

Michigan

Michigan Taxes the Income of Working-Poor Families More Than Most Other States

Michigan's 2006 income tax threshold

Rank among the 42 states with income taxes

(The income level at which families begin paying income tax)

(1 = lowest threshold)

- For single-parent families of three: \$11,100 5
- For two-parent families of four: \$14,400 5

Michigan's 2006 income tax levied on working-poor and near-poor families

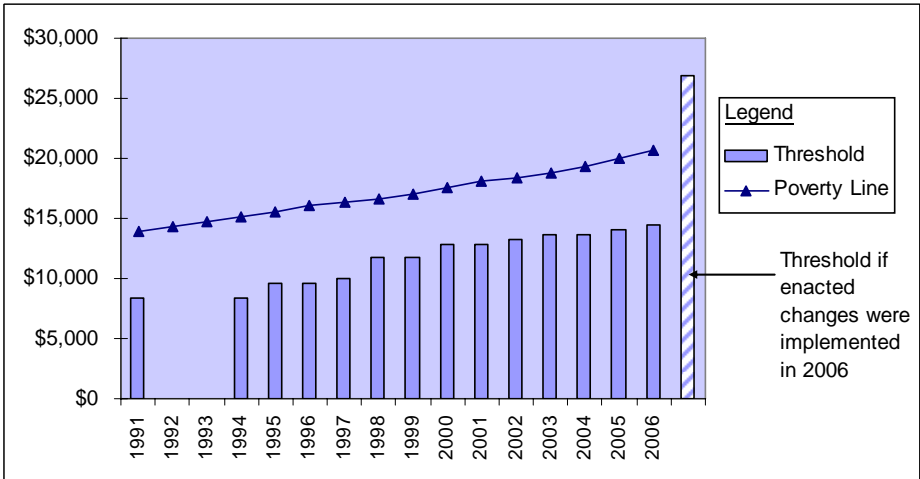
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$194 4
- For families of four with incomes at the poverty line (\$20,615): \$242 6
- For families of three with minimum-wage earnings (\$11,645): \$21 5
- For families of three with incomes at 125% of poverty line (\$20,099): \$351 7
- For families of four with incomes at 125% of poverty line (\$25,769): \$443 10

By 2008, Michigan will no longer tax families with incomes below the poverty line.

- A new state Earned Income Tax Credit, enacted in 2005, will take effect in 2008.
- This new credit will eliminate income tax for working poor families with children and instead provide a tax refund.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$8,400
1992	no data
1993	no data
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
2005	\$14,000
2006	\$14,400