
Michigan Catholic Conference

August 01, 2002

Dear Michigan Citizen:

Last year over a half-million Michigan households received an Earned Income Tax Credit (EITC) as a result of their federal income tax filing. The EITC is a federal refundable tax credit designed to offset the payroll taxes of low and moderate-income workers. It was first initiated in 1975 and has enjoyed strong bipartisan support at the federal level.

The EITC provides significant tax relief to workers, primarily those with families who do not otherwise earn enough after taxes to raise their family above the poverty level. Indeed, the federal EITC lifts more children out of poverty than any other federal program.

A growing number of states are also enacting EITCs as a way to offer tax relief to low and moderate-income families, especially families struggling to make their way into the world of work for the first time. Eleven states now offer an EITC and, since 1997, seven states have enacted new EITCs or have expanded existing EITCs.

The Michigan Catholic Conference has advocated a Michigan EITC for several years. We are pleased that Patrick L. Anderson has written this report, providing policymaker and opinion leaders with the necessary data and analysis on a State of Michigan EITC. We hope this report serves as a valuable resource as this important issue continues to be deliberated. Given its findings, we are more convinced than ever that a Michigan EITC would be good public policy for the people of Michigan.

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