

Taxes in Michigan

There are 52 different taxes that are collected at the state and local level in Michigan. Collectively, they raise billions of dollars each year. Below is a list of the various taxes. Clicking on each will take you to an explanation provided by Citizens Research Council of Michigan.

Income taxes are levied based on income earnings. The state income tax and local income taxes are based on federal adjusted gross income. Local nonresident income taxes are based on earnings from within the taxing cities. In general, only the state government and cities are authorized to levy income taxes in Michigan.

State Taxes

[Personal Income Tax](#)

Local Taxes

[Uniform City Income Tax](#)

Business privilege taxes are levied on firms that do business in Michigan or, in some cases, engage in a specific line of business. Michigan's new business tax, the Michigan Business Tax, replaced the Single Business Tax as the primary privilege tax effective January 1, 2008. In contrast to the Single Business Tax, a value-added tax, the Michigan Business Tax consists of two individual taxes, a business income tax and a modified gross receipts tax. State government is authorized to levy nine types of business privilege taxes in Michigan, and local government is authorized to levy one type of business privilege tax.

State Taxes

[Michigan Business Tax](#)

[Unemployment Insurance Tax](#)

[Quality Assurance Assessment Tax](#)

[Foreign Insurance Company Retaliatory Tax](#)

[Oil & Gas Severance Tax](#)

[State Casino Gaming Tax](#)

[9-1-1 Service Tax](#)

[Corporate Organization Tax](#)

[Horse Race Wagering Tax](#)

[Captive Insurance Company Tax](#)

Local Taxes

[Local Casino Gaming Tax](#)

Sales-related taxes are levied in several forms in Michigan. The Sales and Use taxes are levied on the retail sale or use of tangible personal property. Only the state government is authorized to levy sales and use taxes in Michigan. Excise taxes are levied, like sales and use taxes, on the purchase of individual products and services. In addition to the excise taxes included under the sales-related taxes, motor fuel taxes are listed separately under transportation taxes because of the dedicated nature of the disposition of their revenues.

State Taxes

[Sales Tax](#)

[Use Tax](#)

[Tobacco Products Tax](#)

[Liquor Markup Tax](#)

[Liquor Tax](#)

[Beer Tax](#)

[Wine Tax](#)

[Mixed Spirit Tax](#)

[Airport Parking Excise Tax](#)

Local Taxes

[Accommodations Taxes](#)

[Convention and Tourism Marketing Fees](#)

[Stadium & Convention Facility Taxes](#)

[Uniform City Utility Users Tax](#)

Property taxes are levied based on the value of property. In addition to the taxation of real and personal property that typically falls under the local general property tax, local governments are authorized to levy three other ad valorem taxes (unit-wide special assessments, Low Grade Iron Ore Tax, and the County Real Estate Transfer Tax) and the state government is authorized to levy four ad valorem taxes (State Education Tax, Utility Property Tax, State Real Estate Transfer Tax, and Motor Vehicle Registration Tax). Motor vehicle registration taxes are not typically associated with property taxes; however, because Michigan taxes personal passenger vehicles based on their value, the Motor Vehicle Registration Tax qualifies as a property tax. Michigan local governments are authorized to levy seven different types of specific taxes in lieu of ad valorem property taxes, several of which were created as economic development tools to reduce the tax burden on individual taxpayers.

State Taxes

[State Real Estate Transfer Tax](#)

[State Education Tax](#)

[Estate Tax](#)

[Utility Property Tax](#)

Local Taxes

[General Property Tax](#)

[Ad Valorem Special Assessments](#)

[Industrial Facilities Tax](#)

[Mobile Home Trailer Coach Tax](#)

[Obsolete Properties Tax](#)

[Neighborhood Enterprise Zone Facilities Tax](#)

[Enterprise Zone Facilities Tax](#)

[Commercial Rehabilitation Tax](#)

[Low Grade Iron Ore Specific Tax](#)

[County Real Estate Transfer Tax](#)

[Commercial Forest Tax](#)

[Technology Park Facilities Tax](#)

Transportation taxes are sales-related and property taxes levied on items used for transportation purposes. Each of these taxes is earmarked specifically to transportation infrastructure. For ease of use, they are grouped as transportation taxes in this outline.

State Taxes

[Motor Vehicle Registration Tax](#)

[Gasoline Tax](#)

[Diesel Fuel Tax](#)

[Liquefied Petroleum Gas Tax](#)

[Motor Carrier Fuel Tax](#)

[Watercraft Registration Tax](#)

[Aviation Gasoline Tax](#)

[Motor Carrier Single State Registration Tax](#)

[Snowmobile Registration Tax](#)

[Aircraft Weight Tax](#)