

Family advocacy group says Gov. Snyder's tax plan hits low-income households 10 times harder

Published: Tuesday, March 08, 2011, 3:07 PM Updated: Wednesday, March 09, 2011, 1:07 AM



By **Monica Scott | The Grand Rapids Press**

The Michigan League for Human Services says a new analysis of Gov. Snyder's **proposed tax plan** shows that low-income families would see a far bigger impact from income tax increases than wealthy families.

Citing analysis by the Institute on Taxation and Economic Policy, the League says the poorest 20 percent of Michiganders would pay out an additional 1.1 percent of their income in tax each year, while the state's wealthiest taxpayers would see their bills rise by just one-tenth of 1 percent, relative to their annual income.

The groups says that means 20 percent of households earning the lowest incomes in Michigan — \$17,000 or less — will see their taxes climb as a percentage of their income by more than 10 times that of those in the top 1 percent of households earning \$335,000 or more. The biggest impact on low-income families would come from the proposed elimination of the state's Earned Income Tax Credit.

"Gov. Snyder has discussed shared sacrifice as we struggle to make Michigan a competitive state again. But this new analysis is further evidence that he's asking too much from vulnerable children and their families and seniors in order to give businesses a tax break," said Gilda Z. Jacobs, president and CEO of the **Michigan League for Human Services**.

A recent League analysis found Snyder's plan will cut business taxes by 86 percent while increasing income taxes 31 percent. It's been estimated that only 41,000 of the 136,000 business that now pay business tax would pay under the governor's proposals. A shift the League says will increase taxes on seniors and working poor families with children.

"The governor's proposed budget still makes \$1.5 billion in cuts, slashing per-pupil funding, revenue sharing and support to the state's colleges and universities," said Karen Holcomb-Merrill, director of the League's state fiscal



Kalamazoo Gazette File Photo

Gov. Rick Snyder speaking at the Radisson Plaza Hotel and Suites in downtown Kalamazoo.

policy project. "Seniors, working families and kids are not being asked to sacrifice in order to make sure needed services are available. Instead, they're being asked to sacrifice so that most businesses will not have to pay any taxes at all."

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