

MICHIGAN'S INDIVIDUAL INCOME TAX 1992



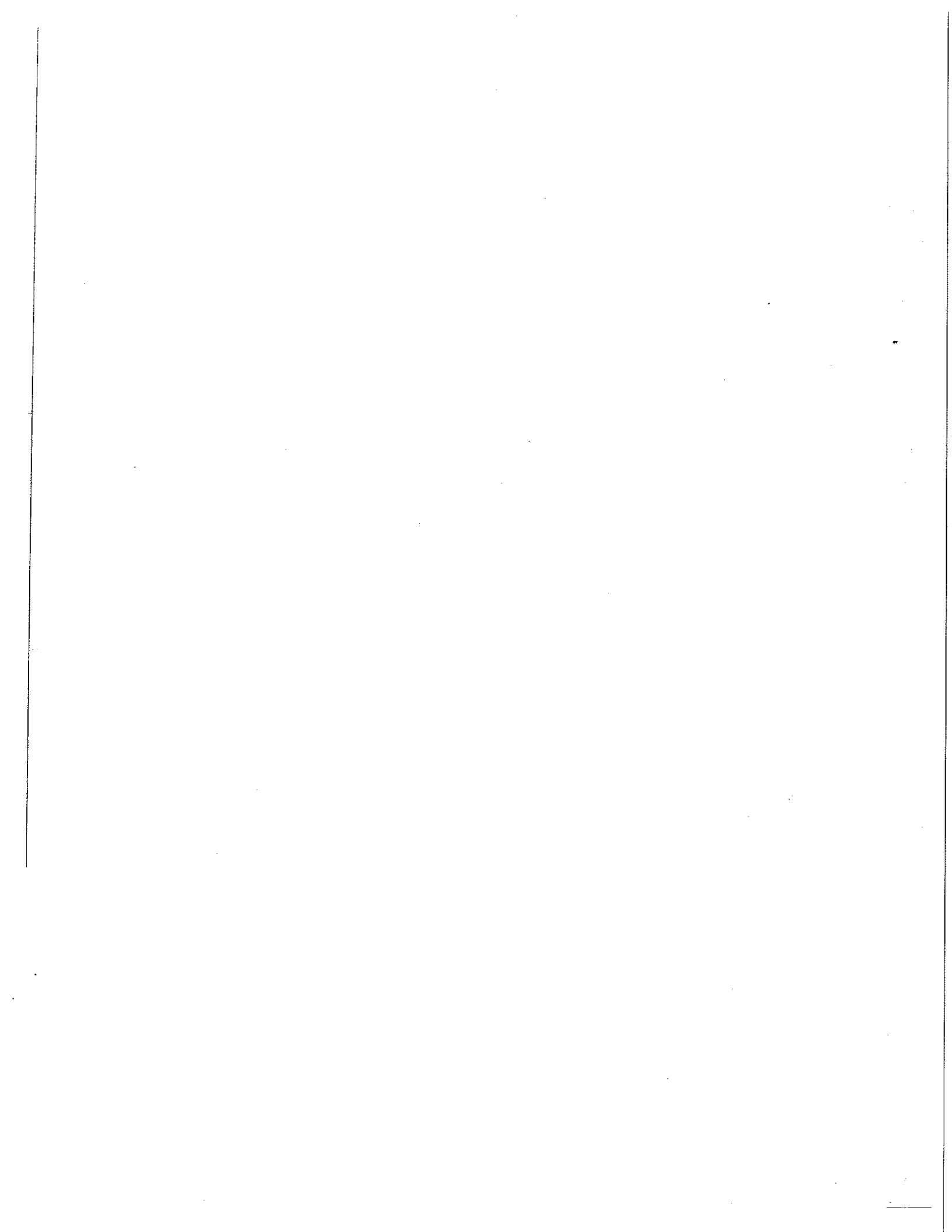
**Office of Revenue and Tax Analysis
Michigan Department of Treasury
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I. EXECUTIVE SUMMARY

Returns and Revenue

In 1992, Michigan's personal income tax generated \$3.7 billion in state revenues, after all credits and refunds were paid.

Net revenue increased \$122.2 million (3.4 percent) from 1991 levels. Adjusted gross income increased by \$3.3 billion (2.5 percent) from 1991 to 1992.

Over 4.3 million returns were filed for the 1992 tax year, approximately 11,200 less 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 9.6 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 2.77 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

Over 1.68 million Michigan homeowners, renters and farmers received \$951.8 million in property tax credits, including farmland preservation credits for 1992. The average property tax rebate was \$566.39. The total amount of property tax credits increased by \$12.2 million (1.3 percent) from 1991 with 10,900 more taxpayers benefitting than in the previous year.

Senior citizens received over \$406.5 million in homestead property tax credits, an increase of \$21.1 million over the previous year. For the 533,700 senior citizens receiving homestead property tax credits, the average credit was \$761.66.

Home Heating Credit

Home heating credits exceeded \$75.9 million for tax year 1992 with 402,700 households qualifying for an average credit of \$188.54. Home heating credits increased \$10.2 million from 1991 with 44,500 more taxpayers benefitting.

City Income Tax Credit

In 1992, city income tax credits were claimed by 901,300 taxpayers and amounted to \$30.8 million. This was a \$0.1 million increase from the prior year with 14,000 fewer taxpayers claiming the credit.

College Contribution Credit

Nearly \$18.7 million of 1992 credits were paid for contributions to Michigan colleges, libraries, museums and public broadcasting stations, a \$0.2 million decrease from the year before. There were 255,100 taxpayers claiming this credit, a decrease of 1,400 from 1991.

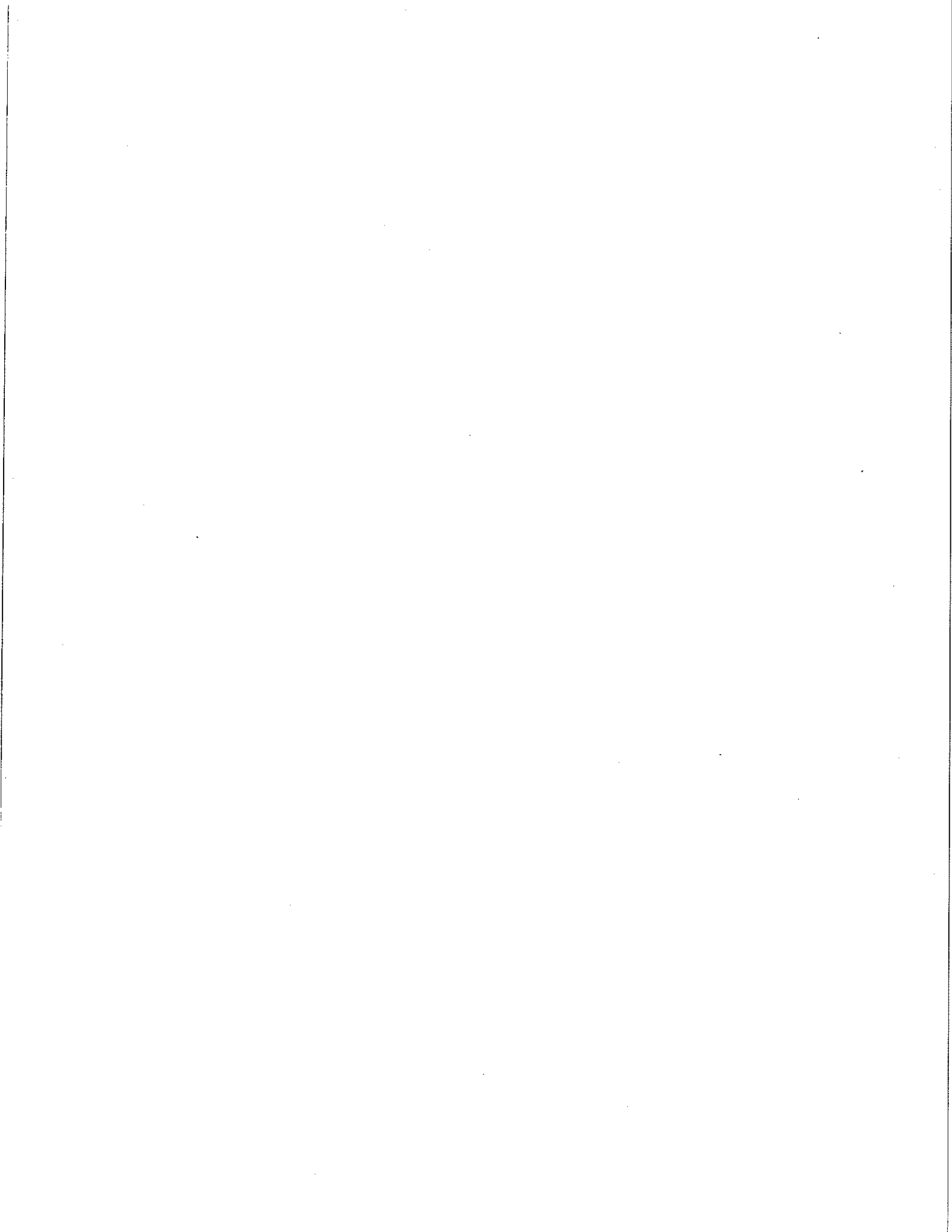
II. INTRODUCTION

This report summarizes information regarding the Michigan individual income tax and income tax exemptions and credits for tax year 1992. It is based on returns filed and processed in calendar year 1993.

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 1992 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.



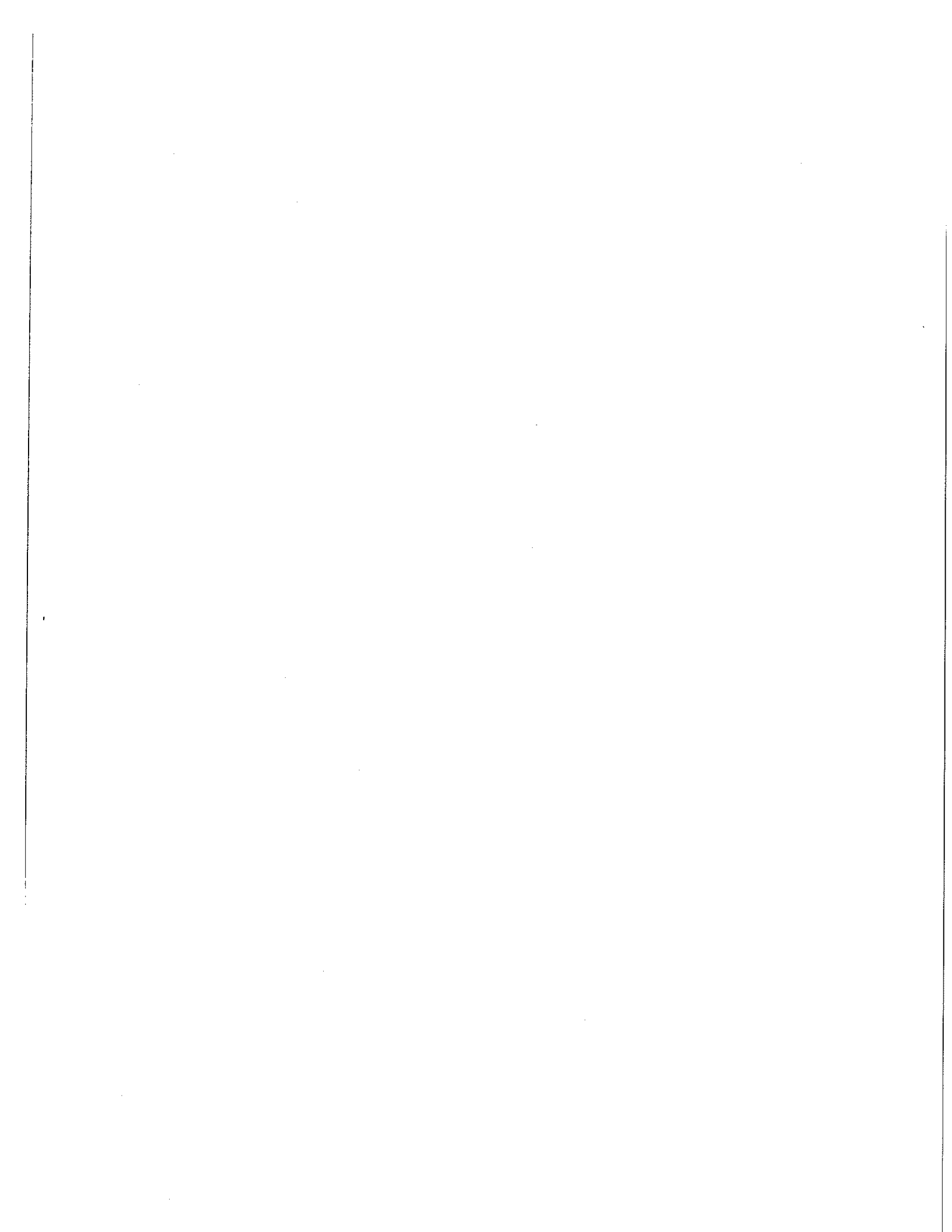
III. HISTORY OF THE MICHIGAN INDIVIDUAL INCOME TAX

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. In 1995, the personal exemption will increase to \$2,400 due to legislation passed in 1995. The exemption will remain at \$2,400 in 1996 and increase to \$2,500 in 1997. After 1997, the personal exemption will be indexed by inflation and rounded to the nearest \$100.

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 1992 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.

Nearly 4.0 million MI-1040 returns were filed for the 1992 tax year, which represented a decrease of 27,000 from 1991. The slight decrease reflected slower growth of the Michigan and national economy. An additional 321,600 "CR-only" returns (which only claim a property tax or home heating credit) were filed for 1992, compared to 305,800 CR-only returns filed for 1991.

The personal income tax for 1992 generated \$3.7 billion in net revenue which is total revenue after all credits and refunds are paid. Income tax revenues increased \$122.2 million (3.4 percent) from 1991.

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 a flat 4.6 percent in 1992, 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 9.6 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 2.81 percent rather than the nominal 4.6 percent. Taxpayers with adjusted gross income of less than \$12,000 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 .04 percentage points to 2.77 percent. Exhibit 2 and Exhibit 3 report net revenue collections and average effective rates, respectively.

Exhibit 1
Income Tax Revenue and Rates, 1979-1992

<u>Year</u>	<u>Number of 1040s 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
1992	3,984,600	134,802,283,400	33,831	4.6	2.77	3,730,007,100

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 a 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 1992, 32.7 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, 32.7 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)

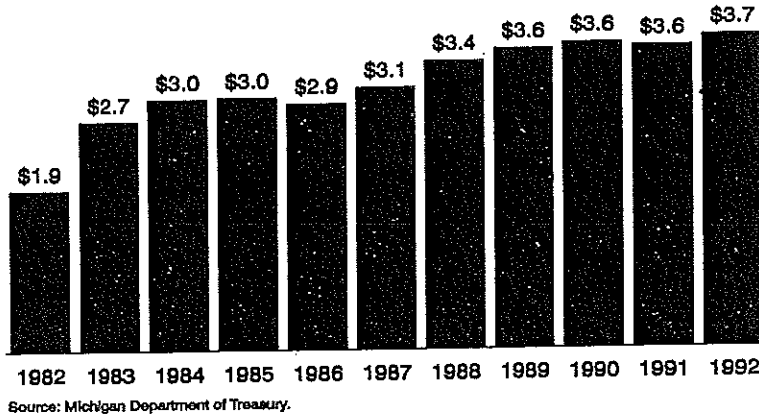


Exhibit 3
Individual Income Tax
Effective Tax Rate
 Percent

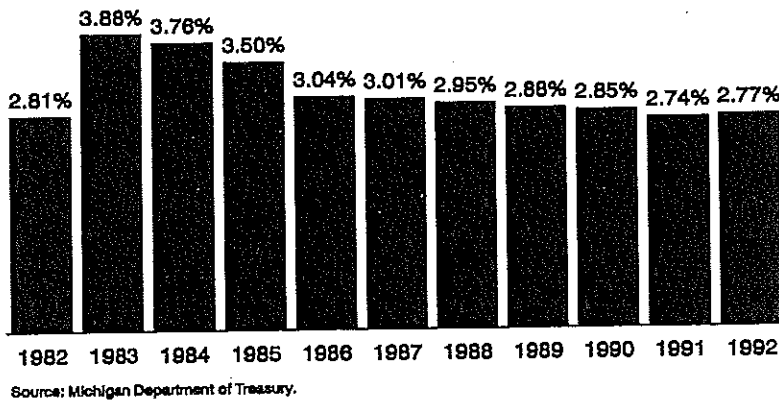
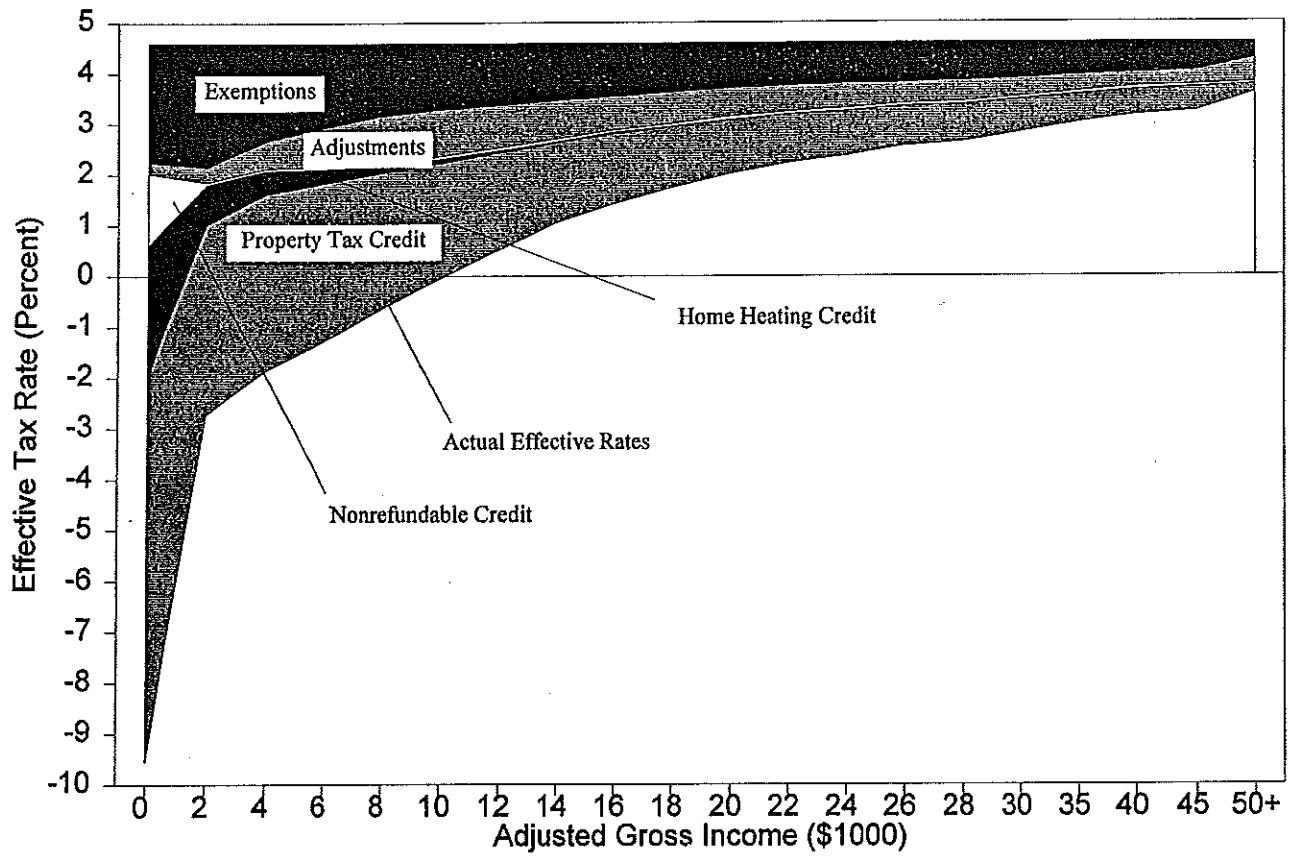
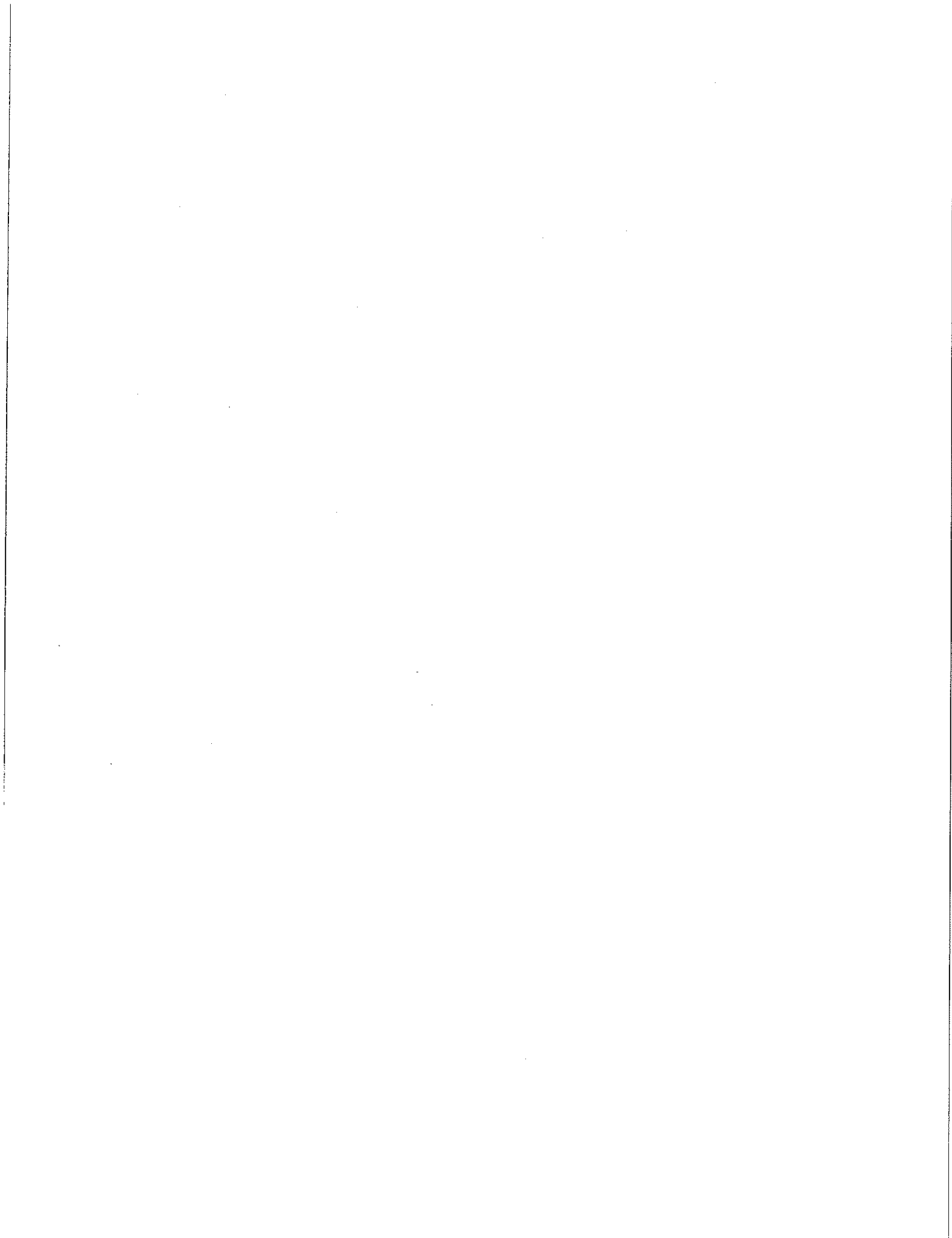


Exhibit 4
Effective Income Tax Rate, 1992





V. INCOME TAX CREDITS

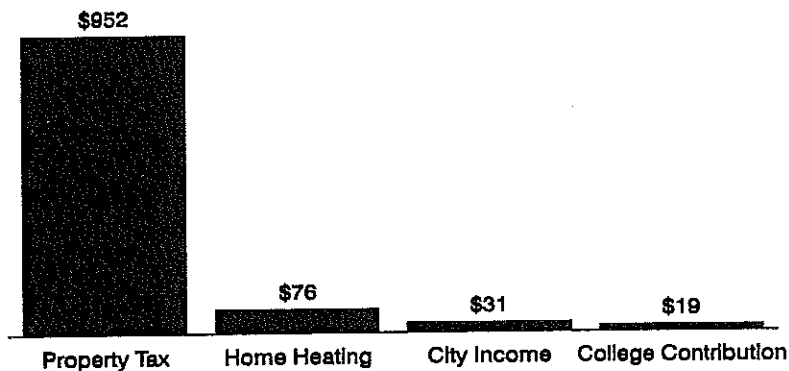
Property Tax Credit

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 \$891.4 million of homestead property tax credits in 1993 (1992 returns) in the largest property tax relief program in the country. This amount represented an increase of \$14.3 million from a year ago while 11,200 more taxpayers received assistance. Senior citizens received \$406.5 million of the credits, a \$21.1 million increase from 1991. Exhibit 5 illustrates the amount of money paid to taxpayers for property tax credits compared to other credits.

Exhibit 5
Individual Income Tax Credits
1992
(millions of dollars)



Source: Michigan Department of Treasury.

The average 1992 homestead property tax credit was \$535.30 which was a \$4.99 increase from a year ago. Senior citizens' credits averaged \$761.66, an \$18.76 increase from 1991. 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	536,842	\$301,794,000	\$562.17
	\$10,001 - \$20,000	340,531	184,892,900	542.95
	\$20,001 - \$50,000	552,125	284,149,000	514.65
	Over \$50,000	<u>235,669</u>	<u>120,522,700</u>	<u>511.41</u>
Totals		1,665,167	\$891,358,600	\$535.30

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 3.8 percent of total AGI, taxpayers with AGI under \$10,000 received about 33.9 percent of the total homestead credits. On the other hand, taxpayers with AGI over \$50,000 accounted for 54.9 percent of total 1992 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 15,300 farms in 1992, providing credits of \$60.5 million, and an average credit of \$3,951.

Public Act 269 of 1982 provides a special tax credit for senior citizens with high rent burdens. For 1992, this alternate credit is the amount by which rent paid exceeds 40 percent of household income. In 1992, 17,700 senior citizens claimed an additional \$7.3 million using this alternate calculation. These amounts represented an increase of 1,600 people claiming the credit for \$1.0 million more 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 13.

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 \$75.9 million for tax year 1992 with 402,700 households qualifying. This represented a \$10.2 million increase over the previous year while 44,500 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. Of the \$75.6 million of home heating credits claimed on the original filing of a 1992 return, senior citizens received over \$18.1 million.

	<u>Number of Credits Allowed</u>	<u>Dollar Amount of Credits</u>	<u>Average Credit</u>
Senior Citizen	133,500	\$18,195,000	\$136.29
General	249,100	54,598,300	219.18
Handicapped	15,600	2,602,500	166.83
Veteran	<u>1,600</u>	<u>186,400</u>	<u>116.50</u>
Totals	399,800	\$75,582,200	\$189.05

Approximately 63,700 taxpayers used the alternative calculation based on energy consumption claiming credits worth \$22.3 million. The average credit under the standard calculation was \$156.34 compared to \$349.90 under the alternative calculation. About 89.0 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 56.2 percent of income at the lowest income group, but only 3.2 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 1992, 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 \$30.8 million for tax year 1992, a \$0.1 million increase from last year, while the number of claimants decreased by 14,000. 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 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	138,000	\$ 1,976,500	\$14.32
\$10,001 -	\$20,000	154,900	3,742,100	24.16
\$20,001 -	\$50,000	366,600	13,165,000	35.91
Over	\$50,000	<u>241,800</u>	<u>11,934,000</u>	<u>49.35</u>
Total		901,300	\$30,817,600	\$34.19

College Contribution Credit

Taxpayers may claim partial credits for contributions to Michigan colleges and universities, public libraries and museums and public broadcasting stations. 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 1992, 255,100 taxpayers received \$18.7 million in credits. This was a decrease from a year ago when 256,500 taxpayers received \$18.9 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 through 1992.

<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
1992	9,900	836,800	84.53

VI. DESIGNATED CONTRIBUTIONS

In 1992 taxpayers were able to designate \$2.00 of their tax liability for the State Campaign Fund which supports the state gubernatorial campaigns. In 1992, taxpayers designated \$1,186,000 to the State Campaign Fund.

The Children's 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 1992, 86,430 filers contributed \$923,018 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 68,188 returns designating \$627,145 in Non-Game Wildlife Fund contributions in 1992.

VII. INTERSTATE COMPARISONS

In 1992, Michigan along with six other states (Colorado, 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 1992, Michigan ranked 33rd in income taxes per person with Massachusetts ranking first overall. As shown by Exhibit 7, Michigan income tax per person of \$344 was below the U.S. average of \$411. 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 37th 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 1.75 percent, was 0.3 percentage points below the U.S. average and 0.33 percentage points below the Great Lakes average.

Exhibit 6

State Individual Income Taxes for FY 1992 Per Person and Percent of Personal Income

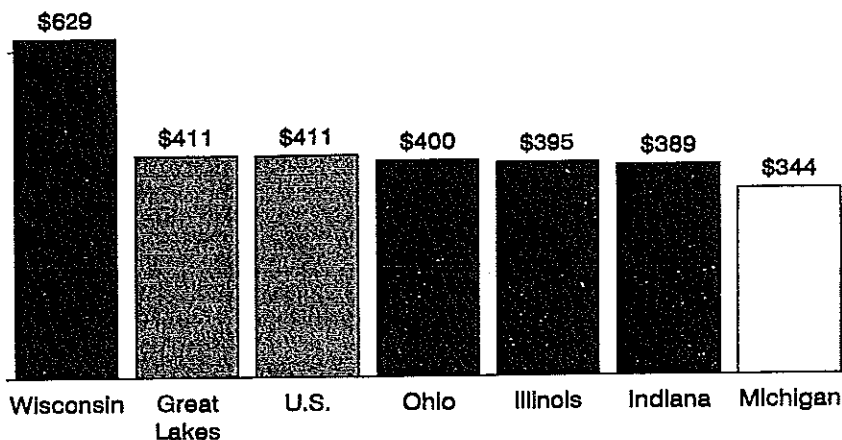
<u>State</u>	<u>Per Person Individual Income Taxes</u>	<u>Rank</u>	<u>Income Taxes as a Percent of Personal Income</u>	<u>Rank</u>
Alabama	\$298	37	1.80%	36
Alaska	No Tax	49	No Tax	45
Arizona	\$324	36	1.86%	33
Arkansas	\$355	32	2.27%	23
California	\$551	10	2.58%	14
Colorado	\$465	19	2.25%	24
Connecticut	\$569	9	2.10%	29
Delaware	\$720	5	3.48%	4
Florida	No Tax	45	No Tax	49
Georgia	\$455	20	2.45%	18
Hawaii	\$785	3	3.54%	3
Idaho	\$502	15	3.02%	8
Illinois	\$395	25	1.81%	35
Indiana	\$389	29	2.12%	27
Iowa	\$503	14	2.75%	11
Kansas	\$332	35	1.71%	38
Kentucky	\$447	21	2.71%	12
Louisiana	\$203	39	1.27%	39
Maine	\$479	16	2.63%	13
Maryland	\$591	8	2.54%	15
Massachusetts	\$891	1	3.76%	2
Michigan	\$344	33	1.75%	37
Minnesota	\$671	6	3.27%	7
Mississippi	\$168	41	1.19%	40
Missouri	\$355	31	1.87%	32
Montana	\$391	27	2.41%	20
Nebraska	\$408	23	2.15%	26
Nevada	No Tax	50	No Tax	46
New Hampshire	\$31	42	0.14%	42
New Jersey	\$525	11	2.01%	30
New Mexico	\$281	38	1.82%	34
New York	\$824	2	3.42%	5
North Carolina	\$524	12	2.93%	9
North Dakota	\$188	40	1.11%	41
Ohio	\$400	24	2.10%	28
Oklahoma	\$380	30	2.31%	22
Oregon	\$747	4	4.02%	1
Pennsylvania	\$391	28	1.89%	31
Rhode Island	\$478	17	2.36%	21
South Carolina	\$392	26	2.42%	19
South Dakota	No Tax	48	No Tax	44
Tennessee	\$19	43	0.11%	43
Texas	No Tax	47	No Tax	47
Utah	\$431	22	2.77%	10
Vermont	\$475	18	2.53%	16
Virginia	\$519	13	2.49%	17
Washington	No Tax	44	No Tax	48
West Virginia	\$339	34	2.17%	25
Wisconsin	\$629	7	3.31%	6
Wyoming	No Tax	46	No Tax	50

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

Source: Advisory Commission on Intergovernmental Relations, "Significant Features of Fiscal Federalism, 1994."

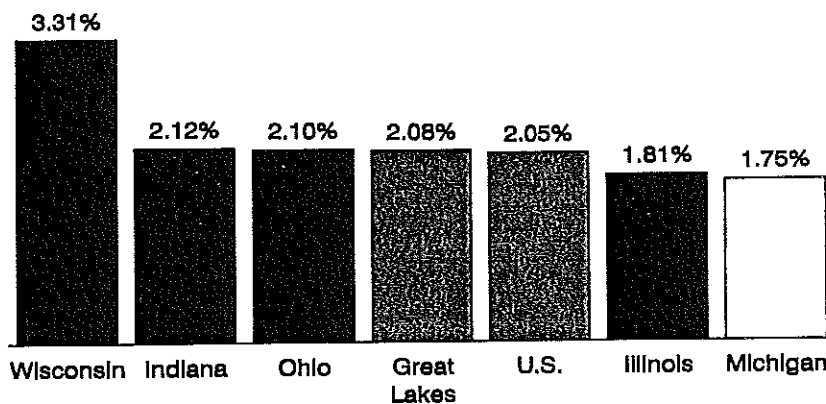
Compiled by: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 7
State Income Taxes Per Person
Great Lakes Region
FY 1992

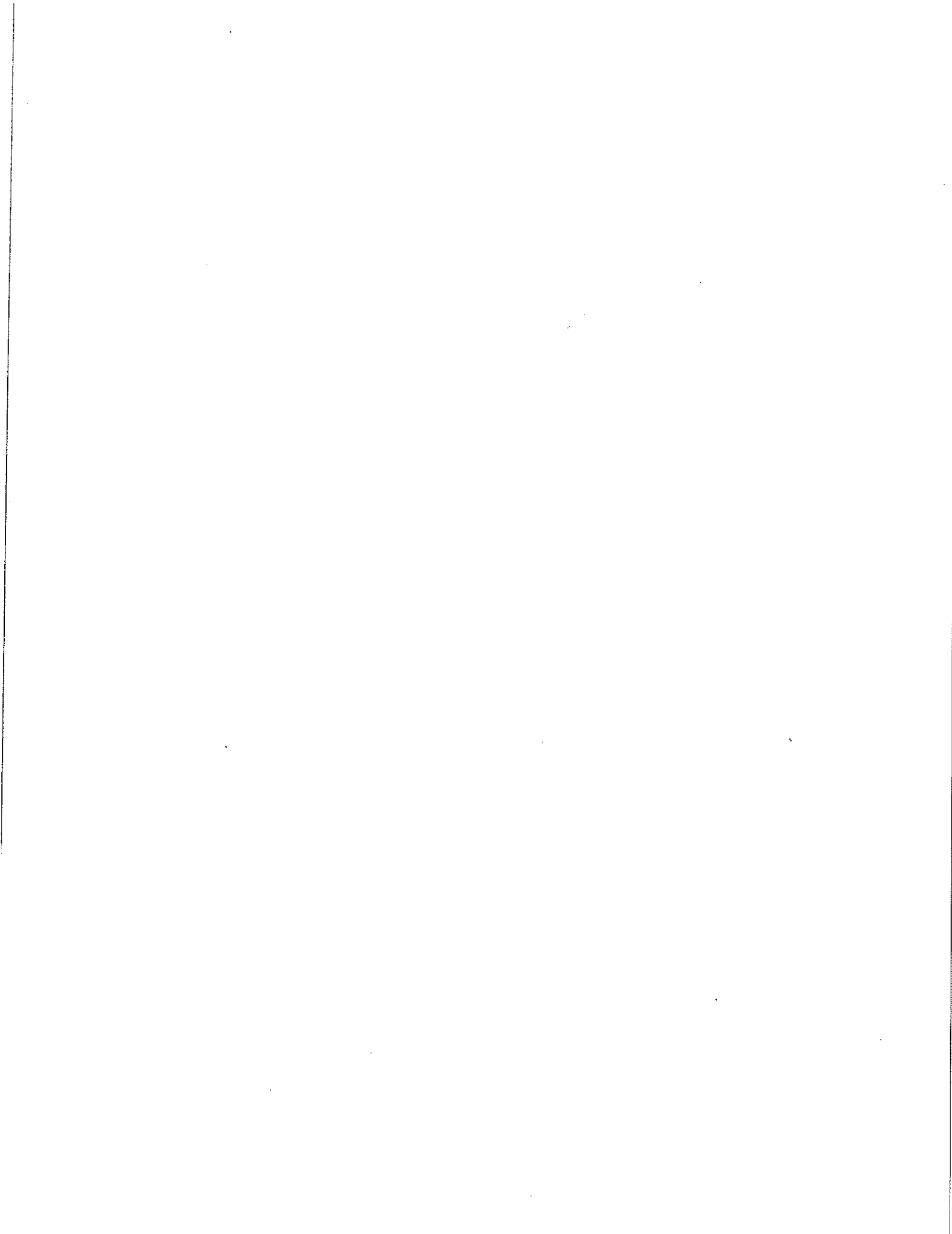


Source: Advisory Commission on Intergovernmental Relations, "Significant Features of Fiscal Federalism."

Exhibit 8
State Income Taxes
Percent of Personal Income
Great Lakes Region
FY 1992



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



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	\$32,429	\$43,245 Oakland	\$12,152 Keewenaw
Percent Change in Average AGI 1991-1992	3.49%	92.36% Crawford	(33.48)% Keewenaw
Average Income Tax Before Credits	\$1,209	\$1,688 Oakland	\$382 Keewenaw
Average Income Tax After Credits	\$886	\$1,383 Oakland	\$163 Lake
Income Tax Credits as a Percent of Tax Before Credits	26.71%	70.86% Huron	9.31% Otsego
Ratio of Property Tax Credits to 1040s Filed	46.21%	52.14% Huron	18.17% Ontonagon
Average Property Tax Credits	\$528	\$990 Huron	\$253 Gogebic

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.

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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 the value in 1992.

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 1992, 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 1992.

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 1992 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 1992.

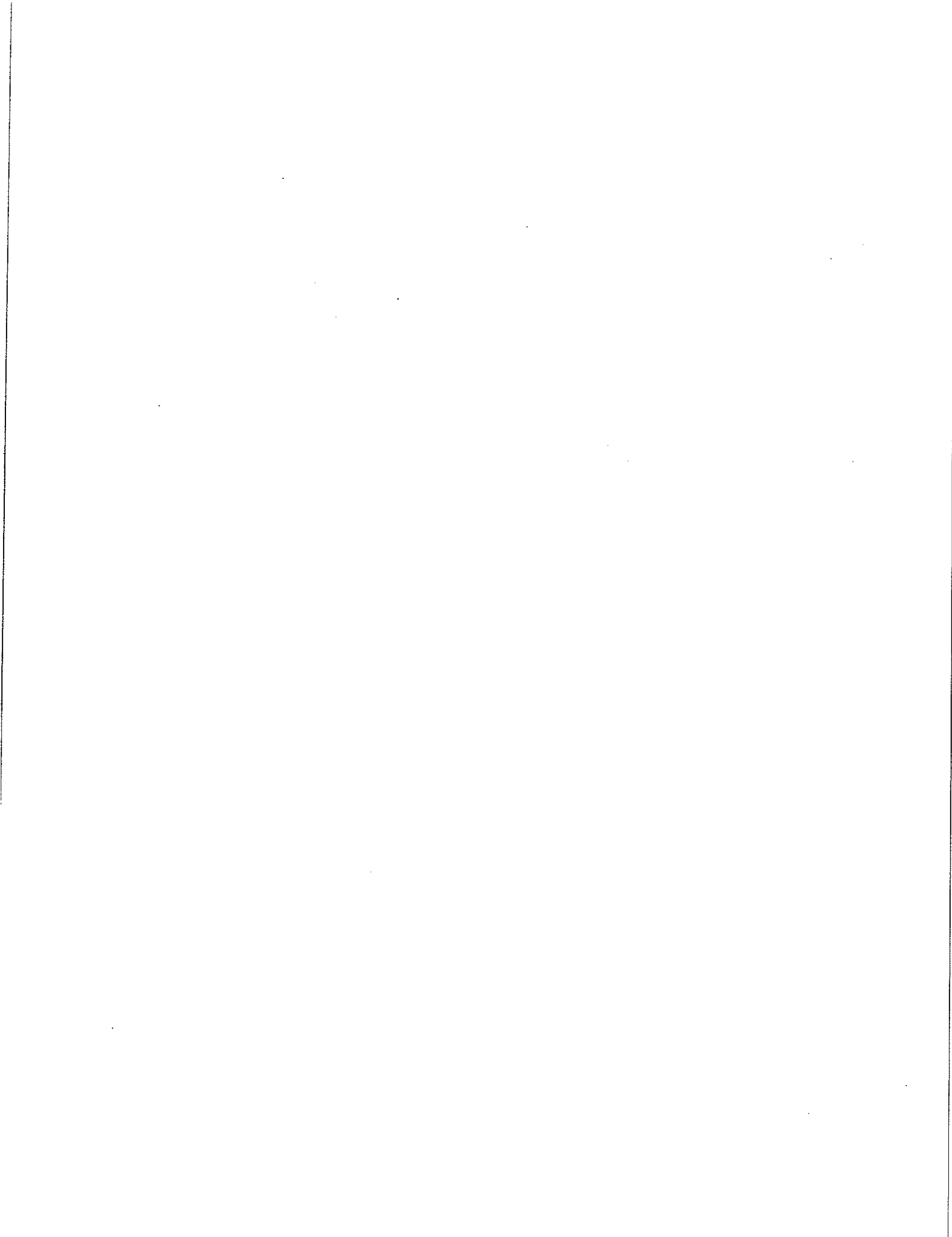
X. 1992 PUBLIC ACTS INCOME TAX

Public Act 67 provided for fiscal year 1991-92 that the amount of revenue sharing payments available for distribution to cities, villages and townships from state income tax collections in August 1992 could not be distributed. The amount lapsed to the General Fund at the close of the 1991-92 fiscal year. The act also discontinued after June 1992 the \$27.4 million advance previously made in June on August payments.

Public Act 160 for fiscal year 1992-93 reduced the amount made available for revenue sharing. Payments to counties were reduced by \$6.725 million, and revenue sharing payments to cities, villages and townships were reduced by \$17.5 million.

Public Act 277 provided that in 1993 and each tax year thereafter the state income taxes of persons employed by the federal government who work at a "qualified facility" must be deposited in the Federal Facility Development Fund to be appropriated and used solely for the purposes of the fund. The intended federal facility did not locate in Michigan and the act has not been used.

Public Act 293 extended through the 1994 tax year restrictions on the amount of property tax credits that can be claimed by people receiving Aid to Families with Dependent Children, State Family Assistance, or State Disability Assistance and those whose household incomes exceed \$73,650.



XI. DATA TABLES AND CHARTS

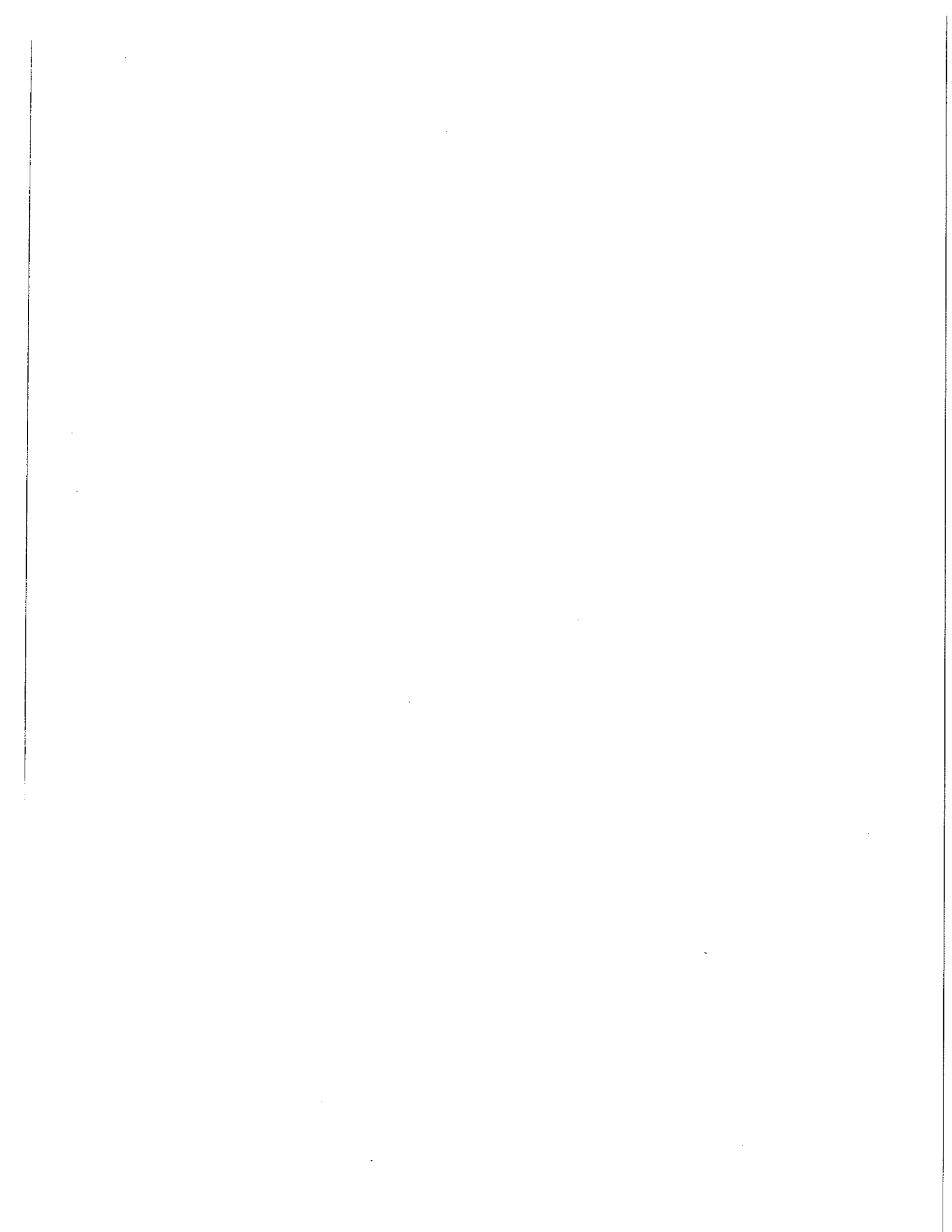


Exhibit 9

Effective Rate of the Michigan Individual Income Tax, 1992

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)	368,300			43,900	(\$232,441,200)	\$179,825,300	(\$167,584,500)	(9.6)%
\$.01 - 2,000.00	214,600	\$238,998,300	57,278	159,900	12,328,900	27,487,200	(22,665,600)	(2.7)
2,000.01 - 4,000.00	238,100	711,106,000	178,805	213,500	48,693,300	32,642,400	(19,444,000)	(1.8)
4,000.01 - 6,000.00	214,700	1,070,412,700	213,436	273,300	123,756,100	42,712,100	(19,783,800)	(1.3)
6,000.01 - 8,000.00	199,900	1,396,789,500	239,137	324,500	237,866,800	47,987,800	(17,778,000)	(0.6)
8,000.01 - 10,000.00	190,000	1,708,929,100	252,796	352,100	348,643,900	49,007,900	(10,946,900)	(0.0)
10,000.01 - 12,000.00	175,200	1,924,166,000	259,140	348,700	390,349,800	46,392,700	10,878,000	0.5
12,000.01 - 14,000.00	161,300	2,094,910,900	265,155	394,400	382,340,800	42,286,300	24,232,700	1.0
14,000.01 - 16,000.00	154,000	2,308,617,800	268,879	325,000	384,127,200	38,320,100	34,084,100	1.4
16,000.01 - 18,000.00	141,100	2,396,350,300	281,383	302,300	344,516,700	35,050,600	44,327,000	1.7
18,000.01 - 20,000.00	133,900	2,543,269,400	254,248	291,000	345,776,700	32,197,200	52,696,400	2.0
20,000.01 - 22,000.00	124,600	2,612,932,700	241,822	274,300	321,289,600	29,359,200	57,763,800	2.2
22,000.01 - 24,000.00	112,400	2,585,678,200	222,869	252,100	295,895,000	26,037,100	60,797,800	2.4
24,000.01 - 26,000.00	102,600	2,563,812,800	212,946	234,100	277,477,200	23,803,100	67,620,300	2.6
26,000.01 - 28,000.00	98,000	2,644,203,500	212,196	229,600	243,030,000	22,335,500	68,411,200	2.6
28,000.01 - 30,000.00	89,300	2,598,276,400	197,990	215,100	238,776,000	20,540,000	199,498,000	2.8
30,000.01 - 35,000.00	217,400	7,061,200,800	515,894	547,700	555,856,400	49,912,500	240,347,300	3.0
35,000.01 - 40,000.00	212,200	7,953,871,200	528,514	558,600	567,761,500	48,359,300	260,694,700	3.2
40,000.01 - 45,000.00	194,500	8,251,079,100	513,173	538,600	506,117,000	46,001,000	262,312,000	3.2
45,000.01 - 50,000.00	170,600	8,093,385,600	469,019	494,200	493,415,700	41,979,400	2,665,868,800	3.6
Over 50,000	793,500	74,058,295,100	2,437,209	2,499,800	7,608,650,300	155,380,500	\$3,790,459,200	2.8%
Total	4,306,200	\$134,802,283,400	7,801,890	8,810,700	\$13,494,229,700	\$1,037,597,200		

(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 and solar credits.
(3) Includes 321,600 1040-CR only returns.

Exhibit 9a

**Breakdown of Upper Income Filers
Individual Income Tax, 1992**

<u>Adjusted Gross Income Class</u>	<u>Number of Returns</u>	<u>Adjusted Gross Income</u>	<u>Total Tax Credits</u>	<u>Effective Tax</u>	<u>Effective Tax as a % of Income</u>
\$50,000.01 - 55,000.00	142,900	\$7,495,032,930	\$37,529,208	\$247,922,550	3.3%
55,000.01 - 60,000.00	117,200	6,724,518,133	30,831,333	227,357,889	3.4
60,000.01 - 65,000.00	94,300	5,886,805,504	24,859,390	204,469,639	3.5
65,000.01 - 70,000.00	78,600	5,302,881,755	19,476,743	188,633,549	3.6
70,000.01 - 75,000.00	63,900	4,629,442,606	15,587,796	168,538,181	3.6
75,000.01 - 80,000.00	49,500	3,830,968,575	8,917,896	144,622,865	3.8
80,000.01 - 85,000.00	39,600	3,261,440,530	3,133,668	128,235,732	3.9
85,000.01 - 90,000.00	32,000	2,796,120,405	1,663,211	111,573,762	4.0
90,000.01 - 95,000.00	26,600	2,458,741,742	1,350,301	98,298,694	4.0
95,000.01 - 100,000.00	19,900	1,933,118,822	1,051,532	77,794,172	4.0
Over 100,000	<u>129,000</u>	<u>29,739,224,140</u>	<u>10,979,421</u>	<u>1,068,421,736</u>	<u>3.6</u>
Total	793,500	\$74,058,295,141	\$155,380,500	\$2,665,868,770	3.6%

Exhibit 10

Tax Expenditures as a Percent of AGI
Individual Income Tax, 1992

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	50.8%	5.2%	31.2%	56.2%	164.6%
2,000.01 - 4,000.00	52.8	6.8	0.9	17.4	81.4
4,000.01 - 6,000.00	41.9	11.6	1.1	10.1	75.5
6,000.01 - 8,000.00	36.0	17.0	1.1	6.0	67.6
8,000.01 - 10,000.00	31.1	20.4	1.0	3.2	58.2
10,000.01 - 12,000.00	28.3	20.3	1.1	1.9	49.4
12,000.01 - 14,000.00	26.6	18.3	1.1	1.0	41.8
14,000.01 - 16,000.00	24.5	16.6	1.1	0.5	34.5
16,000.01 - 18,000.00	22.9	14.4	1.1	0.3	30.4
18,000.01 - 20,000.00	21.0	13.6	1.1	0.1	26.3
20,000.01 - 22,000.00	19.4	12.3	1.2	0.1	23.1
22,000.01 - 24,000.00	18.1	11.4	1.2	0.0	20.7
24,000.01 - 26,000.00	17.4	10.8	1.1	0.0	19.1
26,000.01 - 28,000.00	16.9	9.2	1.1	0.0	17.2
28,000.01 - 30,000.00	16.1	9.2	1.1	0.0	16.1
30,000.01 - 35,000.00	15.3	7.9	1.2	0.0	14.2
35,000.01 - 40,000.00	14.0	7.1	1.2	0.0	12.0
40,000.01 - 45,000.00	13.1	6.1	1.2	0.0	10.9
45,000.01 - 50,000.00	12.2	6.1	1.1	0.0	10.1
Over 50,000.00	6.9	10.3	1.0	0.0	3.5
Total	12.1%	10.0%	1.1%	1.2%	14.4%

(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 1992 MI-1040 Returns(1)
Individual Income Tax, 1992

Adjusted Gross Income	0	1	2	3	4	5	6 and Over	Total
\$ 2,000.00 or less	143,600	60,600	29,800	9,400	8,100	2,300	1,700	255,300
2,000.01 - 4,000.00	114,800	69,300	35,400	8,900	7,900	1,600	1,000	238,900
4,000.01 - 6,000.00	63,000	77,100	49,000	12,200	11,200	1,900	1,100	215,500
6,000.01 - 8,000.00	31,700	78,500	53,400	15,000	17,600	3,000	1,300	200,500
8,000.01 - 10,000.00	16,100	78,800	52,700	17,300	22,000	3,900	1,600	190,400
10,000.01 - 12,000.00	8,000	73,100	48,700	18,000	24,000	4,100	1,700	175,600
12,000.01 - 14,000.00	4,400	67,400	42,000	18,000	24,000	4,200	1,800	161,800
14,000.01 - 16,000.00	2,300	65,400	38,600	19,000	22,500	4,500	2,000	154,300
16,000.01 - 18,000.00	1,300	60,300	34,200	18,100	20,900	4,600	1,900	141,300
18,000.01 - 20,000.00	700	56,900	31,900	18,200	19,600	4,700	2,100	134,100
20,000.01 - 22,000.00	500	51,900	29,400	17,100	19,500	4,500	1,800	124,700
22,000.01 - 24,000.00	200	45,800	27,300	15,800	16,600	4,500	2,300	112,500
24,000.01 - 26,000.00	200	39,900	26,000	14,800	15,000	4,900	2,000	102,800
26,000.01 - 28,000.00	100	36,500	24,600	14,400	15,200	5,100	2,200	98,100
28,000.01 - 30,000.00	100	31,300	22,500	14,100	14,300	5,000	2,100	89,400
30,000.01 - 35,000.00	100	66,700	58,200	34,500	38,700	13,600	6,000	217,800
35,000.01 - 40,000.00	100	55,900	58,800	36,200	41,000	14,800	5,600	212,400
40,000.01 - 45,000.00	0	42,100	55,300	34,200	40,800	16,100	6,000	194,500
45,000.01 - 50,000.00	100	28,200	50,200	32,600	39,200	14,900	5,600	170,800
Over 50,000.00	300	57,000	242,500	166,100	219,700	81,300	27,000	793,900
Total	387,600	1,140,700	1,008,300	533,900	637,800	199,500	76,800	3,984,600

(1) Values in this table are based on a stratified sample of 3,984,600 correct 1992 MI-1040 tax returns on file.

Exhibit 12

Distribution of Credits Claimed(1)
Individual Income Tax, 1992

Adjusted Gross Income	Number of MI-1040s Filed	% of Total MI-1040s Filed	General Property Tax Credit			City Income Tax Credit			College Contribution Credit		
			Number Claiming Credit	AGI Group % of MI-1040s Filed	\$ Amount of Credit	Number Claiming Credit	AGI Group % of MI-1040s Filed	\$ Amount of Credit	Number Claiming Credit	AGI Group % of MI-1040s Filed	\$ Amount of Credit
\$2,000.00 or less	255,300	6.4%	28,100 (2)	11.0%	\$11,860,000	9,200	3.6%	\$226,900	200	0.1%	\$14,900
2,000.01 - 4,000.00	238,900	6.0	27,400	11.5	9,026,200	30,400	12.7	251,900	1,100	0.5	40,500
4,000.01 - 6,000.00	215,500	5.4	34,000	15.8	11,694,100	32,600	15.1	390,100	2,100	1.0	82,500
6,000.01 - 8,000.00	200,500	5.0	38,500	19.2	13,701,200	33,800	16.9	535,200	2,300	1.1	98,100
8,000.01 - 10,000.00	190,400	4.8	40,900	21.5	14,728,400	32,000	16.8	572,400	3,000	1.6	126,600
10,000.01 - 12,000.00	175,600	4.4	41,300	23.5	15,294,500	31,300	17.8	622,200	3,500	2.0	178,000
12,000.01 - 14,000.00	161,800	4.1	40,000	24.7	15,195,600	31,000	19.2	696,500	3,800	2.3	181,600
14,000.01 - 16,000.00	154,300	3.9	40,300	26.1	15,313,400	31,000	20.1	765,300	4,400	2.9	231,100
16,000.01 - 18,000.00	141,300	3.5	41,100	29.1	15,967,300	30,800	21.8	789,600	5,100	3.6	266,600
18,000.01 - 20,000.00	134,100	3.4	39,700	29.6	16,090,800	30,800	23.0	868,500	5,100	3.8	258,400
20,000.01 - 22,000.00	124,700	3.1	37,500	30.1	15,745,700	29,800	23.9	878,900	5,700	4.6	316,100
22,000.01 - 24,000.00	112,500	2.8	34,800	30.9	15,165,800	27,100	24.1	804,900	4,900	4.4	286,500
24,000.01 - 26,000.00	102,800	2.6	32,600	31.7	14,661,300	24,700	24.0	850,000	4,500	4.4	267,900
26,000.01 - 28,000.00	98,100	2.5	32,300	32.9	14,527,100	25,200	25.7	807,000	5,200	5.3	301,900
28,000.01 - 30,000.00	89,400	2.2	30,400	34.0	14,071,300	22,900	25.6	765,700	5,300	5.9	328,200
30,000.01 - 35,000.00	217,800	5.5	75,300	34.6	35,082,100	60,500	27.8	2,129,500	14,600	6.7	855,900
35,000.01 - 40,000.00	212,400	5.3	74,600	35.1	35,444,700	63,200	29.8	2,420,000	15,100	7.1	969,000
40,000.01 - 45,000.00	194,500	4.9	72,900	37.5	34,391,000	61,100	31.4	2,409,800	15,600	8.0	999,400
45,000.01 - 50,000.00	170,800	4.3	67,100	39.3	31,912,800	52,100	30.5	2,099,200	15,900	9.3	1,008,600
Over 50,000.00	793,900	19.9	217,500	27.4	107,793,900	241,800	30.5	11,934,000	137,700	17.3	11,657,900
Total	3,984,600	100.0%	1,046,300	26.3%	\$457,667,200	901,300	22.6%	\$30,817,600	255,100	6.4%	\$18,659,700

(1) Values in this table are based on a stratified sample of 3,984,600 correct 1992 MI-1040 tax returns on file.

(2) 34,900 general property tax credits for a total of \$11,316,500 were claimed on MI-1040CR-4 returns which were filed without an MI-1040.

(3) For credit information, percent of 1040s filed is by AGI group

Exhibit 13

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

	1989			1990			1991			1992		
	Number	Amount	Average	Number	Amount	Average	Number	Amount	Average	Number	Amount	Average
Property Tax Credits												
General	927.6	\$363,203.1	\$391.56	982.8	\$401,845.8	\$408.88	1085.3	\$476,256.7	\$438.83	1,081.2	\$468,983.7	\$433.76
Senior Citizen	493.1	325,536.7	660.18	500.2	348,082.8	695.89	518.8	379,091.4	730.71	533.7	399,201.6	747.99
Part I												
Part II												
Veteran	22.8	4,986.1	218.69	17.3	3,685.0	213.01	17.1	3,852.7	225.30	16.1	3,565.2	221.44
Blind	1.9	431.7	227.21	2.3	517.9	225.17	2.1	493.1	234.81	1.6	363.6	227.25
Disabled(1)	25.4	8,348.4	328.60	33.1	11,684.8	353.02	30.7	11,117.9	362.15	32.6	11,940.8	366.28
Farmland and Solar	16.7	54,294.9	3,251.19	15.4	53,278.1	3,459.62	15.6	52,443.1	4,002.76	15.3	50,452.1	3,951.12
Total	1,487.5	\$756,803.9	\$508.78	1,551.1	\$819,094.4	\$528.07	1,669.6	\$933,256.9	\$558.97	1,680.5	\$944,507.0	\$562.04
City Income Tax Credit	941.8	\$30,357.4	\$32.23	972.0	\$32,212.6	\$33.14	915.3	\$30,694.5	\$33.53	901.3	\$30,817.6	\$34.19
College Contribution Credit	255.1	\$17,573.1	\$68.89	251.6	\$17,004.0	\$67.58	256.5	\$18,942.5	\$73.85	255.1	\$18,659.7	\$73.15
Home Heating Credit	236.3	\$36,240.4	\$161.83	243.6	\$39,969.9	\$164.08	358.2	\$65,744.5	\$183.54	402.7	\$75,924.6	\$188.54
Credit for Income Tax Paid to Another State	28.6	\$15,465.7	\$540.76	31.9	\$13,442.0	\$421.38	31.4	\$14,725.4	\$468.96	30.4	\$14,654.4	\$482.05
Senior Citizen Low Income Rent Credit	15.7	\$6,200.4	\$394.93	18.2	\$7,738.7	\$425.20	16.1	\$6,326.4	\$392.94	17.7	\$7,303.7	\$412.64
Prescription Drug Credit	26.3	\$9,549.3	\$363.09	30.3	\$11,686.9	\$385.71	32.3	\$13,597.4	\$420.97	34.5	\$14,856.2	\$430.81
Community Foundation Credit				7.7	\$601.3	\$78.09	8.3	\$703.1	\$84.71	9.9	\$836.8	\$84.53
Solar Credit	3.0	\$3,140.0	\$1,046.67	3.0	\$3,059.7	\$1,019.90	3.8	\$4,540.3	\$1,194.82	62.7	\$3,313.8	\$52.85
Homeless/Foodbank												

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

Exhibit 14

**Distribution of Property Tax Credits Claimed(1)
Individual Income Tax, 1992**

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)	43,000	4.0%	\$16,385,900	159,646	29.9%	\$108,297,600	4,100	25.5%	\$954,500	18,400	53.8%	\$5,302,400
\$2,000 or less	20,000	1.8	6,780,600	12,915	2.4	10,648,700	100	0.6	33,100	1,300	3.8	479,400
2,000.01 - 4,000.00	27,400	2.5	9,026,200	21,830	4.1	17,165,200	200	1.2	46,800	1,000	2.9	395,600
4,000.01 - 6,000.00	34,000	3.1	11,694,100	31,969	6.0	24,907,400	300	1.9	62,000	1,300	3.8	509,400
6,000.01 - 8,000.00	38,500	3.6	13,701,200	37,532	7.0	29,049,800	400	2.5	85,100	1,400	4.1	572,000
8,000.01 -10,000.00	40,300	3.8	14,728,400	39,150	7.3	30,395,000	500	3.1	110,100	1,000	2.9	453,500
10,000.01-12,000.00	41,300	3.8	15,294,500	34,985	6.6	27,854,900	600	3.7	136,400	1,100	3.2	488,300
12,000.01-14,000.00	40,000	3.7	15,195,600	31,099	5.8	24,498,600	600	3.7	129,000	900	2.6	431,400
14,000.01-16,000.00	40,300	3.7	15,313,400	26,391	4.9	20,721,600	600	3.7	132,700	900	2.6	437,000
16,000.01-18,000.00	41,100	3.8	15,967,300	20,578	3.9	17,064,900	500	3.1	115,700	800	2.3	370,100
18,000.01-20,000.00	39,700	3.7	16,090,800	17,778	3.3	14,236,000	500	3.1	106,400	800	2.3	328,300
20,000.01-22,000.00	37,500	3.5	15,745,700	14,474	2.7	11,678,800	600	3.7	127,800	500	1.5	251,900
22,000.01-24,000.00	34,800	3.2	15,165,800	11,268	2.1	9,119,100	400	2.5	86,200	500	1.5	243,300
24,000.01-26,000.00	32,600	3.0	14,661,300	8,911	1.7	7,502,800	400	2.5	77,700	500	1.5	231,900
26,000.01-28,000.00	32,300	3.0	14,527,100	7,517	1.4	6,197,600	300	1.9	63,300	300	0.9	142,100
28,000.01-30,000.00	30,400	2.8	14,071,300	6,018	1.1	4,903,600	300	1.9	82,300	300	0.9	138,000
30,000.01-35,000.00	75,300	7.0	35,082,100	12,787	2.4	10,560,200	800	5.0	169,300	700	2.0	310,000
35,000.01-40,000.00	74,600	6.9	35,444,700	9,805	1.8	8,149,600	900	5.6	185,600	500	1.5	257,800
40,000.01-45,000.00	72,900	6.7	34,391,000	7,787	1.5	6,423,400	700	4.3	161,900	600	1.8	271,300
45,000.01-50,000.00	67,100	6.2	31,912,800	6,458	1.2	5,419,600	800	5.0	175,200	500	1.5	217,000
Over 50,000.00	<u>217,500</u>	<u>20.1</u>	<u>107,793,900</u>	<u>14,769</u>	<u>2.8</u>	<u>11,730,900</u>	<u>2,500</u>	<u>15.5</u>	<u>524,100</u>	<u>900</u>	<u>2.6</u>	<u>473,900</u>
Total	1,081,200	100.0%	\$488,983,700	533,667	100.0%	\$406,505,300	16,100	100.0%	\$3,565,200	34,200	100.0%	\$12,304,400

(1) Values in this table are based on a stratified sample of 4,306,200 correct 1992 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, 1992

Household Income	Number of Returns	Property Tax Credit(1)	Property Tax Paid	Property Tax Paid After Credit
\$1,000.00 and below	1,500	\$1,537,500	\$3,473,000	\$1,935,500
1,000.01 - 2,000.00	600	473,500	817,700	344,200
2,000.01 - 3,000.00	1,400	1,092,400	1,637,100	544,700
3,000.01 - 4,000.00	3,400	2,544,800	3,196,300	651,500
4,000.01 - 5,000.00	7,600	5,063,700	6,545,100	1,481,400
5,000.01 - 6,000.00	20,800	12,470,600	16,184,900	3,714,300
6,000.01 - 7,000.00	17,500	11,447,000	16,942,400	5,495,400
7,000.01 - 8,000.00	20,200	13,240,300	20,590,400	7,350,100
8,000.01 - 9,000.00	18,900	13,376,100	21,802,000	8,425,900
9,000.01 - 10,000.00	18,600	13,490,900	22,471,900	8,981,000
10,000.01 - 11,000.00	17,400	13,194,800	22,672,000	9,477,200
11,000.01 - 12,000.00	18,300	13,671,500	24,233,300	10,561,800
12,000.01 - 13,000.00	19,700	14,335,300	26,596,000	12,260,700
13,000.01 - 14,000.00	18,100	13,474,400	25,152,000	11,677,600
14,000.01 - 15,000.00	17,900	13,376,700	26,775,100	13,398,400
15,000.01 - 16,000.00	18,900	13,827,100	31,022,800	17,195,700
16,000.01 - 17,000.00	17,200	12,633,400	26,733,400	14,100,000
17,000.01 - 18,000.00	18,800	13,110,800	28,772,900	15,662,100
18,000.01 - 19,000.00	17,700	13,927,100	29,553,700	15,626,600
19,000.01 - 20,000.00	16,800	12,825,900	27,602,300	14,776,400
20,000.01 - 21,000.00	16,400	12,472,600	28,008,400	15,535,800
21,000.01 - 22,000.00	15,200	11,731,300	27,308,500	15,577,200
22,000.01 - 23,000.00	15,400	11,391,100	27,192,500	15,801,400
23,000.01 - 24,000.00	13,400	10,780,300	25,186,600	14,406,300
24,000.01 - 25,000.00	13,100	10,305,500	27,130,200	16,824,700
25,000.01 - 26,000.00	13,200	10,064,000	25,052,600	14,988,600
26,000.01 - 27,000.00	10,800	9,160,800	23,117,200	13,956,400
27,000.01 - 28,000.00	11,200	9,256,500	23,507,900	14,251,400
28,000.01 - 29,000.00	11,300	8,639,000	23,275,000	14,636,000
29,000.01 - 30,000.00	8,600	7,314,400	19,080,300	11,765,900
30,000.01 - 35,000.00	35,600	30,098,400	82,272,200	52,173,800
35,000.01 - 40,000.00	25,000	19,367,100	60,940,700	41,573,600
40,000.01 - 45,000.00	18,900	15,131,600	50,109,400	34,977,800
45,000.01 - 50,000.00	11,400	8,679,800	31,604,300	22,924,500
Over 50,000.00	24,000	19,047,700	85,974,400	66,926,700
Total	534,800	\$402,553,900	\$942,534,500	\$539,980,600

(1) Includes Senior Citizen Low Income Rent Credits.

Exhibit 16

General Property Tax Credits on MI-1040CR Returns
Individual Income Tax, 1992

Household Income	Number of Returns	Property Tax Credit	Property Tax Paid	Property Tax Paid After Credit
\$ 1,000.00 and below	11,410	\$6,611,980	\$22,337,563	\$13,725,583
1,000.01 - 2,000.00	4,910	2,250,460	4,949,429	2,698,969
2,000.01 - 3,000.00	8,480	3,282,810	7,319,423	4,036,613
3,000.01 - 4,000.00	10,710	3,909,040	9,363,387	5,454,347
4,000.01 - 5,000.00	15,400	5,015,240	12,587,410	7,572,170
5,000.01 - 6,000.00	23,300	7,138,050	18,734,004	11,595,954
6,000.01 - 7,000.00	22,540	6,711,950	18,826,050	12,114,100
7,000.01 - 8,000.00	24,511	7,793,453	21,632,280	13,838,827
8,000.01 - 9,000.00	23,457	7,697,689	21,632,280	13,934,591
9,000.01 - 10,000.00	23,214	7,458,980	21,859,064	14,400,084
10,000.01 - 11,000.00	21,304	7,273,627	21,870,016	14,596,389
11,000.01 - 12,000.00	21,518	7,388,307	22,721,972	15,333,665
12,000.01 - 13,000.00	21,631	7,957,995	24,566,325	16,608,330
13,000.01 - 14,000.00	22,375	7,828,827	25,395,665	17,566,838
14,000.01 - 15,000.00	21,481	7,564,436	24,892,335	17,327,899
15,000.01 - 16,000.00	21,418	7,763,346	26,008,886	18,245,540
16,000.01 - 17,000.00	22,261	8,455,796	28,710,532	20,254,736
17,000.01 - 18,000.00	21,028	7,706,368	26,987,683	19,281,315
18,000.01 - 19,000.00	22,521	8,292,889	30,028,354	21,735,465
19,000.01 - 20,000.00	22,404	8,590,380	31,480,789	22,890,409
20,000.01 - 21,000.00	18,174	7,360,620	27,137,066	19,776,446
21,000.01 - 22,000.00	17,097	7,621,920	26,962,677	19,340,757
22,000.01 - 23,000.00	21,661	8,730,909	32,903,562	24,172,653
23,000.01 - 24,000.00	17,561	7,638,556	28,907,557	21,269,001
24,000.01 - 25,000.00	16,924	7,563,352	30,053,613	22,490,261
25,000.01 - 26,000.00	16,744	8,147,426	30,709,180	22,561,754
26,000.01 - 27,000.00	17,974	8,311,328	31,661,573	23,350,247
27,000.01 - 28,000.00	17,894	8,204,364	33,261,578	25,057,214
28,000.01 - 29,000.00	16,296	7,693,868	31,470,463	23,776,595
29,000.01 - 30,000.00	17,421	8,199,697	33,504,521	25,304,824
30,000.01 - 35,000.00	80,430	36,989,723	158,550,375	121,560,652
40,000.01 - 40,000.00	74,263	35,902,539	164,702,551	128,800,012
40,000.01 - 45,000.00	77,327	34,556,813	178,007,210	143,450,397
45,000.01 - 50,000.00	66,667	30,826,896	167,216,577	136,389,681
50,000.01 - 60,000.00	107,128	51,195,557	303,137,028	251,941,471
60,000.01 - 70,000.00	68,422	34,882,818	224,734,922	189,852,104
Over 70,000.00	53,014	20,189,186	201,040,521	180,851,335
Total	1,090,872	\$462,707,193	\$2,125,882,523	\$1,663,175,330

Exhibit 17

Distribution of Home Heating Credits Claimed on MI-1040CR-7 Returns
Individual Income Tax, 1992

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	900	\$406,200	10,300	\$4,533,100	100	\$48,800	200	\$19,100
1,000.01 - 2,000.00	400	155,800	6,900	2,365,400	100	29,000	0	500
2,000.01 - 3,000.00	1,200	375,400	9,400	2,852,400	200	56,600	0	1,300
3,000.01 - 4,000.00	3,700	1,009,400	12,700	3,504,900	500	115,900	0	1,200
4,000.01 - 5,000.00	8,300	1,846,000	30,300	8,073,900	1,100	196,200	100	21,200
5,000.01 - 6,000.00	26,200	4,617,300	42,200	9,613,200	6,700	1,132,900	200	26,100
6,000.01 - 7,000.00	19,400	2,817,400	30,600	6,453,200	1,500	235,900	300	33,800
7,000.01 - 8,000.00	21,000	2,515,900	26,700	5,068,700	1,400	228,200	500	39,700
8,000.01 - 9,000.00	17,800	1,676,100	18,900	3,353,100	1,200	169,000	100	8,400
9,000.01 - 10,000.00	14,300	935,300	16,900	2,638,200	900	121,300		7,900
Over 10,000.00	<u>20,300</u>	<u>1,840,200</u>	<u>44,200</u>	<u>9,142,200</u>	<u>1,900</u>	<u>288,700</u>	<u>200</u>	<u>27,200</u>
Total	133,500	\$18,195,000	249,100	\$54,598,300	15,600	\$2,602,500	1,600	\$186,400
Average Credit		\$136.29		\$219.18		\$166.83		\$116.50

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

Exhibit 18

1992 Income Tax Collections
by County

County	Property Tax Credits	Home Heating Credits	Tax After Credits	% of Total Tax
Alcona	\$524,000	\$115,800	\$1,806,900	0.1%
Alcona	879,400	193,200	2,609,200	0.1
Alger	8,114,400	506,300	28,726,200	0.8
Allegan	2,079,700	384,400	5,794,700	0.2
Alpena	1,600,500	167,400	7,320,100	0.2
Antrim	1,308,600	306,600	3,882,800	0.1
Arenac	370,900	102,400	2,334,900	0.1
Baraga	3,650,800	231,100	14,467,700	0.4
Barry	10,290,900	922,100	45,476,900	1.3
Bay	916,300	138,100	2,098,100	0.1
Benzie	11,808,900	1,459,200	58,150,500	1.6
Berrien	4,301,500	299,900	11,024,200	0.3
Branch	11,752,200	1,238,900	50,117,300	1.4
Calhoun	3,620,400	318,900	8,262,700	0.2
Cass	1,889,200	152,500	11,939,800	0.3
Charlevoix	1,151,700	313,500	6,742,100	0.2
Cheboygan	1,672,900	431,500	6,224,500	0.2
Chippewa	1,828,900	454,400	6,983,200	0.2
Clare	5,202,900	260,700	12,416,100	0.4
Clinton	595,500	101,400	4,445,000	0.1
Crawford	2,442,300	527,900	10,458,400	0.3
Delta	2,234,900	204,000	6,507,200	0.2
Dickinson	7,527,800	319,600	22,901,300	0.6
Eaton	2,483,100	258,000	9,770,500	0.3
Emmet	32,437,500	3,182,000	143,829,700	4.1
Genesee	1,777,700	307,400	4,103,700	0.1
Gladwin	607,900	259,300	4,155,400	0.1
Gogebic	7,594,500	352,000	31,258,200	0.9
Grand Traverse	5,286,800	474,200	12,684,100	0.4
Gratiot	4,160,700	405,100	14,464,100	0.4
Hillsdale	1,050,700	387,400	5,267,200	0.1
Houghton	8,715,500	630,700	3,873,300	0.1
Huron	34,515,100	1,455,300	113,383,500	3.2
Ingham	5,502,100	363,200	18,581,000	0.5
Ionia	1,738,800	310,400	3,339,400	0.1
Iosco	638,500	186,200	2,733,900	0.1
Iron	3,107,700	323,000	11,965,700	0.3
Isabella	11,422,200	1,018,600	49,261,100	1.4
Jackson	20,536,500	1,022,300	116,910,700	3.3
Kalamazoo	554,100	103,000	3,565,700	0.1
Kalkaska	50,298,500	2,492,000	204,100,400	5.8
Kent	27,300	14,400	123,500	0.0
Keweenaw	528,200	304,600	579,600	0.0
Lake	8,136,500	401,200	27,753,000	0.8
Lapeer	1,801,200	125,400	6,185,000	0.2
Leelanau				

Exhibit 18 (cont.)

County	Property Tax Credits	Home Heating Credits	Tax After Credits	% of Total Tax
Lenawee	\$12,364,100	\$587,400	\$26,799,200	0.8%
Livingston	15,902,400	289,600	57,073,500	1.6
Luce	106,400	93,600	1,900,900	0.1
Mackinac	431,400	127,900	5,190,400	0.1
Macomb	100,777,600	2,106,200	259,926,700	7.3
Manistee	1,388,900	304,100	10,662,000	0.3
Marquette	2,366,200	412,500	24,231,400	0.7
Mason	1,891,400	350,800	4,224,300	0.1
Mecosta	1,924,800	362,800	8,968,500	0.3
Menominee	1,745,800	320,200	3,748,300	0.1
Midland	2,819,700	310,000	26,099,200	0.7
Missaukee	895,800	127,500	2,135,200	0.1
Monroe	13,113,200	678,500	47,598,900	1.3
Montcalm	5,719,000	701,600	21,353,400	0.6
Montmorency	303,700	115,700	2,512,700	0.1
Muskegon	12,373,000	1,593,800	45,642,300	1.3
Newaygo	2,827,900	468,100	9,286,600	0.3
Oakland	151,749,800	3,865,800	746,178,600	21.1
Oceana	1,800,700	307,600	6,580,100	0.2
Ogemaw	1,429,100	318,200	3,171,200	0.1
Ontonagon	333,800	117,800	2,858,400	0.1
Osceola	1,886,600	351,800	4,282,500	0.1
Oscoda	265,000	100,400	1,920,000	0.1
Otsego	1,120,800	138,700	12,659,100	0.4
Ottawa	20,850,100	658,400	92,065,800	2.6
Presque Isle	692,200	164,300	3,963,800	0.1
Roscommon	1,620,500	299,500	4,755,500	0.1
Saginaw	15,194,200	2,002,100	61,009,300	1.7
St. Clair	13,201,000	1,024,300	59,320,100	1.7
St. Joseph	5,135,600	426,400	16,970,800	0.5
Sanilac	6,766,500	616,600	10,932,000	0.3
Schoolcraft	521,800	120,700	4,298,600	0.1
Shiawassee	7,849,800	480,800	28,061,200	0.8
Tuscola	8,461,700	585,800	12,084,900	0.3
Van Buren	8,387,200	789,600	20,496,000	0.6
Washtenaw	30,708,100	748,700	144,684,100	4.1
Wayne (excl. Detroit)	147,875,600	4,485,100	464,159,100	13.1
Wexford	1,812,400	373,500	8,661,400	0.2
Detroit	38,780,600	24,682,600	154,346,300	4.4
Total	\$931,670,100	\$75,116,100	\$3,539,072,800	100.0%

Exhibit 19

1982 Income Tax Data by County

County	Adjusted Gross Income (Millions)	1982 Average AGI	1991 Average AGI	Percent Change Average AGI 1991-92	Income Tax Revenue Before Credits	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 Filled	Rank	Average Property Tax Credit (1)	Rank
Alcona	\$91.6	\$19,833	\$24,426	-19.62%	\$2,457,330	\$592	76	\$435	76	28.47%	76	28.89%	72	\$437	53
Alger	104.2	25,942	23,939	8.82	3,487,878	868	49	650	51	25.19	51	39.63	42	425	53
Aleagan	1,005.2	24,446	23,118	23.18	37,587,610	1,128	21	861	23	33.57	23	44.93	15	541	31
Alpena	272.9	24,473	23,743	3.07	6,383,528	752	65	520	64	30.88	64	26.98	2	359	66
Antrim	249.3	25,876	21,981	17.83	8,200,247	955	40	760	33	20.44	33	36.98	75	618	18
Arenac	167.2	25,789	24,100	7.05	5,532,473	854	52	599	59	29.82	59	37.03	49	545	29
Benazag	79.8	22,681	24,280	(5.69)	2,817,170	610	59	671	47	17.12	47	34.48	82	309	75
Bany	520.3	27,041	32,410	(16.57)	18,503,752	962	35	752	35	21.81	35	42.09	30	451	50
Bay	1,545.1	31,354	26,051	20.31	57,097,059	1,159	17	923	14	20.35	14	42.61	27	490	42
Benzie	101.9	18,448	17,809	4.76	3,174,188	575	78	390	77	33.90	77	47.07	8	352	69
Berrien	2,001.3	30,900	26,078	18.49	71,765,241	1,108	24	898	18	18.87	18	40.61	39	449	51
Branch	459.9	25,055	22,200	12.86	15,720,825	858	51	601	58	29.87	58	43.04	21	544	30
Calhoun	1,778.3	28,904	26,465	1.54	64,591,027	1,050	31	815	28	22.41	28	36.08	56	529	34
Cass	367.5	23,118	26,717	(19.50)	12,397,145	780	61	520	63	33.35	63	40.89	37	557	28
Charlevoix	364.5	31,852	23,105	38.29	13,826,832	1,212	14	1,047	7	13.65	7	32.43	65	457	48
Cheboygan	254.0	23,717	19,893	18.63	8,286,876	715	63	630	55	18.76	55	29.88	69	360	67
Chippewa	253.6	21,630	21,630	(11.03)	8,406,904	638	73	472	72	25.95	72	29.60	71	429	54
Claire	274.8	24,987	21,982	13.76	9,332,221	849	54	635	53	25.17	53	42.77	24	389	61
Clinton	495.3	30,218	30,705	(1.59)	18,196,263	1,110	23	757	34	31.77	34	48.42	5	642	11
Crawford	167.9	30,304	15,754	92.36	5,222,806	843	42	602	27	14.89	27	32.48	64	331	71
Delta	403.3	26,536	22,970	15.53	18,550,341	1,221	13	888	44	43.62	44	42.11	29	382	62
Dickinson	263.5	26,310	26,907	(2.22)	8,970,216	885	46	650	50	27.46	50	42.93	22	520	36
Easton	653.2	29,254	31,452	(6.89)	31,203,161	1,084	29	781	30	26.61	30	41.59	34	617	17
Emmet	349.6	25,228	26,298	(10.85)	12,608,463	909	44	705	41	22.51	41	38.95	45	480	47
Genesee	4,992.0	30,072	31,840	(5.55)	182,025,942	1,097	25	865	22	21.09	22	41.83	32	489	44
Gladwin	195.1	21,964	22,656	(3.06)	6,238,470	702	71	462	74	34.23	74	38.27	48	523	35
Gogobic	187.4	22,217	23,231	(4.36)	5,036,841	597	75	493	69	17.53	69	28.45	73	253	63
Grand Traverse	1,098.1	32,205	27,964	15.17	39,421,180	1,156	19	917	15	20.71	15	44.29	18	503	39
Groton	483.9	29,047	22,190	30.90	18,540,333	1,080	28	746	37	31.59	37	36.70	60	898	2
Hillsdale	520.4	28,420	24,241	21.36	19,245,130	1,088	27	818	24	24.84	24	26.03	51	640	12
Houghton	220.6	19,815	22,584	(12.26)	6,781,787	608	74	473	82	70.88	82	52.14	7	990	1
Huron	377.6	22,368	24,038	(6.87)	13,291,334	788	60	230	230	25.82	230	47.76	7	567	24
Ingham	4,084.2	32,029	33,443	(4.23)	152,437,214	1,195	15	889	19	24.83	19	36.62	52	632	15
Ionia	685.4	28,853	24,788	16.41	24,893,077	1,039	32	781	29	24.83	29	42.85	23	362	68
Iosco	211.4	16,876	16,757	0.63	5,428,303	485	81	298	80	38.49	80	38.81	50	318	73
Iron	108.9	20,032	24,619	(18.83)	3,563,454	659	72	503	72	23.71	72	41.30	38	464	45
Isabella	440.6	27,159	28,138	(6.79)	15,565,111	881	39	738	38	23.22	38	41.30	38	464	45
Jackson	1,707.4	28,287	27,167	4.05	62,462,141	1,034	33	816	25	21.13	25	38.24	47	494	41
Kalamazoo	3,662.4	38,512	31,006	24.21	139,558,489	1,488	3	1,229	4	18.23	4	41.96	37	515	37
Kalkaska	125.4	24,853	25,872	(3.55)	4,231,186	842	55	709	40	15.73	40	44.95	14	553	27
Kent	6,944.1	33,807	31,479	7.40	281,631,619	1,293	7	1,008	10	22.05	10	22.73	78	273	62
Keeweenaw	5.3	12,152	16,268	(33.46)	168,083	281	83	281	81	26.52	81	50.60	4	293	79
Lapeer	59.7	16,770	21,724	(22.80)	1,421,328	400	82	163	83	59.22	83	22.73	78	273	62
Lapeer	985.2	32,858	30,757	6.83	36,670,478	1,223	11	926	13	24.32	13	46.36	9	585	21
Leelanau	241.8	25,907	28,752	(9.86)	6,157,739	674	48	663	48	24.18	48	35.35	58	546	28

Exhibit 19 (cont.)

County	Adjusted Gross Income (Millions)	1992 Average AGI	1991 Average AGI	Percent Change Average AGI 1991-92	Income Tax Revenue Before Credits	Average Income Before Credits	Rank	Average Income After Credits	Rank	Credits as a % Before Credits	Rank	Ratio of Property Tax Credits to 1040s Filed	Rank	Average Property Tax Credit (f)	Rank
Lenawee	\$1,115.9	\$29,184	\$27,764	5.12%	\$40,820,308	\$1,068	28	\$701	42	34.35%	12	36.97%	44	\$830	3
Livingston	1,931.3	37,205	37,939	(1.93)	73,704,519	1,420	4	1,099	6	22.58	49	45.27	11	677	8
Luce	59.7	22,061	18,452	19.56	2,118,161	825	58	621	56	25.00	36	22.11	80	318	74
Mackinac	157.8	22,780	18,763	21.22	5,782,188	835	57	750	38	10.23	82	21.67	81	288	81
Mascom	9,790.9	32,646	32,282	66.36	368,137,573	1,221	12	867	21	29.01	25	50.72	3	683	10
Manistee	338.8	31,641	29,620	66.36	12,386,708	1,157	18	896	11	13.92	77	13.83	16	289	80
Marquette	780.7	29,343	24,821	16.22	27,283,015	1,013	35	899	17	11.22	81	30.06	68	285	77
Masson	207.2	17,958	21,568	(16.82)	6,528,454	568	79	368	79	35.29	10	41.61	33	384	59
Mecosta	348.1	25,918	27,139	(4.50)	11,484,826	853	53	668	48	21.98	54	35.64	57	401	56
Memphis	167.3	20,280	24,802	(18.31)	5,923,358	717	66	454	75	36.72	8	43.60	20	485	43
Midland	777.4	33,822	33,875	(0.16)	29,508,742	1,276	10	1,129	5	11.55	80	33.30	63	368	64
Missaukee	103.1	22,370	17,518	27.69	3,243,615	704	70	483	73	34.17	14	30.39	67	640	13
Monroe	1,837.3	34,266	30,939	10.76	68,687,244	1,281	8	889	20	20.79	21	40.47	41	604	19
Montcalm	768.0	28,632	26,775	7.88	28,057,475	1,053	30	802	28	33.89	43	34.54	61	622	16
Montmorency	97.5	18,391	18,422	(0.17)	2,968,299	580	80	474	70	15.35	74	18.86	82	304	76
Muskegon	1,684.9	26,427	26,904	(1.77)	60,279,213	945	41	718	39	24.28	41	42.88	28	455	48
Newaygo	353.4	25,990	23,478	10.70	12,685,916	932	43	683	45	26.60	27	36.98	43	534	33
Oakland	23,328.8	43,245	42,239	2.38	910,745,531	1,688	1	1,383	1	18.07	88	44.40	17	634	14
Oceana	251.9	24,231	21,639	11.98	8,748,527	842	56	633	54	24.79	39	28.82	70	581	22
Ogemaw	157.6	18,748	21,975	(14.69)	4,936,902	587	77	377	78	35.77	9	45.21	12	376	83
Ontonagon	110.4	25,078	21,908	14.47	3,314,289	753	64	649	52	13.78	78	19.17	83	417	56
Oscoda	186.2	22,144	20,402	8.54	6,550,053	778	62	509	65	34.82	11	44.01	19	502	40
Oscoda	70.3	21,583	13,920	55.05	2,304,002	707	69	589	60	16.67	71	27.63	74	294	78
Osego	371.9	36,239	29,402	23.25	13,958,129	1,360	5	1,234	3	8.31	83	24.38	77	446	52
Ottawa	3,036.7	33,863	31,890	6.98	114,648,414	1,278	9	1,027	9	19.70	63	41.37	35	562	25
Presque Isle	157.5	23,587	25,031	(5.77)	4,746,934	711	68	579	61	19.84	67	22.46	79	461	46
Roscommon	206.6	22,151	18,170	22.31	6,728,008	715	67	505	67	29.30	24	42.50	28	405	45
Saginaw	2,225.9	28,190	26,408	6.74	79,645,985	1,009	38	773	31	23.40	47	37.49	48	513	36
St. Clair	1,945.5	34,111	31,421	8.58	74,285,707	1,303	6	1,040	8	20.16	62	40.68	38	589	23
St. Joseph	614.1	27,951	27,436	1.88	22,685,914	1,032	34	772	32	25.13	35	35.05	39	687	9
Sanilac	527.1	25,874	24,070	7.49	18,450,389	908	45	537	52	40.75	6	48.59	6	683	7
Schoolcraft	137.3	31,075	27,040	14.92	4,989,670	1,132	20	973	12	14.02	78	36.22	55	328	72
Shiawassee	976.4	31,381	28,870	16.71	36,725,047	1,160	18	901	18	23.59	45	36.30	53	695	6
Tuscola	598.2	25,033	25,955	(3.55)	21,292,686	891	47	508	68	43.24	5	42.68	25	630	4
Van Buren	809.1	27,316	25,245	8.21	29,810,989	1,008	37	692	43	31.25	19	40.51	40	699	5
Washtenaw	4,551.6	39,833	41,829	(4.08)	178,137,129	1,583	2	1,269	2	18.78	65	45.01	13	589	20
Wayne	23,122.9	30,398	29,772	2.10	853,173,751	1,122	22	810	57	45.60	3	45.75	10	536	32
(incl. Detroit)	6,521.7	23,122	22,037	4.92	230,341,808	617	50	547	46	32.99	3	41.41	54	332	60
Detroit	310.0	24,420	20,613	18.47	10,831,785	861	48	682	48	20.77	58	36.24	54	394	32
Wexford															
Total	\$123,892.5	\$32,429	\$31,338	3.46%	\$4,616,554,870	\$1,209	50	\$886	46	26.71%	58	46.21%	54	\$528	60

(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.

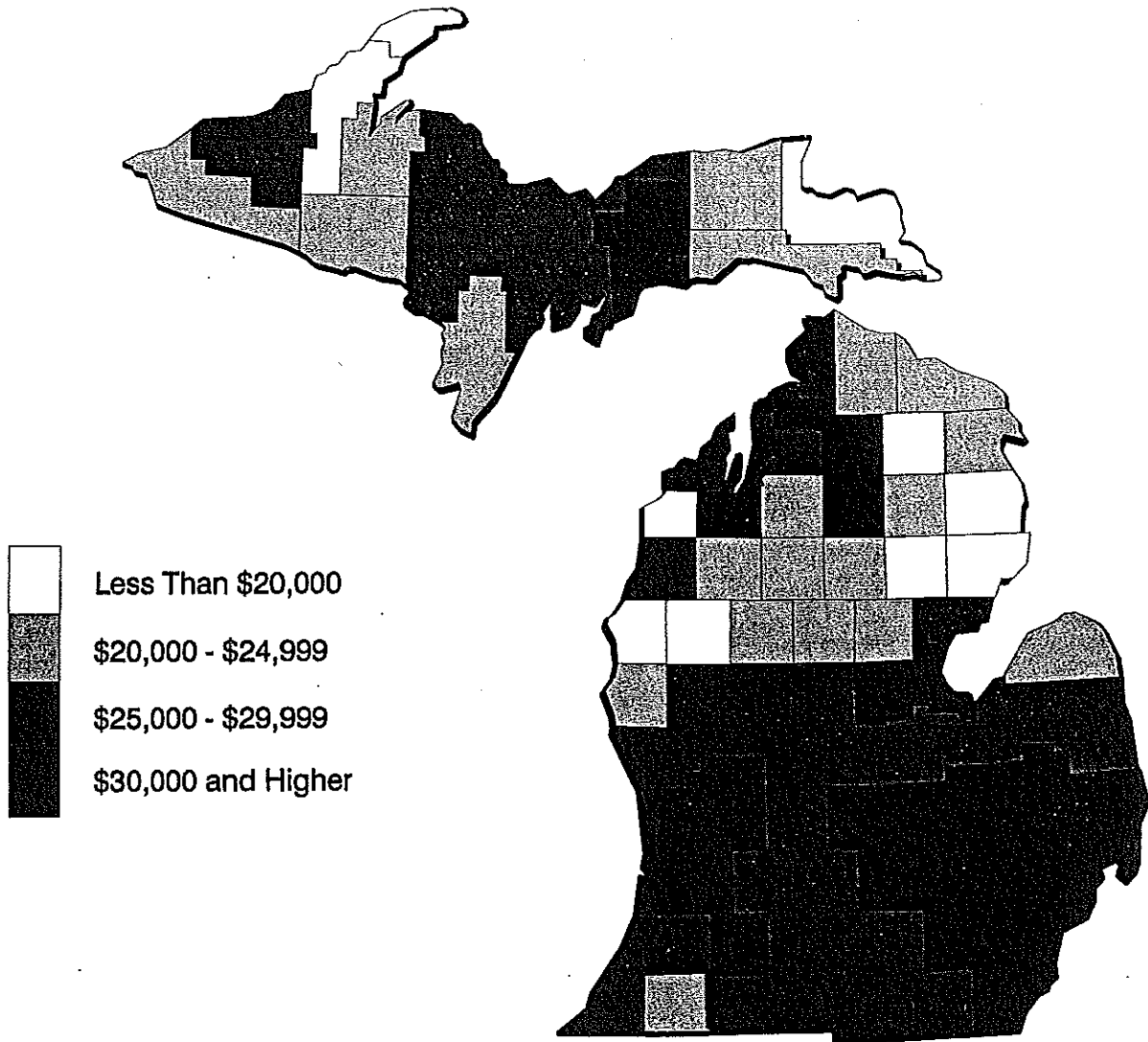
Exhibit 21

Average Annual Michigan 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%
1995	4.40%

Exhibit 22

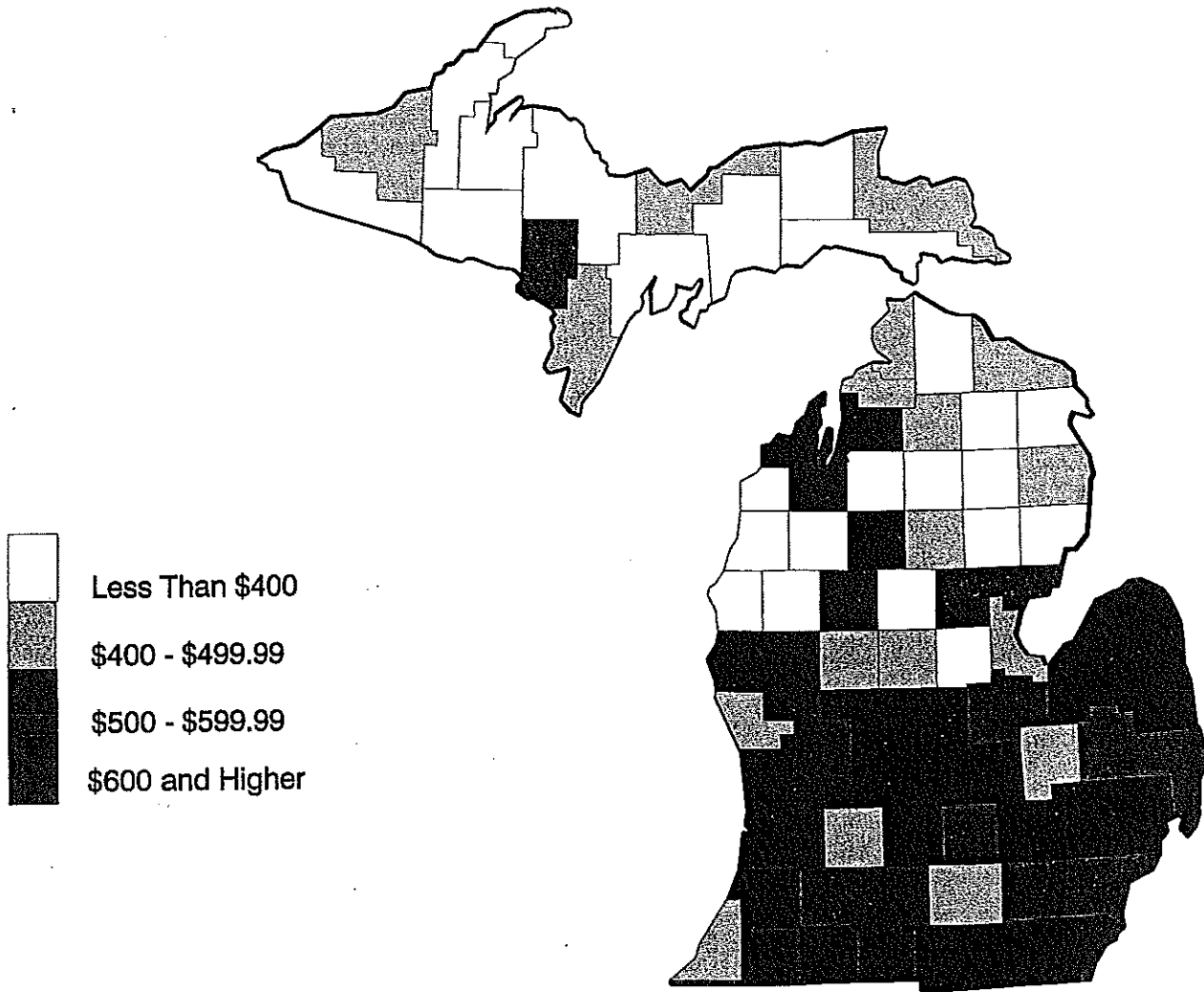
Average Adjusted Gross Income by County
1992



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

Exhibit 23

Average Property Tax Credits by County
1992



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