

MICHIGAN REVENUE REPORT

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If tax collections were uniform throughout the year, the state would receive 1/12, or 8.3% of annual receipts, every month. However, several of the state's major taxes show distinct, highly regular peaks and valleys within the annual collection cycle. Three major taxes -- Michigan's personal income tax, single business tax, and sales tax -- display their own individual collection cycles.

Monthly sales tax collections are heaviest in January and July. Sales tax collections during January typically average 10% of annual sales tax collections and reflect the heavy retail activity of the Christmas and holiday season. July collections usually average about 8.8% of sales tax receipts for the year. The major categories of sales activity contributing to this second surge are seasonal construction activity, stronger automotive sales, and increases in tourism and travel.

This pattern was repeated last month and is reflected in the following table. Preliminary sales tax receipts for July were 4.6% above receipts for June. They were also 3.5% above the level of last July, indicating that sales activity and the economy generally are continuing to show improvement over the considerably improved performance of last year. So far this fiscal year, sales tax collections are running 13.9% ahead of year-to-date collections for the 1983 fiscal year.

Monthly Tax Collections (dollars in thousands)

Type of Revenue	Preliminary July 1984	July 1983	Percent Change	FY 1984 Year to Date	FY 1983 Year to Date	Percent Change
Personal Income Tax	\$340,756 ^a	\$330,108 ^b	+ 3.2	\$3,568,093 ^a	\$2,741,090 ^b	+ 30.2
SAFRA ^c	14,563	14,809	- 1.7	162,685	40,154	NA ^d
Gross Personal Income Tax	355,319	344,917	+ 3.0	3,730,778	2,781,244	+ 34.1
Less: Refunds	- 25,241	- 43,255	- 41.6	- 955,835	- 828,857	+ 15.3
Net Personal Income Tax	330,078	301,662	+ 9.4	2,775,143	1,952,387	+ 42.1
Net Sales Tax	160,038	154,684	+ 3.5	1,572,231	1,380,652	+ 13.9
Net Use Tax	26,168	25,156	+ 4.0	259,331	216,809	+ 19.6
Net Single Business Tax	—	—	—	1,037,212	776,332	+ 33.6
Net Cigarette Tax	21,683	23,208	- 6.6	199,684	200,173	- 0.2
Net Motor Fuel Tax	50,004	42,487	+ 17.7	467,802	373,427	+ 24.6
All Other Taxes and Fees	\$203,333	\$ 79,797	NA ^e	\$1,043,664	\$ 319,577	NA ^e
TOTAL NET COLLECTIONS	\$791,304	\$626,994	+ 26.2	\$7,355,067	\$5,221,357	+ 40.9

^a The personal income tax rate was reduced to 6.1% from 6.35% on January 1, 1984.

^b The personal income tax rate was increased to 6.35% from 4.6%, retroactive to January 1, 1983, on March 29, 1983.

^c State Accounting and Fiscal Responsibility Account.

^d Not applicable as the figures are not for comparable periods of time.

^e Not applicable as the figures are not comparable; preliminary 1984 numbers are before identification and appropriate distribution of miscellaneous receipts, while 1983 numbers reflect the results of this distribution.

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