

Michigan

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

Michigan's 2005 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: \$10,800 5
- For two-parent families of four: \$14,000 5

Michigan's 2005 income tax levied on working-poor and near-poor families

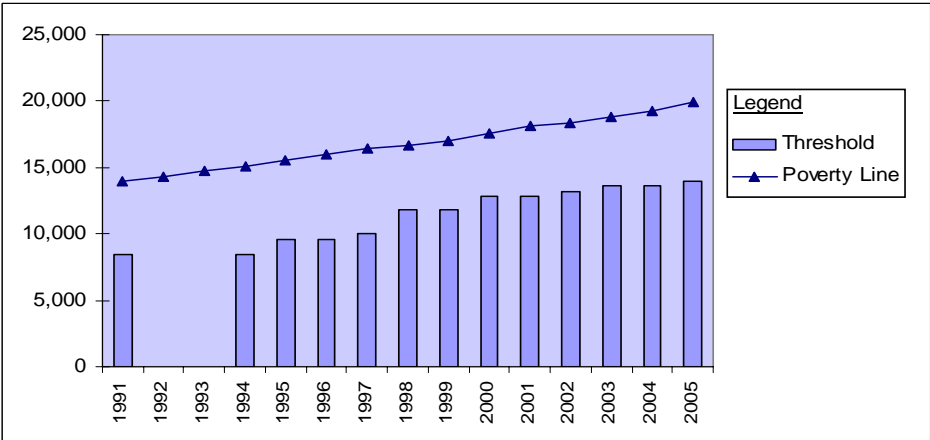
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (15,577): \$186 4
- For families of four with incomes at the poverty line (19,961): \$232 7
- For families of three with minimum-wage earnings (\$10,712): \$0 (tied for) 7
- For families of three with incomes at 125% of poverty line (19,471): \$338 8
- For families of four with incomes at 125% of poverty line (24,951): \$427 11

Michigan consistently taxes families with incomes significantly below the poverty line.

- Since 1991, Michigan has consistently taxed families of four with income below three-quarters of the poverty line.
- While other states have reduced their income taxation of working-poor families in recent years, Michigan has continued to tax poor families. As a result, Michigan is now one of just five states that tax families of four with income of \$14,000 or less.

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