



Michigan League FOR Human Services

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Freezing a tax credit promised to 710,000 working poor families is a bad idea

A Wednesday news report quoted Sen. Mark Jansen, R-Cutlerville, as proposing to pay for business tax cuts in part by freezing the Michigan Earned Income Tax Credit.

That's a poor public policy choice, and it would be made at the expense of 710,000 working poor families in Michigan, according to the Michigan League for Human services.

The Michigan Earned Income Tax Credit went into effect for tax year 2008, and is a state tax credit that equals 10 percent of the federal Earned Income Tax Credit. In 2009, it is scheduled to go to 20 percent of the federal EITC. The tax credit was passed with bipartisan support in 2006.

“Low- and moderate-income working families need every dollar that has been promised to them. This is money that keeps the heat on, pays the rent, covers medical expenses or pays for repairs to cars so breadwinners can keep working,” said MLHS President & CEO Sharon Parks.

“This is not good public policy at a time when Michigan has skyrocketing need with a double-digit unemployment rate, a broken unemployment system, and the loss of 59,000 jobs in December alone.”

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

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