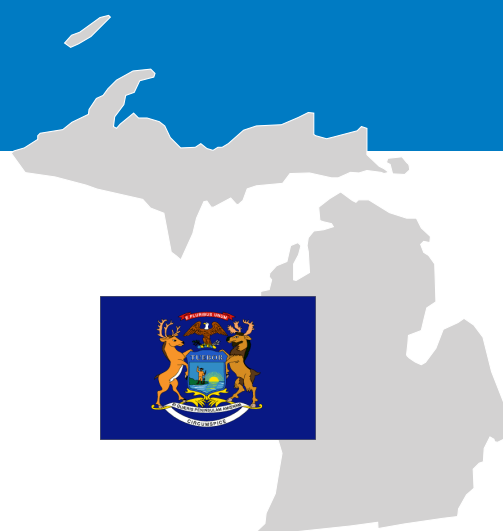


# Tax Facts & Comparisons Michigan

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Michigan is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Michigan scores.



## Tax Foundation Rankings of Michigan

### State Business Tax Climate Index

**13<sup>th</sup>**  
best

Michigan ranks 13th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Michigan ranked 14th.

Michigan's individual income tax ranks 14th best, its corporate income tax ranks 10th best, its sales tax ranks 7th best, its property tax ranks 27th best, and its unemployment insurance tax ranks 47th best.

Neighboring states' ranks: Indiana (8th), Ohio (44th), Wisconsin (43rd),

### State-Local Tax Burdens Rank

**21<sup>st</sup>**  
highest

Estimated at 9.6% of income, Michigan's 2011 state-local tax burden ranks 21st highest nationally, below the national average of 9.8%. Michigan taxpayers pay \$3,505 per capita in state and local taxes.

Neighboring states' ranks: Indiana (22nd), Ohio (18th), Wisconsin (5th),

### Tax Freedom Day®

**2015**  
**April**  
**20**

In 2014, Michigan taxpayers worked 110 days into the year until April 20 to pay their total tax bill, ranking 28th highest nationally.

That's 4 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Michigan Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Michigan structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

| General Info                     |          | Rank | Nat. Avg. |
|----------------------------------|----------|------|-----------|
| Income per capita                | \$36,641 | 35th | \$43,735  |
| Federal aid as % of gen. revenue | 33%      | 23rd | 32.8%     |
| State debt per capita            | \$7,729  | 27th | \$3,678   |

| Individual Income Tax         |   |
|-------------------------------|---|
| Number of brackets            | 1   |
| Bottom income bracket rate    | 4.25%   |
| Bottom bracket kick in        | \$0   |
| Top income tax rate           | 4.25%   |
| Top bracket kick in           | federal adjusted gross income with modification |
| Collections per capita (2012) | \$744   |
| Collections rank (2012)       | 33rd  |

| Property Tax  |         |
|---|---------|
| Collections per capita (2012)                                       | \$1,344 |
| Collections rank (2012)   | 24th    |
| Property taxes paid as share of owner-occupied housing value (2013) | 1.78%   |
| Property taxes paid percent rank (2013)                             | 8th     |

## Sources of State & Local Tax Collections

|                       | Michigan | All States. |
|-----------------------|----------|-------------|
| Property Tax          | 37%      | 32%         |
| Sales Tax             | 25%      | 23%         |
| Corporate Income Tax  | 2%       | 4%          |
| Individual Income Tax | 20%      | 22%         |
| Other                 | 16%      | 20%         |

| Corporate Income Tax          |       |
|-------------------------------|-------|
| Number of brackets            | 1     |
| Top corporate tax rate        | 6.00% |
| Collections per capita (2012) | \$81  |
| Collections rank (2012)       | 39th  |

| Sales Tax                     |       |
|-------------------------------|-------|
| State rate                    | 6.00% |
| State + average local rate    | 6.00% |
| State + average local rank    | 37th  |
| Collections per capita (2011) | \$904 |
| Collections rank (2011)       | 27th  |

| Excise Taxes            | Rate               | Rank |
|-------------------------|--------------------|------|
| Gasoline taxes and fees | 30.3¢ per gallon   | 17th |
| Cigarette taxes         | \$2.00 per pack    | 11th |
| Spirits taxes           | \$11.90 per gallon | 9th  |
| Beer taxes              | \$0.20 per gallon  | 28th |
| Cell phone taxes        | 8.08%              | 36th |

| Other Taxes        | Rate | Exemption |
|--------------------|------|-----------|
| Gross receipts tax | None | N/A       |
| Capital stock tax  | None | N/A       |
| Inheritance tax    | None | N/A       |
| Estate tax         | None | N/A       |

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

More at [taxfoundation.org](http://taxfoundation.org)