

# Michigan

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

**Michigan's 2003 income tax threshold — the income level at which families begin paying income tax:**

*Ranking among  
42 states with  
income taxes*  
**7<sup>th</sup> lowest**

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

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

**7<sup>th</sup> lowest**

**Michigan's 2003 income tax on working-poor and near-poor families:**

⇒ For families of three with *incomes at the poverty line* (\$14,675): **\$167**

**6<sup>th</sup> highest**

⇒ For families of four with *incomes at the poverty line* (\$18,811): **\$208.**

**9<sup>th</sup> highest**

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

**7<sup>th</sup> highest**

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

⇒ For families of three with *incomes at 125% of poverty line* (\$18,344): **\$314.**

**8<sup>th</sup> highest**

⇒ For families of four with *incomes at 125% of poverty line* (\$23,514): **\$397.**

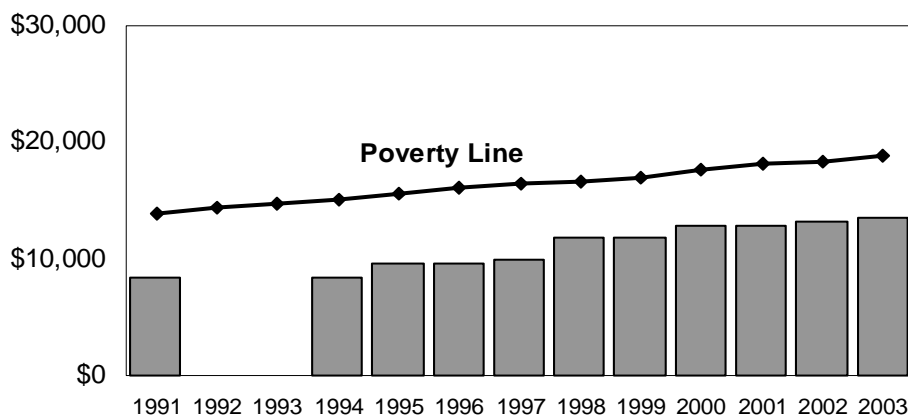
**12<sup>th</sup> highest**

**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 2003, 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
2003	\$13,600