

The \$17,566 Rip-off!

Republicans have controlled the Michigan Legislature and the Governor's office for the last year and a half. During that time they have enacted laws that will cost Michigan citizens \$17,599 in tax hikes, unemployment and worker compensation benefit cuts and increases in health care costs. Take a look at the list below to see how Republican policies are picking your pocket.

Unemployment Benefits

Republicans enacted HB 4408 (PA 14-2011), a bill that cuts the maximum number of weeks of unemployment benefits in Michigan from 26 to 20. The Unemployment Insurance Agency says that the average weekly unemployment benefit is \$296.62. That six-week benefit cut amounts to a loss of \$1,779 to a laid-off worker.

http://www.michigan.gov/documents/uia/fs82_178779_7.pdf

Because federal extended unemployment benefits are based on the number of weeks of state benefits, the six-week cut results in the loss of 11-14 weeks of federal benefits, a loss of \$3,262 to \$4,152, an average of \$3,707.

<http://www.housedems.com/news/article/house-democrats-stand-up-for-michigan-s-unemployed>

Tax Policy

Governor Snyder and legislative Republicans enacted HB 4361 (PA 38-2011), a huge tax shift that raised individual taxes by \$1.2 billion to pay for a \$1.4 billion tax cut for business owners. Check out the cost estimates from the House Fiscal Agency and the League for Human Services on the list below to see how much more you pay because of this policy change.

Pension Tax

A senior couple with a \$30,000 pension born between 1946 and 1952 would pay \$430 in higher taxes.

A retired couple born after 1952 with the same pension would pay \$1,165 in higher taxes.

The average pension tax hike would be \$797.

<http://www.house.mi.gov/hfa/PDFs/FINAL%20TaxpayerExampleM.pdf>

Income Tax Changes

Under the new tax law, a scheduled reduction in the income tax rate will be delayed, and many tax exemptions currently enjoyed by middle class working families will be eliminated, including the personal exemption, the exemption for dependent children and the homestead property tax exemption. Under this new law, a married couple with two children earning \$55,000 and paying \$3,000 in property taxes will pay \$739 in higher taxes. (NOTE: Recently enacted legislation would lower the future tax burden for these families by about \$25 annually.)

<http://www.house.mi.gov/hfa/PDFs/FINAL%20TaxpayerExampleM.pdf>

Cuts to Earned Income Tax Credit

This credit is designed to help low income working families by lowering their tax burden to reflect their modest income. The credit was equal to 20% of the federal EITC. The new law lowers that to 6%.

As a result, the low income family will pay \$307 in higher taxes.

<http://www.milhs.org/eitc-cut-244-million-impact>

Tax Credits

The new law eliminates a number of tax credits that primarily benefit low and middle income families. Most of these credits are limited to \$100 for a single filer, \$200 for joint filers. The affected credits and the resulting amount of the average tax increase are listed below:

The City Income Tax Credit partially offsets the amount of city income taxes paid. 823,600 taxpayers will lose this credit and will pay an average of \$38 in higher taxes.

The Public Contribution Credit is equal to 50% of the amount donated to colleges and Universities, museums, public libraries and public broadcasting stations. 273,300 will lose this credit and pay an average of \$90 in higher taxes.

The Community Foundation Credit is equal to 50% of contributions to non-profit groups that help local communities with education, human services and community development needs. 35,200 will lose this credit and pay an average of \$93 in higher taxes.

The Homeless Shelter & Food Bank Credit is equal to 50% of contributions to qualifying shelters, food banks and food kitchens that provide accommodations and food to indigent people. 234,100 will lose this credit and pay an average of \$81 in higher taxes.

The College Tuition & Fees Credit is equal to a percentage of tuition and fees paid to a qualifying institution for a four-year period. 83,000 will lose this credit and pay an average of \$146 in higher taxes.

The Vehicle Donation Credit is equal to 50% of the fair market value of a vehicle donated to qualified charitable contributions. 2,200 people will lose this credit and pay \$56 more in higher taxes.

Public Employee Health Benefits

SB 7 (PA 152-2011) requires by law that all public employees must pay no less than 20% of the cost of their health care plan. Under current law, public employees negotiate that figure, along with salaries and other benefits. Although individual contracts vary widely among municipalities, the House Fiscal Agency estimated that state employees facing such an increase would pay \$1,520 more per year for health care.

State Employee Retirement Health Care

HB 4701(PA 264-2011) would do away with retirement health care for new state employees and require state employees hired after 1992 to contribute 4% of their salary towards pension costs. A study commissioned by the Governor cited an average state employee salary of \$53,453. Using that figure, a 4% annual pay cut for state workers would average \$2,138.
http://www.andersoneconomicgroup.com/Portals/0/upload/Citizens%20Guide_RevApril20.pdf

Worker Compensation

HB 5002 (PA 266-2011) will make it harder for injured workers to qualify for benefits and eliminates mediation services that helped settle claims. Because of the increased likelihood that an injured worker will lose an appeal, it's getting harder for injured workers to find an attorney to take their case. The new law also allows employers and insurance companies to reduce benefits by "imaginary wages"...wages that an injured worker doesn't earn at a job he doesn't have. A Worker Compensation Research Institute study shows the average Michigan worker comp benefit is \$416 a week and the average duration of benefits is 13 weeks. If the average injured worker is denied benefits under this new law, they would lose \$5,408.

School Employee Retirement Healthcare

SB 1040 (PA 300-2012) will eliminate retirement health care for newly hired school employees, make current employees pay more to keep the benefits they now have and double the cost of retiree health insurance premiums. The House Fiscal Agency says that increased costs to school employees and retirees will be about \$312 million in the first year. Governor Snyder says the bill will impact 444,185 members of the retirement system, resulting in an average \$700 increase in health care costs.

Republicans vs Democrats on labor issues?

All of the anti-labor legislation listed above was passed on a party line vote, with Republicans in favor and Democrats opposed. You can check out how your legislator voted by looking at the Michigan State AFL-CIO Working Families Voter's Fairness Index at www.miaflcio.org/images/documents/voter_guide.pdf