

Gretchen Whitmer, Governor

Rachael Eubanks, Treasurer



**2020-2021**  
**ANNUAL REPORT**  
of the Michigan State 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) 2020-2021. 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 2021.

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>2021</u>	<u>2020</u>
<u>Assets</u>		
Demand Deposits	\$ 788,576	\$ 974,085
Prime Commercial Paper - At Cost	19,331,437	10,510,131
Emergency Municipal Loans	273,907	427,218
Total	<u>\$ 20,393,920</u>	<u>\$ 11,911,434</u>
 <u>Equities</u>		
Available Equity of Other Funds	\$ 20,213,059	\$ 11,680,785
Outstanding Warrants	180,861	230,649
Total	<u>\$ 20,393,920</u>	<u>\$ 11,911,434</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 2021 Total	2020 Total
Legislative Retirement	\$ 2,828	\$ -0-	\$ 143,122	\$ -0-	\$ 16,854	\$ -0-	\$ -0-	\$ -0-	\$ 162,804	\$ 145,325
State Police Retirement	65,215	221,361	503,558	153,828	510,733	117,233	265,911	356,192	2,194,031	1,777,451
State Employees' Retirement	661,669	1,949,337	4,430,881	1,354,387	4,485,737	1,032,466	2,340,792	3,136,138	19,391,407	15,500,603
Public School Employees' Retirement	1,961,643	7,446,871	16,936,637	5,175,724	17,170,718	3,946,704	8,947,092	11,983,966	73,569,355	58,964,887
Judges' Retirement	10,284	31,303	71,498	21,652	72,461	16,448	37,642	50,493	311,781	263,839
Military Pension Fund	2,633	6,714	15,466	4,626	15,693	3,485	8,113	10,908	67,638	56,201
Michigan Veterans' Trust	5,230	17,339	26,248	2,574	21,358	-0-	-0-	-0-	72,749	65,377
Game & Fish Lifetime License Trust	21,236	7,869	-0-	-0-	-0-	-0-	-0-	-0-	29,105	20,409
Game & Fish Protection Trust	17,984	93,123	87,358	9,109	62,899	-0-	-0-	-0-	270,473	255,675
Michigan Natural Resources Trust	80,849	267,613	257,735	31,488	174,591	-0-	-0-	-0-	812,276	754,146
Michigan State Parks Endowment	40,449	139,819	113,376	13,195	76,387	-0-	-0-	-0-	383,226	348,032
Children's Trust	816	9,010	8,610	1,337	8,928	-0-	-0-	-0-	28,701	26,824
Michigan Nongame Fish and Wildlife Trust	3,232	5,832	2,182	-0-	-0-	-0-	-0-	-0-	11,246	10,757
State Lottery	26,519	163,918	-0-	-0-	-0-	-0-	-0-	-0-	190,437	197,578
Michigan Education Trust	49,576	265,030	377,215	71,516	303,109	-0-	-0-	-0-	1,066,446	1,039,913
Mackinac Bridge Authority	22,768	110,441	-0-	-0-	-0-	-0-	-0-	-0-	133,209	119,205
Gift, Bequests and Deposits Investment	3,286	8,699	9,106	903	4,694	-0-	-0-	-0-	26,688	60,989
<b>Totals</b>	<b>\$2,976,217</b>	<b>\$10,744,279</b>	<b>\$22,982,992</b>	<b>\$6,840,339</b>	<b>\$22,924,162</b>	<b>\$5,116,336</b>	<b>\$11,599,550</b>	<b>\$15,537,697</b>	<b>\$98,721,572</b>	<b>\$79,607,211</b>

# Schedule 3



## Investment Revenues (In Thousands of Dollars)

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2021	2020
General	\$ 13,572	\$ 0	\$ 13,572	\$ 30,524
Game and Fish Lifetime License Trust	12	62	74	255
State Aeronautics	(1)	0	(1)	162
Michigan Veterans' Benefit Trust	5	9,775	9,780	3,826
State Trunkline	831	0	831	6,541
Michigan State Waterways	51	0	51	414
Blue Water Bridge	88	0	88	828
Michigan Transportation	334	0	334	3,054
Comprehensive Transportation	278	0	278	2,190
School Aid	1,140	0	1,140	2,664
MI Game and Fish Protection Trust	6	29,457	29,463	17,120
State Park Improvement	83	0	83	670
Forest Development	63	0	63	525
Michigan Natural Resources Trust	76	83,682	83,758	43,816
Michigan State Parks Endowment	40	34,013	34,054	20,775
Safety Education and Training	4	0	4	58
Bottle Deposits	121	0	121	607
State Construction Code	29	0	29	236
Children's Trust	(6)	3,169	3,163	1,192
State Casino Gaming	23	0	23	2
Homeowner Construction Lien Recovery	0	0	0	3
Michigan Nongame Fish and Wildlife	4	508	512	543
21st Century Jobs Trust	348	0	348	3,346
Michigan Merit Award Trust	(47)	0	(47)	60
State Trunkline Bond Proceeds	1,307	0	1,307	878
Comprehensive Transportation Bond Proceeds	3	0	3	29
Outdoor Recreation Legacy	9	0	9	62
Off-Road Vehicle	20	0	20	139
Snowmobile	23	0	23	212
Community District Education Trust	(7)	0	(7)	(40)
Payroll Clearing	149	0	149	25
Unemployment Obligation Trust	8	0	8	25
Liquor Purchasing Revolving	149	0	149	971
State Lottery	360	(5,906)	(5,546)	16,561
Michigan Strategic	(7)	0	(7)	441
Michigan State Housing Development	(49)	0	(49)	17
Land Bank Fast Track	23	0	23	166
Jobs For Michigan Investment	190	0	190	1,997

# Schedule 3



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

Fund	Common Cash	Specific Funds	Total Revenues Fiscal Year Ended September 30	
			2021	2020
State Sponsored Group Insurance	526	0	526	4,529
State Water Pollution Control Loan	0	0	0	2
School Loan Revolving	2,200	0	2,200	17,125
Combined State Trunkline Bond and Interest Redemption	3	0	3	71
Combined Comprehensive Transportation Bond and Interest Redemption	0	0	0	2
Recreation & Environmental Protection Bond Redemption	1	0	1	9
Legislative Other Post Employment Benefits	0	0	0	6
Legislative Retirement	2	33,001	33,003	8,585
State Police Retirement	8	484,599	484,606	92,803
State Employees' Retirement	71	4,245,061	4,245,132	806,065
Public School Employees' Retirement	187	16,192,831	16,193,018	3,089,229
Judges' Retirement	2	70,245	70,247	14,178
Military Retirement Pension Fund	1	15,290	15,291	2,941
Michigan Employment Security Act Contingent	191	0	191	1,688
Military Family Relief	3	0	3	29
Intrastate Switched Toll Restructuring	1	0	1	22
Children's Institute	0	0	0	1
Gifts, Bequests, and Deposits Investment	49	2,251	2,300	1,863
Silicosis, Dust Disease, and Logging Industry Compensation	1	0	1	15
Second Injury	9	0	9	87
Hospital Patients' Trust	0	0	0	4
Self-Insurers' Security	38	0	38	363
State Employees' Deferred Compensation I (457)	1	0	1	(29)
State Employees' Deferred Compensation II (401 (k))	2	0	2	(60)
MPSERS Defined Contribution 457	(87)	0	(87)	(241)
State of Michigan Defined Contribution Plans	(3)	0	(3)	(371)
Environmental Quality Deposits	3	0	3	31
Utility Consumer Representation	3	0	3	24
Transportation Related Trust	(79)	0	(79)	(414)
MPSERS Defined Contribution 401K	(20)	0	(20)	218
City Income Tax	28	0	28	145
Mackinac Bridge Authority	0	(1,460)	(1,460)	7,175
Michigan Education Trust	0	145,448	145,448	44,718
<b>TOTALS</b>	<b>\$ 22,377</b>	<b>\$ 21,342,027</b>	<b>\$ 21,364,404</b>	<b>\$ 4,251,711</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. Derivatives 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, 2021 and 2020, 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, 2021 and 2020, option contracts represent 1.4 percent and 1.7 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 0.3 percent and 0.4 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 eliminated currency risk on foreign bond transactions, adjust interest rate and yield curve exposure, and manage credit exposure. On September 30, 2021 and 2020, fixed income swap agreements represent less than 0.1 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, 2021 and 2020, the swap agreements represented 15.4 percent and 14.9 percent of the international equity investment category, respectively.





The swap contractual agreements are made with large global banks and brokerage firms. On September 30, 2021 and 2020, they represent 2.5 percent and 2.4 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 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, 2021 and 2020, was \$19,613.1 and \$10,941.1 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, 2021 and 2020, the State had no outstanding credit risk on the securities lent. The fair value of the securities lent at September 30, 2021 and 2020, was \$3,063.4 and \$3,102.4 million, respectively. The fair value of securities lending cash collateral pool at September 30, 2021 and 2020, was \$3,148.7 and 3,172.4 million respectively.

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

*Effective for FY ended September 30, 2021:*

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

*Effective for FY ended September 30, 2020:*

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

# 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
2021	\$ 13,572	\$ 16,193,018	\$ 4,245,132	\$ 484,606	\$ 70,247	\$ 15,291	\$ 342,537	\$ 21,364,404
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

(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)
2021	\$ 22,377	\$ 8,805	\$ 13,572
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)

## 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 2020	5,953.9	5,135.5	11,089.4	297.7	1,198.7	12,585.8
November	5,800.3	5,109.3	10,909.6	200.8	1,112.3	12,222.7
December	5,645.1	5,068.6	10,713.8	259.4	1,079.3	12,052.5
January 2021	6,433.2	5,187.4	11,620.6	241.6	1,077.5	12,939.6
February	5,378.9	5,790.6	11,169.5	110.9	1,075.1	12,355.6
March	3,894.7	5,766.2	9,660.9	173.0	1,022.7	10,856.5
April	4,445.7	5,359.8	9,805.5	217.2	1,028.4	11,051.0
May	8,677.6	5,613.3	14,290.9	95.1	984.3	15,370.3
June	9,388.0	5,644.8	15,032.8	165.7	925.8	16,124.3
July	9,629.4	6,024.4	15,653.8	114.2	893.0	16,661.0
August	9,726.9	6,069.2	15,796.1	288.9	1,861.8	17,946.7
September	12,434.8	5,636.5	18,071.3	365.7	1,784.6	20,221.6

(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 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	5,129.5	10,246.5	385.0	1,049.7 <sup>(d)</sup>	11,681.2
September 2021	11,052.5	1,382.3	5,636.5	18,071.3	365.7	1,784.6 <sup>(d)</sup>	20,221.6

(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 10-1-20	Cash Balances 9-30-21	Warrants Outstanding <sup>(b)</sup>	Available Balances 9-30-21
<b>GENERAL AND SCHOOL AID</b>				
General (a)	6,039,791	11,634,879	135,758	11,499,121
School Aid	(812,423)	936,856	1,169	935,687
Total General and School Aid	5,227,368	12,571,735	136,927	12,434,808
<b>SPECIAL REVENUE</b>				
Game and Fish Protection	17,371	21,236	169	21,067
Michigan Employment Security Act-Administration	(26,772)	287	287	-0-
State Aeronautics	11,555	8,950	1,290	7,660
Michigan Veterans' Trust	5,961	5,230	23	5,207
State Trunkline	898,971	1,056,989	4,574	1,052,415
Michigan State Waterways	40,099	45,400	126	45,273
Blue Water Bridge	74,757	74,603	3	74,600
Michigan Transportation	61,212	133,002	1,456	131,546
Comprehensive Transportation	260,453	263,505	901	262,604
Game and Fish Protection Trust	19,506	17,984	-0-	17,984
State Park Improvement	65,120	74,268	603	73,664
Forest Development	48,422	51,235	86	51,149
Michigan Natural Resources Trust	102,660	80,849	167	80,683
Michigan State Parks Endowment	46,120	40,449	2	40,447
Safety Education and Training	3,682	4,979	2	4,976
Bottle Deposits	83,037	153,484	5,342	148,143
State Construction Code	22,579	25,095	2	25,093
Children's Trust	1,723	816	6	810
State Casino Gaming	9,149	49,736	9	49,727
Homeowner Construction Lien Recovery	316	332	-0-	332
Michigan Nongame Fish and Wildlife	2,968	3,232	6	3,226
21st Century Jobs Trust	250,232	270,799	-0-	270,799
Michigan Merit Award Trust	2,255	31,740	36	31,704
Outdoor Recreation Legacy	7,418	8,546	16	8,530
Off-Road Vehicle	16,719	19,839	-0-	19,839
Snowmobile	18,585	17,153	-0-	17,153
Community District Education Trust	7,996	185	-0-	185
Unemployment Obligation Trust	6,588	6,592	-0-	6,592
State Building Authority Advance Financing	(32,641)	18	18	0
Michigan Strategic	35,765	48,110	16	49,631
Land Bank Fast Track Authority	14,615	20,086	-0-	20,086
Jobs for Michigan Investment	199,136	184,442	-0-	184,442
Michigan Finance Authority - School Loan Revolving	1,910,931	1,841,398	-0-	1,841,398
State Building Authority - Capital Proj	25	11	-0-	11
Michigan Veterans' Facility Authority	-0-	13,499	142	13,357
Total Special Revenue	4,186,513	4,574,078	15,283	4,560,333

(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) 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 10-1-20	Cash Balances 9-30-21	Warrants Outstanding	Available Balances 9-30-21
<b>BOND AND DEBT SERVICE</b>				
State Trunkline Bond Proceeds	1,046,821	1,779,251	278	1,778,973
Comprehensive Transportation Bond Proceeds	3,964	3,988	-0-	3,988
Combined State Trunkline Bond and Interest Redemption	30	38	-0-	38
Combined Comprehensive Transportation Bond and Interest Redemption	-0-	-0-	-0-	-0-
Recreation and Environmental Protection Bond Redemption	1,624	1,650	-0-	1,650
School Loan Bond Redemption	-0-	-0-	-0-	-0-
<b>Total Bond and Debt Service</b>	<b>1,052,439</b>	<b>1,784,927</b>	<b>278</b>	<b>1,784,649</b>
<b>ENTERPRISE</b>				
Liquor Purchasing Revolving	157,018	120,871	387	120,484
State Lottery	16,029	26,519	3,414	23,105
Michigan State Housing Development Authority	5	197	197	-0-
Michigan Finance Authority - State Water Revolving	78	93	-0-	93
<b>Total Enterprise</b>	<b>173,130</b>	<b>147,680</b>	<b>3,998</b>	<b>143,682</b>
<b>INTERNAL SERVICE</b>				
Correctional Industries Revolving	2,922	3,643	9	3,633
Motor Transport	(41)	57	18	39
Office Services Revolving	32,363	32,023	147	31,876
Information Technology	79,182	80,956	4,119	76,837
Risk Management	11,254	12,461	-0-	12,461
State Sponsored Group Insurance	390,039	393,719	20	393,699
<b>Total Internal Service</b>	<b>515,720</b>	<b>522,858</b>	<b>4,312</b>	<b>518,546</b>
<b>RETIREMENT</b>				
Legislative	1,532	2,262	27	2,235
State Police	4,977	15,389	104	15,285
State Employees'	13,132	193,896	95	193,801
Public School Employees'	27,869	150,310	1,406	148,905
Judges'	196,161	4,118	-0-	4,120
Military	126,500	864	(1)	865
<b>Total Retirement</b>	<b>386,323</b>	<b>367,369</b>	<b>1,649</b>	<b>365,723</b>

# Table 4



Concluded... (In Thousands of Dollars)

Fund	Cash Balances 10-1-20	Cash Balances 9-30-21	Warrants Outstanding	Available Balances 9-30-21
<b>TRUST AND AGENCY</b>				
Michigan Employment Security Act Contingent	147,563	128,349	-0-	128,349
Military Family Relief	2,599	2,656	-0-	2,656
IntraState Switched Toll Restructuring	1,545	661	136	525
Children's Institute Trust	108	108	-0-	108
Abandoned and Unclaimed Property (Escheats)	128,950	-0-	-0-	-0-
Gifts, Bequests and Deposits Investment	38,811	602	-0-	602
Silicosis, Dust Disease, and Logging Industry Compensation	1,321	1,382	13	1,369
Second Injury	10,133	7,490	165	7,325
Hospital Patients	322	-0-	-0-	-0-
Self-Insurers' Security	32,352	32,154	14	32,140
State Employees' Deferred Comp. I (457)	1,894	168	-0-	168
State Employees' Deferred Comp. II (401K)	4,792	241	-0-	241
State of Michigan MPSERS DC 457	5,992	10,622	1,518	9,105
State Employees' Defined Contribution Plan	15,150	59	-0-	59
Special Assessment Deferment	2,825	2,921	-0-	2,921
Environmental Quality Deposits	2,795	-0-	-0-	-0-
Insurance Carrier Deposits	11,694	3,333	-0-	3,333
Utility Consumer Representation	2,904	3,257	-0-	3,257
Transportation Related	(54,286)	8	8	-0-
State of Michigan MPSERS DC 401K	755	51	-0-	51
State of Michigan Personal Health Care	-0-	-0-	-0-	-0-
City Income Tax	9,709	21,698	3,171	18,526
Social Welfare	2,082	889	8	882
EAA 457	30	35	-0-	35
EAA 401K	28	31	-0-	31
Fostering Futures Fund	-0-	1,090	-0-	1,090
Children with Special Needs	-0-	2,183	-0-	2,183
Other Custodial Funds	-0-	4,665	53	4,612
Escheats Custodial Fund	-0-	178,866	6,992	171,875
Prisoner Accounts Fund	-0-	28,581	6,119	22,462
Total Trust and Agency	370,067	432,102	18,198	413,905
<b>GRAND TOTALS</b>	<b>\$ 11,911,560</b>	<b>\$ 20,400,750</b>	<b>\$ 180,645</b>	<b>\$ 20,221,645</b>

# Table 5



## Demand Depositories as of September 30, 2021 (In Thousands of Dollars)

City	Depository Bank	Deposits <sup>(a)</sup>	City	Depository Bank	Deposits <sup>(a)</sup>
Adrian	Premier Bank	146	Ionia	Independent Bank	268
Baldwin	Lake-Osceola State Bank	27		Mercantile	5,094
Cheboygan	Citizens National Bank	38	Iron Mountain	First National Bank of Iron Mountain	103
Chelsea	Chelsea State Bank	42	Lansing	Bank of America	13,073
Coldwater	Century Bank and Trust	92	Manistique	Nicolet National Bank	838
	Southern Michigan Bank & Trust	145	Midland	TCF Bank	10,070
Croswell	Eastern Michigan Bank	75	Monroe	First Merchants	33
Detroit	JPMorgan Chase, N.A.	704,560	Munising	Peoples State Bank of Munising	42
	Comerica Bank	10,084	Newberry	Tahquamenon Area Credit Union	62
East Tawas	Huron Community Bank	96	Norway	Northern Interstate Bank	85
Escanaba	Upper Peninsula State Bank	130	Ontonagon	Citizens State Bank	46
Ewen	Gogebic Range Bank	27	Port Austin	Port Austin State Bank	25
Gladstone	First Bank, Upper Michigan	104	St. Ignace	First National Bank of St. Ignace	93
Grand Blanc	The State Bank	3,513	Sault Ste Marie	Central Savings Bank	62
Grand Rapids	Fifth Third Bank	36,308		Soo Co-Op Credit Union	26
Hancock	Superior National Bank and Trust	101	Shelby	Shelby State Bank	130
Hillsdale	Hillsdale County National Bank	93	Wakefield	First National Bank of Wakefield	92
Honor	Honor State Bank	36	Zeeland	Huntington National Bank	2,848
			Total		\$788,607

(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 \$1,637,743,100 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 2021, 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 9-30-21
<b>School Bond Loan<sup>(a)</sup></b>							
Series 2009A (Refunding)	2009	2015-2020	\$ -0-	\$ -0-	\$ 8,815	\$ 306	\$ -0-
Series 2009A	2009	2015-2020	-0-	-0-	9,115	317	-0-
Series 2009B (Refunding)	2009	2010-2030	-0-	-0-	1,820	2,770	7,096
Series 2010B (Refunding)	2010	2016-2020	-0-	-0-	12,960	268	-0-
Series 2010B	2010	2016-2020	-0-	-0-	12,040	249	-0-
Series 2011A	2011	2014-2023	-0-	-0-	5,000	2,148	41,000
Series 2011B	2011	2023	-0-	-0-	-0-	1,114	30,110
Series 2012A (Refunding)	2012	2013-2026	-0-	-0-	1,566	880	22,777
Series 2012A	2012	2013-2026	-0-	-0-	4,219	2,371	61,353
Series 2013A	2013	2024-2033	-0-	-0-	-0-	6,668	200,000
Series 2016A (Refunding)	2016	2016-2022	-0-	-0-	36,085	1,789	82,030
<b>Environmental Protection<sup>(b)</sup></b>							
Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	2,194	55	-0-
Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	7,034	106	-0-
Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	4,917	643	10,715
Series 2017A	2017	2022-2027	-0-	-0-	-0-	68	1,369
Series 2017B	2017	2020-2025	-0-	-0-	1,240	65	1,873
<b>Clean Michigan Initiative<sup>(b)</sup></b>							
Series 2010A (Refunding)	2010	2012-2020	-0-	-0-	9,351	234	-0-
Series 2011A	2011	2021-2025	-0-	-0-	-0-	369	9,617
Series 2011B	2011	2013-2020	-0-	-0-	1,377	23	-0-
Series 2011B (Refunding)	2011	2013-2020	-0-	-0-	903	15	-0-
Series 2012 (Refunding)	2012	2016-2020	-0-	-0-	16,696	250	-0-
Series 2015A (Refunding)	2015	2017-2026	-0-	-0-	8,933	1,909	34,285
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-	2,205	115	3,333
Series 2018	2018	2027-2033	-0-	-0-	-0-	822	23,545
Series 2020A	2020	2030-2040	-0-	-0-	-0-	642	23,927
Series 2020B	2020	2030-2040	-0-	-0-	-0-	101	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	86	-0-
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-	8,135	425	12,294
Series 2018	2018	2027-2033	-0-	-0-	-0-	4,386	125,655
Series 2020A	2020	2030-2040	-0-	-0-	-0-	2,441	90,923
Series 2020B	2020	2030-2040	-0-	-0-	-0-	418	30,553
<b>Total General Obligation Bonded Debt</b>			<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 159,704</b>	<b>\$ 49,465</b>	<b>\$ 1,184,446</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 9-30-21
Mackinac Island State Park Commission	\$ -0-	\$ 70	\$ 65	\$ 1,325
Michigan State Housing Development Authority <sup>(b)</sup>	1,006,310	501,703	105,470	3,689,977
Michigan Finance Authority <sup>(c)</sup>	3,152,267	3,711,700	741,547	17,163,279 *
Michigan State Building Authority <sup>(d)</sup>	206,270	89,260	111,829	3,030,785 *
<b>Total Special Authority Debt</b>	<b>\$ 4,364,847</b>	<b>\$ 4,302,733</b>	<b>\$ 958,911</b>	<b>\$ 23,885,366</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, 2021.

(b) The new issues include \$1,006 million of new bond issues for the year.

(c) Balance does not include obligations that have been advanced refunded. The escrow principal liability was \$1,285.3 million.

(d) Balance does not include obligations that have been advanced refunded. The escrow principal liability was \$525.7 million.

Outstanding principal does not include commercial paper notes issued by the Authority; \$80.7 million of commercial paper notes was outstanding.

Michigan Finance Authority Debt by Program	New Issues	Principal Payments	Interest Payments	Outstanding Principal as of 9-30-21
Health	\$ 40,000	\$ 442,843	\$ 404,165	\$ 8,571,930
Higher Education	90,655	134,755	15,945	501,438
Municipal	610,295	1,017,626	267,452	6,436,733
Public School Academies	32,785	64,971	10,849	184,150
Tobacco	2,179,780.00	1,777,440	36,550	1,150,952
Private K-12	N/A	N/A	N/A	28,453
Student Loan	198,752	274,065	6,586	289,623
<b>Total Michigan Finance Authority Debt</b>	<b>\$ 3,152,267</b>	<b>\$ 3,711,700</b>	<b>\$ 741,547</b>	<b>\$ 17,163,279</b>

# Table 8



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

For Period Ended September 30,	Principal	Interest	Total <sup>(a)</sup>
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>\$ 1,184,446</b>	<b>\$ 289,622</b>	<b>\$ 1,474,068</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,				
	2017	2018	2019	2020	2021
<b>GENERAL OBLIGATION DEBT</b>					
School Bond Loan	\$814,726	\$721,543	\$623,620	\$535,986	\$444,366 *
Environmental Programs	721,010	795,345	720,865	808,165	740,080 *
<b>Total General Obligation Debt</b>	<b>\$1,535,736</b>	<b>\$1,516,888</b>	<b>\$1,344,485</b>	<b>\$1,344,151</b>	<b>\$1,184,446</b>
<b>NON-GENERAL OBLIGATION DEBT</b>					
Michigan Department of Transportation Tax Dedicated Bonds	\$822,460	\$677,205	\$524,395	\$1,208,640	\$1,880,220
MDOT Grant Anticipation Bonds	607,110	601,285	595,130	542,310	513,525
Michigan Department of Natural Resources State Park Revenue Bonds	6,185	5,265	4,305	3,300	2,250
Special Authorities-Revenue Bonds and Notes: <sup>(a)</sup>					
Mackinac Island State Park Commission	\$1,575	\$1,515	\$1,455	\$1,390	\$1,325
Michigan State Housing Development Authority	2,100,310	2,434,300	2,981,320	3,185,370	3,689,977
Michigan State Building Authority	3,053,655	2,957,850	2,909,745	2,913,775	3,030,785 *
Michigan Finance Authority	18,271,815	18,218,003	18,723,366	18,064,126	17,163,279 *
<b>Total Non-General Obligation Debt</b>	<b>\$24,863,110</b>	<b>\$24,895,423</b>	<b>\$25,739,716</b>	<b>\$25,918,911</b>	<b>\$26,281,361</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.

# 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 9-30-21
Michigan Department of Transportation								
Tax Dedicated Bonds Michigan								
Comprehensive Transportation	RF. Series 2005	2005	2023	\$62,180	\$ -0-	\$8,475	\$965	\$9,915
	RF. Series 2011	2011	2022	18,470	-0-	2,235	173	2,350
	RF. Series 2013	2013	2023	10,130	-0-	-0-	46	1,540
	RF. Series 2015	2015	2031	29,380	-0-	1,220	1,221	23,805
State Trunkline Fund								
	RF. SR. 2004	2004	2022	103,450	-0-	11,610	947	12,235
	RF. SR. 2005	2005	2022	223,020	-0-	23,235	1,989	24,555
	Series 2011	2011	2037	90,980	-0-	2,855	221	3,000
	RF. SR 2012	2012	2022	49,305	-0-	7,055	547	7,415
	RF. SR 2014	2014	2022	265,085	-0-	20,200	1,565	21,205
	RF. SR 2015	2015	2023	54,055	-0-	-0-	2,615	54,055
	RF. SR 2020A	2020	2026	103,485	-0-	32,490	4,808	70,995
	Series 2020B	2020	2045	800,000	-0-	5,000	24,636	795,000
	Series 2021A	2021	2047	800,000	-0-	-0-	-0-	800,000
	RF. SR 2021B	2021	2037	54,150	-0-	-0-	-0-	54,150
MDOT Grant Anticipation Bonds	Series 2016	2016	2027	607,110	-0-	28,785	26,396	513,525
Michigan Department of Natural Resources State Park Revenue Bonds								
	Series 2002	2002	2022	15,500	-0-	1,050	124	2,250
Total Special Revenue Debt					\$ -0-	\$144,210	\$66,253	\$2,395,995

# State Tax Collections

State taxes and fees totaling \$31,986,287 (in thousands) were collected during fiscal year 2021, which is an increase of 16.28% from the previous fiscal year.

Major tax collections for fiscal year 2021 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	10-1-16 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	10-1-20 to 9-30-21
<b>Income Tax:</b>					
Withholding Tax	\$9,268,902	\$9,651,988	\$9,969,459	\$10,500,327	\$11,013,387
Individual Flow-Through Withholding <sup>(e)</sup>	84,635	(9,878)	(1,637)	(34)	313
Individual Income Tax	887,594	979,704	1,319,155	1,282,151	1,794,982
Individual Income Tax Estimates	1,185,912	1,509,396	1,283,846	1,206,300	1,711,405
Individual Income Tax Penalty and Interest	41,417	36,540	32,665	27,988	40,892
Gross Individual Income Tax Collections	11,468,460	12,167,750	12,603,488	13,016,732	14,560,979
Tax Refunds and Tax Credits	(1,897,567)	(1,913,557)	(2,116,450)	(2,344,280)	(2,443,700)
<b>Net Individual Income Tax</b>	<b>\$9,570,893</b>	<b>\$10,254,193</b>	<b>\$10,487,038</b>	<b>\$10,672,452</b>	<b>\$12,117,279</b>
Single Business Tax <sup>(a)</sup>	21,145	27,649	(66,610)	(4,918)	(307)
Single Business Tax Penalty and Interest	661	1,265	4,699	2,268	381
Gross Single Business Tax	21,806	28,914	(61,911)	(2,650)	74
Tax Refunds	(2,037)	(1,878)	(3,851)	(31)	(169)
<b>Net Single Business Tax</b>	<b>\$19,769</b>	<b>\$27,036</b>	<b>(\$65,762)</b>	<b>(\$2,681)</b>	<b>(\$95)</b>
Michigan Business Tax <sup>(a)</sup>	(99,956)	97,309	66,787	6,842	29,368
Michigan Business Tax Penalty and Interest	11,513	31,458	18,851	6,700	5,513
Gross Michigan Business Tax	(88,443)	128,767	85,638	13,542	34,881
Tax Refunds	(164,774)	(142,229)	(125,156)	(106,455)	(79,623)
<b>Net Michigan Business Tax</b>	<b>(\$253,217)</b>	<b>(\$13,462)</b>	<b>(\$39,518)</b>	<b>(\$92,913)</b>	<b>(\$44,742)</b>
Corporate Income Tax <sup>(a)</sup>	1,191,766	1,165,814	1,360,662	1,226,868	1,820,232
Corporate Flow-Through Withholding <sup>(e)</sup>	15,097	(1,907)	(2,216)	(132)	5
Corporate Income Tax Penalty and Interest	22,535	25,222	32,738	19,069	26,314
Gross Corporate Income Tax	1,229,398	1,189,129	1,391,184	1,245,805	1,846,551
Tax Refunds	(118,997)	(124,042)	(141,628)	(101,145)	(126,961)
<b>Net Corporate Income Tax</b>	<b>\$1,110,401</b>	<b>\$1,065,087</b>	<b>\$1,249,556</b>	<b>\$1,144,660</b>	<b>\$1,719,590</b>
Airport Parking Tax	28,489	29,885	31,275	18,766	19,233
Airport Parking Tax Penalty and Interest	-0-	-0-	49	22	130
Cigarette - Tobacco Products Tax	870,565	839,040	794,432	801,456	782,672
Cigarette - Tobacco Products Tax Penalty and Interest	126	148	182	95	135
Commercial Mobile Radio Service Tax	28,741	34,486	43,378	43,287	42,990
Convention Facility Tax	26,374	28,348	28,139	16,830	8,745
Convention Facility Tax Penalty and Interest	71	34	44	99	64
Environmental Protection Regulatory Fee	53,248	58,251	58,421	49,541	57,092
Essential Services Assessment	85,323	98,410	111,797	121,450	126,573
Gas and Oil Privilege Fee	4,585	4,921	4,792	3,163	3,684
Gas and Oil Severance Tax	23,747	28,347	23,382	14,579	20,709
Health Insurance Claims Assessment Tax <sup>(c)</sup>	279,064	329,700	80,681	1,623	2,524
Industrial/Commercial Facilities Tax	35,845	36,606	39,047	36,626	42,021
Inheritance Tax	28	21	(7)	-0-	-0-
Insurance Provider Assessment (IPA) <sup>(c)</sup>	N/A	N/A	451,775	607,800	612,716
Insurance-Retaliatory Tax	349,856	397,470	384,718	407,776	384,146
Marihuana Excise Tax <sup>(b)</sup>	N/A	N/A	N/A	17,880	101,589
Medical Marihuana Excise Tax	N/A	N/A	576	20	158
Motor Fuel Taxes	1,328,779	1,457,664	1,485,118	1,323,797	1,374,246
Non-Cigarette - Tobacco Products Tax	80,807	85,123	92,374	100,462	110,656
Real Estate Transfer Tax	326,329	340,916	348,455	320,384	487,133
Sales Tax	7,784,342	8,008,044	8,222,200	8,207,829	9,409,972
Sales, Use and Withholding Penalty and Interest	25,574	40,939	41,035	37,888	72,795
State Education Tax	1,913,918	1,976,256	1,996,498	2,166,499	2,265,043
State Housing Development Service Fee	11,464	14,697	14,242	14,929	14,808
Use Tax <sup>(d)</sup>	1,353,405	1,466,599	1,332,797	1,345,849	2,121,105
Utility Property Tax	37,200	36,869	32,271	34,734	35,968
Other Taxes and Fees <sup>(d)</sup>	140,889	134,706	89,011	94,147	97,348
<b>TOTAL</b>	<b>\$25,236,615</b>	<b>\$26,780,334</b>	<b>\$27,337,996</b>	<b>\$27,509,049</b>	<b>\$31,986,287</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, 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 10-1-20 to 9-30-21	Disposition
Aircraft Registration	1923	Transportation	August 1	412	State Aeronautics Fund
Airport Parking	1987	Treasury	15th of each month	19,233	State Aeronautics Fund; Specific Local Units
Aviation Fuel	1929	Treasury	20th of each month	4,144	State Aeronautics Fund
Beer & Wine Excise	1933	Licensing/Reg. Affairs	Monthly reports and/or stamps	51,139	General Fund
Casino Wagering	1999	Treasury (GCB)	Daily	90,500	School Aid Fund
Cigarette - Tobacco Products	1947	Treasury	20th of each month	782,672	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	42,990	Commercial Radio Suppliers and Counties, Public Safety Answering Points
Convention Facility Development	1985	Treasury	15th of each month	8,745	Debt Service for Cobo Hall; Counties
Corporate Income Tax	2012	Treasury	15th of April, July, October and January	1,693,276	General Fund
Corporate Organization	1891	Licensing/Reg. Affairs	Incorporation, admission, increase in stock	37,434	General Fund
Diesel Fuel	1947	Treasury	20th of each month	237,963	Michigan Transportation Fund
Environ. Protection Regulatory	1989	Treasury	10th and 25th of each month	57,092	First \$20 million to Leaking Underground Storage Tank Cleanup Fund. Remaining to Refined Petroleum Fund
Essential Services Assessment	2014	Treasury	August 15th	126,573	General Fund
Gas and Oil Privilege Fee	1973	Treasury	25th of each month	3,684	General Fund
Gas and Oil Severance	1929	Treasury	25th of each month	20,709	General Fund
Gasoline	1925	Treasury	20th of each month	1,122,748	Michigan Transportation Fund
Health Ins. Claims Assessment Tax	2012	Treasury	30th of April, July, October and January	2,524	Health Insurance Claims Assessment Fund
Horse Race Wagering	1933	Treasury (GCB)	At end of each day's racing	3,112	Agriculture Equine Industry Development Fund
Individual Income	1967	Treasury	April 15	11,909,368	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	42,021	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	384,146	General Fund
Insurance Provider Assessment (IPA)	2019	Treasury - Special Taxes	30th of April, July, October and January	612,716	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	77,048	Debt Service for Cobo Hall; Counties
Liquor Excise - 4%	1957	Licensing and Regulatory Affairs	At the time of sale to retail licensees	76,718	School Aid Fund
Liquor Specific - 4%	1959	Licensing and Regulatory Affairs	At the time of sale to retail licensees	80,186	General Fund
Marihuana Excise Tax	2018	Treasury and Licensing/Reg. Affairs	At the time of sale to retailers	101,589	35% to MDOT, 35% to School Aid Fund, 15% to Participating Counties, 15% to Participating Municipalities
Marine Fuel	1947	Treasury	20th of each month	584	Michigan State Waterways Fund
Medical Marihuana Excise Tax	2016	Treasury	At the time of sale to retailers	158	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	(50,254)	General Fund
Motor Carrier Diesel Fuel	1980	Treasury	Last day of month following close of quarter	6,381	Michigan Transportation Fund
Motor Carrier's Privilege	1933	MSP & PSC	January 1	8,422	Truck Driver Safety Fund and Motor Carrier Fees
Motor Vehicle Weight or Value	1905	State	Owner's birthday	1,407,501	Michigan Transportation Fund
Non-Cigarette - Tobacco Products	1994	Treasury	20th of each month	110,656	75% to Medical Benefits Trust Funds, 25% to General Fund.
Nonferrous Metallic Minerals Extraction Severance Tax	2012	Treasury	February 15	2,638	65% to Local Units, 35% to Rural Development Fund
Quality Assurance Assessment Fees	2002	Treasury	Quarterly basis	1,345,474	Medicaid program
Real Estate Transfer	1994	Treasury	County Treasurer remits to State on the 15th in the month after receipt	487,133	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	9,409,972	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	(476)	General Fund
Snowmobile Registration	1968	State	October 1 (every 3rd year)	1,906	Michigan Conservation and Recreation Legacy Fund
State Education	1994	Treasury	County Treasurer remits to State the month after receipt from Local Units	2,265,043	School Aid Fund
Use	1937	Treasury	15th of each month	2,121,105	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	35,968	General Fund
Watercraft Registration	1967	State	January 1 (every 3rd year)	9,881	Michigan Conservation and Recreation Legacy Fund

# Local Property Taxes

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

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

Table 13 shows local assessed valuation as well as state and county equalized valuations for calendar year 2020 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
2020	486,850	486,868	486,868	378,423	16,061	42.44	35.44	53.86
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

(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
	2019	2020	
City	\$ 2,644,816	\$ 2,753,966	17.15%
County	2,414,908	2,552,080	15.89%
Township	1,244,413	1,312,338	8.17%
Village	97,441	100,656	0.63%
School	6,751,204	7,115,160	44.29%
State Education Tax	2,140,280	2,226,950	13.87%
Totals	\$ 15,293,062 <sup>(a)</sup>	\$ 16,061,150 <sup>(b)</sup>	

(a) \$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.

(b) \$794.6 million of the total property taxes levied in 2020 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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