

Sharon Parks

Michigan League for Human Services



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Michigan's Economic Crisis: Time for a Cure

Center for Michigan

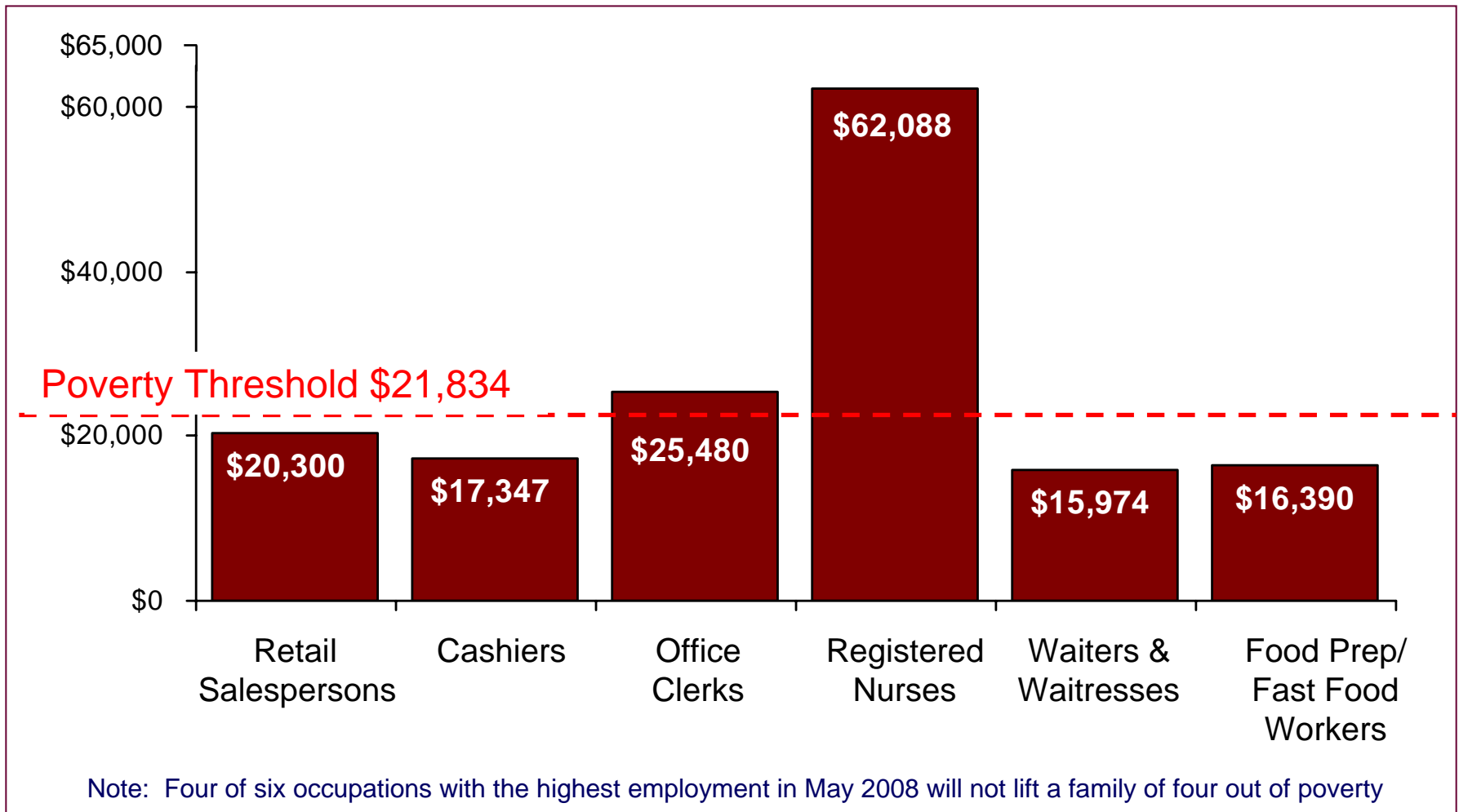
November 17, 2009

Eagle Eye Golf Club

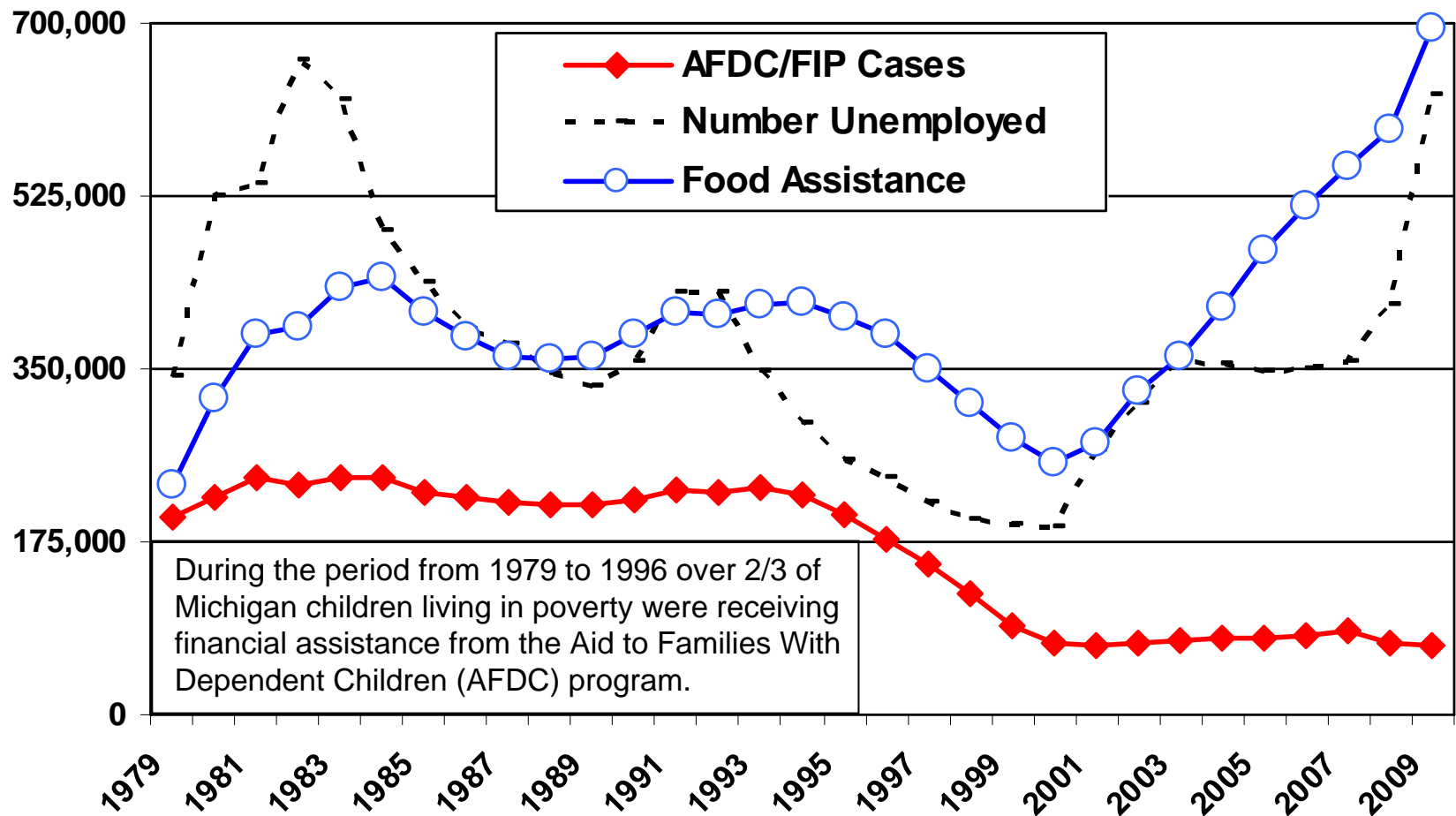
1115 South Pennsylvania Avenue, Suite 202, Lansing, MI 48912-1658 • (517) 487-5436
Fax: (517) 371-4546 • Web site: <http://www.MiLHS.org>

A United Way Agency

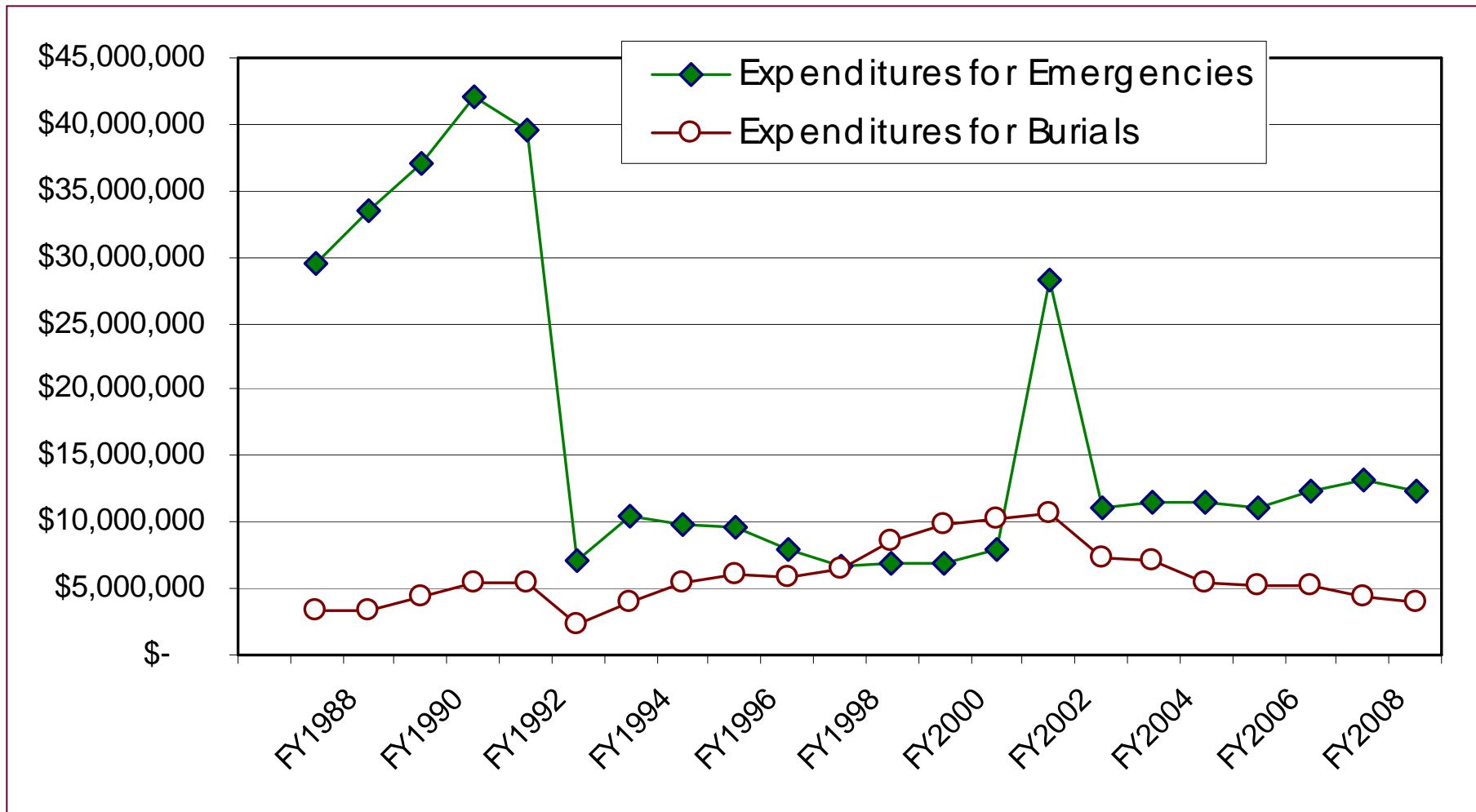
Breadwinners can't support families in four out of six top Michigan jobs



By 2004 the share (1/3) of poor children receiving cash assistance had been cut in half.

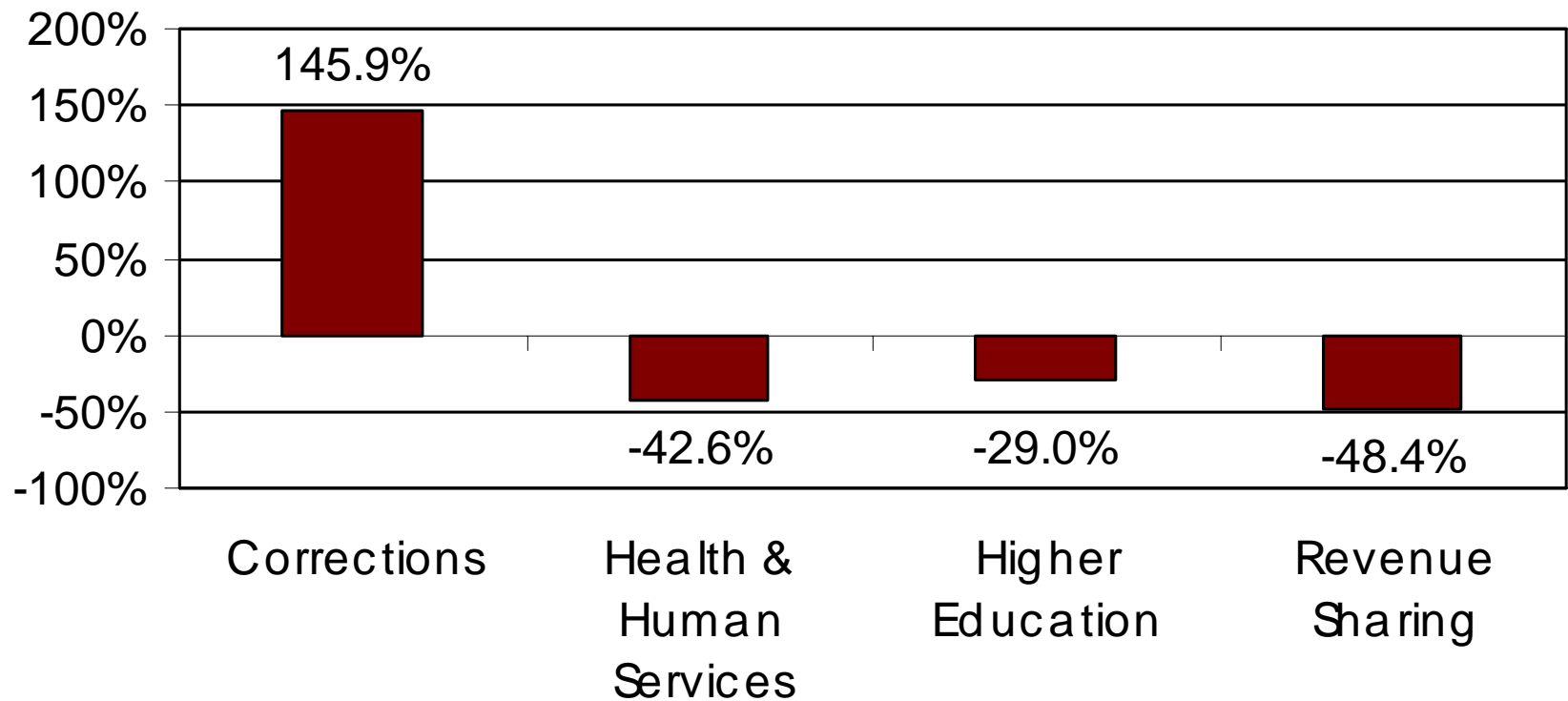


Emergency Needs Program/State Emergency Relief Programs Expenditure History FY1987 - FY2008



Priority shift

Percentage Changes in General Fund Spending as a Share of Michigan's Economy (1985 vs. 2009).

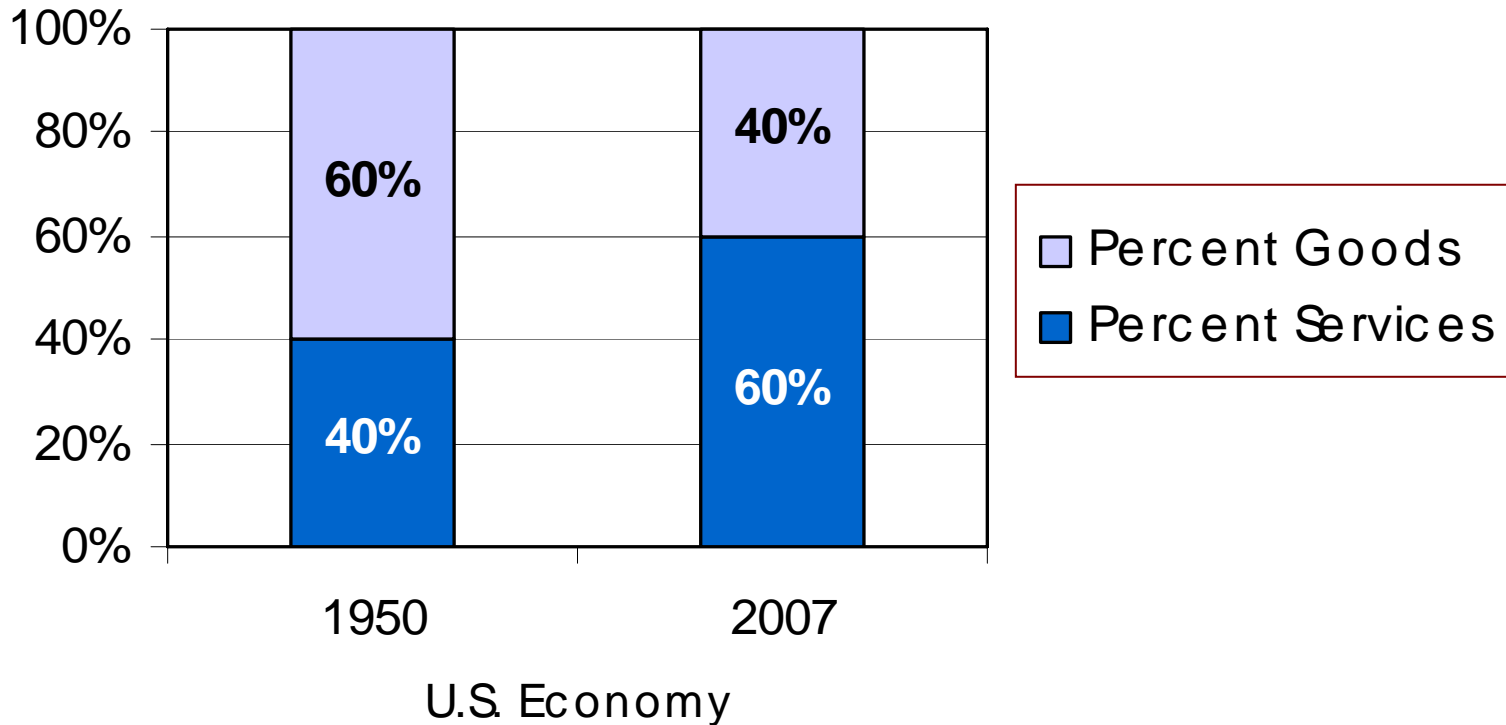


Income Tax: It's Time for the Flat Tax to Go

- Only seven states have a flat tax
- 34 states and the District of Columbia have a graduated tax
- A graduated tax could help at least 90% of filers

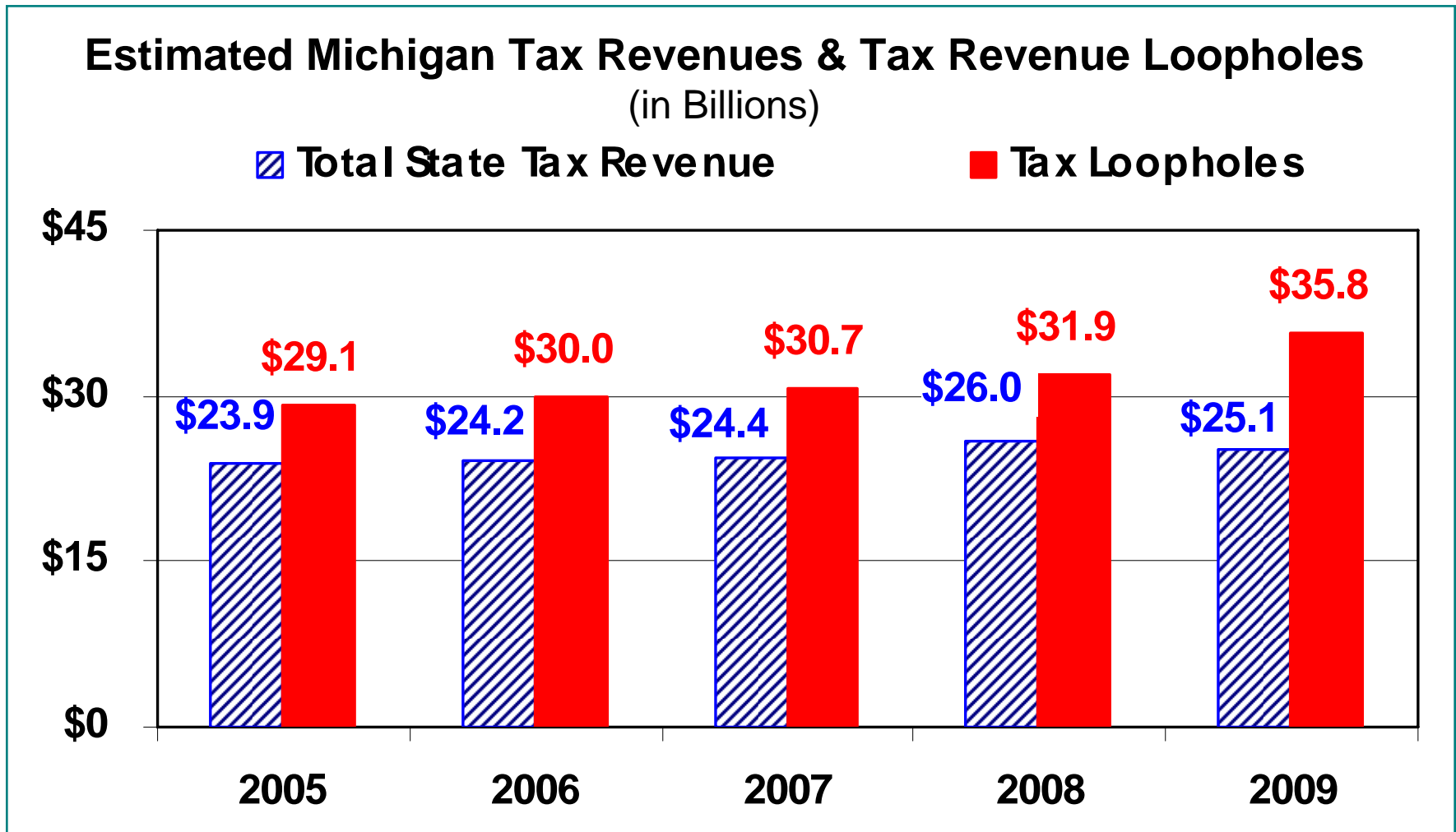
Tax Bracket	Taxable Income: Single	Taxable Income: Married, Filing Jointly
3.9%	\$0-\$20,000	\$0-\$40,000
4.35%	\$20,001-\$60,000	\$40,001-\$120,000
6.9%	\$60,001 and above	\$120,001 and above

Michigan's outdated tax structure misses sales tax on services



Michigan taxes only 26 of 168 identified services, ranking it 37th in the country.
Other Midwest states tax 51 services on average.

The rising cost of tax loopholes



Data Sources: Michigan Department of Treasury Executive Budget Appendix on Tax Credits, Deductions and Exemptions FY2005 - FY2009 and Department of Management and Budget Comprehensive Annual Financial Reports. Calculations by Michigan League for Human Services