



Michigan League
FOR
Human Services

Michigan EITC

Helping working families stay out
of poverty

What is the EITC?

- The federal EITC was signed into law by President Ford
- State EITC piggybacks federal; 20 percent
- Signed into law 2006
- Michigan one of 24 states with state EITC

Why a state EITC?

- Offsets regressive nature of entire tax system
- Stimulus – money is spent quickly, locally
- 782,000 filers in tax year 2009, \$338 m.
- 8 out of 10 states with highest child poverty do not have a state EITC

EITC adds fairness

Even with EITC...

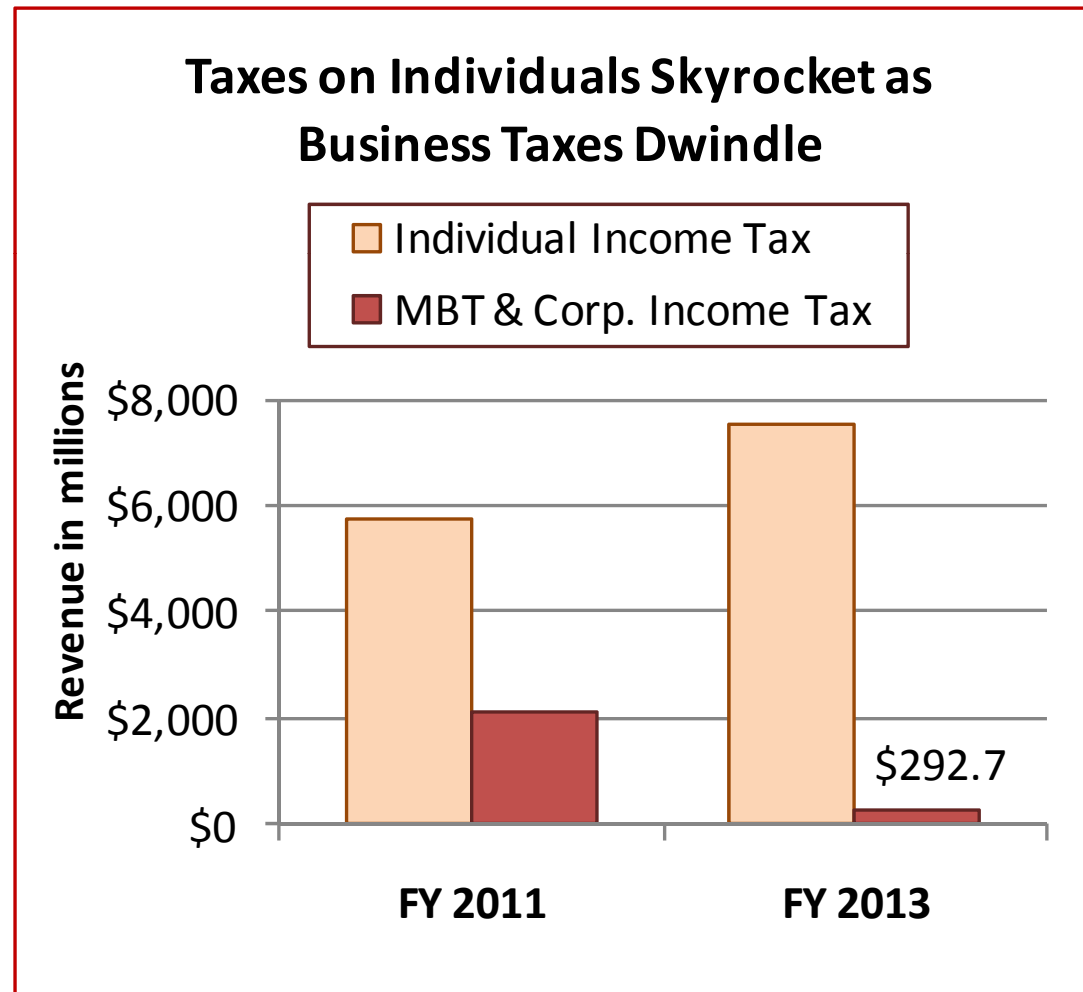
- Families earning \$15,000 – \$32,000 pay 10.1% of income in state/local taxes
- \$54,000 – \$86,000 pay 9.4%
- Over \$365,000 – just 5.6%

Vulnerable kids, families



- Keeps 14,000 children out of poverty
- Lifts 25,000 people in working families out of poverty
- Lessens the impact of poverty for 700,000 in Michigan

Gov. Snyder's plan

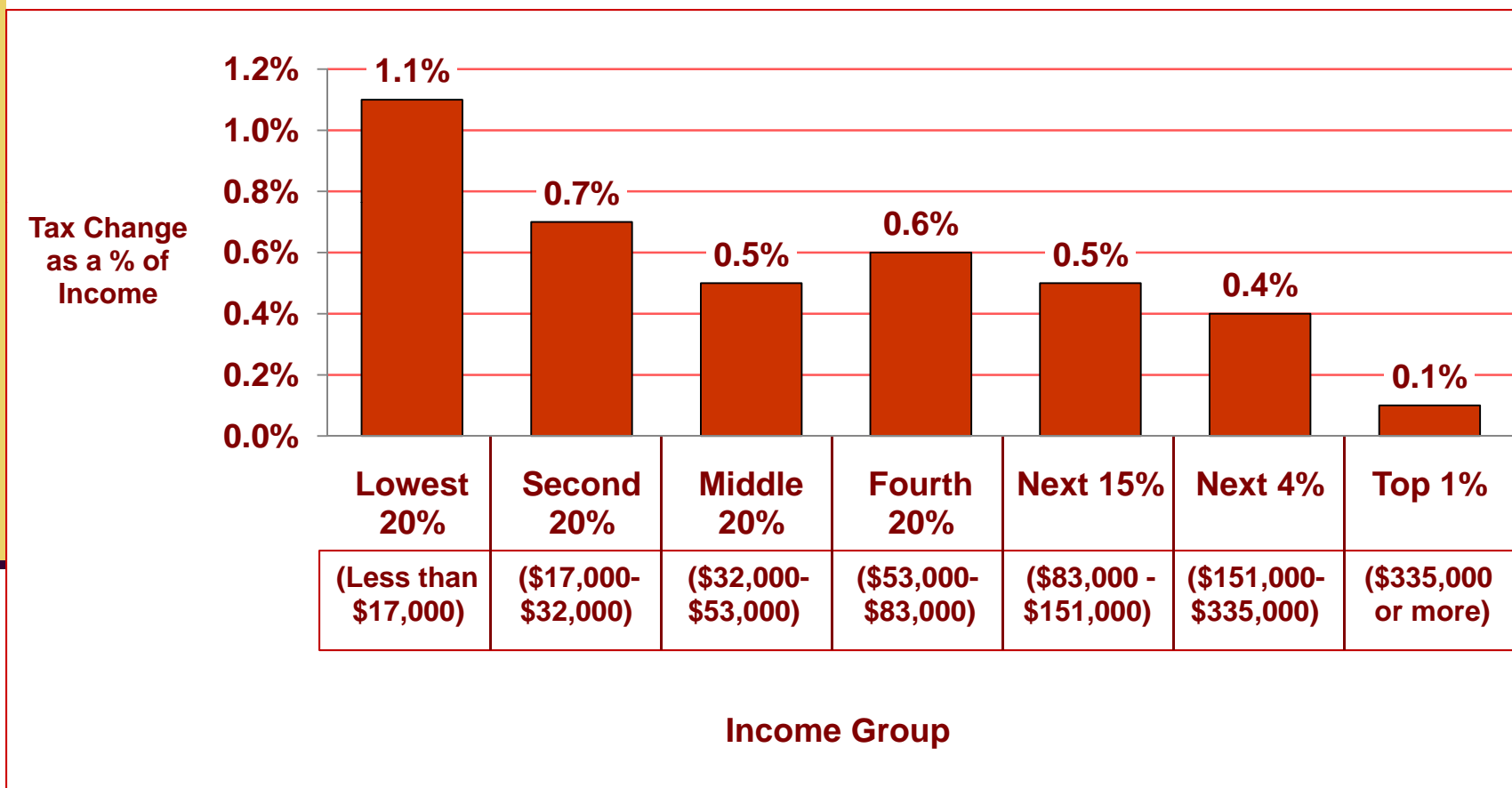


Sample taxpayers

	Income	Refund now	Proposed refund	Tax increase
Senior couple	\$42,000	\$780	\$80	90%
Single parent of 2	\$22,000	\$749	\$60	92%

	Income	Refund now	Proposed refund	Tax
Married couple				
— with 2 children	\$55,000	\$1,045	\$883	16% decrease
— with 3 children	\$110,000	\$3,897	\$3,974	2% increase

Tax plan hits poor families



Source: Institute on Taxation and Economic Policy, March 2011

What do voters say?

- League commissioned poll, EPIC/MRA, found 76% do not support eliminating the EITC when told that it will finance biz tax cuts
- Free Press/WXYZ poll found taxing pensions unpopular, but more opposition to ending EITC (58%)

Take action

- Go to www.saveoureitc.com
- Sign UWSEM letters



The Michigan League for Human Services is a state-level policy organization focused on the needs of Michigan's low-income families and individuals.

The League was founded in 1912 and is a private, nonprofit charitable organization.
