

Representative Lisa Posthumus Lyons  
Michigan House of Representative  
House Office Building  
P.O. Box 30014  
Lansing, MI 48909

April 14, 2011

Dear Representative Posthumus Lyons,

I am writing this letter on behalf of the Progressive Women's Alliance of West Michigan. PWA opposes the elimination of the Michigan Earned Income Tax Credit. We urge you to remove this item from the tax reform package under development by House Tax Policy Committee. PWA recognizes the need for Michigan to improve its fiscal health and is aware that tough decisions that must be made. However, the MI EITC is a state tax credit for 800,000 low-income *working* families. Elimination of the credit amounts to a tax increase on the working poor in Michigan.

Eliminating the MI EITC will hurt Michigan's economic recovery. With an average family credit of \$432, the dollars of the MI EITC are quickly put back into the local community. MI EITC checks are spent at the rate of \$1.67 for every \$1.00 in MI EITC credit, and these expenditures stimulate and support local small businesses. These expenditures are often made for home and auto repairs, groceries, and other basic needs of families and children. In fact, the MI EITC is the one tax credit that is spent in Michigan.

Eliminating the MI EITC will worsen one of Governor Snyder's specific MiDashboard measures, that of children living in poverty. With currently 23% of Michigan's children living in poverty, a loss of the Michigan EITC will add further to economic instability for these families. Without the MI EITC, an estimated 14,000 children in working families in Michigan will be plunged into poverty. Poverty-stricken families destabilize communities, struggle with school, and are unable to stimulate Michigan's businesses.

PWA is especially concerned about the impact that the elimination of the EITC will have on women. Statistics indicate that women are more likely than men to be poor due to the systematic discrimination in education, health care and employment. Eliminating the MI EITC will push more women into poverty and numbers of women living in deep poverty will increase.

The EITC has a strong tradition of bipartisan support, both nationally and at the state level. Michigan's own Gerald Ford signed the first US EITC, and Ronald Reagan expanded the federal EITC, calling it "the best anti-poverty bill, the best pro-family measure...." A diverse group of organizations from the Michigan Catholic Conference to the Michigan Association of Counties opposes the elimination of the MI EITC. So, too, do three out of four voters polled in Michigan.

On behalf of our Board of Directors and on behalf of our 600+ PWA members in West Michigan, I ask that you vote against the elimination of the Michigan Earned Income Tax Credit.

Sincerely,

Melissa Janes  
Chair, Progressive Women's Alliance of West Michigan