



DATE: February 2017
TO: Friends and Colleagues
FROM: Gilda Z. Jacobs, President and CEO
SUBJECT: ***Money Back in Michigan***

The Michigan League for Public Policy is pleased to send you the tax year 2016 edition of **Money Back in Michigan**, an outreach effort that promotes awareness of various federal and state tax credits and deductions available to low- and moderate-income households. This packet is designed to assist organizations that serve low-income individuals and families by providing timely information about credits for which they may qualify. It includes fliers that can be distributed or displayed in local offices, libraries, community centers and retail businesses.

As with past years, the largest credit that most low-income families will be able to claim (and that service agencies should be sure to publicize with their clients) is the federal Earned Income Tax Credit. This tax credit rewards work and helps lift families out of poverty. For tax year 2016, a two-parent family with two children can receive up to \$5,572 (depending on income level) as a refundable credit.

Tax year 2016 is the ninth year that the Michigan Earned Income Tax Credit will be available to low- and moderate-income working families who qualify for the federal credit. Eligible filers will be able to claim the equivalent of 6% of their federal credit on their 2016 Michigan tax return. The Michigan EITC was 20% of the federal EITC until 2011, when it was cut.

The federal Child Tax Credit continues to be available to families who earn at least \$3,000 and have at least one child. Families with child care expenses are able to have some of that cost offset by the federal Child and Dependent Care Credit. There are other smaller credits available on both state and federal taxes that are described in this packet as well.

All of these tax credits make a huge difference in the well-being of thousands of Michigan workers, but only if tax filers and preparers know about them. **The League urges you to share this information with your clients and with those in your community who work with low-income individuals and families.**

Color copies are available at <http://www.mlpp.org/our-work/taxes-and-revenue/money-back-in-michigan>.

The League also strongly encourages the promotion of Volunteer Income Tax Assistance (VITA) to ensure that low-income filers get their entire tax refund. Information about VITA can be found at www.MichiganFreeTaxHelp.org.

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Money
Back in
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Returning tax dollars to low-income
Michigan households

Tax Year

2016