

# **Governor Whitmer's Plan to Cut Taxes for Working Families**

## **Background**

Governor Whitmer believes that state government should find ways to cut taxes for working people and put more money in their pockets so they can pay the bills and put food on the table. One mechanism to save families money is the Earned Income Tax Credit, or EITC. The EITC is a bipartisan, refundable tax break for working families offered at the federal and state level.

Over ten years ago, more than 730,000 Michiganders received an average Michigan EITC of \$450 on top of an average federal EITC of \$2,500. That's an almost \$3,000 tax refund for working families.

But In 2012, Michigan's tax code was rewritten, slashing the state EITC to a third of its original size, to pay for a tax giveaway to big corporations that did not need it. Hundreds of thousands of families lost hundreds of dollars from their tax refund.

## **Putting Michiganders First**

Carrie from Romeo is a pharmacy tech making \$15 an hour and a mom of three. She works hard every day but is struggling to make ends meet as costs rise. Every year, she looks forward to her tax refund and uses the EITC to pay for three to four months of her bills ahead of time. Many of Carrie's friends and coworkers also rely on the EITC. They file early, get their refund, and use the money to pay the bills and put food on the table.

## **Plan**

Michiganders who work hard every day to provide for their families deserve a break and a bigger tax refund. Governor Whitmer is calling on the state legislature to restore the Michigan state EITC to its original amount and deliver an average tax refund of nearly \$3,000 to over 730,000 working people.

## **Opportunity**

Boosting the state EITC back to its original amount would pull over 22,000 Michiganders out of working poverty and help over 730,000 people keep the heat on, repair their car, or pay an apartment deposit. Nearly 1 million kids—almost half of the kids in Michigan—would benefit from raising the EITC. It means new backpacks, warmer coats, and more hot meals.