

Study: Snyder budget shifts tax burden to poor

By [Ed Brayton](#) | 03.09.11 | 7:21 am

A [new study](#) highlighted by the Michigan League for Human Services concludes that Gov. Snyder's budget proposals, despite dropping the state income tax rate from 4.35 to 4.25 percent, will increase the tax burden on the poorest Michigan residents more than the wealthy.

Michigan has a regressive tax system, meaning that lower-income people pay a bigger share of their income in state and local taxes than higher-income people. Gov. Rick Snyder's plan would make it even more regressive, according to an analysis by the Institute on Taxation and Economic Policy, a Washington D.C.-based nonpartisan think tank. In fact, the impact on Michigan's poorest households will be more than 10 times greater than the impact on the wealthiest households.

The study also notes that Snyder's plan would reduce business taxes by 86 percent while raising personal income taxes by 31 percent — all while eliminating the Earned Income Tax Credit and the child deduction, thus raising taxes on working families and the poor.

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