**MICHIGAN**

**STATE AND LOCAL TAX SHARES OF FAMILY INCOME** for non-elderly taxpayers

**NOTE:**
Figures show permanent law in Michigan enacted through September 10, 2018 at 2015 income levels. Personal income tax figures reflect fully phased-in changes to retirement exclusions and increases to the personal exemption (through 2022), but do not reflect reductions to marginal income tax rates scheduled to begin in 2023 if certain “triggers” are met. The 6th edition of Who Pays does not include the impact of the federal deduction for state and local taxes (SALT) because policy changes in the 2017 federal Tax Cuts and Jobs Act temporarily limited the extent to which the SALT deduction functions as a generalized offset of state and local taxes.
## MICHIGAN

**State and Local Taxes (cont.)**

### TOTAL TAX

**Share of Family Income**

<table>
<thead>
<tr>
<th>INCOME GROUP</th>
<th>LOWEST 20%</th>
<th>SECOND 20%</th>
<th>MIDDLE 20%</th>
<th>FOURTH 20%</th>
<th>NEXT 15%</th>
<th>NEXT 4%</th>
<th>TOP 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME RANGE</td>
<td>Less than $17,600</td>
<td>$17,600 to $33,000</td>
<td>$33,000 to $57,100</td>
<td>$57,100 to $95,900</td>
<td>$95,900 to $199,600</td>
<td>$199,600 to $422,100</td>
<td>over $422,100</td>
</tr>
<tr>
<td>AVERAGE INCOME IN GROUP</td>
<td>$10,000</td>
<td>$25,200</td>
<td>$43,300</td>
<td>$75,400</td>
<td>$132,900</td>
<td>$284,900</td>
<td>$1,245,700</td>
</tr>
</tbody>
</table>

### SALES & EXCISE TAXES

- General Sales—Individuals: 6.2% 5.0% 3.9% 3.1% 2.3% 1.5% 0.8%
- Other Sales & Excise—Ind.: 2.9% 2.6% 2.1% 1.7% 1.3% 0.9% 0.5%
- Sales & Excise on Business: 2.0% 1.1% 0.8% 0.5% 0.3% 0.2% 0.1%

### PROPERTY TAXES

- Home, Rent, Car—Individuals: 3.4% 2.3% 2.6% 3.0% 2.7% 2.4% 1.6%
- Other Property Taxes: 3.3% 2.2% 2.5% 2.8% 2.5% 2.0% 0.5%

### INCOME TAXES

- Personal Income Tax: 0.7% 2.1% 2.7% 3.2% 3.5% 3.5% 3.8%
- Corporate Income Tax: 0.7% 2.0% 2.7% 3.1% 3.4% 3.5% 3.6%

### TOTAL TAXES

<table>
<thead>
<tr>
<th></th>
<th>TOP 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Family Income</td>
<td>10.4% 9.4% 9.2% 9.2% 8.4% 7.5% 6.2%</td>
</tr>
</tbody>
</table>

*Individual figures may not sum to totals due to rounding.*

### ITEP TAX INEQUALITY INDEX

According to ITEP’s Tax Inequality Index, which measures the impact of each state’s tax system on income inequality, **Michigan has the 22nd most unfair state and local tax system** in the country. Incomes are more unequal in Michigan after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the methodology section for additional detail on the index.)

### TAX FEATURES DRIVING THE DATA IN MICHIGAN

#### PROGRESSIVE TAX CODE FEATURES

- Provides a refundable property tax “circuit breaker” credit via the personal income tax
- Provides a refundable Earned Income Tax Credit (EITC)
- Sales tax base excludes groceries
- Requires the use of combined reporting for the corporate income tax

#### REGRESSIVE TAX CODE FEATURES

- Personal income tax uses a flat rate
- Comparatively low EITC
- Does not levy a tax on estates or inheritances