



CRC Memorandum



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TAX REVENUE COMPARISON: MICHIGAN AND THE U.S. AVERAGE

The 2004 report of state and local government revenues in the 50 states and the District of Columbia recently released by the U.S. Department of Commerce, Bureau of Census, provides an opportunity to examine Michigan's comparative tax ranking 10 years after the changes brought about by Proposal A of 1994 and 5 years after the beginning of rate cuts to the Income and Single Business Taxes.* State and local government revenues combined provide the best comparisons of taxation across states because of the varying assignments of service responsibilities among the states and tax levies to support those services.

Total Taxes

Over the past 25 years Michigan total state and local tax revenues have been trending downward relative to the U.S. average. In 2004, Michigan total state and local tax revenues were below the U.S. average, whether comparisons are made on a per capita basis (Michigan 96.1 percent of U.S. average) or as tax dollars per \$1,000

of personal income (Michigan 99.2 percent of U.S. average). (See Table 1.)

Comparisons of Michigan's per capita state and local total tax revenues with the rest of the nation show Michigan to be similar to Pennsylvania, Ohio, Virginia, Kansas, Nevada, and Colorado. The New England states and Middle Atlantic states tend to have relatively high tax burdens. Many of the Southern and Western states have the lowest per capita tax burdens. (See Map 1.)

Table 1
Total State and Local Government Tax Collections

Michigan as Percent of U.S. Average

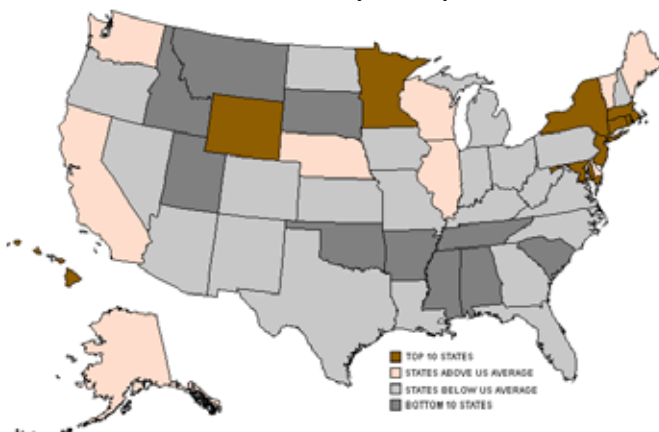
	Per Capita	Rank	Per \$1,000 Pers. Inc.	Rank
1979	112.4	12	108.0	13
1989	105.1	14	106.1	13
1999	101.3	16	102.8	15
2004	96.1	25	99.2	21

Composition of the Tax System

Economists have long compared the ideal tax system to a three-legged stool. The stool sits flat when each leg is of equal length. The tax system works optimally when revenues from the three major tax sources – property, income, and sales – contribute roughly equal shares to the total.¹

Michigan's reliance on these taxes continues to evolve. Michigan had the greatest reliance on property and income taxes 25 years ago, with sales contributing a lesser share of the total. Tax revenue estimates in 1999 reflected the structural changes of Proposal A in 1994. Property tax revenues made up a smaller proportion

Map 1
Total State and Local Taxes per Capita



* U.S. Department of Commerce, Bureau of Census, State and Local Government Statistics Division, www.census.gov/govs/www/estimate04.html. State data and rankings can be found on CRC website.

¹ It should be noted that the Census Bureau uses broad definitions of these types of taxes. Property taxes can include ad valorem taxes on automobiles or taxes on intangible property; sales taxes include most taxes that are based on the value of the item purchased; and income taxes can include payroll taxes and other taxes based on income.



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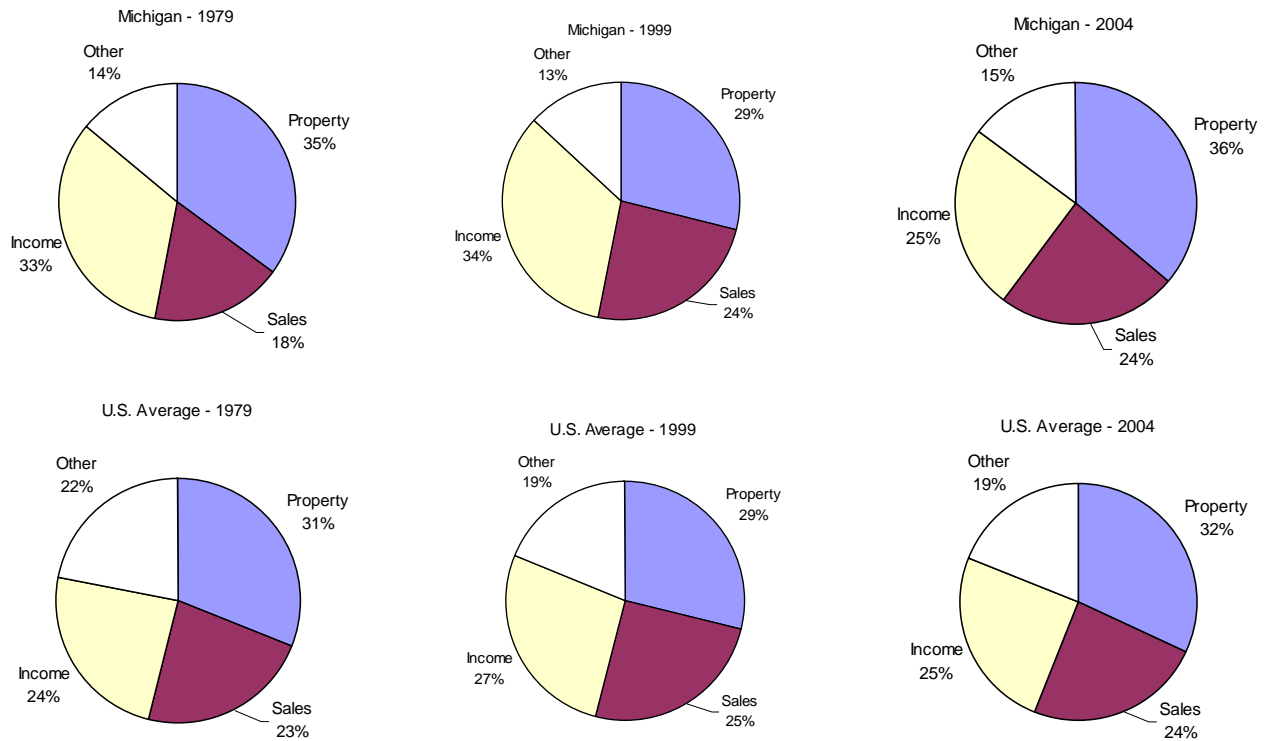
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Chart 1

State and Local Per Capita Tax Revenue for Michigan and the U.S. Average: 1979, 1999 & 2004



of the total and sales tax revenues grew to contribute a greater proportion. In 2004, sales and income taxes contributed roughly equal shares of the total and property taxes have returned to the share they contributed prior to 1994. (See Chart 1.)

Michigan state and local governments collect 85 percent of their own-source tax revenues from the three major taxes – property, sales, and income. The balance of tax revenue comes from levies on motor fuel, alcoholic beverage, tobacco products, public

utilities, and others. Revenues from these other tax sources have historically contributed a smaller proportion of the total in Michigan than in the U.S. average.

Property Taxes

Prior to 1994, property tax revenues in Michigan were more than 30 per-

cent above the U.S. average, placing Michigan among the top ten in relative measures of property tax collections. Driven by these high property tax burdens and inequities in school funding, Proposal A of 1994 reduced property taxes in Michigan in exchange for higher sales, use and tobacco taxes. The effect of this tax shift was to reduce

Table 2
State and Local Government Property Tax Revenues

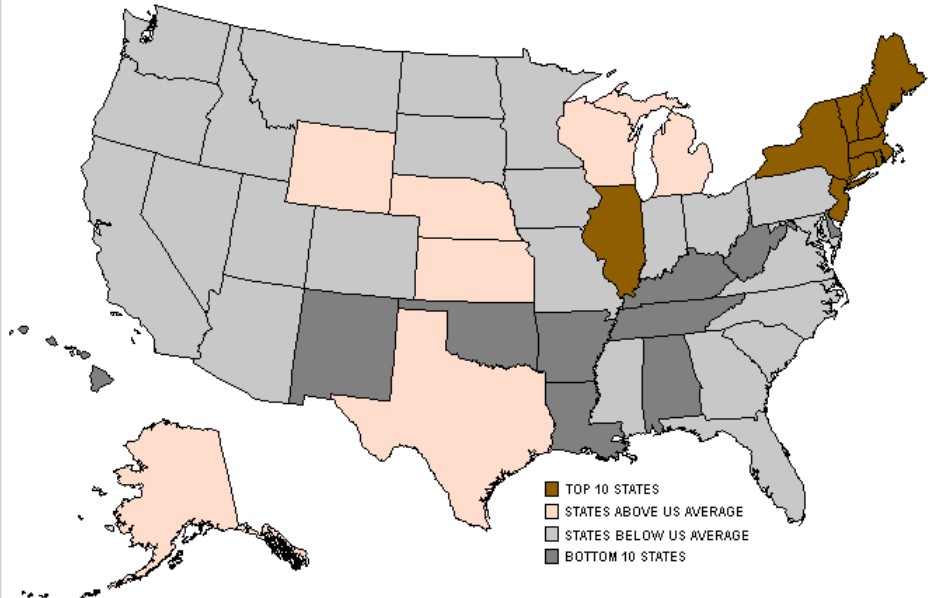
Year	U.S. Average		Michigan					
	Per Capita	Per \$1,000 Pers. Inc.	Per Capita			Per \$1,000 Personal Income		
			Amount	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	\$ 310	\$ 31.72	\$ 376	121.3	12	\$ 38.81	122.4	17
1989	566	32.1	766	132.8	9	42.57	133.8	10
1999	881	32.52	893	101.4	20	33.47	102.9	23
2004	1086	32.79	1186	109.2	16	36.96	112.7	15

Michigan property tax revenue to just below the U.S. average in the years immediately after 1994. That interstate advantage had begun to erode by 1999, and further erosion is evident five years after that. In 2004, Michigan's per capita property tax burden was 9 percent above the U.S. average; and the tax burden per \$1,000 of personal income was 13 percent above the average. (See Table 2.)

Michigan's high ranking on property tax revenues may reflect two factors. Michigan local governments are almost entirely dependent on property taxes for their own-source revenues. Where other states authorize their local governments to levy local-option sales, income, motor fuel, or payroll taxes, local governments in Michigan rely on state aid and property taxes. They are the main source of revenue for cities, villages, townships, counties, school districts, community college districts, and those special districts with taxing authority. Second, the Michigan assessment system endeavors to produce assessments that reflect current market value. Some states allow several years to pass between reassessments, resulting in slower growth of their property tax base.

Michigan, Wisconsin and Illinois stand out as the Midwest states with property tax burdens above the U.S. average. The New England states tend to rely most heavily on property taxes as a source of state and local gov-

Map 2
State and Local Property Taxes per Capita



ernment revenue. Several Plains states – Wyoming, Texas, Kansas, and Nebraska have relatively high property tax burdens. Because many heavily populated states rely on the property tax as a source of revenue, the U.S. average is relatively high and 34 states are below the U.S. average. (See Map 2.)

Sales Taxes

Prior to 1994, Michigan sales tax revenues were below average. The immediate effect of Proposal A's tax shift was to place Michigan

about equal to the U.S. average. That relative position has declined in the ensuing years, so that 2004 per capita sales tax revenues were about 6.5 percent below the U.S. average; and the tax burden per \$1,000 of personal income was 3.5 percent below the U.S. average. (See Table 3.)

Most states that rely heavily on property taxes tend not to rely heavily on sales taxes. Texas stands out as the exception, but its high ranking on both property and sales taxes reflects the fact that no

Table 3
State and Local Government General Sales Tax Revenues

Year	U.S. Average		Michigan					
	Per Capita	Per \$1,000 Pers. Inc.	Per Capita			Per \$1,000 Personal Income		
			Amount	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	\$ 195	\$ 22.47	\$ 184	94.4	25	\$ 19.09	85.0	35
1989	415	24.59	388	74.1	41	18.79	74.8	41
1999	736	27.17	733	99.6	22	27.47	98.9	25
2004	836	25.23	781	93.5	27	24.36	96.5	29

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Table 4
Comparisons of State and Local Tax Revenue by State, 2004

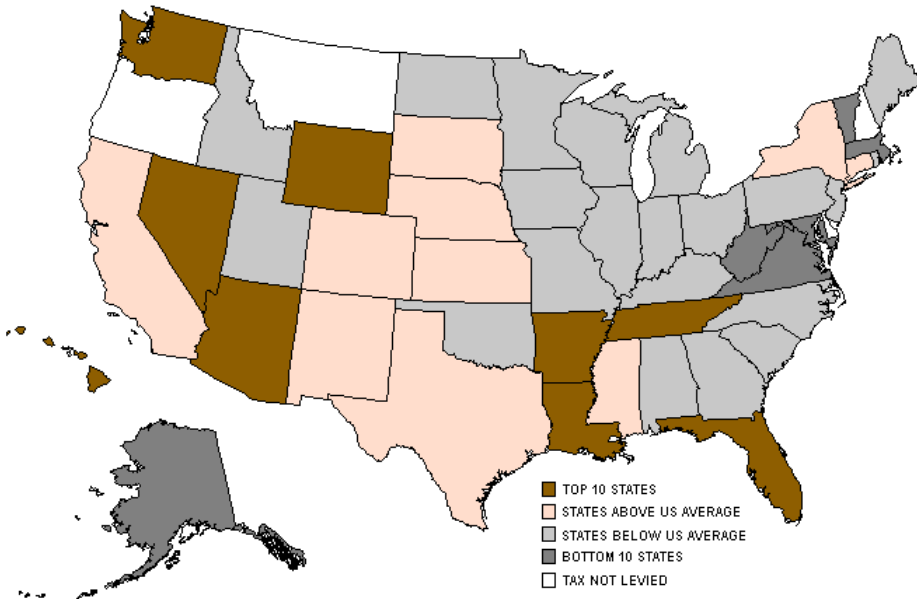
	Total Taxes				Property Taxes				General Sales Taxes				Selective Sales Taxes			
	Per Capita		Per \$1,000 Pers. Inc.		Per Capita		Per \$1,000 Pers. Inc.		Per Capita		Per \$1,000 Pers. Inc.		Per Capita		Per \$1,000 Pers. Inc.	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Alabama	\$ 2,328	51	\$ 84.06	51	\$ 367	51	\$ 13.26	51	\$ 710	33	\$25.62	24	\$ 443	19	\$ 16.00	10
Alaska	3,610	15	106.23	16	1,306	13	38.41	12	226	47	6.64	47	319	38	9.38	43
Arizona	2,871	37	100.19	30	848	36	29.59	28	1,111	7	38.76	7	281	44	9.80	40
Arkansas	2,536	49	98.23	38	400	50	15.51	49	1,030	10	39.89	5	321	35	12.43	23
California	3,736	12	106.07	18	963	30	27.33	34	957	15	27.16	19	304	41	8.64	47
Colorado	3,169	26	87.74	47	1,026	24	28.42	33	905	17	25.06	27	266	48	7.37	51
Connecticut	4,921	3	108.60	14	1,944	2	42.90	7	894	18	19.72	39	507	10	11.18	30
Delaware	3,608	17	100.97	29	546	44	15.28	50	0	48	0.00	48	475	14	13.30	19
Wash., D.C.	7,154	1	139.80	1	1,856	4	36.26	17	1,310	3	25.60	25	771	2	15.07	13
Florida	3,094	28	98.32	37	1,064	20	33.81	20	1,035	9	32.89	11	541	7	17.20	4
Georgia	2,877	36	96.59	40	880	35	29.54	29	796	25	26.73	20	260	49	8.74	45
Hawaii	3,813	9	116.86	5	571	43	17.51	46	1,506	2	46.15	1	559	6	17.13	6
Idaho	2,728	43	101.50	24	777	37	28.92	31	743	31	27.65	18	280	45	10.40	35
Illinois	3,555	18	102.39	23	1,407	10	40.53	10	622	40	17.90	41	585	5	16.86	7
Indiana	2,999	30	99.30	34	975	27	32.29	22	764	28	25.31	26	359	27	11.87	28
Iowa	3,054	29	98.34	36	1,080	19	34.77	19	689	35	22.19	35	331	32	10.64	33
Kansas	3,380	23	108.78	13	1,187	15	38.21	13	908	16	29.22	15	345	30	11.12	31
Kentucky	2,767	40	101.49	25	516	46	18.92	44	598	41	21.94	36	443	20	16.26	9
Louisiana	2,899	34	106.21	17	502	47	18.40	45	1,183	6	43.32	3	424	21	15.52	11
Maine	3,789	11	126.11	4	1,596	7	53.14	1	698	34	23.22	32	319	37	10.62	34
Maryland	4,016	7	101.32	26	1,082	18	27.31	35	487	45	12.28	46	494	11	12.47	21
Massachusetts	4,217	6	99.97	31	1,532	8	36.32	16	584	42	13.85	44	312	40	7.39	50
Michigan	3,313	25	103.28	21	1,186	16	36.96	15	781	27	24.36	29	314	39	9.78	41
Minnesota	3,811	10	105.33	19	965	28	26.68	37	810	22	22.40	34	478	13	13.20	20
Mississippi	2,444	50	99.67	33	641	41	26.15	38	856	19	34.92	8	336	31	13.71	16
Missouri	2,822	39	92.61	45	747	38	24.52	40	807	24	26.48	21	335	28	11.66	29
Montana	2,623	46	94.84	43	1,034	21	37.40	14	0	49	0.00	49	475	15	17.18	5
Nebraska	3,609	16	111.60	9	1,148	17	35.51	18	1,007	13	31.14	13	328	33	10.15	37
Nevada	3,417	22	101.13	28	920	31	27.24	36	1,058	8	31.31	12	900	1	26.65	1
New Hampshire	3,133	27	85.55	49	1,940	3	52.97	2	0	50	0.00	50	519	8	14.18	15
New Jersey	4,555	4	109.42	11	2,099	1	50.42	3	721	32	17.32	42	405	23	9.73	42
New Mexico	2,861	38	109.26	12	441	49	16.86	47	1,028	11	39.24	6	353	29	13.50	18
New York	5,260	2	137.48	2	1,677	5	43.83	6	1,005	14	26.26	22	416	22	10.88	32
North Carolina	2,929	32	99.88	32	713	39	24.33	41	688	36	23.48	30	360	26	12.27	24
North Dakota	2,989	31	101.29	27	919	32	31.15	25	677	37	22.95	33	489	12	16.59	8
Ohio	3,419	21	109.73	10	981	26	31.48	24	809	23	25.95	23	267	47	8.58	48
Oklahoma	2,677	44	96.18	41	465	48	16.69	48	790	26	28.36	16	243	51	8.73	46
Oregon	2,917	33	95.43	42	963	29	31.52	23	0	51	0.00	51	282	43	9.24	44
Pennsylvania	3,447	20	103.46	20	1,010	25	30.32	26	642	39	19.28	40	400	24	12.01	27
Rhode Island	3,891	8	113.76	8	1,629	6	47.62	5	745	30	21.78	38	469	16	13.71	17
South Carolina	2,662	45	97.94	39	882	34	32.46	21	677	38	24.91	28	278	46	10.24	36
South Dakota	2,615	47	86.60	48	915	33	30.29	27	1,021	12	33.82	10	368	25	12.18	25
Tennessee	2,536	48	84.98	50	608	42	20.39	43	1,201	4	40.25	4	300	42	10.05	38
Texas	2,881	35	93.74	44	1,254	14	40.80	9	852	20	27.73	17	467	17	15.21	12
Utah	2,735	42	102.82	22	689	40	25.92	39	824	21	30.96	14	321	36	12.05	26
Vermont	3,681	14	115.80	6	1,531	9	48.14	4	417	46	13.13	45	699	3	21.98	3
Virginia	3,342	24	92.42	46	1,031	22	28.52	32	518	44	14.33	43	451	18	12.46	22
Washington	3,452	19	98.50	35	1,029	23	29.36	30	1,577	1	45.00	2	517	9	14.76	14
West Virginia	2,740	41	106.26	15	540	45	20.94	42	563	43	21.85	37	623	4	24.14	2
Wisconsin	3,714	13	115.47	7	1,350	12	41.97	8	752	29	23.38	31	323	34	10.03	39
Wyoming	4,437	5	129.48	3	1,352	11	39.44	11	1,197	5	34.92	9	254	50	7.41	49
US Average	\$ 3,447		\$ 104.09		\$1,086		\$ 32.79		\$ 836		\$ 25.23		\$395		\$ 11.92	
Mi's Diff	\$ (133)		\$ (0.81)		\$ 100		\$ 4.17		\$ (54)		\$ (0.88)		\$ (81)		\$ (2.14)	
from U.S. Avg.																

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Table 4 (continued)
Comparisons of State and Local Tax Revenue by State, 2004

	Individual Income Taxes				Corporate Income Taxes				Motor Fuel Taxes				Tobacco Products Taxes			
	Per Capita		Per \$1,000 Pers. Inc.		Per Capita		Per \$1,000 Pers. Inc.		Per Capita		Per \$1,000 Pers. Inc.		Per Capita		Per \$1,000 Pers. Inc.	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Alabama	\$ 518	38	\$ 18.70	37	\$ 65	34	\$ 2.33	34	\$ 129	28	\$ 4.65	18	\$ 24	40	\$ 0.88	36
Alaska	0	46	0.00	46	516	1	15.18	1	62	49	1.82	48	74	9	2.18	9
Arizona	403	40	14.08	41	92	24	3.20	19	117	38	4.08	31	48	25	1.67	19
Arkansas	614	33	23.78	22	66	33	2.56	32	165	8	6.38	4	53	21	2.06	12
California	1,016	9	28.84	12	193	8	5.49	7	93	46	2.63	46	30	35	0.86	37
Colorado	742	21	20.54	33	52	42	1.44	43	130	27	3.60	38	14	47	0.39	47
Connecticut	1,235	5	27.24	16	109	14	2.40	33	131	25	2.88	43	79	6	1.75	17
Delaware	998	10	27.92	14	262	5	7.34	3	135	22	3.79	34	91	3	2.55	4
Wash., D.C.	1,894	1	37.01	4	304	3	5.94	5	49	50	0.95	50	37	28	0.73	43
Florida	0	47	0.00	47	83	28	2.63	30	155	13	4.91	15	26	37	0.82	39
Georgia	766	20	25.72	18	55	40	1.86	40	85	47	2.85	44	25	38	0.86	38
Hawaii	926	13	28.40	13	46	44	1.41	44	125	33	3.84	33	63	14	1.93	13
Idaho	651	31	24.21	21	74	30	2.77	27	156	12	5.81	6	37	29	1.39	26
Illinois	568	36	16.35	39	101	17	2.90	24	126	32	3.62	36	64	13	1.85	14
Indiana	680	28	22.50	28	104	15	3.43	16	129	29	4.27	24	54	20	1.80	15
Iowa	681	27	21.92	30	30	47	0.98	47	145	16	4.68	17	32	34	1.03	34
Kansas	701	23	22.55	27	61	37	1.96	37	159	11	5.11	13	46	26	1.47	25
Kentucky	876	16	32.14	7	92	23	3.38	17	115	41	4.22	29	5	51	0.18	50
Louisiana	486	39	17.82	38	53	41	1.92	38	124	34	4.56	19	22	42	0.82	40
Maine	882	14	29.37	11	85	26	2.82	25	168	7	5.58	8	70	11	2.34	7
Maryland	1,490	3	37.60	3	102	16	2.58	31	134	24	3.38	40	49	23	1.23	28
Massachusetts	1,378	4	32.68	6	203	7	4.81	9	107	44	2.53	47	66	12	1.57	23
Michigan	630	32	19.63	36	182	9	5.68	6	107	43	3.34	42	99	2	3.08	2
Minnesota	1,120	7	30.96	8	125	11	3.46	14	127	30	3.52	39	37	30	1.03	33
Mississippi	366	41	14.93	40	84	27	3.43	15	162	10	6.60	3	19	45	0.78	41
Missouri	700	24	22.98	25	39	45	1.28	46	126	31	4.15	30	22	43	0.72	44
Montana	653	30	23.62	24	73	31	2.64	29	213	1	7.71	1	49	24	1.76	16
Nebraska	711	22	21.98	29	96	21	2.96	22	173	4	5.36	10	41	27	1.26	27
Nevada	0	48	0.00	48	0	48	0.00	48	189	2	5.59	7	55	19	1.64	20
New Hampshire	42	43	1.15	43	314	2	8.57	2	100	45	2.73	45	77	8	2.10	11
New Jersey	852	17	20.47	34	218	6	5.25	8	63	48	1.51	49	90	4	2.15	10
New Mexico	529	37	20.21	35	73	32	2.77	26	111	42	4.23	27	28	36	1.06	32
New York	1,595	2	41.67	1	278	4	7.27	4	27	51	0.70	51	60	15	1.56	24
North Carolina	880	15	29.99	9	98	20	3.34	18	149	15	5.08	14	5	50	0.17	51
North Dakota	336	42	11.40	42	78	29	2.65	28	187	3	6.33	5	33	33	1.13	30
Ohio	1,064	8	34.15	5	93	22	2.97	21	135	23	4.34	21	49	22	1.57	22
Oklahoma	658	29	23.64	23	38	46	1.36	45	118	37	4.23	26	18	46	0.65	46
Oregon	1,217	6	39.82	2	89	25	2.92	23	115	40	3.77	35	74	10	2.42	5
Pennsylvania	832	19	24.97	19	135	10	4.06	10	144	17	4.32	22	79	7	2.38	6
Rhode Island	833	18	24.36	20	64	35	1.88	39	124	35	3.61	37	107	1	3.13	1
South Carolina	581	35	21.37	32	47	43	1.72	41	117	39	4.29	23	7	49	0.26	49
South Dakota	0	45	0.00	45	61	36	2.02	36	163	9	5.41	9	36	32	1.19	29
Tennessee	24	44	0.80	44	118	13	3.95	11	141	19	4.73	16	20	44	0.68	45
Texas	0	49	0.00	49	0	49	0.00	49	130	26	4.23	28	24	41	0.77	42
Utah	699	25	26.27	17	60	38	2.25	35	141	18	5.31	11	25	39	0.96	35
Vermont	692	26	21.77	31	100	18	3.15	20	138	20	4.36	20	82	5	2.59	3
Virginia	992	11	27.44	15	56	39	1.56	42	122	36	3.36	41	10	48	0.28	48
Washington	0	50	0.00	50	0	50	0.00	50	149	14	4.26	25	57	17	1.62	21
West Virginia	589	34	22.85	26	100	19	3.88	12	171	5	6.62	2	59	16	2.30	8
Wisconsin	954	12	29.66	10	124	12	3.85	13	170	6	5.29	12	56	18	1.74	18
Wyoming	0	51	0.00	51	0	51	0.00	51	138	21	4.04	32	37	31	1.07	31
US Average	\$ 734		\$ 22.17		\$ 115		\$ 3.47		\$ 119		\$ 3.60		\$ 43		\$ 1.30	
MI's Diff. from U.S. Avg.	\$ (105)		\$ (2.55)		\$ 67		\$ 2.21		\$ (12)		\$ (0.26)		\$ 56		\$ 1.78	

Map 3
State and Local Sales Taxes per Capita



income taxes are levied and these two tax sources have to make up the difference. (See Map 3.)

Several of the states with the highest per capita sales tax revenues have expanded their tax bases to include more goods and services than Michigan includes. Washington, Hawaii, and New Mexico have among the broadest bases

for their sales taxes and are among the top ten in tax collections. Delaware, New Hampshire, Oregon, and Montana do not levy sales taxes.

Selective Sales Taxes

Selective sales taxes are those taxes imposed on sales of particular commodities or services or gross receipts of a particular business. They include liquor, tobacco, motor fuel, pari-mutuel wagering, and public utility taxes. Revenues from selective sales taxes in Michigan were 20 percent below the U.S. average on a per capita basis and 18 percent below the U.S. average on the basis of personal income. These taxes tend to have relatively inelastic tax bases and Michigan local governments are not authorized to levy these taxes as are local governments in many other states. (See Table 5.)

Selective sales taxes are levied in every state at different rates and sometimes on different bases. Some heavily populated states – Illinois, Florida, Washington, and Texas – draw heavily upon these taxes. Other heavily populated

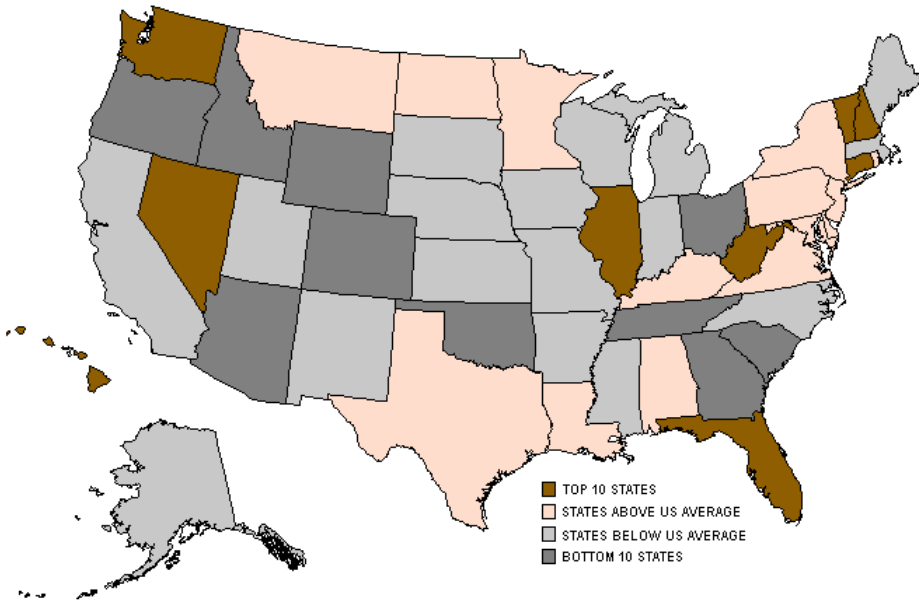
Table 5
State and Local Government Selective Sales Tax Revenues

Year	U.S. Average		Michigan					
	Per Capita	Per \$1,000 Pers. Inc.	Per Capita			Per \$1,000 Personal Income		
			Amount	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1999	\$ 331	\$ 12.24	\$ 215	65.0		\$ 8.06	65.8	
2004	395	11.92	314	79.5	39	9.78	82.0	41

Tax Elements

The Michigan Tax System is composed of 47 taxes: 31 taxes imposed by or for the state; 16 imposed by or for local governments. The majority of these 47 taxes are divided into three basic categories – property, sales and income taxes. Local government administers the real and personal property taxes as well as three other ad valorem taxes, while state government is authorized to levy three additional ad valorem taxes. Sales-related taxes are levied on the retail sale or use of tangible personal property (sales and use tax) administered solely by the state government and on the purchase of individual products and services (excise taxes). State income taxes are levied based on federally adjusted gross income and city income taxes piggyback on that system. More information about the Michigan tax system can be found at www.crcmich.org/TaxOutline/.

Map 4
State and Local Selective Sales Taxes per Capita



states – Georgia, Ohio, California, and Massachusetts – rely far less on revenues from these taxes. Regional patterns are far less evident for selective sales taxes. (See Map 4.)

Income Taxes

Over the past 25 years, Michigan has had a relatively high income tax burden. A relatively high income tax rate and the Census' classification of the Single Busi-

ness Tax (SBT) as a corporate income tax combined to keep Michigan among the top 15 states.

Tax rate reductions in the late 1990s and Michigan's weak economy drastically changed this standing, dropping Michigan from fifth in per capita individual income tax revenues in 1999 to 32nd in 2004, with per capita revenues 14 percent below the U.S. average. Individual income tax revenues per \$1,000 of personal income fell from 20th in 1999 to 36th in 2004. (See Table 6.)

The East coast states tend to have the heaviest reliance on individual income taxes. Oregon relies heavily on income taxes because of its constitutional prohibition against levying a sales tax. California, Minnesota, Wisconsin, Hawaii, and Colorado are other non-East coast states with high income tax revenues per capita. Alaska, Florida, Nevada, South Dakota, Texas,

Washington, and Wyoming do not levy individual income taxes. (See Map 5.)

Because the SBT, a form of value added tax, is considered a corporate income tax by the Census, it exaggerates Michigan ranking in state and local corporate income tax revenues. Business taxes levied by other states that were consolidated into

Table 6
State and Local Government Corporate and Individual Income Tax Revenues

Year	U.S. Average		Michigan					
	Per Capita	Per \$1,000 Pers. Inc.	Per Capita			Per \$1,000 Personal Income		
			Amount	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	\$ 208	\$ 22.96	\$ 341	163.9	10	\$ 35.39	154.1	10
1989	495	25.80	654	130.5	11	36.36	131.7	12
1999	819	30.23	1003	122.5	11	37.57	124.3	13
2004	849	25.65	812	95.6	21	25.31	98.7	27
State and Local Government Individual Income Tax Revenues								
1999	\$ 694	\$ 25.64	\$ 758	109.2	5	\$ 28.40	110.8	20
2004	734	22.17	630	85.8	32	19.63	88.5	36
State and Local Government Corporate Income Tax Revenues								
1999	\$ 124	\$ 4.59	\$ 245	196.8	5	\$ 9.17	199.6	20
2004	115	3.47	182	158.4	9	5.68	163.5	6

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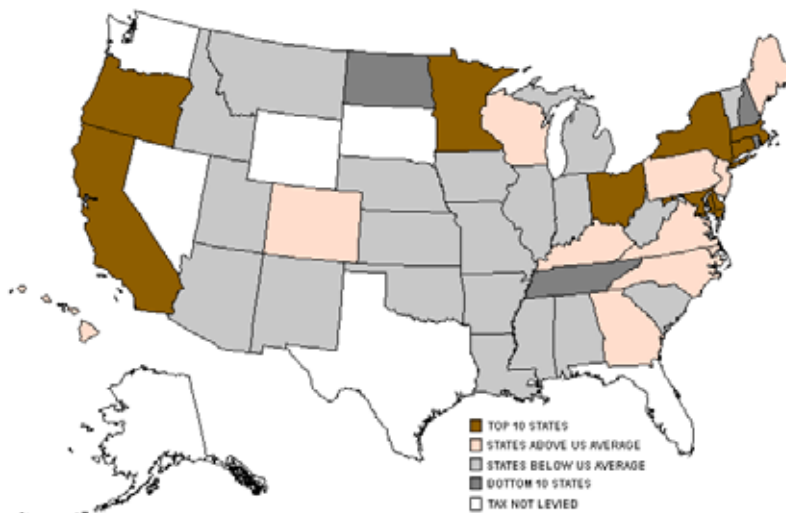
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the SBT in Michigan are not included in comparisons to Michigan's SBT. Whether the tax burden is measured per capita or per \$1,000 of personal income, Michigan corporate income taxes are among the top ten in 2004. (See Table 6.)

Alaska state and local governments yield the most corporate income tax revenues per capita because of their taxation of oil companies. California and many of the northeastern states make up the balance of the top ten states. Like the property tax, the U.S. average for corporate income taxes is relatively high because many of the heavily populated states rely heavily on these taxes. This causes 34 states to have per capita corporate income tax revenues below the U.S. average. Nevada, Texas, Washington and Wyoming do not levy corporate income taxes. (See Map 6.)

Map 5
State and Local Individual Income Taxes per Capita



Map 6
State and Local Corporate Income Taxes per Capita

