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By Alyssa Burr, [mlive.com](http://mlive.com) (via TNS).

State treasury officials estimate Michigan government will see a \$9.2 billion surplus at the end of this fiscal year, increasing the likelihood that all that cash could trigger a permanent cut in the state income tax.

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The size of the surplus, as well as the likelihood of a tax cut being triggered, is of particular interest to legislative Democrats, who have begun laying out an ambitious policy agenda centered on taxes cuts and credits that could have significant impact to the state budget.

Related: [Democrats say 700,000 Michigan households could save thousands under tax cut plan](#)

Analysts' report that state government took in a whopping 14% more money last fiscal year than in the year before — \$3.9 billion increase — has set state government abuzz this week. It's because if revenue growth outpaces inflation too aggressively it can trigger a 2015 road funding law provision that'll lower the income tax rate. That estimate increase is enough to make it happen, with an estimated reduction to 4.05% from 4.25%.

Officials said Friday it was too early to determine if that would happen, since the books have not yet closed for the 2022 tax year.

"We understand that this law requires us to look at a calculation, however, the financial statements required for us to conduct that calculation are incomplete," said state Treasurer Rachael Eubanks. "We simply don't know what's going to happen because the books are not closed yet."

Gov. Gretchen Whitmer made similar remarks during a press conference Jan. 12 where she and Democratic leaders unveiled their own plan to offer tax relief for Michiganders. When pressed if she would consider amending the 2015 law that would prompt the trigger, Whitmer said there was "a lot of work that has yet to be done."

"I'm not going to speculate on what may or may not happen yet," she said.

The state's rosy financial position was contrasted by a relatively dour economic

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inflation, said Senate Appropriations Committee Chair Sarah Anthony, D- Lansing.

Anthony pointed to [the first bills introduced in the legislature this week](#) – including one to repeal a state tax on retiree pensions and increasing the earned income tax credit – as a look into what specific policies may be priority but said she didn't want to “over promise.”

“I'm always looking at kitchen table issues, particularly in the higher education areas and health care,” Anthony said. “There's so much we can do, we just have to do it responsibly.”

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