



# IT'S TIME TO EXPAND MICHIGAN'S EITC

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The Michigan Earned Income Tax Credit (EITC) is a tax credit for workers and families with low incomes to help them meet basic spending needs. Michigan's current EITC—at just 6% of the federal credit—provides help to working families struggling to make ends meet by boosting after-tax incomes. The EITC pulls Michigan families above the poverty line and reduces inequality. In tax year 2019, about 738,380 families statewide received an average credit of \$150, putting more than \$110 million back into the Michigan economy.

**But the EITC should do more.** Restoring the credit to its 2011 level (20% of the federal credit) would bring Michigan up to speed with other states. And increasing Michigan's EITC to 30% of the federal credit would mean an average credit of \$749 for these families, which they can use to stay current on bills or afford a car repair.

Improving the EITC is a common sense strategy to boost families, communities, and the economy.

## THE EITC's IMPACT

In 2019, about  
**738,380**  
families in Michigan  
benefited from the  
Michigan EITC.  
That's 15% of filers.

|   | Average boost to a<br>working family's<br>income | Amount returned to<br>local economies |
|---|--|---------------------------------------|
| <b>Current</b><br>(6% of federal EITC)      | \$150  | \$110.6 M                             |
| <b>If Restored</b><br>(20% of federal EITC) | \$499  | \$368.6 M                             |
| <b>If Expanded</b><br>(30% of federal EITC) | \$749  | \$552.9 M                             |

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## HOW IT WORKS

The EITC reduces poverty and helps families take steps toward self-sufficiency.

The EITC helps small businesses and boosts local economies by helping workers pay for things like child care, groceries and transportation.

Children of EITC recipients are healthier, do better and go further in school, and earn more as adults.

Estimates using Michigan Department of Treasury data.