

MICHIGAN'S INDIVIDUAL INCOME TAX 1991



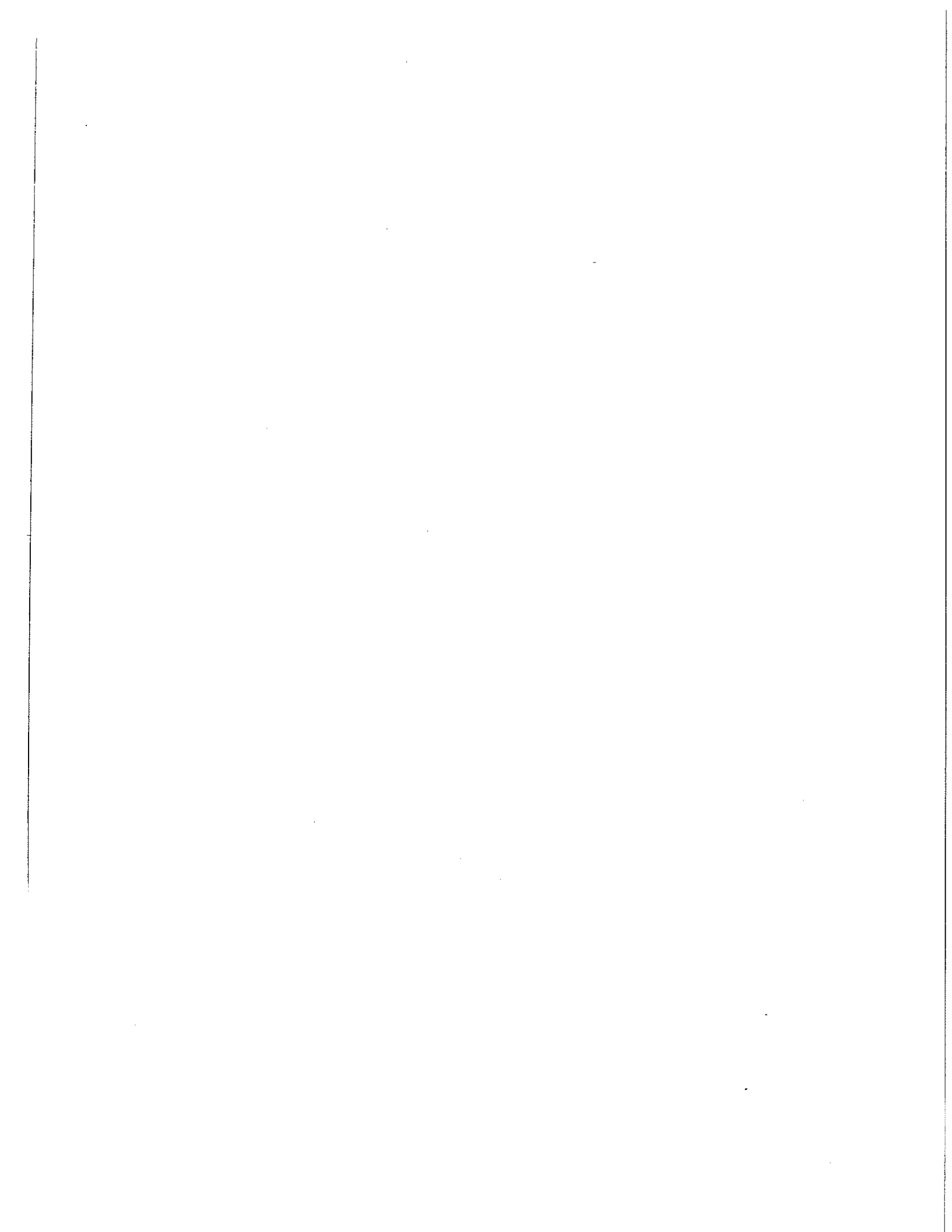
**Office of Revenue and Tax Analysis
Michigan Department of Treasury
April 1995**

This report was compiled by Andrew Lockwood under the direction of Mark Haas and Howard Heideman of the Office of Revenue and Tax Analysis. Robert J. Ballard of the Budget and Accounting Division collected the income tax sample and prepared the data tables. Karen Yurchak and Patricia Pratt, Information Services, provided editorial and word processing assistance.

Total number of copies:	325
Total cost:	\$350.00
Cost per copy:	\$1.08

TABLE OF CONTENTS

	<u>Page</u>
I. EXECUTIVE SUMMARY	1
Returns and Revenue	1
Property Tax Credit	1
Home Heating Credit	1
City Income Tax Credit	1
College Contribution Credit	2
II. INTRODUCTION	3
III. HISTORY OF THE MICHIGAN INDIVIDUAL INCOME TAX	4
IV. INCIDENCE OF THE INDIVIDUAL INCOME TAX	5
V. INCOME TAX CREDITS	10
Property Tax Credit	10
Home Heating Credit	11
City Income Tax Credit	12
College Contribution Credit	13
Community Foundation Credit	13
VI. DESIGNATED CONTRIBUTIONS	14
VII. INTERSTATE COMPARISONS	15
VIII. GEOGRAPHIC PATTERN OF TAX AND CREDITS	18
IX. FEDERAL TAX REFORM ACT OF 1986	19
X. 1991 PUBLIC ACTS - INCOME TAX	21
XI. DATA TABLES AND CHARTS	22



LIST OF EXHIBITS

		<u>Page</u>
Exhibit 1	Income Tax Revenue and Rates, 1979 - 1991	6
Exhibit 2	Individual Income Tax - Annual Collections	8
Exhibit 3	Individual Income Tax - Effective Tax Rate	8
Exhibit 4	Effective Income Tax Rate, 1991	9
Exhibit 5	Individual Income Tax Credits, 1991	10
Exhibit 6	State Individual Income Taxes for FY 1991 - Per Person and Percent of Personal Income	16
Exhibit 7	State Income Taxes Per Person - Great Lakes Region, FY 1991	17
Exhibit 8	State Income Taxes - Percent of Personal Income - Great Lakes Region, FY 1991	17
Exhibit 9	Effective Rate of the Michigan Individual Income Tax, 1991	23
Exhibit 10	Tax Expenditures as a Percent of AGI - Individual Income Tax, 1991	24
Exhibit 11	Distribution of the Number of Exemptions Claimed on 1991 MI-1040 Returns - Individual Income Tax, 1991	25
Exhibit 12	Distribution of Credits Claimed - Individual Income Tax, 1991	26
Exhibit 13	Four-Year Comparison of Individual Income Tax Credits	27
Exhibit 14	Distribution of Property Tax Credits Claimed - Individual Income Tax, 1991	28
Exhibit 15	Senior Citizen Property Tax Credits Claimed on MI-1040CR Returns - Individual Income Tax, 1991	29
Exhibit 16	General Property Tax Credits on MI-1040CR Returns - Individual Income Tax, 1991	30
Exhibit 17	Distribution of Home Heating Credits Claimed on MI-1040CR Returns - Individual Income Tax, 1991	31
Exhibit 18	1991 Income Tax Collections by County	32

	<u>Page</u>
Exhibit 19	1991 Income Tax Data by County 34
Exhibit 20	Summary of Available Credits, Eligibility Requirements and Procedures for Claiming 36
Exhibit 21	Average Annual Individual Income Tax Rates 37
Exhibit 22	Average Adjusted Gross Income by County, 1991 38
Exhibit 23	Average Property Tax Credits by County, 1991 39

I. EXECUTIVE SUMMARY

Returns and Revenue

In 1991, Michigan's personal income tax generated \$3.6 billion in state revenues, after all credits and refunds were paid.

Net revenue decreased \$39.5 million (1.1 percent) from 1990 levels. Adjusted gross income increased by \$3.6 billion (2.8 percent) from 1990 to 1991.

Over 4.3 million returns were filed for the 1991 tax year, approximately 51,400 more than the previous year.

Although the personal income tax was levied at the average nominal flat rate of 4.6 percent, the effective tax rate varied from negative 8.0 percent for people having income under \$2,000 to positive 3.6 percent for taxpayers with an adjusted gross income above \$50,000. The overall effective rate was 2.74 percent. The negative effective rates for lower incomes arise because some taxpayers receive net payments from the state, due principally to the refundable credits for property taxes and home heating expenses.

Property Tax Credit

Nearly 1.67 million Michigan homeowners, renters and farmers received \$939.6 million in property tax credits, including farmland preservation credits for 1991. The average property tax rebate was \$562.76. The total amount of property tax credits increased by \$112.8 million (14 percent) from 1990 with 118,500 more taxpayers benefitting than in the previous year.

Senior citizens received over \$385.4 million in homestead property tax credits, an increase of \$29.6 million over the previous year. For the 518,800 senior citizens receiving homestead property tax credits, the average credit was \$742.90.

Home Heating Credit

Home heating credits exceeded \$65.7 million for tax year 1991 with 358,200 households qualifying for an average credit of \$183.54. Home heating credits increased \$25.7 million from 1990 with 114,600 more taxpayers benefitting.

City Income Tax Credit

In 1991, city income tax credits were claimed by 915,300 taxpayers and amounted to \$30.7 million. This was a \$1.5 million decrease from the prior year with 56,700 fewer taxpayers claiming the credit.

College Contribution Credit

More than \$18.9 million of 1991 credits were paid for contributions to Michigan colleges, libraries, museums and public broadcasting stations, a \$1.9 million increase from the year before. There were 256,500 taxpayers claiming this credit, an increase of 4,900 from 1990.

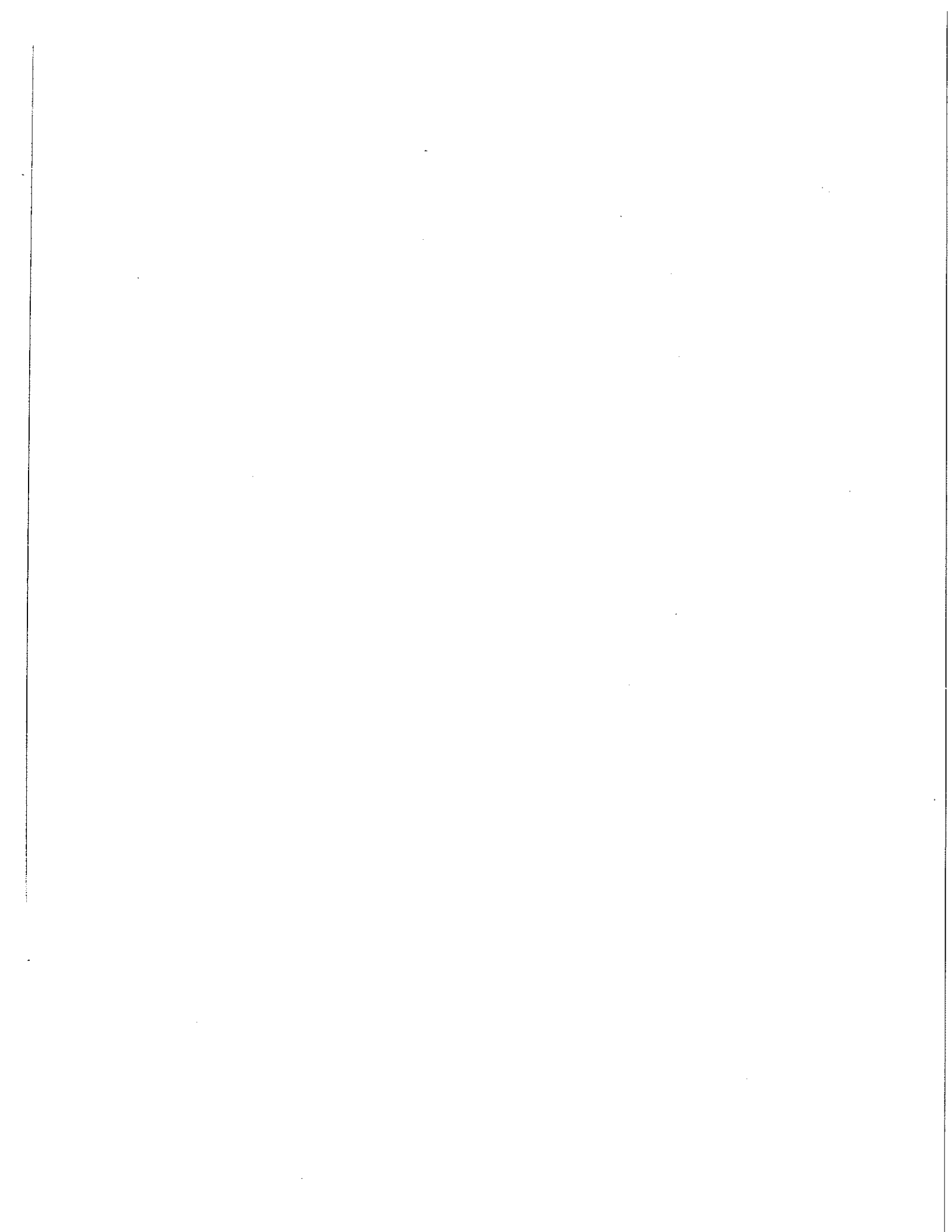
II. INTRODUCTION

This report summarizes information regarding the Michigan individual income tax and income tax exemptions and credits for tax year 1991. It is based on returns filed and processed in calendar year 1992.

Section III reports the history of the Michigan individual income tax. Section IV presents an overview of the number of taxpayers, revenue collections, refunds, and effective tax rates. Section V details the major income tax credits, while Section VI discusses the designated contributions listed on the personal income tax form. Section VII compares Michigan's personal income tax to other states'. Section VIII lists the geographic pattern of revenue and credits by county.

The Federal Tax Reform Act of 1986 resulted in the most significant changes in Michigan's income tax base since the state income tax was enacted in 1967. Section IX summarizes the Tax Reform Act changes to Michigan's income tax base. Section X summarizes the Michigan Public Acts of 1991 that affected the Michigan income tax.

Section XI contains tables and charts presenting detailed data on returns, exemptions, credits, revenue and effective rates. The analysis is based on a random sample of the 4.31 million returns on file with the Michigan Department of Treasury. Details of the methods used in obtaining the sample and estimates are available from Treasury's Budget and Accounting Division.



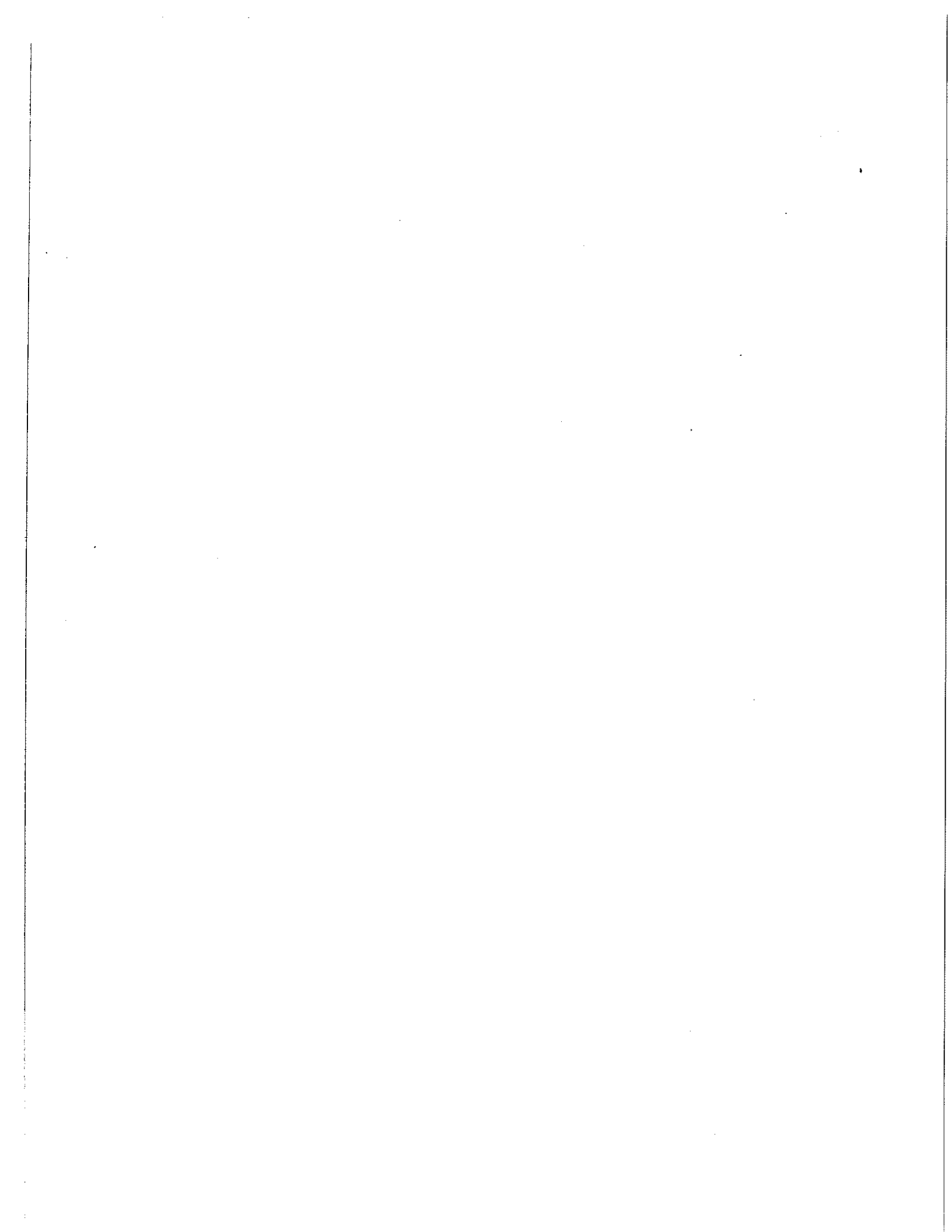
III. HISTORY OF THE MICHIGAN INDIVIDUAL INCOME TAX

The Michigan individual income tax became effective on October 1, 1967 under Public Act 281. When enacted, the state income tax was levied at 2.6 percent and allowed a \$1,200 personal exemption per dependent. On August 1, 1971, the personal income tax rate was raised to 3.9 percent. In 1973, the personal exemption was raised from \$1,200 to \$1,500 and the homestead property tax credit was enacted. The income tax rate rose to 4.6 percent on May 1, 1975 to replace revenue lost from the exemption of food and prescription drugs from the state sales tax. Although scheduled to be rolled back to 4.4 percent on July 1, 1977, the state income tax rate was permanently raised to 4.6 percent in 1977. The state income tax was temporarily raised to 5.6 percent between April 1 and September 30, 1982.

In 1983, the income tax rate was raised to 6.35 percent to raise revenue to help cut a state budget deficit. In 1984, the income tax rate was lowered to 5.85 percent and to 5.33 percent in 1985. In 1986, the rate was again lowered to 4.6 percent. In May 1994, the rate decreased to 4.4 percent.

Since Michigan income tax is based on federal adjusted gross income (AGI), changes in federal tax law affect Michigan income tax collections. The Federal Tax Reform Act of 1986 resulted in many changes of how federal AGI is calculated and will be discussed in Section IX. Because the changes increased the Michigan income tax base, the personal exemption was increased 40 percent from 1986 to 1990. The exemption increased to \$1,600 in 1987, \$1,800 in 1988, \$2,000 in 1989 and \$2,100 in 1990.

The Michigan individual income tax is a flat rate tax. Graduated rates need voter approval of a constitutional amendment. Proposals to switch to graduated rates were defeated in 1968, 1972, and 1976. A level of progressivity is achieved with credits and exemptions. Credits, such as the homestead property tax credit, home heating credit, and special exemptions help to make the tax less burdensome on lower income taxpayers.



IV. INCIDENCE OF THE INDIVIDUAL INCOME TAX

The Michigan individual income tax is based on federal adjusted gross income (AGI), with additions (principally interest on obligations issued by other states) and subtractions (including income from U.S government obligations, military pay, certain pension income, and income attributable to another state). In 1991 a \$2,100 per person personal exemption was allowed, and a \$900 extra exemption was provided for senior citizens, the handicapped and certain unemployed persons. Credits were provided for property taxes, city income taxes, taxes paid to another state, home heating expenses, contributions to Michigan colleges, and solar energy investments.

Over 4.0 million MI-1040 returns were filed for the 1991 tax year, which represented a decrease of 10,700 from 1990. The slight decrease reflected slower growth of the Michigan and national economy. An additional 305,800 "CR-only" returns (which only claim a property tax or home heating credit) were filed for 1991, compared to 243,700 CR-only returns filed for 1990.

The personal income tax for 1991 generated \$3.6 billion in net revenue which is total revenue after all credits and refunds are paid. Income tax revenues fell 39.5 million (1.1 percent) from 1990.

From 1979 to 1982, the number of returns declined due to the recession and decline in Michigan's population (Exhibit 1). Returns increased from 1983 to 1990. In 1990 and 1991, taxpayers filed more than 4.0 million state income tax returns. Changes in adjusted gross income reflect both real changes in income and definitional changes at the federal level. For example, the federal deduction for two-earner families reduced AGI beginning in 1982.

Even though the nominal personal income tax was levied at flat 4.6 percent in 1991, exemptions and credits help to lessen the relative tax burden of taxpayers with lower adjusted gross income. As shown in Exhibit 9, the effective tax rate varied from negative 8.0 percent for taxpayers in the \$0 - \$2,000 AGI group to positive 3.6 percent for taxpayers with an adjusted gross income above \$50,000. Overall, the effective tax rate was 2.8 percent rather than the nominal 4.6 percent. Taxpayers with adjusted gross income of less than \$10,000 received net payments from the state, mostly due to refundable credits for property taxes and the home heating credit. The effective rates in Exhibit 9 are calculated before the deduction of the farmland credit (Public Act 116) because distribution of this credit by AGI is not available. When farmland credits were subtracted, the average effective rate dropped an additional .05 percent to 2.74 percent. Exhibit 2 and Exhibit 3 report net revenue collections and average effective rates, respectively.

Exhibit 1
Income Tax Revenue and Rates, 1979-1991

<u>Year</u>	<u>Number of 1040's Filed</u>	<u>Adjusted Gross Income</u>	<u>Average AGI</u>	<u>Nominal Rate</u>	<u>Average Effective Rate</u>	<u>Revenue</u>
1979	3,614,900	\$ 63,691,968,300	\$17,619	4.6%	2.74%	\$1,742,188,000
1980	3,462,600	64,173,171,300	18,533	4.6	2.65	1,703,335,600
1981	3,417,400	68,584,772,300	20,069	4.6	2.55	1,750,258,800
1982	3,310,400	68,143,666,500	20,585	5.1	2.81	1,916,702,400
1983	3,335,800	70,594,973,300	21,163	6.35	3.88	2,740,014,500
1984	3,450,900	79,819,877,500	23,130	5.85	3.76	3,001,955,165
1985	3,517,000	86,201,065,200	24,510	5.33	3.50	3,015,007,700
1986	3,729,300	96,915,547,900	25,988	4.6	3.04	2,942,762,400
1987	3,763,900	103,933,417,600	27,613	4.6	3.01	3,127,237,800
1988	3,880,300	116,315,971,600	29,976	4.6	2.95	3,436,724,700
1989	3,977,900	124,400,414,100	31,273	4.6	2.88	3,579,951,000
1990	4,022,300	127,897,387,600	31,797	4.6	2.85	3,647,260,200
1991	4,011,600	131,533,587,500	32,788	4.6	2.74	3,607,799,000

Exhibit 10 details the effects of the personal exemption, various adjustments and credits on the distribution of the Michigan income tax burden. The personal exemption and property tax credit were the major provisions that reduced the effective tax rate. In addition, the personal exemption, property tax credit and home heating credit make Michigan's income tax more progressive, since these provisions decline as the percentage of AGI as income increases. In contrast, three nonrefundable credits (city income tax, college contribution and taxes paid to another state) taken together have a nearly proportional effect over the entire income range.

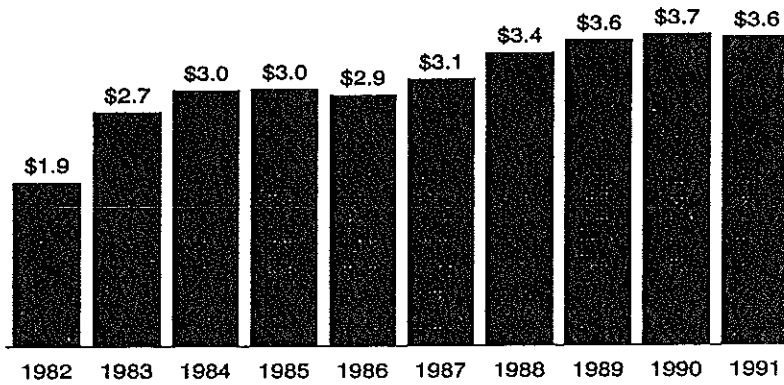
Exhibit 4 reveals the influence of the various exemptions and credits on the effective tax rate and illustrates the data in Exhibit 10. The \$2,100 personal exemption and property tax credit benefit lower income taxpayers the most while greatly reducing the effective tax rate for all taxpayers.

Michigan taxpayers claimed over 8.8 million personal exemptions for the income tax. Since the amount of exemptions for some taxpayers is greater than their income, not all exemptions were used at lower income levels. As noted in Exhibit 9, there were 7.8 million effective exemptions (exemptions that actually offset income). At the very lowest income class (AGI less than \$2,000), the personal exemption offsets all income.

The tax data overstate the aggregate effective rate since taxpayers who itemize on their federal returns may deduct their state income tax. For tax year 1991, 32.6 percent of Michigan taxpayers itemized deductions on their federal income tax returns. Nationally, 28.9 percent of all taxpayers itemized deductions on their federal income tax returns. With federal deductibility, 32.6 percent of Michigan taxpayers offset part of their state income tax with lower federal tax liability. For example, a taxpayer in the 28 percent federal income tax bracket who itemized would have 28 percent of their state income tax offset by lower federal income tax liability. Federal deductibility benefits higher income people, because more high income people itemize their taxes and face higher marginal tax rates. While providing relief for some taxpayers, federal deductibility reduced the progressivity of the Michigan income tax.

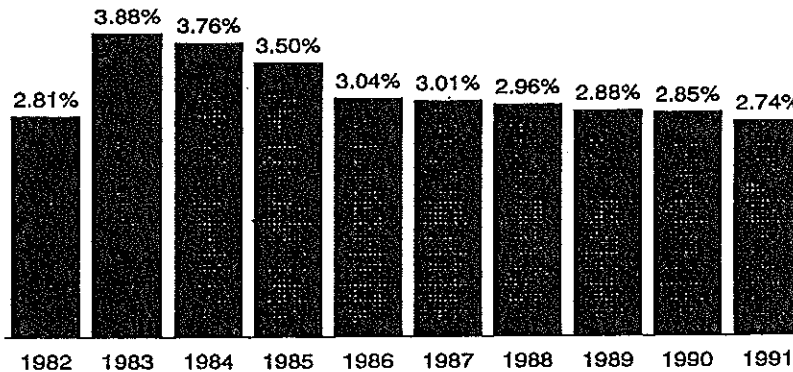
Michigan income tax revenues are slightly income elastic. The elasticity of income tax revenue before credits was 1.08 for the period 1969 to 1993. This means that for every 10 percent increase (decrease) in personal income, revenues increased (decreased) 10.8 percent. Since credits rose at a much higher rate than personal income, net income tax revenue responded nearly proportionally to personal income. The income elasticity of net income tax revenue was 1.01 or nearly unit elastic.

Exhibit 2
Individual Income Tax
Annual Collections
(billions of dollars)



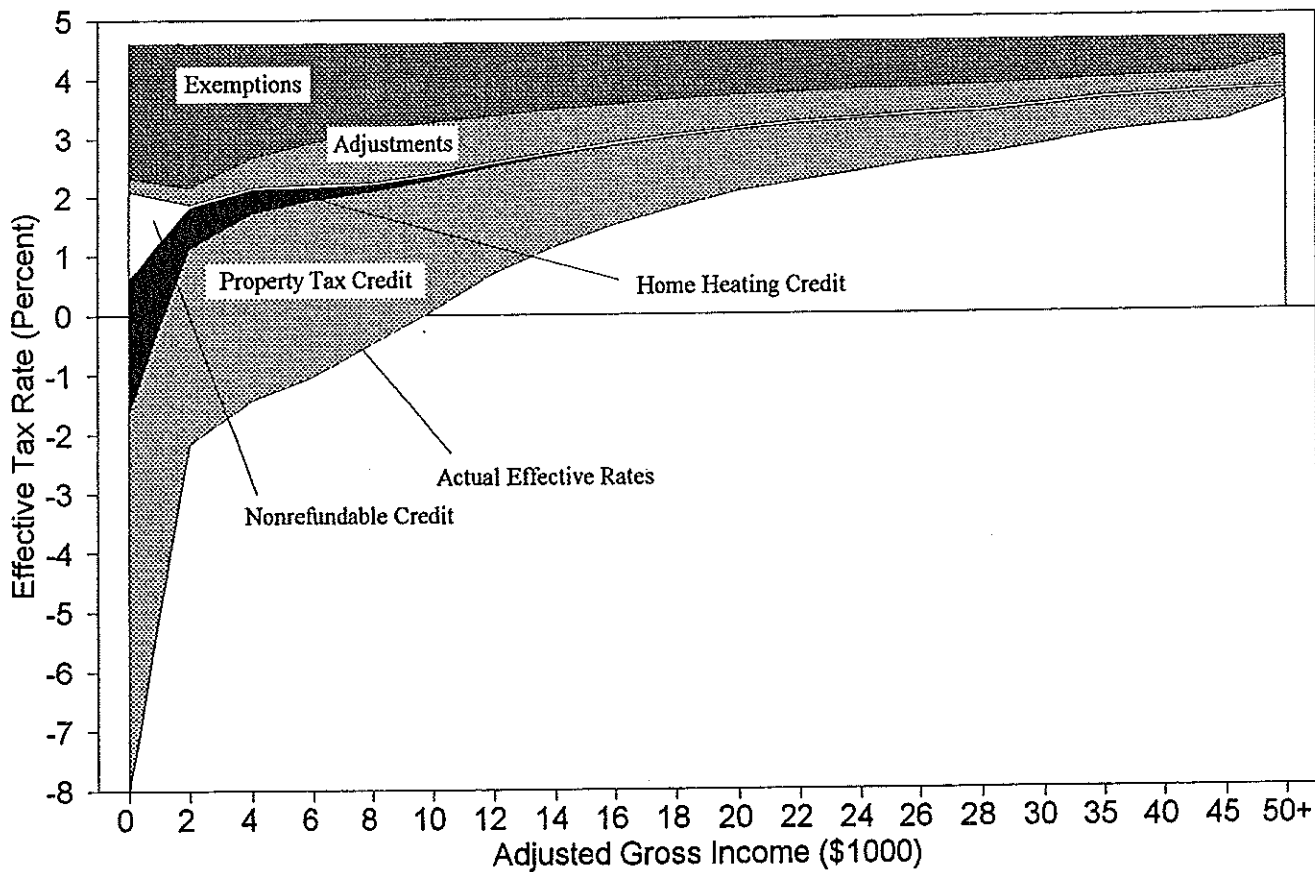
Source: Michigan Department of Treasury.

Exhibit 3
Individual Income Tax
Effective Tax Rate
Percent



Source: Michigan Department of Treasury.

Exhibit 4
Effective Income Tax Rate 1991



Vertical line on the left side of the page.

V. INCOME TAX CREDITS

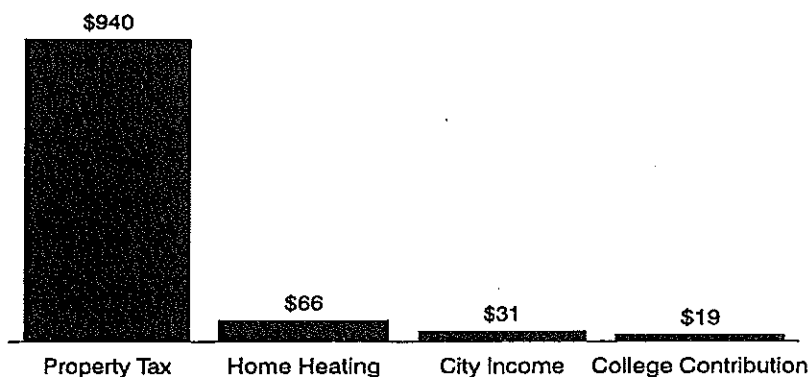
Property Tax Credit

Michigan's property tax credit system is a "circuit breaker" system relating property taxes to total income. When property taxes exceed specific income thresholds, the system "trips" to provide relief to taxpayers. Senior citizens received the largest credits with other homeowners and renters also eligible to receive the credits. Homeowners and renters receive credits equal to 60 percent of the amount by which homestead property taxes (or 17 percent of rent for renters) are greater than 3.5 percent of income. Seniors receive a credit for 100 percent of their property taxes above specified income percentages, as follows:

<u>Income</u>	<u>Percent Not Refundable</u>
\$ 0 - \$3,000	0.0%
\$3,001 - \$4,000	1.0%
\$4,001 - \$5,000	2.0%
\$5,001 - \$6,000	3.0%
Over \$6,000	3.5%

Nearly 1.7 million Michigan taxpayers received \$877.1 million of homestead property tax credits in 1992 (1991 returns) in the largest property tax relief program in the country. This amount represented an increase of \$103.6 million from a year ago while 118,300 more taxpayers received assistance. Senior citizens received \$385.4 million of the credits, a \$29.6 million increase from 1990. Exhibit 5 illustrates the amount of money paid to taxpayers for property tax credits compared to other credits.

Exhibit 5 Individual Income Tax Credits 1991 (millions of dollars)



Source: Michigan Department of Treasury.

The average 1991 homestead property tax credit was \$530.31 which was a \$26.60 increase from a year ago. Senior citizens' credits averaged \$742.90, a \$31.54 increase from 1990. Following is a summary of the number of credits received by taxpayers, according to adjusted gross income levels, total dollar amount of property tax credit and average credit.

<u>Adjusted Gross Income</u>		<u>Number of Credits Allowed</u>	<u>Dollar Amount of Credits</u>	<u>Average Credit</u>
Under	\$10,000	516,300	\$281,500,000	\$545.23
	\$10,001 - \$20,000	336,500	181,916,800	540.61
	\$20,001 - \$50,000	573,200	295,127,900	514.88
	Over \$50,000	<u>228,000</u>	<u>118,595,500</u>	<u>520.16</u>
Totals		1,654,000	\$877,140,200	\$530.31

The table above and Exhibit 10 confirm that the homestead property tax credit is a progressive element in the state income tax structure. Credits as a fraction of AGI decline continuously as incomes rise. While accounting for only 4.0 percent of total AGI, taxpayers with AGI under \$10,000 received about 32.9 percent of the total homestead credits. On the other hand, taxpayers with AGI over \$50,000 accounted for 52.7 percent of total 1991 Michigan AGI, but received only 13.5 percent of total credits.

The farmland preservation program, Public Act 116 of 1974, provides property tax relief for farmers. Under the farmland program, farmers may receive additional property tax relief by entering into an agreement with the state not to convert the farmland to other uses for seven years. This program benefitted approximately 15,600 farms in 1991, providing credits of \$62.4 million, and an average credit of \$4,003.

Public Act 269 of 1982 provides a special tax credit for senior citizens with high rent burdens. For 1991, this alternate credit is the amount by which rent paid exceeds 40 percent of household income. In 1991, 16,100 senior citizens claimed an additional \$6.3 million using this alternate calculation. These amounts represented a decrease of 2,100 people claiming the credit for \$1.4 million less than a year ago. The amount of this additional credit is included in the senior citizens' homestead property tax credit statistics, but shown separately in Exhibit 14.

Home Heating Credit

The home heating credit program, designed to help low income taxpayers afford the high cost of heating their homes, is financed with state and federal funds. The maximum credit allowable to a household is based on the number of exemptions claimed by the household. (Senior citizen, disabled and blind individuals are entitled to extra exemptions.)

Home heating credits exceeded \$65.7 million for tax year 1991 with 358,200 households qualifying. This represented a \$25.7 million increase over the previous year while 114,600 more households received assistance. Prior to 1991, recipients of Aid to Families with Dependent Children or General Assistance were not eligible for this credit, but were provided comparable benefits from other state and local programs. Senior citizens received over \$15.7 million of the home heating credits.

	<u>Number of Credits Allowed</u>	<u>Dollar Amount of Credits</u>	<u>Average Credit</u>
Senior Citizen	117,900	\$15,768,500	\$133.74
General	222,000	47,077,600	212.06
Handicapped	14,000	2,212,800	158.06
Veteran	<u>2,200</u>	<u>268,400</u>	<u>122.00</u>
Totals	356,100	\$65,327,300	\$183.45

Approximately 63,400 taxpayers used the alternative calculation based on energy consumption claiming credits worth \$22.1 million. The average credit under the standard calculation was \$147.04 compared to \$348.16 under the alternative calculation. About 90.1 percent of the benefits provided from this program went to people with household income under \$10,000. Even among low income households the credit was progressive. The credit represented 47.9 percent of income at the lowest income group, but only 1.1 percent of income at the \$10,000 level.

City Income Tax Credit

Partial credit is allowed for taxpayers who paid city income taxes to Michigan cities. The credit is based on amount paid less any refunds. The credit converts the flat rate income tax (1.0 percent for most cities) into a slightly progressive tax structure. For low income taxpayers the effective rate for one percent cities is about 0.7 percent. The effective rate rises to one percent as income rises.

<u>City Income Tax</u>	<u>Credit</u>
Under \$100	20 Percent
\$101 - \$150	\$20.00 + 10 percent excess over \$100
Over \$150	\$25.00 + 5 percent excess over \$150

In 1991, 20 cities in Michigan levied an income tax: Albion, Battle Creek, Big Rapids, Detroit, Flint, Grand Rapids, Grayling, Hamtramck, Highland Park, Hudson, Jackson, Lansing, Lapeer, Muskegon Heights, Pontiac, Port Huron, Portland, Saginaw, Springfield and Walker. City income tax credits amounted to \$30.7 million for tax year 1991, a \$1.5 million decrease from last year, while the number of claimants decreased by 56,700. The following table lists the number of city income tax credits, total city income tax credits received and the average city income tax credit for taxpayers according at different levels of adjusted gross income:

	<u>Adjusted Gross Income</u>	<u>Number of Credits Allowed</u>	<u>Dollar Amount of Credits</u>	<u>Average Credit</u>
Under	\$10,000	141,400	\$ 1,898,400	\$13.43
\$10,001 -	\$20,000	162,200	3,936,400	24.27
\$20,001 -	\$50,000	383,100	13,659,800	35.66
Over	\$50,000	<u>228,600</u>	<u>11,199,900</u>	<u>48.99</u>
Total		915,300	\$30,694,500	\$33.53

College Contribution Credit

Taxpayers may claim partial credits for contributions to Michigan colleges and universities. The credit is equal to 50 percent of the amount contributed up to a maximum credit of \$200 for a joint return (\$100 single return). For 1991, 256,500 taxpayers received \$18.9 million in credits. This was an increase from a year ago when 251,600 taxpayers received \$17.0 million in credits.

Community Foundation Credit

The community foundation credit, begun in 1990, is a partial credit for donations to specified community foundations. The credit is equal to 50 percent of the donation up to a maximum of \$200 for a joint return (\$100 single return). The following table shows the number and amount of credits for 1990 and 1991.

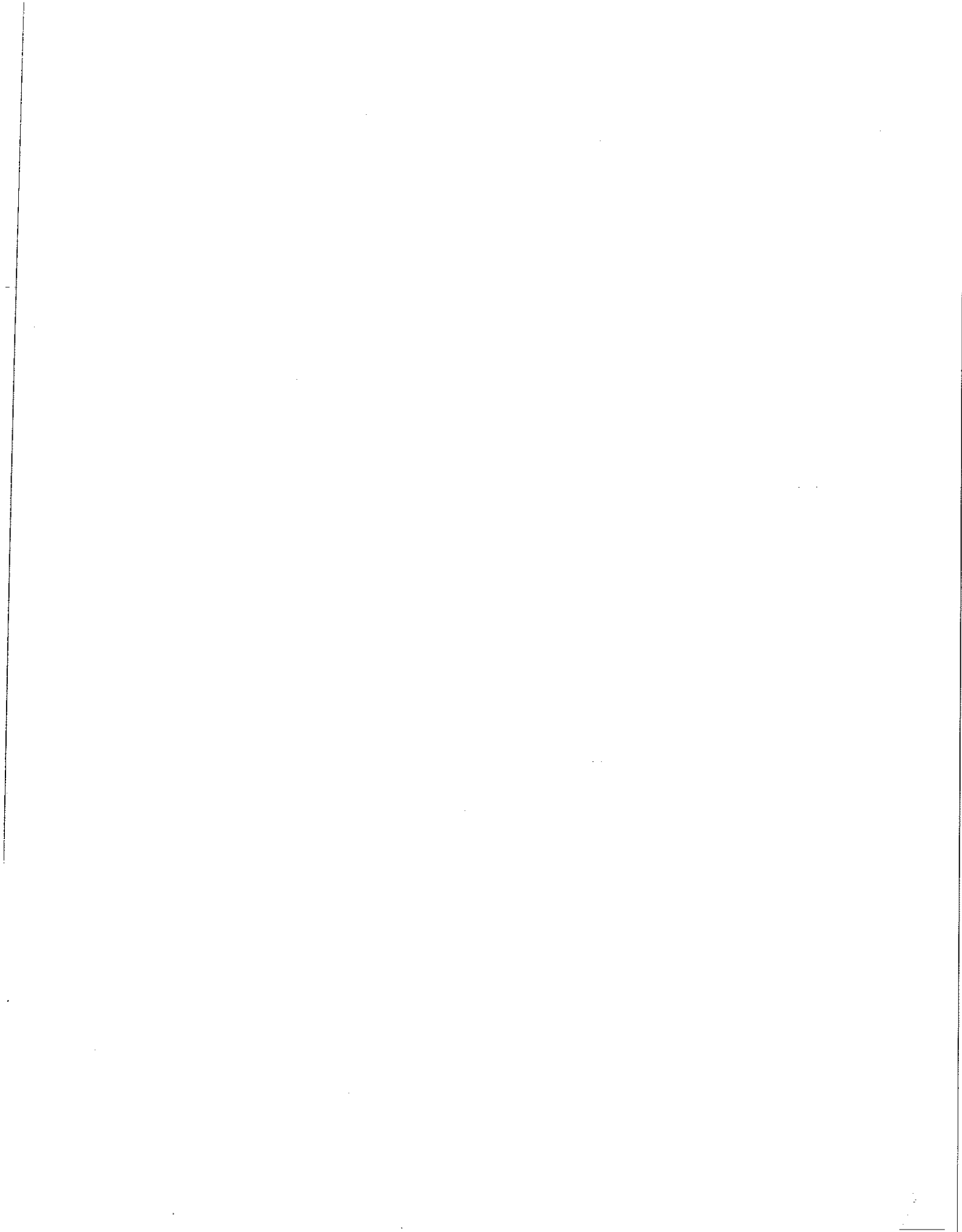
<u>Year</u>	<u>Number of Taxpayers Contributing</u>	<u>Amount of Credit</u>	<u>Average Credit</u>
1990	7,700	\$601,300	\$78.09
1991	8,300	703,100	84.71

VI. DESIGNATED CONTRIBUTIONS

In 1991 taxpayers were able to designate \$2.00 of their tax liability for the State Campaign Fund which supports the state gubernatorial campaigns. In 1991, taxpayers designated \$1,306,000 to the State Campaign Fund.

The Childrens Trust Fund (CTF), created by Public Act 211 of 1982, allows taxpayers to donate a portion of their income tax refund or increase liability to finance this cause. Contributions are returned to local communities and dedicated to the prevention of child abuse. In 1991, 119,468 filers contributed \$858,263 toward the CTF.

The Michigan Non-Game Wildlife Fund, created by Public Act 189 of 1983, allows taxpayers to designate a portion of their refund or to increase liability to support the Fund. The money is used for research and management of non-game fish and wildlife. There were 93,517 returns designating \$598,454 in Non-Game Wildlife Fund contributions in 1991.



VII. INTERSTATE COMPARISONS

In 1991, Michigan along with five other states (Connecticut, Illinois, Indiana, Massachusetts and Pennsylvania) had a flat rate income tax. Seven states (Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming) had no state personal income tax. Two states (New Hampshire and Tennessee) taxed only dividends and interest income. All of the other states had a graduated income tax system. A comparison of state income tax burden per person and by tax revenue as a percent of personal income is shown in Exhibit 6.

In FY 1991, Michigan ranked 21st in income taxes per person with Massachusetts ranking first overall. As shown by Exhibit 7, Michigan income tax per person of \$404 was slightly above the U.S. average of \$395. Taxpayers in most Great Lakes states paid about \$400 per person, with the exception of Wisconsin, which has one of the nation's higher per person tax burdens. Michigan ranked 28th in state income taxes as a percent of personal income with Oregon ranking first. Michigan's income tax, as a percent of personal income at 2.19 percent, was 0.09 of a percentage point above the U.S. average and 0.2 percentage points below the Great Lakes average. As shown in Exhibit 8, only Illinois, at 1.92 percent, had a lower burden in the Great Lakes region.

Exhibit 6

State Individual Income Taxes for FY 1991 Per Person and Percent of Personal Income

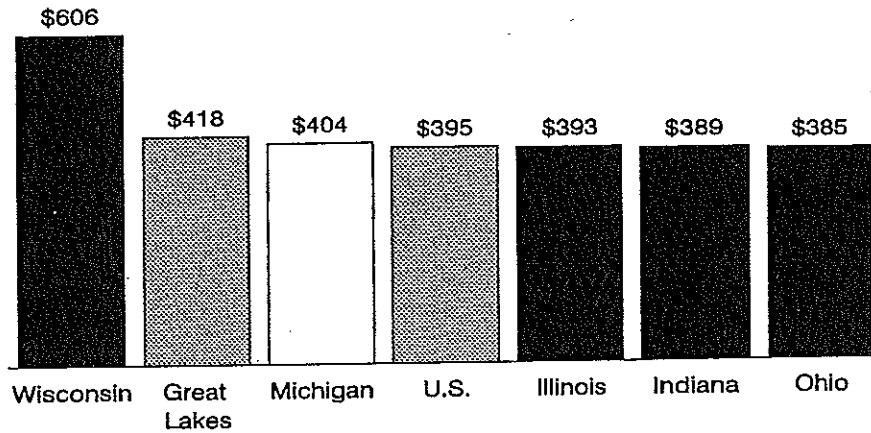
<u>State</u>	<u>Per Person Individual Income Taxes</u>	<u>Rank</u>	<u>Income Taxes as a Percent of Personal Income</u>	<u>Rank</u>
Alabama	\$287.17	35	1.87%	34
Alaska	No Tax	46	No Tax	46
Arizona	\$332.17	33	2.04%	30
Arkansas	\$334.69	32	2.34%	21
California	\$553.56	9	2.69%	15
Colorado	\$434.20	18	2.30%	24
Connecticut	\$144.21	41	0.56%	41
Delaware	\$679.00	4	3.30%	7
Florida	No Tax	47	No Tax	49
Georgia	\$445.07	16	2.61%	16
Hawaii	\$768.93	3	3.69%	3
Idaho	\$429.40	19	2.87%	10
Illinois	\$393.19	23	1.92%	33
Indiana	\$389.30	25	2.30%	23
Iowa	\$480.71	12	2.83%	12
Kansas	\$353.00	30	1.96%	32
Kentucky	\$456.06	14	3.00%	9
Louisiana	\$188.99	38	1.30%	39
Maine	\$470.24	13	2.73%	14
Maryland	\$603.09	8	2.75%	13
Massachusetts	\$891.16	1	3.91%	2
Michigan	\$404.27	21	2.19%	28
Minnesota	\$671.15	6	3.57%	5
Mississippi	\$185.03	39	1.43%	38
Missouri	\$354.64	29	2.02%	31
Montana	\$350.20	31	2.33%	22
Nebraska	\$376.47	28	2.18%	29
Nevada	No Tax	48	No Tax	48
New Hampshire	\$33.44	42	0.16%	42
New Jersey	\$436.99	17	1.72%	35
New Mexico	\$238.67	37	1.68%	36
New York	\$801.97	2	3.63%	4
North Carolina	\$524.64	10	3.19%	8
North Dakota	\$179.96	40	1.17%	40
Ohio	\$385.52	26	2.20%	27
Oklahoma	\$383.71	27	2.50%	20
Oregon	\$678.89	5	3.95%	1
Pennsylvania	\$273.78	36	1.44%	37
Rhode Island	\$427.54	20	2.25%	26
South Carolina	\$389.51	24	2.57%	18
South Dakota	No Tax	50	No Tax	47
Tennessee	\$19.59	43	0.12%	43
Texas	No Tax	49	No Tax	50
Utah	\$403.91	22	2.84%	11
Vermont	\$454.17	15	2.56%	19
Virginia	\$514.80	11	2.60%	17
Washington	No Tax	45	No Tax	44
West Virginia	\$320.01	34	2.29%	25
Wisconsin	\$606.13	7	3.43%	6
Wyoming	No Tax	44	No Tax	45

Note: Tennessee and New Hampshire only tax dividends and interest income.

Source: Advisory Commission on Intergovernmental Relations, "Significant Features of Fiscal Federalism, 1993."

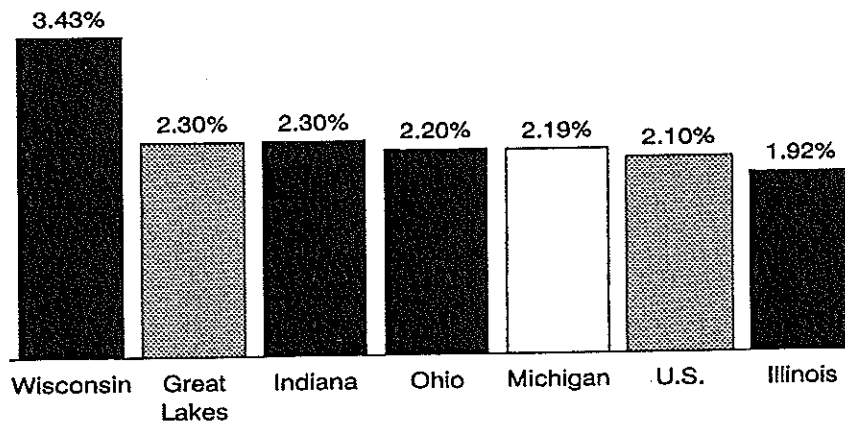
Compiled by: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 7
State Income Taxes Per Person
 Great Lakes Region
 FY 1991



Source: Advisory Commission on Intergovernmental Relations, "Significant Features of Fiscal Federalism."

Exhibit 8
State Income Taxes
Percent of Personal Income
 Great Lakes Region
 FY 1991



Source: Advisory Commission on Intergovernmental Relations, "Significant Features of Fiscal Federalism."

Vertical line on the left side of the page.

VIII. GEOGRAPHIC PATTERN OF TAX AND CREDITS

Exhibit 18 reports the distribution of income tax collections and property tax and home heating credits. Since farms receive special treatment for the homestead property tax credit and the separate farmland credit, rural counties benefit substantially from these programs.

Exhibit 19 provides a ranking by county of average AGI, percentage change in average AGI, average income tax before and after credits, credits as a percentage of income tax before credits, ratio of property tax credits to returns filed and average property tax credit.

Following is a summary of Exhibit 19.

	<u>State Average</u>	<u>High County</u>	<u>Low County</u>
Average AGI	\$31,336	\$42,239 Oakland	\$ 13,920 Oscoda
Percent Change in Average AGI	2.09%	64.63% Lake	(55.20)% Missaukee
Average Income Tax Before Credits	\$ 1,161	\$ 1,648 Oakland	\$ 391 Oscoda
Average Income Tax After Credits	\$ 847	\$ 1,348 Oakland	\$ 205 Oscoda
Income Tax Credits as a Percent of Tax Before Credits	27.03%	66.50% Huron	10.23% Otsego
Ratio of Property Tax Credits to 1040s Filed	39.80%	55.24% Roscommon	10.46% Keweenaw
Average Property Tax Credits	\$ 565	\$ 1,167 Huron	\$ 261 Ontonagon

Average AGI and income tax are calculated using the number of 1040s reporting positive AGI. Property tax credits include Farmland Preservation (Public Act 116) credits.

Vertical line on the left side of the page.

Vertical line on the right side of the page.

IX. FEDERAL TAX REFORM ACT OF 1986

Since the starting point for calculating Michigan income tax is federal AGI, revenue can be influenced by changes in Federal tax law. The Michigan income tax base increased due to significant changes in 1986. The personal exemption was raised over a period of years from \$1,500 in 1986 to \$1,600 in 1987, \$1,800 in 1988, \$2,000 in 1989, and rose to \$2,100 in 1990, which is still the present value.

Following are the six federal tax reform changes to which Michigan conformed.

1. Restrict IRAs

The allowable IRA deduction is reduced or eliminated for active participants in an employer-maintained retirement plan with income over a limit. The phase-out of the deduction begins for a single person at \$25,000 income, \$40,000 for a joint return. The IRA deduction is zero when AGI is \$10,000 more than the phase-out amount.

2. Limit Tax Shelters

Deductions from tax shelters (losses from "passive activities") now may only be used to offset income from passive activities.

3. Eliminate Capital Gains Exclusion

Beginning in 1987, the 60 percent long-term capital gains deduction is repealed. All capital gains will be taxed as ordinary income.

4. End Dividend Exclusion

Beginning in 1987, the exclusion of the first \$100 of dividend income (\$200 on a joint return) is eliminated.

5. Change Depreciation

Depreciation allowances on real property generally are slowed while depreciation allowances on personal property are generally accelerated.

6. Limit Deductible Expenses

Moving expenses and employee business expenses not reimbursed by an employer are no longer deductible as an adjustment to gross income. These expenses now may be taken as an itemized deduction for federal income taxes. They are not deductible for Michigan income taxes as Michigan does not allow itemized deductions. Note: Moving expenses were restored as an adjustment to income beginning with the 1994 tax year.

The three changes modified are:

1. Eliminate Personal Exemption for Dependents

A person eligible to be claimed as a dependent on another person's return may no longer claim a personal exemption on their federal return. For 1991, if these persons have an AGI of \$1,500 or less, they are exempt from Michigan income tax. Dependents may claim an exemption of \$1,000 in 1991.

2. Eliminate Double Personal Exemption for Senior Citizens and the Blind

Michigan law offsets the federal elimination of the double exemption for the blind by providing a special personal exemption for these persons. The special exemption is for the amount necessary to provide a \$3,000 total exemption for the elderly and blind, the amount of exemption received prior to 1987. Therefore, in 1991 the special exemption was \$900.

3. Tax All Unemployment Compensation

Prior to 1987 unemployment compensation was exempt from federal income tax if AGI plus unemployment compensation was less than \$12,000 for a single person or \$18,000 for a joint return. All or a portion of unemployment was taxable at incomes over the threshold. Now all unemployment compensation is subject to federal income tax. Michigan law modifies the change by providing a special personal exemption if 50 percent or more of adjusted gross income is from unemployment compensation. The special exemption was \$900 in 1991.

X. 1991 PUBLIC ACTS INCOME TAX

Public Act 82 provided for the accelerated payment of income withholding taxes by certain employers.

Public Act 171 extended the community foundation tax credit through 1994 with a credit ceiling of \$6 million. For the tax years 1992, 1993 and 1994 the act authorized a tax credit for contributions to a homeless shelter, food bank or food kitchen with a credit ceiling of \$1.5 million.

Public Act 181 extended the home heating fuel credit through 1994 and allowed public assistance recipients to receive the credit. The act established an administrative system to assist welfare recipients in applying for the credit. Public Act 181 reduced the credit by 50% for people whose heating costs are included in rent payments.

Vertical line on the left side of the page.

Vertical line on the right side of the page.

XI. DATA TABLES AND CHARTS

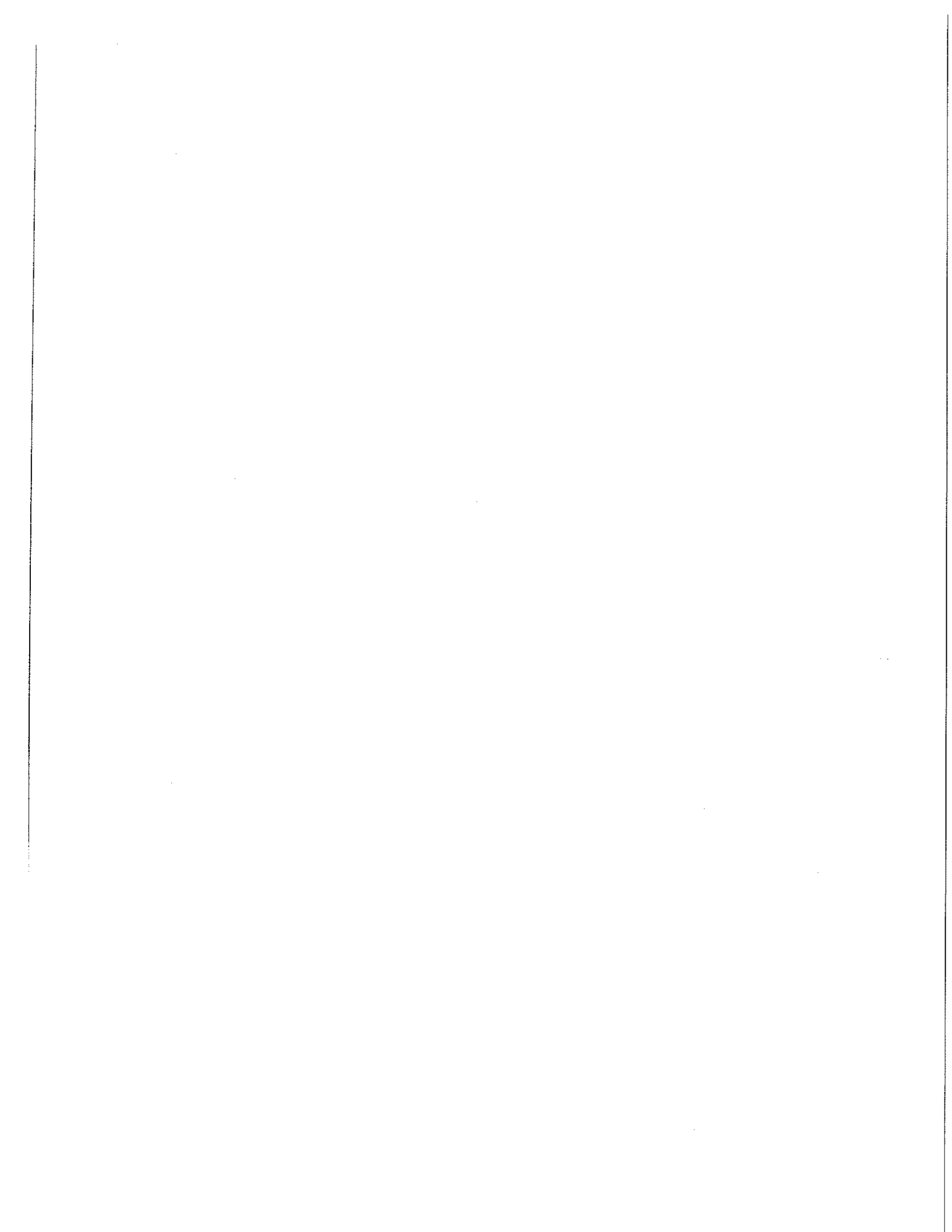


Exhibit 9

**Effective Rate of the Michigan
Individual Income Tax, 1991**

Adjusted Gross Income Class	Number of Returns Filed	Adjusted Gross Income	Effective Exemptions(1)	Claimed Exemptions	Subtractions Minus Additions	Total Credits(2)	Effective Tax	Effective Tax as a % of Income
Zero Income(3)	352,400			40,900	(\$211,949,200)	\$163,320,100	(\$152,592,100)	
\$.01 - 2,000.00	225,300	\$247,212,000	58,315	159,200	13,030,800	24,978,400	(19,839,300)	(8.0)%
2,000.01 - 4,000.00	244,700	731,685,400	185,324	220,100	46,365,200	29,584,200	(15,961,800)	(2.2)
4,000.01 - 6,000.00	221,800	1,104,823,300	221,118	281,100	121,192,600	39,792,700	(15,905,700)	(1.4)
6,000.01 - 8,000.00	203,500	1,422,647,400	246,427	330,700	223,861,800	46,029,300	(14,690,000)	(1.0)
8,000.01 - 10,000.00	190,300	1,710,321,900	259,557	354,600	330,750,700	46,647,800	(8,260,700)	(0.5)
10,000.01 - 12,000.00	175,500	1,929,674,500	267,411	352,500	367,021,500	45,031,100	1,019,100	0.1
12,000.01 - 14,000.00	163,500	2,124,074,800	269,370	336,400	360,546,000	40,808,700	14,292,500	0.7
14,000.01 - 16,000.00	154,500	2,315,574,400	270,065	320,900	358,047,300	37,482,200	26,475,800	1.1
16,000.01 - 18,000.00	143,600	2,440,730,300	263,673	305,300	341,609,700	34,417,700	36,671,100	1.5
18,000.01 - 20,000.00	137,200	2,605,904,300	258,124	294,600	335,189,600	32,661,800	46,856,300	1.8
20,000.01 - 22,000.00	124,200	2,606,187,100	239,010	272,700	311,730,200	28,695,600	53,761,000	2.1
22,000.01 - 24,000.00	114,000	2,621,645,500	231,284	255,900	277,441,600	26,911,300	58,580,100	2.2
24,000.01 - 26,000.00	106,000	2,649,458,500	220,786	244,800	271,594,000	24,619,000	63,434,800	2.4
26,000.01 - 28,000.00	103,400	2,790,143,300	227,593	246,300	250,662,800	23,363,400	71,447,200	2.6
28,000.01 - 30,000.00	94,300	2,796,151,100	213,550	231,000	243,398,800	21,184,200	72,873,400	2.7
30,000.01 - 35,000.00	230,100	7,468,811,900	547,036	581,500	586,451,800	52,343,300	211,401,600	2.8
35,000.01 - 40,000.00	220,700	8,272,940,200	560,725	569,200	545,469,400	51,302,000	249,995,600	3.0
40,000.01 - 45,000.00	198,800	8,438,329,600	535,455	561,000	538,691,600	47,960,600	263,697,800	3.1
45,000.01 - 50,000.00	169,000	8,017,698,900	478,171	499,400	481,420,700	42,684,700	257,792,800	3.2
Over 50,000	<u>744,600</u>	<u>69,299,573,100</u>	<u>2,233,808</u>	<u>2,350,400</u>	<u>7,559,889,300</u>	<u>150,506,700</u>	<u>2,473,732,900</u>	<u>3.6</u>
Total	4,317,400	\$131,533,567,500	7,786,801	8,828,500	\$13,952,416,200	\$1,010,324,800	\$3,674,782,400	2.8%

(1) Since the value of some taxpayers' exemptions exceed their income, "effective exemptions" are defined as those exemptions that offset income.
(2) Does not include Farmland Preservation or solar credits.
(3) Includes 305,800 1040-CR only returns.

Exhibit 10

Tax Expenditures as a Percent of AGI
Individual Income Tax, 1991

Adjusted Gross Income Class	Effective Exemptions	Subtractions Minus Additions	Non- Refundable Credits(1)	Home Heating Credits	Property Tax Credits
Zero Income					
\$.01 - 2,000.00	49.5%	5.3%	32.3%	47.9%	139.5%
2,000.01 - 4,000.00	53.2	6.3	0.9	15.3	71.6
4,000.01 - 6,000.00	42.0	11.0	1.0	8.6	68.6
6,000.01 - 8,000.00	36.4	15.7	1.0	4.9	64.4
8,000.01 - 10,000.00	31.9	19.3	1.0	2.5	55.8
10,000.01 - 12,000.00	29.1	19.0	1.1	1.5	48.2
12,000.01 - 14,000.00	26.6	17.0	1.1	0.7	39.9
14,000.01 - 16,000.00	24.5	15.5	1.1	0.4	33.7
16,000.01 - 18,000.00	22.7	14.0	1.1	0.2	29.4
18,000.01 - 20,000.00	20.8	12.9	1.2	0.1	26.0
20,000.01 - 22,000.00	19.3	12.0	1.1	0.0	22.8
22,000.01 - 24,000.00	18.5	10.6	1.1	0.0	21.2
24,000.01 - 26,000.00	17.5	10.3	1.2	0.0	19.0
26,000.01 - 28,000.00	17.1	9.0	1.1	0.0	17.1
28,000.01 - 30,000.00	16.4	8.9	1.1	0.0	15.7
30,000.01 - 35,000.00	15.4	7.9	1.1	0.0	14.1
35,000.01 - 40,000.00	14.2	6.6	1.2	0.0	12.3
40,000.01 - 45,000.00	13.3	6.4	1.1	0.0	11.2
45,000.01 - 50,000.00	12.5	6.0	1.1	0.0	10.5
Over 50,000.00	9.8	10.9	1.0	0.0	3.7
Total	12.4%	10.2%	1.1%	1.1%	14.5%

(1) Non-Refundable Credits are city income tax, college contributions and taxes paid to another state.

Exhibit 11

Distribution of the Number of Exemptions Claimed on 1991 MI-1040 Returns(1)
Individual Income Tax, 1991

Adjusted Gross Income	0	1	2	3	4	5	6 and Over	Total
\$ 2,000.00 or less	153,200	62,800	27,300	9,100	7,800	2,200	1,900	264,300
2,000.01 - 4,000.00	117,500	73,000	35,000	9,700	7,600	1,800	1,300	245,900
4,000.01 - 6,000.00	65,800	81,600	47,800	12,800	11,200	2,400	1,300	222,900
6,000.01 - 8,000.00	30,600	82,500	53,800	15,700	17,500	2,700	1,400	204,200
8,000.01 - 10,000.00	15,600	77,400	52,200	17,700	22,900	3,500	1,600	190,900
10,000.01 - 12,000.00	7,300	73,100	46,600	18,700	24,800	3,900	1,700	176,100
12,000.01 - 14,000.00	4,200	70,800	40,200	18,500	24,300	4,100	1,800	163,900
14,000.01 - 16,000.00	1,900	67,500	39,900	17,600	22,200	4,100	1,800	155,000
16,000.01 - 18,000.00	1,100	62,100	35,200	18,100	21,100	4,500	1,800	143,900
18,000.01 - 20,000.00	600	58,600	34,300	17,400	20,000	4,400	2,000	137,300
20,000.01 - 22,000.00	300	52,800	29,300	16,400	18,600	4,600	2,200	124,200
22,000.01 - 24,000.00	200	46,300	27,600	16,200	17,000	5,100	1,900	114,300
24,000.01 - 26,000.00	200	40,500	26,400	15,400	16,700	5,000	2,100	106,300
26,000.01 - 28,000.00	100	36,400	27,000	16,100	16,100	5,300	2,500	103,500
28,000.01 - 30,000.00	100	31,400	24,700	14,600	15,900	5,200	2,500	94,400
30,000.01 - 35,000.00	100	68,500	63,400	36,600	40,800	15,100	5,700	230,200
35,000.01 - 40,000.00	100	56,100	60,700	37,600	43,500	16,200	6,800	221,000
40,000.01 - 45,000.00	100	38,000	57,200	37,900	43,600	16,100	6,100	199,000
45,000.01 - 50,000.00	100	23,700	50,900	33,300	40,100	15,600	5,500	169,200
Over 50,000.00	200	48,700	229,600	159,400	209,000	73,300	24,900	745,100
Total	399,300	1,151,800	1,009,100	538,800	640,700	195,100	76,800	4,011,600

(1) Values in this table are based on a stratified sample of 4,011,600 correct 1991 MI-1040 tax returns on file.

Exhibit 12

Distribution of Credits Claimed(1)
Individual Income Tax, 1991

Adjusted Gross Income	General Property Tax Credit			City Income Tax Credit			College Contribution Credit		
	Number of MI-1040s Filed	% of MI-1040s Filed	\$ Amount of Credit	Number Claiming Credit	% of MI-1040s Filed	\$ Amount of Credit	Number Claiming Credit	% of MI-1040s Filed	\$ Amount of Credit
\$ 2,000.00 or less	264,300	6.6%	\$11,448,400	28,000 (2)	10.6%	\$1,141,200	200	0.1%	\$9,400
2,000.01 - 4,000.00	245,900	6.1	8,811,500	27,000	11.0	275,100	900	0.4	32,700
4,000.01 - 6,000.00	222,900	5.6	11,816,900	35,000	15.7	400,300	1,900	0.9	72,100
6,000.01 - 8,000.00	204,200	5.1	13,750,300	38,600	18.9	498,900	2,700	1.3	118,000
8,000.01 - 10,000.00	190,900	4.8	14,500,400	39,500	20.7	582,900	3,100	1.5	142,400
10,000.01 - 12,000.00	176,100	4.4	15,018,400	40,100	22.8	666,100	3,500	2.0	157,200
12,000.01 - 14,000.00	163,900	4.1	15,189,000	40,100	24.5	743,400	4,200	2.6	222,500
14,000.01 - 16,000.00	155,000	3.9	15,347,600	39,400	25.4	805,600	4,400	2.8	217,300
16,000.01 - 18,000.00	143,900	3.6	15,566,400	38,700	26.9	816,500	4,900	3.4	267,900
18,000.01 - 20,000.00	137,300	3.4	16,498,500	39,900	29.1	904,800	5,700	4.2	329,300
20,000.01 - 22,000.00	124,200	3.1	15,579,300	37,300	30.0	842,600	5,700	4.6	337,500
22,000.01 - 24,000.00	114,300	2.8	15,717,000	36,400	31.8	862,900	5,600	4.9	313,000
24,000.01 - 26,000.00	106,300	2.6	15,377,200	34,200	32.2	858,900	5,500	5.2	305,900
26,000.01 - 28,000.00	103,500	2.6	15,572,000	33,500	32.4	875,500	5,700	5.5	349,200
28,000.01 - 30,000.00	94,400	2.4	14,395,100	31,400	33.3	866,600	5,500	5.8	339,200
30,000.01 - 35,000.00	230,200	5.7	37,173,000	78,600	34.1	2,271,500	15,200	6.6	930,200
35,000.01 - 40,000.00	221,000	5.5	38,381,700	80,900	36.6	2,534,700	16,100	7.3	984,300
40,000.01 - 45,000.00	199,000	5.0	35,970,800	75,800	38.1	2,456,800	16,100	8.1	1,012,500
45,000.01 - 50,000.00	169,200	4.2	32,740,400	66,200	39.1	2,090,300	15,700	9.3	1,036,300
Over 50,000.00	745,100	18.6	106,357,400	209,700	28.1	11,199,900	133,900	18.0	11,765,600
Total	4,011,600	100.0%	\$465,211,300	1,050,300	26.2%	\$30,694,500	256,500	6.4%	\$18,942,500

(1) Values in this table are based on a stratified sample of 4,011,600 correct 1991 MI-1040 tax returns on file.
(2) 35,000 general property tax credits for a total of \$11,047,400 were claimed on MI-1040CR-4 returns which were filed without an MI-1040.

Exhibit 13

Four-Year Comparison of
Individual Income Tax Credits
(Numbers and Amounts in Thousands)

	1988			1989			1990			1991		
	Number	Amount	Average	Number	Amount	Average	Number	Amount	Average	Number	Amount	Average
Property Tax Credits												
General	891.5	\$322,357.5	\$361.59	927.6	\$363,208.1	\$391.56	982.8	\$401,845.8	\$408.88	1085.3	\$476,258.7	\$438.83
Senior Citizen												
Part I	480.0	296,508.7	617.73	493.1	325,536.7	660.18	500.2	348,082.8	695.89	518.8	379,091.4	730.71
Part II												
Veteran	22.9	4,955.3	216.39	22.8	4,986.1	218.69	17.3	3,685.0	213.01	17.1	3,852.7	225.30
Blind	2.2	485.2	220.55	1.9	431.7	227.21	2.3	517.9	225.17	2.1	493.1	234.81
Disabled(1)	25.5	7,983.0	313.30	25.4	8,346.4	328.60	33.1	11,684.8	353.02	30.7	11,117.9	362.15
Farmland and Solar	<u>17.1</u>	<u>54,932.5</u>	<u>3,212.43</u>	<u>16.7</u>	<u>54,294.9</u>	<u>3,251.19</u>	<u>15.4</u>	<u>53,278.1</u>	<u>3,459.62</u>	<u>15.6</u>	<u>62,443.1</u>	<u>4,002.76</u>
Total	1,439.2	\$687,222.2	\$477.51	1,487.5	\$756,803.9	\$508.78	1,551.1	\$819,094.4	\$528.07	1,669.6	\$933,256.9	\$558.97
City Income Tax Credit	979.9	\$31,425.8	\$32.07	941.8	\$30,357.4	\$32.23	972.0	\$32,212.6	\$33.14	915.3	\$30,694.5	\$33.53
College Contribution Credit	246.4	\$16,542.1	\$67.15	255.1	\$17,573.1	\$68.89	251.6	\$17,004.0	\$67.58	256.5	\$18,942.5	\$73.85
Home Heating Credit	229.5	\$34,933.8	\$152.22	236.3	\$38,240.4	\$161.83	243.6	\$39,969.9	\$164.08	358.2	\$65,744.5	\$183.54
Credit for Income Tax Paid to Another State	32.2	\$12,257.6	\$380.67	28.6	\$15,465.7	\$540.76	31.9	\$13,442.0	\$421.38	31.4	\$14,725.4	\$468.96
Senior Citizen Low Income Rent Credit	15.7	\$6,224.8	\$396.48	15.7	\$6,200.4	\$394.93	18.2	\$7,738.7	\$425.20	16.1	\$6,326.4	\$392.94
Prescription Drug Credit				26.3	\$9,549.3	\$363.09	30.3	\$11,686.9	\$385.71	32.3	\$13,597.4	\$420.97
Community Foundation Credit							7.7	\$601.3	\$78.09	8.3	\$703.1	\$84.71
Solar Credit	1.3	\$1,308.5	\$1,006.54	3.0	\$3,140.0	\$1,046.67	2.9	\$3,059.7	\$1,055.07	3.8	\$4,540.3	\$1,194.82

(1) Includes credits for paraplegic, quadriplegic and totally disabled.

Exhibit 14

Distribution of Property Tax Credits Claimed(1)
Individual Income Tax, 1991

Adjusted Gross Income	General			Senior Citizens(2)			Eligible Veterans			Handicapped(3)		
	Number of Credits Allowed	% of Total Credits Allowed	\$ Amount of Credit	Number of Credits Allowed	% of Total Credits Allowed	\$ Amount of Credit	Number of Credits Allowed	% of Total Credits Allowed	\$ Amount of Credit	Number of Credits Allowed	% of Total Credits Allowed	\$ Amount of Credit
Zero Income(4)	42,700	3.9%	\$15,871,200	149,800	28.9%	\$98,956,700	4,500	26.3%	\$1,033,500	17,100	52.1%	\$4,774,700
\$2,000 or less	20,300	1.9	6,624,600	11,000	2.1	8,799,700	100	0.6	14,800	1,000	3.0	426,300
2,000.01 - 4,000.00	27,000	2.5	8,811,500	19,000	3.7	14,817,000	200	1.2	40,000	1,200	3.7	445,700
4,000.01 - 6,000.00	35,000	3.2	11,816,900	29,200	5.6	22,464,000	300	1.8	86,500	1,200	3.7	507,500
6,000.01 - 8,000.00	38,600	3.6	13,750,300	36,600	7.1	27,793,000	500	2.9	117,100	1,200	3.7	485,400
8,000.01 -10,000.00	39,500	3.6	14,500,400	38,500	7.4	28,710,200	600	3.5	139,300	1,200	3.7	511,700
10,000.01-12,000.00	40,100	3.7	15,018,400	35,400	6.8	27,161,100	500	2.9	121,900	1,000	3.0	491,400
12,000.01-14,000.00	40,100	3.7	15,189,000	30,200	5.8	23,210,700	600	3.5	157,400	1,000	3.0	423,000
14,000.01-16,000.00	39,400	3.6	15,347,600	26,000	5.0	20,085,900	500	2.9	126,400	900	2.7	370,300
16,000.01-18,000.00	38,700	3.6	15,586,400	21,400	4.1	16,929,800	600	3.5	151,400	900	2.7	392,600
18,000.01-20,000.00	39,900	3.7	16,498,500	18,200	3.5	14,266,700	500	2.9	132,800	600	1.8	275,500
20,000.01-22,000.00	37,300	3.4	15,579,300	14,200	2.7	11,314,200	500	2.9	99,200	600	1.8	309,800
22,000.01-24,000.00	36,400	3.4	15,717,000	11,600	2.2	9,466,200	500	2.9	112,500	500	1.5	214,700
24,000.01-26,000.00	34,200	3.2	15,377,200	9,400	1.8	7,498,700	400	2.3	83,400	500	1.5	234,000
26,000.01-28,000.00	33,500	3.1	15,572,000	7,600	1.5	6,145,000	400	2.3	88,600	300	0.9	153,300
28,000.01-30,000.00	31,400	2.9	14,395,100	6,500	1.3	5,128,700	300	1.8	67,300	300	0.9	124,200
30,000.01-35,000.00	78,600	7.2	37,173,000	13,400	2.6	10,888,400	800	4.7	182,900	800	2.4	347,400
35,000.01-40,000.00	80,900	7.5	38,381,700	10,100	1.9	7,991,400	900	5.3	198,600	600	1.8	262,900
40,000.01-45,000.00	75,600	7.0	35,970,800	9,200	1.8	7,169,500	1,000	5.8	206,200	500	1.5	241,700
45,000.01-50,000.00	66,200	6.1	32,740,400	6,700	1.3	5,525,100	900	5.3	182,900	400	1.2	184,500
Over 50,000.00	209,700	19.3	106,357,400	14,800	2.9	11,295,800	2,500	14.6	508,000	1,000	3.0	434,300
Total	1,085,300	100.0%	\$476,258,700	518,800	100.0%	\$385,417,800	17,100	100.0%	\$3,852,700	32,800	100.0%	\$11,611,000

(1) Values in this table are based on a stratified sample of 4,317,400 correct 1991 MI-1040 and MI-1040CR tax returns on file.

(2) Includes Senior Citizen Low Income Rent Credits.

(3) Includes blind, paraplegic, quadriplegic, and totally disabled.

(4) Represents those individuals who had no taxable income, but did receive a property tax credit.

Exhibit 15

Senior Citizen Property Tax Credits Claimed on MI-1040CR Returns
Individual Income Tax, 1991

Household Income	Number of Returns	Property Tax Credit(1)	Property Tax Paid	Property Tax Paid After Credit
\$1,000.00 and below	1,500	\$1,630,100	\$3,402,000	\$1,771,900
1,000.01 - 2,000.00	700	610,300	1,134,100	523,800
2,000.01 - 3,000.00	1,600	1,104,100	1,457,100	353,000
3,000.01 - 4,000.00	3,500	2,341,600	3,175,000	833,400
4,000.01 - 5,000.00	9,200	5,568,000	6,909,900	1,341,900
5,000.01 - 6,000.00	21,800	12,250,800	16,070,900	3,820,100
6,000.01 - 7,000.00	17,000	10,939,300	15,996,600	5,057,300
7,000.01 - 8,000.00	18,100	11,959,900	18,732,500	6,772,600
8,000.01 - 9,000.00	17,600	12,501,700	20,486,000	7,984,300
9,000.01 - 10,000.00	18,000	12,939,000	22,263,100	9,324,100
10,000.01 - 11,000.00	17,200	12,694,100	21,847,100	9,153,000
11,000.01 - 12,000.00	17,900	13,692,100	24,301,000	10,608,900
12,000.01 - 13,000.00	18,000	12,980,000	23,303,800	10,323,800
13,000.01 - 14,000.00	16,100	12,623,100	23,869,100	11,246,000
14,000.01 - 15,000.00	18,400	12,955,400	26,001,300	13,045,900
15,000.01 - 16,000.00	17,900	13,146,900	26,426,300	13,279,400
16,000.01 - 17,000.00	19,200	13,457,900	29,956,300	16,498,400
17,000.01 - 18,000.00	16,700	12,376,500	26,574,100	14,197,600
18,000.01 - 19,000.00	17,000	12,357,900	27,339,900	14,982,000
19,000.01 - 20,000.00	16,200	12,181,700	26,625,100	14,443,400
20,000.01 - 21,000.00	16,500	12,110,300	27,638,500	15,528,200
21,000.01 - 22,000.00	15,200	11,526,600	26,702,400	15,175,800
22,000.01 - 23,000.00	13,700	10,441,900	24,416,100	13,974,200
23,000.01 - 24,000.00	15,700	11,490,700	27,494,500	16,003,800
24,000.01 - 25,000.00	14,500	10,190,700	26,655,800	16,465,100
25,000.01 - 26,000.00	13,200	9,736,600	24,291,900	14,555,300
26,000.01 - 27,000.00	10,700	8,743,700	21,654,500	12,910,800
27,000.01 - 28,000.00	10,600	8,133,600	21,391,700	13,258,100
28,000.01 - 29,000.00	10,000	7,997,200	20,052,800	12,655,600
29,000.01 - 30,000.00	8,300	7,163,500	18,259,300	11,095,800
30,000.01 - 35,000.00	34,600	28,388,100	78,782,000	50,393,900
35,000.01 - 40,000.00	27,400	20,260,000	69,075,000	48,815,000
40,000.01 - 45,000.00	14,900	11,466,500	39,240,900	27,774,400
45,000.01 - 50,000.00	10,200	8,080,300	28,955,400	20,875,100
Over 50,000.00	26,600	18,946,600	90,074,500	71,127,900
Total	525,700	\$384,386,700	\$910,556,500	\$526,169,800

(1) Includes Senior Citizen Low Income Rent Credits.

Exhibit 16

General Property Tax Credits on MI-1040CR Returns
Individual Income Tax, 1991

Household Income	Number of Returns	Property Tax Credit	Property Tax Paid	Property Tax Paid After Credit
\$ 1,000.00 and below	10,286	\$7,799,931	\$20,752,763	\$12,952,832
1,000.01 - 2,000.00	5,635	2,677,965	6,166,370	3,488,405
2,000.01 - 3,000.00	7,584	3,103,025	7,133,313	4,030,288
3,000.01 - 4,000.00	11,675	3,914,502	9,178,715	5,264,213
4,000.01 - 5,000.00	14,929	5,063,552	12,566,030	7,502,478
5,000.01 - 6,000.00	22,132	6,568,129	17,839,537	11,271,408
6,000.01 - 7,000.00	24,421	7,101,731	19,343,262	12,241,530
7,000.01 - 8,000.00	27,265	8,222,596	23,371,293	15,148,697
8,000.01 - 9,000.00	23,596	7,608,048	21,674,675	14,066,627
9,000.01 - 10,000.00	21,668	7,639,636	22,280,838	14,641,203
10,000.01 - 11,000.00	22,315	7,737,383	23,235,003	15,497,619
11,000.01 - 12,000.00	23,942	8,053,012	24,615,218	16,562,206
12,000.01 - 13,000.00	20,109	7,092,848	22,049,007	14,956,159
13,000.01 - 14,000.00	22,928	7,860,669	25,701,971	17,841,302
14,000.01 - 15,000.00	21,966	7,681,140	25,063,129	17,381,989
15,000.01 - 16,000.00	23,001	9,005,966	28,770,776	19,764,810
16,000.01 - 17,000.00	21,217	8,519,755	29,096,871	20,577,116
17,000.01 - 18,000.00	20,467	8,012,068	27,039,825	19,027,757
18,000.01 - 19,000.00	21,469	8,349,632	29,238,799	20,889,167
19,000.01 - 20,000.00	24,069	9,200,789	33,221,197	24,020,407
20,000.01 - 21,000.00	19,082	8,339,249	29,398,265	21,059,016
21,000.01 - 22,000.00	18,729	8,012,980	29,729,851	21,716,870
22,000.01 - 23,000.00	19,617	8,048,604	31,016,136	22,967,532
23,000.01 - 24,000.00	18,710	8,603,051	31,420,323	22,817,272
24,000.01 - 25,000.00	17,744	8,469,498	30,704,983	22,235,485
25,000.01 - 26,000.00	20,866	9,118,679	35,904,471	26,785,792
26,000.01 - 27,000.00	18,769	8,100,210	32,331,269	24,231,059
27,000.01 - 28,000.00	18,709	8,788,234	34,030,093	25,241,859
28,000.01 - 29,000.00	17,627	7,761,123	32,050,036	24,288,912
29,000.01 - 30,000.00	15,640	7,471,401	30,400,662	22,929,262
30,000.01 - 35,000.00	90,641	40,656,610	178,287,993	137,631,384
35,000.01 - 40,000.00	85,696	39,912,607	185,155,255	145,242,648
40,000.01 - 45,000.00	77,755	36,125,396	182,169,690	146,044,293
45,000.01 - 50,000.00	68,629	34,094,436	177,343,786	143,249,349
50,000.01 - 60,000.00	102,915	50,494,356	292,242,115	241,747,759
60,000.01 - 70,000.00	63,067	33,077,589	206,809,839	173,732,250
Over 70,000.00	49,906	19,013,208	188,053,175	170,039,967
Total	1,114,776	\$476,299,613	\$2,155,386,534	\$1,679,086,921

Exhibit 17

Distribution of Home Heating Credits Claimed on MI-1040CR Returns
Individual Income Tax, 1991

Household Income	Senior Citizens MI-1040 CR-1		General MI-1040 CR-4		Handicapped(1) MI-1040 CR-2 & CR-3		Veterans MI-1040 CR-2	
	Number of Returns	Home Heating Credit	Number of Returns	Home Heating Credit	Number of Returns	Home Heating Credit	Number of Returns	Home Heating Credit
\$ 1,000.00 and below	800	\$339,900	10,200	\$4,305,800	100	\$35,600	200	\$15,300
1,000.01 - 2,000.00	500	169,600	13,400	4,388,800	100	35,400	0	4,200
2,000.01 - 3,000.00	1,200	346,500	10,700	3,385,400	100	48,900	0	5,600
3,000.01 - 4,000.00	3,200	845,600	13,000	3,394,000	400	86,300	100	13,600
4,000.01 - 5,000.00	9,100	1,860,600	24,600	6,141,100	1,200	212,500	200	34,600
5,000.01 - 6,000.00	26,000	4,385,100	33,300	7,029,100	6,100	1,005,300	300	49,200
6,000.01 - 7,000.00	18,000	2,466,500	26,300	5,172,000	1,200	169,800	600	55,600
7,000.01 - 8,000.00	17,600	1,936,000	23,200	3,796,500	1,400	197,500	300	28,200
8,000.01 - 9,000.00	15,200	1,300,800	15,800	2,569,800	1,100	112,100	100	14,300
9,000.01 - 10,000.00	11,100	768,300	13,400	1,989,000	1,000	133,000	100	10,200
Over 10,000.00	<u>15,200</u>	<u>1,349,600</u>	<u>38,100</u>	<u>4,906,100</u>	<u>1,300</u>	<u>176,400</u>	<u>300</u>	<u>37,600</u>
Total	117,900	\$15,768,500	222,000	\$47,077,600	14,000	\$2,212,800	2,200	\$268,400
Average Credit		\$133.74		\$212.06		\$158.06		\$122.00

(1) includes blind, paraplegic, quadriplegic and totally disabled.

Exhibit 18

1991 Income Tax Collections
by County

County	Property Tax Credits	Home Heating Credits	Tax After Credits	% of Total Tax
Alcona	\$663,600	\$155,300	\$1,744,100	0.1
Alger	425,100	174,900	2,204,600	0.1
Allegan	7,158,800	480,100	18,128,600	0.5
Alpena	2,100,600	376,900	6,940,000	0.2
Antrim	2,290,600	252,600	5,147,900	0.2
Arenac	1,087,000	282,100	5,004,100	0.2
Baraga	297,500	108,000	2,361,400	0.1
Barry	3,571,400	256,600	14,947,500	0.5
Bay	10,521,800	837,600	29,740,100	0.9
Benzie	923,400	164,900	1,809,600	0.1
Berrien	12,104,200	1,095,400	49,846,500	1.5
Branch	3,782,300	299,900	7,479,400	0.2
Calhoun	11,878,100	999,400	49,782,100	1.5
Cass	4,366,800	316,100	12,193,200	0.4
Charlevoix	2,191,500	159,000	7,496,200	0.2
Cheboygan	1,331,500	269,700	5,167,200	0.2
Chippewa	1,613,600	373,300	7,528,400	0.2
Clare	1,975,700	457,700	6,314,200	0.2
Clinton	6,840,700	185,900	12,225,500	0.4
Crawford	747,100	124,900	1,395,400	0.0
Delta	2,355,600	448,800	7,605,600	0.2
Dickinson	1,819,100	189,600	8,851,400	0.3
Eaton	7,334,200	322,600	26,418,700	0.8
Emmet	1,717,900	213,800	12,866,000	0.4
Genesee	33,032,300	2,934,300	173,437,400	5.3
Gladwin	2,164,200	283,800	3,708,200	0.1
Gogebic	471,300	223,500	5,183,400	0.2
Grand Traverse	7,050,100	390,600	27,538,300	0.8
Gratiot	4,809,700	445,100	4,978,800	0.2
Hillsdale	3,415,500	463,600	10,790,200	0.3
Houghton	1,059,400	405,800	8,000,700	0.2
Huron	8,989,500	584,900	4,853,600	0.1
Ingham	32,680,200	1,389,200	112,744,500	3.4
Ionia	4,427,600	427,000	13,202,200	0.4
Iosco	1,377,500	294,700	2,980,600	0.1
Iron	618,600	180,600	3,296,100	0.1
Isabella	3,319,600	367,400	14,533,000	0.4
Jackson	9,767,600	914,800	43,981,200	1.3
Kalamazoo	19,338,500	940,600	87,049,500	2.6
Kalkaska	651,500	114,200	3,471,600	0.1
Kent	49,447,600	2,021,000	170,219,800	5.2
Keweenaw	40,300	36,000	404,600	0.0
Lake	475,100	207,300	1,197,100	0.0
Lapeer	6,412,400	302,900	26,186,300	0.8
Leelanau	1,133,600	77,100	3,794,000	0.1

Exhibit 18 (cont.)

County	Property Tax Credits	Home Heating Credits	Tax After Credits	% of Total Tax
Lenawee	\$12,000,600	\$482,700	\$25,656,000	0.7 %
Livingston	14,654,900	254,400	56,517,200	1.6
Luce	95,300	81,300	22,370,700	0.6
Mackinac	481,500	131,800	2,028,600	0.1
Macomb	116,169,500	2,157,700	320,871,800	9.3
Manistee	1,355,300	274,000	3,168,600	0.1
Marquette	2,198,300	393,700	17,678,300	0.5
Mason	1,970,700	227,300	6,403,500	0.2
Mecosta	2,152,300	353,900	9,379,100	0.3
Menominee	2,263,500	275,700	5,926,700	0.2
Midland	3,840,400	329,800	23,107,100	0.7
Missaukee	1,223,400	114,500	775,800	0.0
Monroe	12,183,100	536,900	41,587,600	1.2
Montcalm	4,279,600	611,800	15,742,800	0.5
Montmorency	429,600	171,600	836,900	0.0
Muskegon	12,816,000	1,378,600	47,777,800	1.4
Newaygo	2,810,000	356,200	6,864,300	0.2
Oakland	145,573,500	2,976,100	706,520,400	20.4
Oceana	2,312,700	318,100	3,299,700	0.1
Ogemaw	1,004,500	240,600	2,727,900	0.1
Ontonagon	548,700	96,900	2,942,900	0.1
Osceola	1,693,200	376,400	3,603,300	0.1
Oscoda	486,500	91,700	669,800	0.0
Otsego	585,000	140,200	6,826,600	0.2
Ottawa	20,816,600	538,800	80,387,000	2.3
Presque Isle	855,200	216,600	4,191,000	0.1
Roscommon	1,829,800	298,500	3,053,000	0.1
Saginaw	15,009,700	1,717,100	55,438,100	1.6
St. Clair	15,087,100	806,700	62,486,300	1.8
St. Joseph	4,754,400	347,500	17,704,500	0.5
Sanilac	6,661,200	563,800	8,962,300	0.3
Schoolcraft	362,200	167,100	1,974,200	0.1
Shiawassee	6,815,600	512,300	20,064,000	0.6
Tuscola	8,649,400	515,200	14,941,300	0.4
Van Buren	6,406,400	694,200	19,851,700	0.6
Washtenaw	30,144,700	702,500	160,805,200	4.7
Wayne	186,043,500	24,002,400	643,125,100	18.6
Wexford	2,053,300	319,600	6,893,900	0.2
Total	\$928,397,400	\$65,325,700	\$3,457,909,800	100.0 %

Exhibit 19

1991 Income Tax Data by County

County	Adjusted Gross Income (\$Millions)	1991 Average AGI	1990 Average AGI	Percent Change Average AGI 1990-91	Income Tax Revenue Before Credits	Rank	Average Income Tax Before Credits	Rank	Average Income Tax After Credits	Rank	Credits as a % of Tax Before Credits	Rank	Ratio of Property Tax Credits to Filled	Rank	Average Property Tax Credit (1)	Rank
Alcona	\$104.6	\$24,426	\$18,819	29.79% (12.01)	\$2,570,861	75	\$600	73	\$407	72	32.16%	22	37.35%	58	\$415	55
Alger	82.1	23,839	27,094	(12.01)	2,845,812	72	826	48	640	44	22.53	53	43.55	23	283	81
Alleghen	718.0	24,446	23,669	3.28	25,898,858	26	812	38	617	48	30.00	26	36.43	61	669	8
Alpena	277.4	23,743	22,765	4.30	9,484,439	49	812	52	594	52	26.83	36	44.51	21	404	57
Antrim	233.6	21,961	21,270	3.25	7,775,434	54	731	60	484	64	33.79	20	39.48	43	545	26
Arenac	191.3	24,100	19,194	25.56 (2.80)	6,459,355	57	816	51	630	45	22.53	54	35.28	67	388	64
Baraga	86.8	24,260	24,959	(2.80)	2,773,966	73	776	55	660	42	14.87	79	22.37	79	372	17
Barry	500.4	32,410	27,264	18.87 (12.91)	18,912,307	32	1,225	6	968	5	20.96	66	38.86	49	595	18
Bay	1,149.2	26,061	29,925	(12.91)	41,396,869	18	939	34	674	38	28.16	31	46.35	16	526	33
Benzie	100.1	17,609	21,498	(18.09)	2,914,743	71	513	78	318	76	37.92	12	36.93	60	440	48
Berrien	1,757.9	26,078	25,284	3.14 (27.35)	63,418,036	14	941	33	739	27	21.40	60	37.38	57	480	39
Branch	331.2	22,200	30,558	(27.35)	11,674,112	41	782	54	501	61	36.93	17	40.22	39	630	11
Calhoun	1,777.9	28,465	26,349	8.03 (16.90)	63,920,512	13	1,023	22	797	19	22.12	55	40.83	31	466	43
Cass	470.4	28,717	24,884	15.41 (13.05)	17,229,652	35	1,052	20	744	26	29.23	28	40.29	38	662	9
Charlevoix	276.7	23,105	26,573	(13.05)	9,901,277	46	827	47	626	46	24.29	45	37.57	55	487	37
Cheboygan	208.6	19,993	18,344	8.99 (4.10)	6,792,144	56	651	72	495	62	23.92	47	35.46	66	360	70
Chippewa	314.5	21,630	20,779	4.10 (8.66)	9,604,757	47	661	71	518	59	21.62	58	35.07	69	316	77
Clare	269.9	21,962	17,279	27.10 (8.69)	8,817,350	51	717	63	514	60	28.39	30	41.50	28	387	65
Clinton	517.5	30,705	33,628	(9.69)	19,466,033	31	1,155	13	725	30	37.20	13	46.28	10	877	2
Crawford	327.9	22,970	27,640	(25.96)	2,298,994	77	740	80	304	78	39.30	10	45.82	12	356	71
Delta	72.2	15,754	21,278	(26.90)	10,564,736	43	740	58	533	56	28.01	32	40.63	36	406	56
Dickinson	340.3	26,907	24,297	10.74 (9.90)	10,988,430	42	869	41	700	35	19.45	69	34.00	70	423	53
Eaton	918.0	31,452	28,620	9.90 (8.66)	34,459,498	21	1,181	10	905	12	23.33	50	42.48	25	591	21
Emmet	415.6	28,298	30,982	(8.66)	14,983,815	38	1,020	23	876	16	14.13	80	29.96	75	390	63
Genesee	5,734.3	31,840	30,027	6.04 (17.93)	212,585,986	5	1,180	11	963	7	18.42	71	38.65	50	475	41
Gladwin	198.9	22,656	23,670	(4.28)	6,255,284	58	713	64	422	70	40.72	9	53.55	2	460	45
Gogebic	180.4	23,231	28,307	(17.93)	5,905,958	60	760	57	667	40	12.23	82	19.31	81	314	78
Grand Traverse	970.1	27,964	27,112	3.14 (11.61)	35,207,835	20	1,015	25	794	20	21.78	57	38.05	52	534	30
Greatnot	302.0	22,190	25,106	(11.61)	10,349,021	44	761	56	366	75	51.89	3	44.83	20	788	5
Hillsdale	428.2	24,241	23,295	4.06 (7.84)	15,266,122	37	864	42	611	51	29.32	27	32.27	73	599	17
Houghton	293.6	22,584	24,506	(7.84)	9,587,570	48	737	59	615	50	16.55	77	29.23	76	279	82
Huron	409.8	24,038	20,156	19.26 (3.93)	14,486,748	39	850	45	285	79	66.50	1	45.17	18	1,167	1
Ingham	4,019.1	33,443	29,721	12.52 (19.56)	150,024,235	7	1,248	4	938	8	24.85	41	46.76	13	594	20
Ionia	530.7	24,786	25,798	(3.93)	18,210,513	34	851	44	617	49	27.50	34	35.96	63	575	24
Iosco	219.9	18,757	23,319	(19.56)	4,702,907	66	401	82	254	81	36.62	16	33.27	71	353	72
Iron	126.7	24,619	21,581	14.07 (15.74)	4,121,198	68	801	53	641	43	20.02	68	40.81	32	295	79
Isabella	491.3	29,138	25,175	15.74 (5.56)	18,448,691	33	1,094	17	862	17	21.22	64	32.62	72	604	16
Jackson	1,537.0	27,167	27,317	(0.56)	55,351,442	17	978	28	777	22	20.54	67	37.82	54	456	46
Kalamazoo	2,919.2	31,006	32,852	(5.62)	108,012,710	8	1,147	14	925	14	19.41	70	42.38	27	485	38
Kalamazoo	125.4	25,872	22,480	15.09 (0.25)	4,251,890	67	877	39	716	32	16.35	72	39.21	47	343	73
Kent	5,984.7	31,479	31,400	0.25 (4.69)	225,638,451	6	1,187	9	895	14	24.56	43	47.81	8	544	28
Keweenaw	17.5	16,269	17,451	(4.69)	488,690	83	511	79	423	69	17.21	75	10.46	83	403	58
Lake	60.8	21,724	13,196	64.63 (1.18)	1,890,150	80	676	70	428	68	36.67	15	39.31	45	432	32
Lapeer	897.6	30,757	31,124	(1.18)	33,204,853	22	1,138	15	897	13	21.14	65	42.83	25	513	36
Leelanau	142.6	28,752	29,718	(3.25)	5,037,642	64	1,015	24	765	24	24.69	42	36.28	62	630	12

Exhibit 19 (cont.)

County	Adjusted Gross Income (Millions)	1991 Average AGI	1990 Average AGI	Percent Change Average AGI 1990-91	Income Tax Revenue Before Credits	Rank	Average Income Tax Before Credits	Rank	Average Income Tax After Credits	Rank	Credits as a % of Tax Before Credits	Rank	Ratio of Property Tax Credits to 1040s Filed	Rank	Average Property Tax Credit (\$)	Rank
Lenawee	\$1,049.9	\$27,764	\$28,599	(2.92)%	\$38,964,358	19	\$1,030	21	\$678	37	34.16%	19	40.99%	30	\$774	6
Livingston	1,840.3	37,939	33,214	14.22	71,856,858	12	1,481	3	1,165	3	21.35	62	49.68	5	608	15
Luce	47.2	18,452	17,772	3.82	2,118,161	79	828	46	621	47	25.00	40	11.73	82	318	76
MacKinnac	92.2	18,793	27,845	(32.51)	2,665,695	74	543	76	413	71	23.90	48	26.50	78	370	68
Macomb	11,822.3	32,292	31,504	2.50	443,290,840	3	1,211	7	876	15	27.62	33	49.08	6	646	10
Manistee	164.4	19,020	23,781	(20.02)	4,827,391	65	558	75	367	74	34.36	18	39.33	44	399	60
Marquette	617.4	24,821	24,878	(0.23)	20,433,150	30	821	50	711	33	13.48	81	30.55	74	289	80
Mason	260.1	21,588	21,358	1.08	8,707,274	52	723	61	531	57	26.46	37	40.66	34	402	59
Mecosta	333.0	27,139	19,939	36.11	12,111,654	40	987	27	764	25	22.56	52	37.48	56	468	42
Memominee	302.6	24,802	24,239	2.32	8,500,857	53	697	67	486	63	30.28	25	46.73	9	397	61
Midland	752.9	33,675	35,653	(5.55)	27,475,246	25	1,229	5	1,034	4	15.90	78	38.91	48	441	47
Missaukee	65.7	17,519	39,106	(55.20)	2,125,845	78	567	74	207	82	63.51	2	45.32	17	720	7
Monroe	1,664.4	30,939	31,691	(2.36)	60,676,611	16	1,128	16	773	23	31.46	24	40.15	40	564	25
Montcalm	573.8	26,775	23,734	12.81	20,740,928	29	968	29	735	29	24.10	46	38.26	51	522	34
Montmorency	54.6	18,422	22,938	(19.68)	62,321,791	15	488	81	283	80	42.09	7	37.14	59	391	62
Muskegon	288.1	23,478	25,949	(9.52)	10,109,460	45	824	49	558	54	32.34	49	45.73	14	461	44
Newaygo	22,143.2	21,639	43,123	(2.05)	863,802,974	2	1,648	1	1,348	1	18.21	74	45.02	19	617	13
Oakland	183.1	21,639	21,649	(0.05)	6,077,633	59	718	62	390	73	45.71	5	50.82	3	538	29
Oceana	130.1	21,975	19,553	12.39	4,028,283	69	680	69	461	66	32.28	21	45.61	15	372	66
Ogemaw	115.4	21,906	20,211	8.39	3,598,854	70	663	68	559	55	18.23	73	39.86	42	261	83
Ontonagon	165.3	20,402	20,947	(2.60)	5,723,518	61	707	66	445	67	37.04	14	48.14	7	434	50
Oscoda	45.5	13,920	14,979	(7.07)	1,277,203	82	391	83	205	83	47.56	4	45.91	11	324	75
Oshtemo	207.5	29,402	25,479	15.40	7,604,225	55	1,078	19	967	6	10.23	83	19.84	80	418	54
Ottawa	2,725.5	31,690	31,398	0.93	102,790,637	9	1,195	8	935	9	21.80	56	28.88	33	595	19
Presque Isle	156.0	25,031	20,969	19.37	5,323,680	62	854	43	672	39	21.28	63	28.88	77	475	40
Roscommon	177.0	18,110	22,510	(19.55)	5,215,857	63	534	77	312	77	41.47	8	55.24	1	339	74
Saginaw	2,027.6	26,409	28,902	(6.63)	73,289,192	11	955	32	722	31	24.36	44	37.90	53	516	35
St. Clair	2,146.6	31,421	28,406	10.61	79,505,104	10	1,164	12	915	11	21.41	59	40.55	37	545	27
St. Joseph	623.7	27,436	31,506	(12.92)	23,062,850	28	1,015	26	779	21	23.23	51	35.63	65	587	22
Sanilac	446.8	24,070	21,938	9.72	16,264,914	36	876	40	483	65	44.90	6	43.10	24	833	3
Schoolcraft	76.8	27,040	19,223	40.67	2,510,716	76	863	37	695	36	21.37	61	35.19	68	362	69
Shiawassee	767.7	26,870	25,216	6.56	27,579,035	24	965	30	702	34	27.25	35	41.30	29	578	23
Tuscola	688.3	25,955	22,469	15.57	24,319,830	27	917	36	563	53	38.56	11	39.22	46	832	4
Van Buren	758.3	25,245	25,340	(0.38)	28,039,974	23	934	35	661	41	16.77	76	39.95	41	534	31
Washtenaw	5,016.5	41,629	36,661	13.55	193,212,005	6	1,603	2	1,334	2	26.24	38	40.66	35	615	14
Wayne	23,768.6	29,772	28,674	3.83	871,880,477	1	1,092	18	806	18	25.87	39	43.99	22	530	32
Wexford	270.9	20,613	25,227	(18.23)	9,300,178	50	708	65	525	58	25.87	39	35.76	63	497	49
Total	\$121,342.8	\$31,336	\$30,695	2.09%	\$4,496,958,233		\$1,161		\$888		23.56%		42.89%		\$559	

(1) Includes Farmland Preservation (PA 116) Credits.

Exhibit 20

Summary of Available Credits, Eligibility Requirements
and Procedures for Claiming

Note: These credits are allowed under the Michigan Income Tax Act. A credit will lower your tax or give you a larger payment from the state.

<u>Credits Are Allowed For</u>	<u>Eligibility</u>	<u>How to Claim Credit</u>
Property taxes paid on a Michigan Homestead.	Taxes on your home, or 17% of rent paid, must exceed 3.5% of your household income.	Use Form MI-1040CR.
	Special credit to senior citizen or surviving spouse, blind, paraplegic, quadriplegic, totally disabled, eligible veteran or veteran's surviving spouse.	Use Form MI-1040CR or MI-1040CR-2
Home heating assistance.	Based on sliding scale of income and exemptions.	Use Form MI-1040CR-7.
Income taxes paid to Michigan cities.	Partial credit is allowed on all city income taxes paid to Michigan cities.	Claim on Form MI-1040.
Cash contributions to Michigan public broadcasting stations, colleges or universities, public libraries or the Michigan Colleges Foundation, and contributions of art.	Partial credit is allowed for all such contributions by persons subject to Michigan Income Tax.	Claim on Form MI-1040.
Farmland Preservation Tax Credit Agreements.	You must have signed an agreement with the Michigan Department of Natural Resources under the Farmland and Open Space Preservation Act (PA 116 of 1974).	Use Form MI-1040CR-5.
Income taxes paid to states or cities outside Michigan, or to a Canadian province.	Wages earned outside Michigan by a Michigan resident.	Claim on Form MI-1040.
Income Taxes paid to a state which grants a similar credit to Michigan residents.	Taxes paid to New Mexico or West Virginia.	Claim on Form MI-1040.
Solar, wind or water energy conversion devices.	Partial credit for the cost and installation of energy conservation devices.	Use Form MI-1040CR-6.
Farm Gleaners Credit.	10% of the value of food crops gleaned by nonprofit organizations	Use Form MI-1040CR-8.

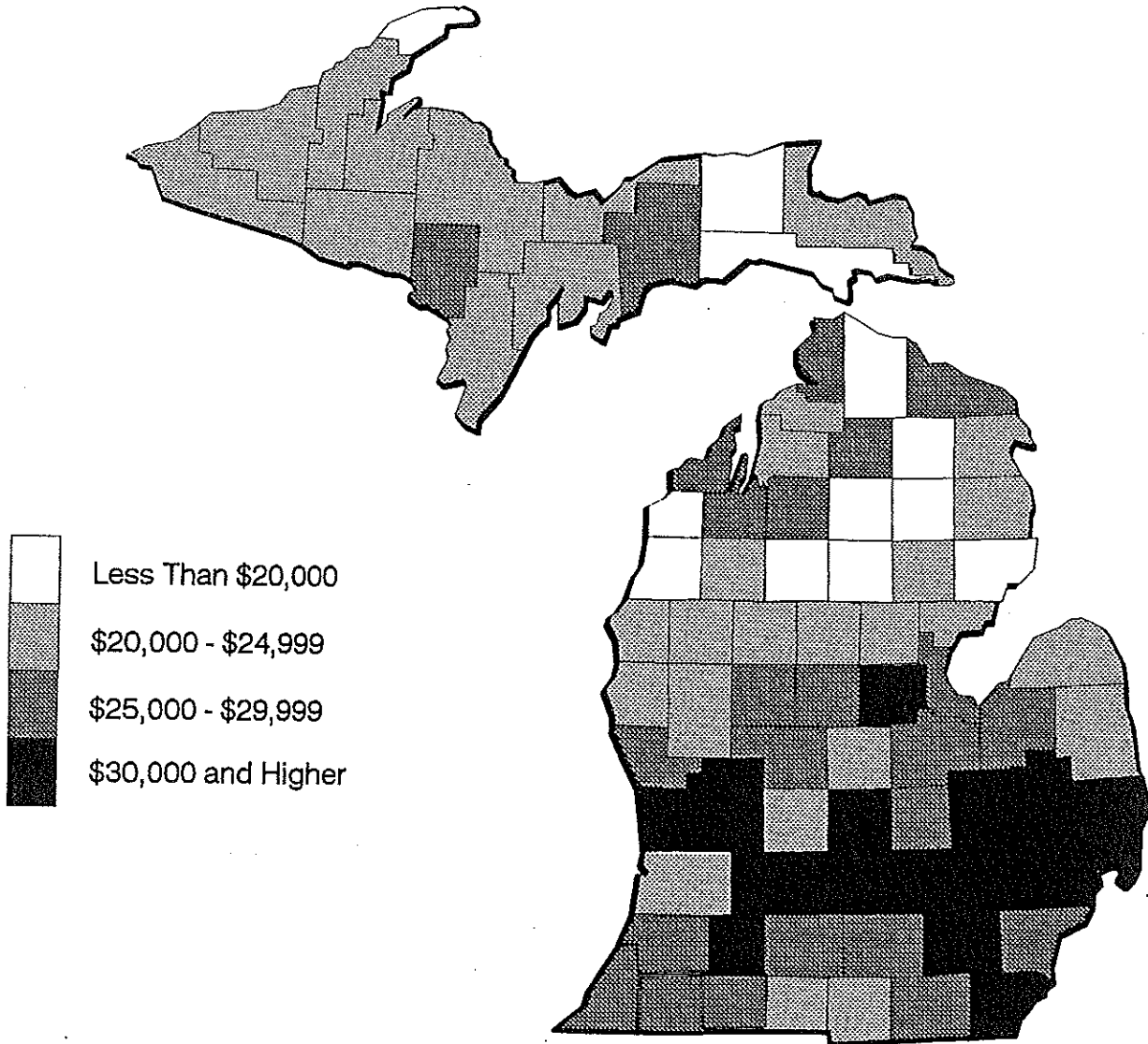
Exhibit 21

Average Annual Individual Income Tax Rates

<u>Year</u>	<u>Rate</u>
1968	2.60%
1969	2.60%
1970	2.60%
1971	3.14%
1972	3.90%
1973	3.90%
1974	3.90%
1975	4.37%
1976	4.60%
1977	4.60%
1978	4.60%
1979	4.60%
1980	4.60%
1981	4.60%
1982	5.10%
1983	6.35%
1984	5.85%
1985	5.33%
1986	4.60%
1987	4.60%
1988	4.60%
1989	4.60%
1990	4.60%
1991	4.60%
1992	4.60%
1993	4.60%
1994	4.47%

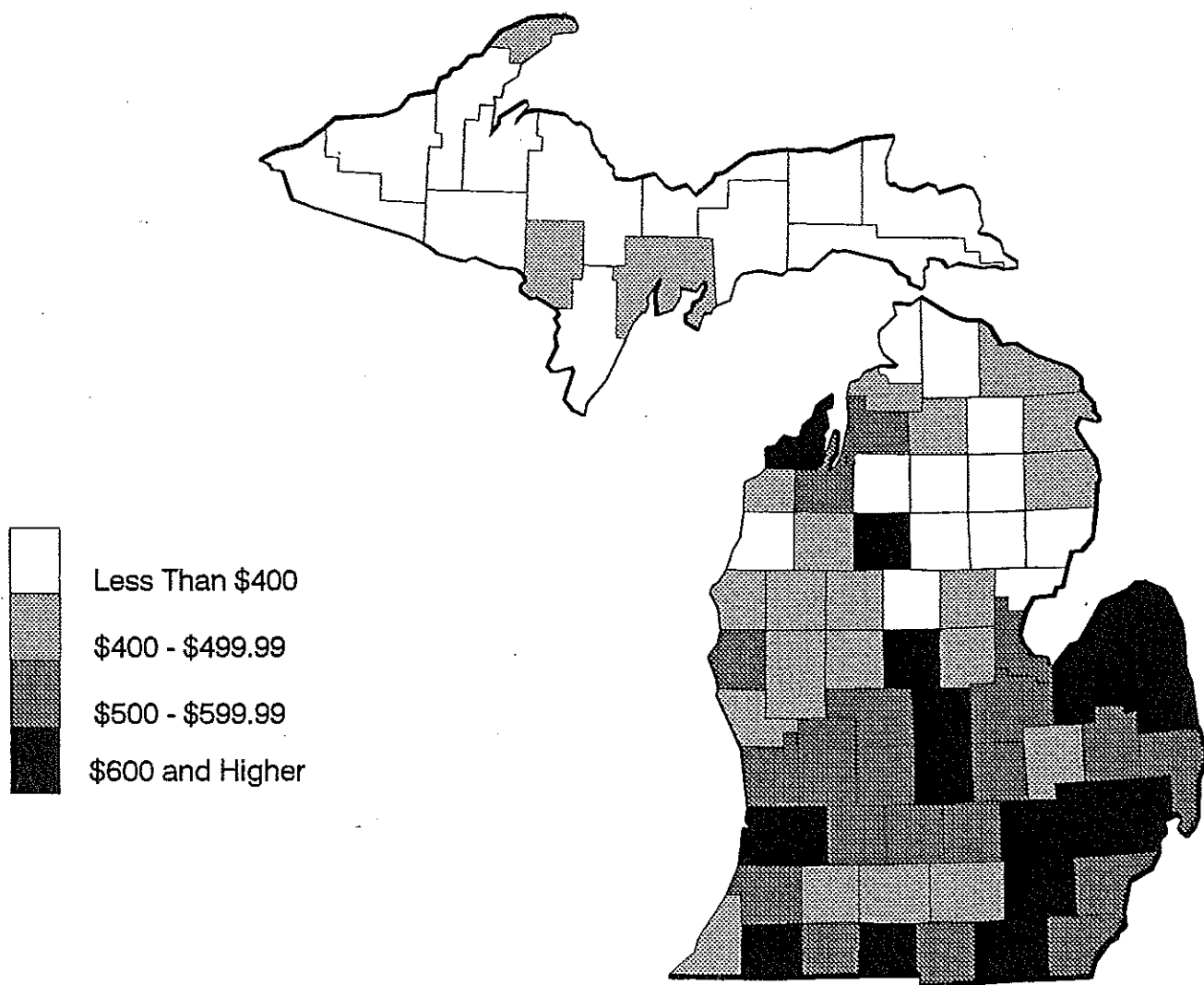
Exhibit 22

Average Adjusted Gross Income by County
1991



Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 23
Average Property Tax Credits by County
1991



Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

