

Michigan

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

Michigan's 2004 income tax threshold — the income level at which families begin paying income tax:

Ranking among 42 states with income taxes
6th lowest (tied)

⇒ For single-parent families of three: **\$10,500.**

7th lowest

⇒ For two-parent families of four: **\$13,600.**

Michigan's 2004 income tax on working-poor and near-poor families:

⇒ For families of three with *incomes at the poverty line* (\$15,071): **\$181**

6th highest

⇒ For families of four with *incomes at the poverty line* (\$19,311): **\$226.**

9th highest

⇒ For families of three with *minimum-wage earnings* (\$10,712): **\$8**

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* (\$18,839): **\$329.**

8th highest

⇒ For families of four with *incomes at 125% of poverty line* (\$24,139): **\$416.**

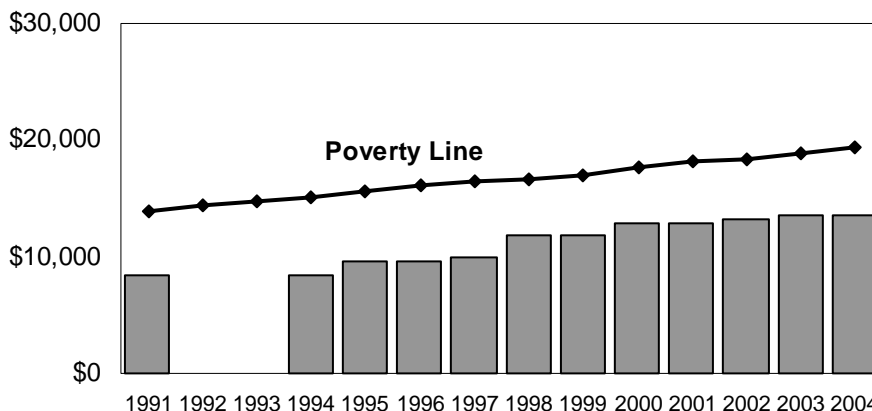
12th highest

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 2004, Michigan's tax threshold was 70 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
2003	\$13,600
2004	\$13,600