-	3	7
Michigan Nongame Fish and Wildlife	23	520	543	767
21st Century Jobs Trust	3,346	-0-	3,346	8,608
Michigan Merit Award Trust	60	-0-	60	261
State Trunkline Bond Proceeds	878	-0-	878	2,255
Comprehensive Transportation Bond Proceeds	29	-0-	29	85
Outdoor Recreation Legacy	62	-0-	62	101
Off-Road Vehicle	139	-0-	139	291
Snowmobile	212	-0-	212	399
Community District Education Trust	(40)	-0-	(40)	86
Payroll Clearing	25	-0-	25	-0-
Unemployment Obligation Trust	25	-0-	25	318
Liquor Purchasing Revolving	971	-0-	971	3,739
State Lottery	1,144	15,417	16,561	23,552
Michigan Strategic	441	-0-	441	1,866
Michigan State Housing Development	17	-0-	17	95
Land Bank Fast Track	166	-0-	166	307
Jobs For Michigan Investment	1,997	-0-	1,997	6,395

# Schedule 3



**Continued.** . . (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2020	2019
State Sponsored Group Insurance	\$ 4,529	\$ -0-	\$ 4,529	\$ 8,089
State Water Pollution Control Loan	2	-0-	2	21
School Loan Revolving	17,125	-0-	17,125	26,407
Combined State Trunkline Bond and Interest Redemption	71	-0-	71	63
Combined Comprehensive Transportation Bond and Interest Redemption	2	-0-	2	9
Recreation & Environmental Protection Bond Redemption	9	-0-	9	22
Legislative Other Post Employment Benefits	6	-0-	6	118
Legislative Retirement	4	8,582	8,585	4,453
State Police Retirement	(122)	92,925	92,803	93,288
State Employees' Retirement	(1,328)	807,392	806,065	823,708
Public School Employees' Retirement	(5,879)	3,095,108	3,089,229	3,116,468
Judges' Retirement	(32)	14,210	14,178	14,694
Military Retirement Pension Fund	(20)	2,962	2,941	2,881
Michigan Employment Security Act Contingent	1,688	-0-	1,688	4,045
Military Family Relief	29	-0-	29	58
Intrastate Switched Toll Restructuring	22	-0-	22	95
Children's Institute	1	-0-	1	2
Gifts, Bequests, and Deposits Investment	315	1,549	1,863	2,554
Silicosis, Dust Disease, and Logging Industry Compensation	15	-0-	15	32
Second Injury	87	-0-	87	211
Hospital Patients' Trust	4	-0-	4	7
Self-Insurers' Security	363	-0-	363	735
State Employees' Deferred Compensation I (457)	(29)	-0-	(29)	10
State Employees' Deferred Compensation II (401 (k))	(60)	-0-	(60)	9
MPSERS Defined Contribution 457	(241)	-0-	(241)	(341)
State of Michigan Defined Contribution Plans	(371)	-0-	(371)	(238)
Environmental Quality Deposits	31	-0-	31	64
Utility Consumer Representation	24	-0-	24	44
Transportation Related Trust	(414)	-0-	(414)	(783)
MPSERS Defined Contribution 401K	218	-0-	218	410
City Income Tax	145	-0-	145	281
Mackinac Bridge Authority	-0-	7,175	7,175	8,976
Michigan Education Trust	-0-	44,718	44,718	56,433
<b>TOTALS</b>	<b>\$ 75,832</b>	<b>\$ 4,175,879</b>	<b>\$ 4,251,711</b>	<b>\$ 4,333,602</b>

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, 2020 and September 30, 2019, 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, 2020 and 2019, option contracts represent 2.5 percent and 2.8 percent of the domestic equity investment category of the pension trust funds, 0.0 percent of fixed income investment category, 0.0 percent of the equity international investment category, and 0.4 percent and 0.6 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, 2020 and 2019, fixed income swap agreements represent 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 14.9 percent and 15.9 percent of the international equity investment category, respectively.





The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2020 and 2019, they represent 2.4 percent and 2.5 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 \$5 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, 2020 and 2019, was \$10,941.1 and \$5,611.5 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, 2020 and 2019, the State had no outstanding credit risk on the securities lent. The fair value of the securities lent at September 30, 2020 and 2019, was \$3,102.4 and \$2,896.7 million, respectively. The fair value of securities lending cash collateral pool at September 30, 2020 and 2019, was \$3,172.4 and \$2,956.5 million respectively.

**NOTE 2: CHANGE IN REPORTING OF FUNDS**

*Effective for FY ended September 30, 2020:*

Two funds were added to Schedule 3: State Casino Gaming and Payroll Clearing.

*Effective for FY ended September 30, 2019:*

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

# 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) <sup>(a)</sup>	Public School Employees' Retirement	State Employees' Retirement	State Police Retirement	Judges' Retirement	Military Retirement	Other Investment Funds	Totals
2020	\$ 30,524	\$ 3,089,229	\$ 806,065	\$ 92,803	\$ 14,178	\$ 2,941	\$ 215,971	\$ 4,251,711
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

(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)
2020	\$ 75,832	\$ 45,308	\$ 30,524
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)

## Table 2



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

Month	Combined General Fund & School Aid Fund <sup>(a)</sup>	Other Funds	Manageable Common Cash <sup>(b)</sup>	Retirement Funds	Bond Funds <sup>(c)(d)</sup>	Total Common Cash
October 2019	2,758.9	4,566.8	7,325.8	288.3	280.8	7,894.9
November	2,671.2	4,576.0	7,247.2	264.9	121.6	7,633.7
December	2,491.4	4,406.6	6,898.0	406.5	92.4	7,396.8
January 2020	2,673.6	4,478.4	7,152.0	142.8	92.4	7,387.2
February	1,283.5	4,652.7	5,936.2	122.9	92.4	6,151.5
March	763.3	4,697.2	5,460.5	1,298.4	25.0	6,783.9
April	5,644.4	4,406.4	10,050.9	216.0	48.2	10,315.1
May	2,046.1	4,482.2	6,528.4	194.0	28.6	6,751.0
June	1,789.0	4,678.1	6,467.1	181.0	19.3	6,667.4
July	3,157.3	5,331.7	8,489.0	125.9	55.6	8,670.6
August	2,764.9	5,329.5	8,094.4	115.3	50.6	8,260.3
September	5,117.5	5,129.1	10,246.5	385.0	1,049.7	11,681.2

(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 <sup>(a)</sup>	Other Funds	Manageable Common Cash <sup>(b)</sup>	Retirement Funds	Bond Funds <sup>(c)</sup>	Total Common Cash
September 2011	1,025.1	2.2	2,109.5	3,136.8	244.5	109.9 <sup>(d)</sup>	3,491.2
September 2012	1,274.6	365.1	2,470.2	4,109.9	262.7	135.5 <sup>(d)</sup>	4,508.1
September 2013	1,586.5	505.6	2,727.2	4,819.3	521.2	82.3 <sup>(d)</sup>	5,422.8
September 2014	978.4	386.2	3,036.2	4,400.9	400.9	41.3 <sup>(d)</sup>	4,843.1
September 2015	818.8	498.1	3,395.3	4,712.3	177.7	32.5 <sup>(d)</sup>	4,922.4
September 2016	692.1	612.4	3,883.9	5,188.4	246.5	53.7 <sup>(d)</sup>	5,488.7
September 2017	851.9	710.0	4,137.2	5,699.1	302.5	125.4 <sup>(d)</sup>	6,127.0
September 2018	514.6	1,006.0	4,237.5	5,758.1	247.1	111.8 <sup>(d)</sup>	6,117.0
September 2019	956.4	1,148.6	4,157.7	6,262.7	251.6	94.1 <sup>(d)</sup>	6,608.5
September 2020	4,288.4	829.1	5,129.1	10,246.5	385.0	1,049.7 <sup>(d)</sup>	11,681.2

(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<sup>(a)</sup> (In Thousands of Dollars)

Fund	Cash Balances 10-1-19 <sup>(b)</sup>	Cash Balances 9-30-20	Warrants Outstanding <sup>(c)</sup>	Available Balances 9-30-20
<b>GENERAL AND SCHOOL AID</b>				
General	3,806,828	6,039,791	109,333	5,930,458
School Aid	(1,620,152)	(812,423)	566	(812,990)
Total General and School Aid	2,186,676	5,227,368	109,900	5,117,468
<b>SPECIAL REVENUE</b>				
Game and Fish Protection	13,886	17,371	(34)	17,404
Michigan Employment Security Act-Administration	(10,780)	(26,772)	22	(26,794)
State Aeronautics	10,631	11,555	61	11,494
Michigan Veterans' Trust	267	5,961	33	5,928
State Trunkline	788,159	898,971	27,978	870,993
Michigan State Waterways	40,493	40,099	52	40,048
Blue Water Bridge	76,339	74,757	3	74,754
Michigan Transportation	57,344	61,212	6,275	54,938
Comprehensive Transportation	247,145	260,453	1,029	259,424
Game and Fish Protection Trust	12,514	19,506	-0-	19,506
State Park Improvement	67,628	65,120	613	64,508
Forest Development	44,779	48,422	49	48,373
Michigan Natural Resources Trust	66,713	102,660	57	102,603
Michigan State Parks Endowment	29,032	46,120	25	46,095
Safety Education and Training	4,689	3,682	-0-	3,682
Bottle Deposits	67,320	83,037	3,425	79,613
State Construction Code	20,067	22,579	1	22,578
Children's Trust	1,255	1,723	21	1,702
State Casino Gaming	12,060	9,149	3	9,146
Homeowner Construction Lien Recovery	300	316	-0-	316
Michigan Nongame Fish and Wildlife	2,047	2,968	-0-	2,968
21st Century Jobs Trust	275,094	250,232	-0-	250,232
Michigan Merit Award Trust	17,861	2,255	57	2,198
Outdoor Recreation Legacy	5,808	7,418	1	7,417
Off-Road Vehicle	13,719	16,719	1	16,718
Snowmobile	18,348	18,585	66	18,519
Community District Education Trust	11,391	7,996	-0-	7,996
Unemployment Obligation Trust	1,062	6,588	-0-	6,588
State Building Authority Advance Financing	(20,599)	(32,641)	-0-	(32,641)
Michigan Strategic	93,373	35,765	210	35,555
Land Bank Fast Track Authority	15,021	14,615	-0-	14,614
Jobs for Michigan Investment	223,483	199,136	10	199,126
Michigan Finance Authority - School Loan Revolving	1,118,311	1,910,931	-0-	1,910,931
State Building Authority - Capital Proj	-0-	25	-0-	25
Total Special Revenue	3,324,758	4,186,513	39,956	4,146,557

(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) The 10/1/2019 Cash Balances have been restated from the 2019 STAR to correct for Warrants Outstanding being reported as negative values.

(c) Warrants Outstanding are being reported as positive numbers to be consistent with years prior to 2019.

# Table 4



Continued... (In Thousands of Dollars)

Fund	Cash Balances 10-1-19	Cash Balances 9-30-20	Warrants Outstanding	Available Balances 9-30-20
<b>BOND AND DEBT SERVICE</b>				
State Trunkline Bond Proceeds	89,006	1,046,821	2,786	1,044,035
Comprehensive Transportation Bond Proceeds	3,253	3,964	-0-	3,964
Combined State Trunkline Bond and Interest Redemption	-0-	30	-0-	30
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	-0-	-0-	-0-
Recreation and Environmental Protection Bond Redemption	1,884	1,624	-0-	1,624
School Loan Bond Redemption	-0-	-0-	-0-	-0-
<b>Total Bond and Debt Service</b>	<b>94,143</b>	<b>1,052,439</b>	<b>2,786</b>	<b>1,049,653</b>
<b>ENTERPRISE</b>				
Liquor Purchasing Revolving	76,058	157,018	45,459	111,560
State Lottery	13,309	16,029	2,778	13,251
Michigan State Housing Development Authority	-0-	5	5	-0-
Michigan Finance Authority - State Water Revolving	68	78	-0-	78
<b>Total Enterprise</b>	<b>89,434</b>	<b>173,130</b>	<b>48,241</b>	<b>124,889</b>
<b>INTERNAL SERVICE</b>				
Correctional Industries Revolving	1,448	2,922	8	2,914
Motor Transport	3,437	(41)	23	(64)
Office Services Revolving	32,956	32,363	26	32,337
Information Technology	30,565	79,182	3,609	75,572
Risk Management	11,713	11,254	-0-	11,254
State Sponsored Group Insurance	362,564	390,039	1	390,038
<b>Total Internal Service</b>	<b>442,683</b>	<b>515,720</b>	<b>3,668</b>	<b>512,052</b>
<b>RETIREMENT</b>				
Legislative	1,299	1,532	0	1,532
State Police	3,378	18,109	61	18,048
State Employees'	9,050	224,030	90	223,939
Public School Employees'	29,698	136,275	1,135	135,140
Judges'	90,608	4,637	-0-	4,637
Military	116,426	1,547	-0-	1,548
<b>Total Retirement</b>	<b>275,119</b>	<b>386,323</b>	<b>1,286</b>	<b>385,037</b>

# Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-19	Cash Balances 9-30-20	Warrants Outstanding	Available Balances 9-30-20
<b>TRUST AND AGENCY</b>				
Michigan Employment Security Act Contingent	140,224	147,563	-0-	147,563
Military Family Relief	2,509	2,599	-0-	2,599
IntraState Switched Toll Restructuring	2,526	1,545	729	815
Children's Institute Trust	106	108	-0-	108
Abandoned and Unclaimed Property (Escheats)	141,305	128,950	8,738	120,213
Gifts, Bequests and Deposits Investment	25,302	38,811	1,465	37,346
Silicosis, Dust Disease, and Logging Industry Compensation	1,649	1,321	20	1,301
Second Injury	10,084	10,133	188	9,945
Hospital Patients	338	322	12	309
Self-Insurers' Security	32,416	32,352	64	32,288
State Employees' Deferred Comp. I (457)	200	1,894	-0-	1,894
State Employees' Deferred Comp. II (401K)	2,002	4,792	-0-	4,792
State of Michigan MPSERS DC 457	4,917	5,992	768	5,223
State Employees' Defined Contribution Plan	(2,435)	15,150	-0-	15,150
Special Assessment Deferment	2,775	2,825	-0-	2,825
Environmental Quality Deposits	2,755	2,795	-0-	2,795
Insurance Carrier Deposits	4,282	11,694	1	11,693
Utility Consumer Representation	2,809	2,904	25	2,879
Transportation Related	(40,330)	(54,286)	10,214	(64,500)
State of Michigan MPSERS DC 401K	2,651	755	-0-	755
State of Michigan Personal Health Care	-0-	-0-	-0-	-0-
City Income Tax	7,978	9,709	2,258	7,451
Social Welfare	2,555	2,082	8	2,074
EAA 457	24	30	-0-	30
EAA 401K	26	28	-0-	28
Total Trust and Agency	346,669	370,067	24,490	345,577
<b>GRAND TOTALS</b>	<b>6,759,482</b>	<b>11,911,560</b>	<b>230,327</b>	<b>11,681,233</b>

# Table 5



## Demand Depositories as of September 30, 2020 (In Thousands of Dollars)

City	Depository Bank	Deposits <sup>(a)</sup>	City	Depository Bank	Deposits <sup>(a)</sup>
Adrian	Premier Bank	\$ 171	Ionia	Independent Bank	130
Baldwin	Lake-Osceola State Bank	243		Mercantile	5,129
Cheboygan	Citizens National Bank	79	Iron Mountain	First National Bank of Iron Mountain	236
Chelsea	Chelsea State Bank	114	Lansing	Bank of America	15,163
Coldwater	Century Bank and Trust	92	Manistique	mBank	486
	Southern Michigan Bank & Trust	153	Midland	TCF Bank	9,555
Croswell	Eastern Michigan Bank	77	Monroe	First Merchants	32
Detroit	JPMorgan Chase, N.A.	892,640	Munising	Peoples State Bank of Munising	39
	Comerica Bank	9,831	Newberry	Tahquamenon Area Credit Union	63
East Tawas	Huron Community Bank	206	Norway	Northern Interstate Bank	248
Escanaba	Upper Peninsula State Bank	144	Ontonagon	Citizens State Bank	85
Ewen	Gogebic Range Bank	27	Port Austin	Port Austin State Bank	26
Gladstone	First Bank, Upper Michigan	143	St. Ignace	First National Bank of St. Ignace	79
Grand Blanc	The State Bank	3,555	Sault Ste Marie	Central Savings Bank	77
Grand Rapids	Fifth Third Bank	31,879		Soo Co-Op Credit Union	29
Hancock	Superior National Bank and Trust	186	Shelby	Shelby State Bank	165
Hillsdale	Hillsdale County National Bank	112	Wakefield	First National Bank of Wakefield	100
Honor	Honor State Bank	81	Zeeland	Huntington National Bank	2,708
			Total		\$ 974,083

(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 \$1,639,497,800 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 2020, the State issued \$152.8 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 9-30-20
<b>School Bond Loan<sup>(a)</sup></b>							
Series 2009A (Refunding)	2009	2015-2020	\$ -0-	\$ -0-	\$ 23,955	\$ 1,433	\$ 8,815
Series 2009A	2009	2015-2020	-0-	-0-	24,755	1,481	9,115
Series 2009B (Refunding)	2009	2010-2030	-0-	-0-	2,019	2,581	8,916
Series 2010B (Refunding)	2010	2016-2020	-0-	-0-	8,015	696	12,960
Series 2010B	2010	2016-2020	-0-	-0-	7,445	647	12,040
Series 2011A	2011	2014-2023	-0-	-0-	13,100	2,711	46,000
Series 2011B	2011	2023	-0-	-0-	-0-	1,114	30,110
Series 2012A (Refunding)	2012	2013-2026	-0-	-0-	1,528	924	24,343
Series 2012A	2012	2013-2026	-0-	-0-	4,117	2,490	65,572
Series 2013A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000
Series 2016A (Refunding)	2016	2016-2022	-0-	-0-	2,700	2,093	118,115
<b>Environmental Protection<sup>(b)</sup></b>							
Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	2,086	162	2,194
Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	6,690	378	7,034
Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	4,669	867	15,632
Series 2017A	2017	2022-2027	-0-	-0-	-0-	68	1,369
Series 2017B	2017	2020-2025	-0-	-0-	1,230	85	3,113
<b>Clean Michigan Initiative<sup>(b)</sup></b>							
Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	8,894	690	9,351
Series 2011A	2011	2021-2025	-0-	-0-	-0-	369	9,617
Series 2011B	2011	2013-2020	-0-	-0-	1,377	69	1,377
Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	903	45	903
Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	15,880	898	16,696
Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	8,416	2,315	43,218
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-	2,189	150	5,538
Series 2018	2018	2027-2033	-0-	-0-	-0-	822	23,545
Series 2020A	2020	2030-2040	23,927	-0-	-0-	-0-	23,927
Series 2020B	2020	2030-2040	7,407	-0-	-0-	-0-	7,407
<b>Great Lakes Water Quality<sup>(b)</sup></b>							
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	255	5,099
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-	8,075	555	20,429
Series 2018	2018	2027-2033	-0-	-0-	-0-	4,386	125,655
Series 2020A	2020	2030-2040	90,923	-0-	-0-	-0-	90,923
Series 2020B	2020	2030-2040	30,553	-0-	-0-	-0-	30,553
<b>Total General Obligation Bonded Debt</b>			<b>\$ 152,810</b>	<b>\$ -0-</b>	<b>\$ 153,142</b>	<b>\$ 52,364</b>	<b>\$ 1,344,150</b>

(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 \$0 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 \$200 million remains.

# Table 7



## Special Authority Revenue Bond Debt <sup>(a)</sup> (In Thousands of Dollars)

Item	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-20
Mackinac Island State Park Commission	\$ -0-	\$ 65	\$ 69	\$ 1,390
Michigan State Housing Development Authority <sup>(b)</sup>	552,045	347,995	104,301	3,185,370
Michigan Finance Authority <sup>(c)</sup>	2,568,338	3,209,122	765,434	18,064,126 *
Michigan State Building Authority <sup>(d)</sup>	801,860	115,516	141,682	2,913,775 *
<b>Total Special Authority Debt</b>	<b>\$ 3,922,243</b>	<b>\$ 3,672,698</b>	<b>\$ 1,011,486</b>	<b>\$ 24,164,661</b>

\* 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, 2020.

(b) The new issues include \$552 million of new bond issues for the year.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability was \$1,344.7 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 \$699.0 million. Outstanding principal does not include commercial paper notes issued by the Authority; \$158.5 million of commercial paper notes was outstanding.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-20
Health	\$ 1,386,079	\$ 1,392,205	\$ 391,476	\$ 8,890,668
Higher Education	73,730	55,616	15,118	545,538
Municipal	1,027,428	1,414,055	278,591	6,841,912
Public School Academies	81,101	86,001	10,984	216,336
Tobacco	-0-	15,470	54,484	1,169,777
Private K-12	-0-	N/A	N/A	33,435
Student Loan	-0-	77,625	10,652	366,460
Unemployment	-0-	168,150	4,129	-0-
<b>Total Michigan Finance Authority Debt</b>	<b>\$ 2,568,338</b>	<b>\$ 3,209,122</b>	<b>\$ 765,434</b>	<b>\$ 18,064,126</b>

# Table 8



## General Obligation Bond Payment Schedule (In Thousands of Dollars)

For Period Ended September 30,	Principal	Interest	Total <sup>(a)</sup>
2021	\$ 159,705	\$ 49,467	\$ 209,172
2022	159,479	46,811	206,290
2023	153,613	39,725	193,338
2024	106,385	34,416	140,801
2025	109,240	29,516	138,756
2026	106,197	25,204	131,401
2027	82,371	21,369	103,740
2028	65,586	17,983	83,569
2029	68,307	15,078	83,385
2030	55,729	20,766	76,495
2031	55,680	9,989	65,669
2032	57,710	7,991	65,701
2033	59,855	5,896	65,751
2034	13,300	3,728	17,028
2035	13,865	3,162	17,027
2036	14,455	2,569	17,024
2037	14,870	2,154	17,024
2038	15,410	1,614	17,024
2039	15,970	1,055	17,025
2040	16,425	596	17,021
<b>Total</b>	<b>\$ 1,344,151</b>	<b>\$ 339,089</b>	<b>\$ 1,683,240</b>

(a) Figures may not add to total due to rounding.

# Table 9



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

Item	Outstanding on September 30,				
	2016	2017	2018	2019	2020
<b>GENERAL OBLIGATION DEBT</b>					
School Bond Loan	\$ 903,882	\$ 814,726	\$ 721,543	\$ 623,620	\$ 535,986 *
Environmental Programs	680,060	721,010	795,345	720,865	808,165 *
<b>Total General Obligation Debt</b>	<b>\$ 1,583,942</b>	<b>\$ 1,535,736</b>	<b>\$ 1,516,888</b>	<b>\$ 1,344,485</b>	<b>\$ 1,344,151</b>
<b>NON-GENERAL OBLIGATION DEBT</b>					
Michigan Department of Transportation Tax Dedicated Bonds	\$961,470	\$822,460	\$677,205	\$524,395	\$1,208,640
MDOT Grant Anticipation Bonds	616,625	607,110	601,285	595,130	542,310
Michigan Department of Natural Resources State Park Revenue Bonds	7,060	6,185	5,265	4,305	3,300
Special Authorities-Revenue Bonds and Notes: <sup>(a)</sup>					
Mackinac Island State Park Commission	1,630	1,575	\$1,515	\$1,455	\$1,390
Michigan State Housing Development Authority	2,362,250	2,100,310	2,434,300	2,981,320	3,185,370
Michigan State Building Authority	3,031,728	3,053,655	2,957,850	2,909,745	2,913,775 *
Michigan Finance Authority <sup>(b)</sup>	18,852,904	18,271,815	18,218,003	18,723,366	18,064,126 *
<b>Total Non-General Obligation Debt</b>	<b>\$25,833,667</b>	<b>\$24,863,110</b>	<b>\$24,895,423</b>	<b>\$25,739,716</b>	<b>\$25,918,911</b>

\* 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 9-30-20
Michigan Department of Transportation								
Tax Dedicated Bonds Michigan								
Comprehensive Transportation								
	RF. Series 2005	2005	2023	\$ 62,180	\$ -0-	\$ 8,045	\$ 1,388	\$ 18,390
	RF. Series 2011	2011	2022	18,470	-0-	2,125	282	4,585
	RF. Series 2013	2013	2023	10,130	-0-	-0-	46	1,540
	RF. Series 2015	2015	2031	29,380	-0-	1,165	1,280	25,025
State Trunkline Fund								
	RF. SR. 2004	2004	2022	103,450	-0-	11,025	1,527	23,845
	RF. SR. 2005	2005	2022	223,020	-0-	22,005	3,234	47,790
	New & RF. SR 2009 Series 2011	2009	2027	146,190	-0-	35,790	6,404	0
	RF. SR 2012	2012	2022	49,305	-0-	6,715	891	14,470
	RF. SR 2014	2014	2022	265,085	-0-	19,235	2,551	41,405
	RF. SR 2015	2015	2023	54,055	-0-	-0-	2,615	54,055
	RF. SR 2020A	2020	2026	103,485	-0-	-0-	-0-	103,485
	Series 2020B	2020	2045	800,000	-0-	-0-	-0-	800,000
MDOT Grant Anticipation Bonds	Series 2016	2016	2027	607,110	-0-	52,820	28,335	542,310
Michigan Department of Natural Resources State Park								
Revenue Bonds	Series 2002	2002	2022	15,500	-0-	1,005	169	3,300
Total Special Revenue Debt					\$ -0-	\$ 162,670	\$ 52,401	\$ 1,754,250

# State Tax Collections

State taxes and fees totaling \$27,509,049 (in thousands) were collected during fiscal year 2020, which is an increase of 0.63% from the previous fiscal year.

Major tax collections for fiscal year 2020 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	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	10-1-19 to 9-30-20
<b>Income Tax:</b>					
Withholding Tax	\$8,999,148	\$9,268,902	\$9,651,988	\$9,969,459	\$10,500,327
Individual Flow-Through Withholding <sup>(e)</sup>	166,237	84,635	(9,878)	(1,637)	(34)
Individual Income Tax	923,447	887,594	979,704	1,319,155	1,282,151
Individual Income Tax Estimates	1,063,465	1,185,912	1,509,396	1,283,846	1,206,300
Individual Income Tax Penalty and Interest	42,903	41,417	36,540	32,665	27,988
Gross Individual Income Tax Collections	11,195,200	11,468,460	12,167,750	12,603,488	13,016,732
Tax Refunds and Tax Credits	(1,856,661)	(1,897,567)	(1,913,557)	(2,116,450)	(2,344,280)
<b>Net Individual Income Tax</b>	<b>\$9,338,539</b>	<b>\$9,570,893</b>	<b>\$10,254,193</b>	<b>\$10,487,038</b>	<b>\$10,672,452</b>
Single Business Tax <sup>(a)</sup>	20,158	21,145	27,649	(66,610)	(4,918)
Single Business Tax Penalty and Interest	4,218	661	1,265	4,699	2,268
Gross Single Business Tax	24,376	21,806	28,914	(61,911)	(2,650)
Tax Refunds	(26,111)	(2,037)	(1,878)	(3,851)	(31)
<b>Net Single Business Tax</b>	<b>(\$1,735)</b>	<b>\$19,769</b>	<b>\$27,036</b>	<b>(\$65,762)</b>	<b>(\$2,681)</b>
Michigan Business Tax <sup>(a)</sup>	65,137	(99,956)	97,309	66,787	6,842
Michigan Business Tax Penalty and Interest	13,378	11,513	31,458	18,851	6,700
Gross Michigan Business Tax	78,515	(88,443)	128,767	85,638	13,542
Tax Refunds	(442,244)	(164,774)	(142,229)	(125,156)	(106,455)
<b>Net Michigan Business Tax</b>	<b>(\$363,729)</b>	<b>(\$253,217)</b>	<b>(\$13,462)</b>	<b>(\$39,518)</b>	<b>(\$92,913)</b>
Corporate Income Tax <sup>(a)</sup>	1,022,275	1,191,766	1,165,814	1,360,662	1,226,868
Corporate Flow-Through Withholding <sup>(e)</sup>	36,852	15,097	(1,907)	(2,216)	(132)
Corporate Income Tax Penalty and Interest	14,982	22,535	25,222	32,738	19,069
Gross Corporate Income Tax	1,074,109	1,229,398	1,189,129	1,391,184	1,245,805
Tax Refunds	(112,857)	(118,997)	(124,042)	(141,628)	(101,145)
<b>Net Corporate Income Tax</b>	<b>\$961,252</b>	<b>\$1,110,401</b>	<b>\$1,065,087</b>	<b>\$1,249,556</b>	<b>\$1,144,660</b>
Airport Parking Tax	27,322	28,489	29,885	31,275	18,766
Airport Parking Tax Penalty and Interest	-0-	-0-	-0-	49	22
Cigarette - Tobacco Products Tax	880,350	870,565	839,040	794,432	801,456
Cigarette - Tobacco Products Tax Penalty and Interest	157	126	148	182	95
Commercial Mobile Radio Service Tax	28,539	28,741	34,486	43,378	43,287
Convention Facility Tax	24,877	26,374	28,348	28,139	16,830
Convention Facility Tax Penalty and Interest	27	71	34	44	99
Environmental Protection Regulatory Fee	53,271	53,248	58,251	58,421	49,541
Essential Services Assessment	66,459	85,323	98,410	111,797	121,450
Gas and Oil Privilege Fee	3,612	4,585	4,921	4,792	3,163
Gas and Oil Severance Tax	20,232	23,747	28,347	23,382	14,579
Health Insurance Claims Assessment Tax <sup>(c)</sup>	227,356	279,064	329,700	80,681	1,623
Industrial/Commercial Facilities Tax	34,752	35,845	36,606	39,047	36,626
Inheritance Tax	20	28	21	(7)	-0-
Insurance Provider Assessment (IPA) <sup>(c)</sup>	N/A	N/A	N/A	451,775	607,800
Insurance-Retaliatory Tax	304,073	349,856	397,470	384,718	407,776
Marihuana Excise Tax <sup>(b)</sup>	N/A	N/A	N/A	N/A	17,880
Medical Marihuana Excise Tax	N/A	N/A	N/A	576	20
Motor Fuel Taxes	1,020,487	1,328,779	1,457,664	1,485,118	1,323,797
Non-Cigarette - Tobacco Products Tax	77,413	80,807	85,123	92,374	100,462
Real Estate Transfer Tax	275,553	326,329	340,916	348,455	320,384
Sales Tax	7,297,552	7,784,342	8,008,044	8,222,200	8,207,829
Sales, Use and Withholding Penalty and Interest	36,809	25,574	40,939	41,035	37,888
State Education Tax	1,883,828	1,913,918	1,976,256	1,996,498	2,166,499
State Housing Development Service Fee	12,947	11,464	14,697	14,242	14,929
Use Tax <sup>(d)</sup>	2,015,433	1,353,405	1,466,599	1,332,797	1,345,849
Utility Property Tax	38,928	37,200	36,869	32,271	34,734
Other Taxes and Fees <sup>(d)</sup>	145,612	140,889	134,706	89,011	94,147
<b>TOTAL</b>	<b>\$24,409,936</b>	<b>\$25,236,615</b>	<b>\$26,780,334</b>	<b>\$27,337,996</b>	<b>\$27,509,049</b>

(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) New in 2020, established on Initiated Law 1 of 2018, effective December 6, 2018.

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

(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) 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.

(f) Public Act 80 of 2014 dictates that a certain amount of Use Tax is transferred to the Local Community Stabilization Authority (LCSA). The total amount is net the LCSA Transfer.

# Table 12



## Michigan State Taxes and Fees (In Thousands of Dollars)

Tax Source	Year Adopted	Department Administered by	Payment Deadline	Net Cash Receipts 10-1-19 to 9-30-20	Disposition
Aircraft Registration	1923	Transportation	August 1	418	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	18,766	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	3,908	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing/Reg. Affairs	Monthly reports and/or stamps	44,803	General Fund
Casino Wagering	1999	Treasury (GCB)	Daily	66,984	School Aid Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	801,456	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, 0.5% to Wayne County Indigent Health Care
Commercial Mobile Radio Services	1999	Treasury/MSP	Last day of February, April, July & October	43,287	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	16,830	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	1,125,591	General Fund
Corporate Organization	1891	Licensing/Reg. Affairs	Incorporation, admission, increase in stock	31,982	General Fund
Diesel Fuel	1947	Treasury	20th of each month	218,640	Michigan Transportation Fund
Environmental Protection Regulatory	1989	Treasury	10th and 25th of each month	49,541	First \$20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to Refined Petroleum Fund
Essential Services Assessment	2014	Treasury	August 15th	121,450	General Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	3,163	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	14,579	General Fund
Gasoline	1925	Treasury	20th of each month	1,088,568	Michigan Transportation Fund
Health Ins. Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	1,623	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Treasury (GCB)	At end of each day's racing	1,889	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	10,644,464	22.447% of gross collections to the School Aid Fund, \$69 million to Renew Michigan Fund, \$264 million in FY 2019 to Michigan Transportation Fund. Remainder to General Fund
Industrial/Commercial Facilities	1974	Treasury	December 1	36,626	School Aid Fund
Inheritance	1899	Treasury	Within 105 days after death, except contingent transfers-due at vesting	-0-	General Fund
Insurance Company Retaliatory	1987	Treasury	Last day of April, July, October & January	407,776	General Fund
Insurance Provider Assessment (IPA)	2019	Treasury - Special Taxes	30th of April, July, October and January	607,800	Insurance Provider 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	71,158	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	70,883	School Aid Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	72,822	General Fund
Marihuana Excise Tax	2018	Treasury and Licensing/Reg. Affairs	At the time of sale to retailers	17,880	35% to MDOT, 35% to School Aid Fund, 15% to Participating Counties, 15% to Partic. Municipalities
Marine Fuel	1947	Treasury	20th of each month	481	Michigan State Waterways Fund
Medical Marihuana Excise Tax	2016	Treasury	At the time of sale to retailers	20	25% to Municipalities, 30% to Counties, 5% to Support County Sheriffs, 30% to the State for First Responder Presumed Coverage Fund, 5% to Mi Commission on Law Enforcement and 5% to MSP
Michigan Business	2007	Treasury	15th of April, July, October and January	(99,613)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of quarter	10,559	Michigan Transportation Fund
Motor Carrier's Privilege	1933	MSP & PSC	January 1	8,429	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	1,342,805	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	100,462	75% to Medical Benefits Trust Funds, 25% to Gen. Fund
Nonferrous Metallic Minerals Extraction Severance Tax	2012	Treasury	February 15	1,488	65% to Local Units, 35% to Rural Development Fund
Quality Assurance Assessment Fees	2002	Treasury	Quarterly basis	1,263,083	Medicaid program
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	320,384	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	8,207,829	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	(4,949)	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,929	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	2,166,499	School Aid Fund
Use	1937	Treasury	15th of each month	1,345,849	66.6% to Gen. Fund, 33.4% to School Aid Fund, less than 1% to: St. Aeronautics Fund and Qualified Airport Fund.
Utility Property	1905	Treasury	July 1 or 1/2 on Aug. 1, 1/2 on Dec. 1	34,734	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	8,571	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 2019 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 <sup>(a)</sup>	Non-Homestead Average Rate
2019	458,922	458,915	458,915	363,560	15,293	42.06	35.04	53.38
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

(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
	2018	2019	
City	\$ 2,526,312	\$ 2,644,816	17.29%
County	2,313,677	2,414,908	15.79%
Township	1,187,681	1,244,413	8.14%
Village	90,931	97,441	0.64%
School	6,455,955	6,751,204	44.14%
State Education Tax	2,046,976	2,140,280	14.00%
Totals	\$ 14,621,532 <sup>(a)</sup>	\$ 15,293,062 <sup>(b)</sup>	

(a) \$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.

(b) \$835.0 million of the total property taxes levied in 2019 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](http://www.michigan.gov/treasury).

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