

Michigan

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

Michigan's 2000 income tax threshold — the income level at which families begin paying income tax:

Ranking among 42 states with income taxes

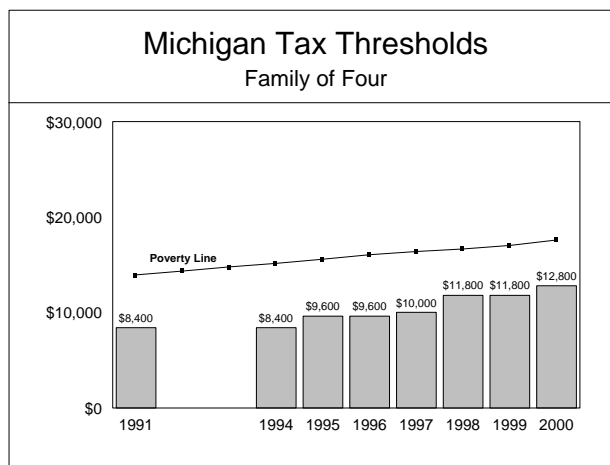
- For two-parent families of four: **\$12,800**. **8th lowest**
- For single-parent families of three: **\$9,900**. **7th lowest**

Michigan's 2000 income tax on working-poor and near-poor families:

- For families of four with *incomes at the poverty line* (\$17,601): **\$202**. **11th highest**
- For families of three with *incomes at the poverty line* (\$13,737): **\$161**. **7th highest**
- For families of three with *minimum-wage earnings* (\$10,712): **\$34**. **9th highest**
- For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$386**. **13th highest**
- For families of three with *incomes at 125% of the poverty line* (\$17,171): **\$305**. **9th 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. For 2000, Michigan's tax threshold is 73 percent of the poverty line.



Source: Center on Budget and Policy Priorities.