

Michigan

Poor Families in Michigan Are Hit Harder by the Income Tax Than Those in Most Other States

Michigan's 2002 income tax threshold — the income level at which families begin paying income tax:

Ranking among 42 states with income taxes
7th lowest (tie)

⇒ For two-parent families of three: **\$10,200.**

⇒ For single-parent families of four: **\$13,200.**

8th lowest

Michigan's 2002 income tax on working-poor and near-poor families:

⇒ For families of three with *incomes at the poverty line* (\$14,351): **\$170**

7th highest

⇒ For families of four with *incomes at the poverty line* (\$18,390): **\$213.**

10th highest

⇒ For families of three with *minimum-wage earnings* (\$10,712): **\$21**

7th highest

⇒ No tax on families of four with *minimum-wage earnings* (\$10,712).

⇒ For families of three with *incomes at 125% of poverty line* (\$17,939): **\$317.**

9th highest

⇒ For families of four with *incomes at 125% of poverty line* (\$22,988): **\$401.**

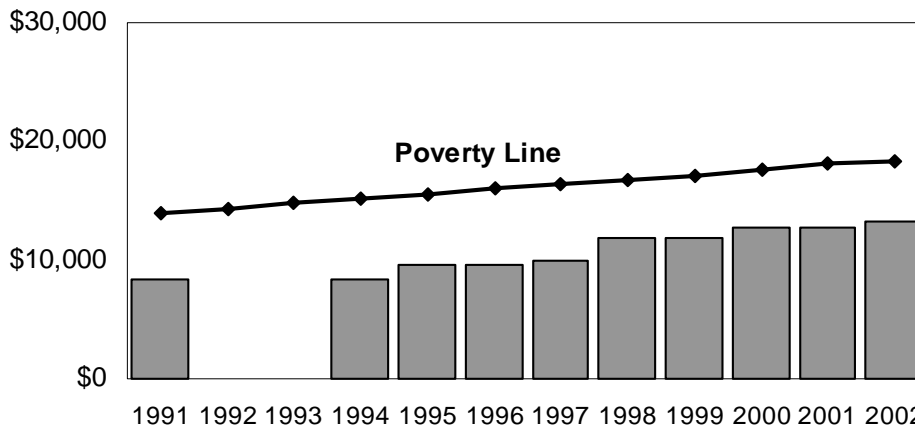
11th highest

Michigan has consistently taxed families with incomes below the poverty line.

⇒ Michigan's tax threshold for families of four increased during the last decade, but a substantial gap remains between the threshold and the poverty line.

⇒ In 1991, a family of four owed tax when its income exceeded 60 percent of the poverty line. By 2002, Michigan's tax threshold was 72 percent of the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$8,400
1994	\$8,400
1995	\$9,600
1996	\$9,600
1997	\$10,000
1998	\$11,800
1999	\$11,800
2000	\$12,800
2001	\$12,800
2002	\$13,200