**Snyder tax plan is regressive**

Michigan has a regressive tax system, meaning that lower-income people pay a bigger share of their income in state and local taxes than higher-income people. Gov. Rick Snyder’s plan would make it even more regressive, according to an analysis by the Institute on Taxation and Economic Policy, a Washington D.C.-based nonpartisan think tank. In fact, the impact on Michigan’s poorest households will be more than 10 times greater than the impact on the wealthiest households.

**Business gets big break**

The Snyder plan would dramatically reduce taxes on businesses (86% drop) while increasing taxes paid by individuals (31% increase).

**Income taxes rise**

Income tax changes proposed include taxing pensions, reducing credits for seniors, ending the Michigan Earned Income Tax Credit, ending the $600 per child tax deduction and dropping the income tax rate from 4.35 percent to 4.25 percent. While proposed changes to the Homestead Property Tax Credit would help some low-income families, the impact from eliminating the EITC far overshadows it.

**Poor hit harder**

ITEP’s distributional analysis finds that the lowest 20 percent of households would pay 1.1 percent more of their incomes in increased taxes. All other income groups would pay less than 1 percent in new taxes. In fact, the top 1 percent of households would pay 1/10th of 1 percent more.

**System is already regressive**

An earlier analysis by ITEP found that Michigan’s existing tax system is regressive with the lowest 20 percent paying 8.9 percent of income in state and local taxes while the top 1 percent pays only 5.3 percent. Snyder’s plan would make it even more regressive.