State and local tax shares of family income

**Total Taxes**
*Share of family income*

<table>
<thead>
<tr>
<th>Income Bracket</th>
<th>Lowest 20%</th>
<th>Second 20%</th>
<th>Third 20%</th>
<th>Fourth 20%</th>
<th>Next 15%</th>
<th>Next 4%</th>
<th>Top 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $21,300</td>
<td>7.1%</td>
<td>9.0%</td>
<td>9.7%</td>
<td>9.7%</td>
<td>8.6%</td>
<td>7.4%</td>
<td>5.7%</td>
</tr>
<tr>
<td>$21,300 to $43,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$43,200 to $77,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$77,300 to $135,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$135,000 to $260,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$260,300 to $670,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top 20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: All figures and charts show 2024 tax law in Michigan, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly 100 percent of state and local tax revenue collected in Michigan.
Michigan State and local tax (cont.)

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Lowest 20%</th>
<th>Second 20%</th>
<th>Middle 20%</th>
<th>Fourth 20%</th>
<th>Next 15%</th>
<th>Next 4%</th>
<th>Top 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Range</td>
<td>$21,300 to $43,200</td>
<td>$43,200 to $77,300</td>
<td>$77,300 to $135,000</td>
<td>$135,000 to $260,300</td>
<td>$260,300 to $670,300</td>
<td>Over $670,300</td>
<td></td>
</tr>
<tr>
<td>Average Income in Group</td>
<td>$12,100</td>
<td>$31,200</td>
<td>$58,200</td>
<td>$104,500</td>
<td>$175,800</td>
<td>$379,500</td>
<td>$1,727,300</td>
</tr>
</tbody>
</table>

**Sales & Excise Taxes**
- General Sales–Individuals: 6.6%
- Other Sales & Excise–Ind.: 5.0%
- Sales & Excise–Business: 4.1%

**Property Taxes**
- Home, Rent, Car–Individuals: 1.6%
- Other Property Taxes: 2.5%

**Income Taxes**
- Personal Income Taxes: -1.2%
- Corporate Income Taxes: 1.5%

**Other Taxes**
- 0.1%

**TOTAL TAXES**
- 7.1%

ITEP Tax Inequality Index
Michigan has a hybrid system that is progressive through the bottom part of the income distribution and regressive through the top part. On balance, the overall system tilts regressive because high-income families pay the lowest overall tax rates. **According to ITEP’s Tax Inequality Index, Michigan has the 34th most regressive state and local tax system in the country.** Income disparities between high-income taxpayers and other families are larger in Michigan after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

Tax features driving the data in Michigan

- Refundable property tax “circuit breaker” credit (all ages, includes renters)
- Requires combined reporting for the corporate income tax but excludes profits booked overseas, including in tax haven countries
- Sales tax base excludes groceries
- Refundable Earned Income Tax Credit (EITC)
- Real estate transfer tax does not include higher rate on high-value sales
- No Child Tax Credit (CTC)
- Does not levy a tax on estates or inheritances
- Personal income tax uses a flat rate

Individual figures may not sum to totals due to rounding.