



Fact Sheet: Who pays for the business tax cut? You do.

Businesses got a \$1.6 billion tax cut. What about you?

- Michigan businesses will pay 83 percent less in state income taxes in FY 13 with two-thirds of Michigan businesses not paying any income tax.
- Fifty-one percent of Michigan taxpayers will pay more personal income taxes after FY 12.
- Lowest-income families are hit the hardest by the tax increase paying 1 percent more as a percent of their income. This compares to the highest-income group paying only 0.001 percent more.

Average Tax Increase by Income Range for the Michigan Personal Income Tax

Income Range	Average Tax Increase	Average Tax Increase as a % of Income
Less than \$17,000	\$101	1.0%
\$17,000 - \$33,000	\$160	.7%
\$33,000 - \$53,000	\$296	.7%
\$53,000 - \$83,000	\$514	.8%
\$83,000 - \$151,000	\$459	.4%
\$151,000 - \$334,000	\$636	.3%
\$334,000 or more	\$7	.001%

Source: Institute on Taxation and Economic Policy, January 2012. The distributional analysis measures the impact of tax changes on different income groups when the change is fully implemented after FY 12. While the impact of most tax changes will occur shortly after FY 12, some changes, such as the new tax on retirement income, are phased in over several years.

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