



Michigan League FOR Human Services

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Michigan no longer among worst states for taxing the working poor

Michigan's Earned Income Tax Credit propelled the state off the list of the 10 worst states for taxing the working poor, [a new report](#) by the Center on Budget and Policy Priorities concludes.

The EITC, which went into effect in 2008, meant the state was no longer taxing families living in poverty. Michigan was highlighted in the report for the EITC pushing the income tax threshold slightly above the poverty line.

"This is good news for working poor families in Michigan. The tax credit works," said Karen Holcomb-Merrill, state fiscal project director for the Michigan League for Human Services. "The EITC is a tool that rewards work and helps achieve self sufficiency."

The Michigan EITC is scheduled to go up in tax year 2009. It was 10 percent of the federal Earned Income Tax Credit in 2008 and is set to go to 20 percent in 2009.

Michigan has long been named in an annual report by the Center on Budget and Policy Priorities as one of the worst states for taxing the poor. In last year's report, it was one of only 10 states that taxed families well below poverty.

A single-parent family of three living at the poverty line in Michigan in 2007 paid the third-highest state income taxes in the country. By 2008, however, Michigan ranked No. 31.

"We hope this sheds light on the need to move ahead as scheduled with the increase in the Earned Income Tax Credit. We need to move forward," Holcomb-Merrill said.

The report and press release can be found at www.cbpp.org.

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The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs.

The Michigan League for Human Services is a statewide, nonprofit, nonpartisan policy and advocacy group for low-income citizens. It has a network of more than 1,500 from business, labor, human service professions, faith-based organizations as well as concerned citizens.

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