



STATE OF MICHIGAN
REVENUE ESTIMATING
CONFERENCE PRINCIPALS
LANSING

RACHAEL EUBANKS
STATE TREASURER

MARY ANN CLEARY
DIRECTOR, HOUSE FISCAL AGENCY

KATHRYN SUMMERS
DIRECTOR, SENATE FISCAL AGENCY

February 28, 2024

The Honorable Gretchen Whitmer
Governor
George W. Romney Building
Lansing MI

The Honorable Winnie Brinks
Senate Majority Leader
State Capitol Building, Room S-102
Lansing, MI

The Honorable Aric Nesbitt
Senate Minority Leader
State Capitol Building, Room S-105
Lansing, MI

The Honorable Joe Tate
Speaker of the House
State Capitol Building, Room H-164
Lansing, MI

The Honorable Matt Hall
House Republican Leader
State Capitol Building, Room H-167
Lansing, MI

Re: Calculation under MCL 206.51(1)(c) for Tax Year 2024

The tax under Part 1 of the Income Tax Act, MCL 206.1 *et seq.*, is imposed each tax year at the rate provided under Section 51, MCL 206.51. Pursuant to Section 51(1)(c), the rate is subject to formulary reduction if the percentage increase in general fund/general purpose revenue for the immediately preceding state fiscal year is determined to have exceeded the inflation rate for the same period and the inflation rate is positive. This determination is required to be made between the State Treasurer, the Director of the Senate Fiscal Agency, and the Director of the House Fiscal Agency, using data from the Annual Comprehensive Financial Report (ACFR).

For tax year 2024, the determination under Section 51(1)(c) is based on the state fiscal year ended September 30, 2023. The ACFR for that period was recently published on February 28, 2024. Based on the data from that period, the calculation is as follows:

<i>Fiscal Year</i>	Total General Fund/General Purpose Revenue (In Millions)⁽¹⁾	Consumer Price Index⁽²⁾
2022	\$15,309.1	287.723
2023	\$14,033.6	302.289
Percentage Change	-8.33%	5.06%

(1) MCL 206.51(1)(c)(ii).

(2) MCL 205.51(10)(b).

The percentage increase in general fund/general purpose revenue for the immediately preceding state fiscal year did not exceed the rate of inflation for that same period. In accordance with Section 51(1)(c) of the Income Tax Act, it has been determined that a formulary reduction to the rate for tax year 2024 is not required.

The ACFR for the fiscal year ended September 30, 2023, can be accessed by visiting: <https://www.michigan.gov/budget/fiscal-pages/reports/annual-comprehensive-financial-report>.

Signed,



Rachael Eubanks
State Treasurer
Department of Treasury



Mary Ann Cleary
Director
House Fiscal Agency



Kathryn Summers
Director
Senate Fiscal Agency

cc: The Honorable Sarah Anthony
Chair, Senate Appropriations Committee
State Capitol Building, Room S-324
Lansing, MI

The Honorable Angela Witwer
Chair, House Appropriations Committee
State Capitol Building, Room H-351
Lansing, MI

The Honorable Jon Bumstead
Minority Vice Chair, Senate Appropriations
Senate Office Building, Suite 4600
Lansing, MI

The Honorable Sarah Lightner
Minority Vice Chair, House Appropriations
House Office Building, Room N-894
Lansing, MI