



DATE: February 2019
TO: Friends and Colleagues
FROM: Gilda Z. Jacobs, President and CEO
SUBJECT: ***Money Back in Michigan***

The Michigan League for Public Policy is pleased to send you the tax year 2018 edition of **Money Back in Michigan**, an outreach effort that promotes awareness of various federal and state tax credits and deductions available to households with low and moderate income. This packet is designed to assist organizations that serve individuals and families with low incomes by providing timely information about credits for which they may qualify. It includes fliers that can be distributed or displayed in local offices, libraries, community centers and retail businesses.

As with past years, the largest credit that most families with low incomes will be able to claim (and that service agencies should be sure to publicize with their clients) is the federal Earned Income Tax Credit (EITC). This tax credit rewards work and helps lift families out of poverty. For tax year 2018, a two-parent family with two children can receive up to \$5,716 (depending on income level) as a refundable credit.

Tax year 2018 is the 11th year that the Michigan Earned Income Tax Credit will be available to working families who qualify for the federal credit. Eligible filers will be able to claim the equivalent of 6% of their federal credit on their 2018 Michigan tax return. The Michigan EITC was 20% of the federal EITC until 2011, when it was cut.

The federal Child Tax Credit continues to be available to families who earn at least \$2,500 and have at least one child. Families with child care expenses are able to have some of that cost offset by the federal Child and Dependent Care Credit. There are other smaller credits available on both state and federal taxes that are described in this packet as well.

All of these tax credits make a huge difference in the well-being of thousands of Michigan workers, but only if tax filers and preparers know about them. **The League urges you to share this information with your clients and with those in your community who work with individuals and families with low incomes.**

Color copies are available at <https://mlpp.org/economic-security/money-back-in-michigan/>.

The League also strongly encourages the promotion of Volunteer Income Tax Assistance (VITA) to ensure that filers with low incomes get their entire tax refund. Information about VITA can be found at www.MichiganFreeTaxHelp.org.



February 2019

A large graphic of the state of Michigan is centered on the page. The interior of the map is filled with a collage of US dollar bills, including \$100, \$20, and \$10 bills, some of which are partially obscured by the text. The bills are arranged in a way that they appear to be layered and overlapping.

Money Back in Michigan

Returning more tax dollars to
Michigan households

Tax Year 2018