

How the failed 1998 revenue sharing deal between the State of Michigan and City of Detroit affected city revenues

Fiscal Year	Revenue Sharing Appropriation	Revenue Sharing Losses (in millions)	Detroit Income Tax Rates (non-res.)	Detroit Income Tax Revenue Denied
1999	\$333.9	<i>Deal Honored</i>	2.9 (1.45)	<i>Deal Honored</i>
2000	\$333.9	<i>Deal Honored</i>	2.8 (1.40)	<i>Deal Honored</i>
2001	\$333.9	<i>Deal Honored</i>	2.7 (1.35)	<i>Deal Honored</i>
2002	\$333.9	<i>Deal Honored</i>	2.6 (1.30)	<i>Deal Honored</i>
2003	\$319.7	(\$14,157,922)	2.5 (1.25)	(\$42.5 m - \$50 m)
2004	\$287.4	(\$46,530,912)	2.5 (1.25)	(\$42.5 m - \$50 m)
2005	\$284.2	(\$49,663,235)	2.5 (1.25)	(\$42.5 m - \$50 m)
2006	\$281.1	(\$52,825,852)	2.5 (1.25)	(\$42.5 m - \$50 m)
2007	\$272.7	(\$61,196,240)	2.5 (1.25)	(\$42.5 m - \$50 m)
		(\$224,374,161)		
		<i>Note: \$4,221,925 of this cut was justifiable, pursuant the deal between the state and the city; so the net revenue sharing cut is:</i>		
		(\$220,152,236.)		
2008	\$272.7	<i>No Deal</i>	2.5 (1.25)	(\$42.5 m - \$50 m)
2009	\$268.9	<i>No Deal</i>	2.5 (1.25)	(\$42.5 m - \$50 m)
2010	\$239.2	<i>No Deal</i>	2.5 (1.25)	(\$42.5 m - \$50 m)
2011	\$239.2	<i>No Deal</i>	2.5 (1.25)	(\$42.5 m - \$50 m)
2012	\$171.8*	<i>No Deal</i>	?.? **	(\$51 m - \$58.5 m**)
				(\$433.5 m - \$508.5 m)
				<i>Note:</i> Potential income tax money denied Detroit.)
*... The statutory revenue sharing program now requires locals to meet certain requirements to receive state support.				
**... Detroit remains statutorily bound to the deal and may have to reduce its income tax rates in 2012.				

Source: Kenneth Cole, City of Detroit lobbyist, based on state and city tax figures