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June 1, 2015

The Honorable Jeff Farrington
Chair, Committee on Roads and Economic Development
Michigan House of Representatives

N-794 House Office Building
P.O. Box 30014
Lansing, MI 48909

Dear Representative Farrington:

I very much appreciate the opportunity to be present for the hearing on House Bill 4609 on June 2, 2015. I plan to make a few remarks; however, I'm providing a more detailed summary in this letter.

Accounting Aid Society provides free tax assistance to about 20,000 low to middle income taxpayers annually in southeast Michigan. We rely on about 600 volunteers but have some paid staff, including myself. I volunteered for 20 years myself before retiring from IRS and joining our staff in 2001.

In my 34 year connection with Accounting Aid Society I have seen the direct impact of both the federal and Michigan (since the 2008 tax year) Earned Income Tax Credit (EITC) on the financial stability of the taxpayers we serve. At six percent of the federal EITC, the amount might not seem large, but the Michigan EITC can provide the needed dollars to repair a car needed to get to work, pay a utility bill, or help with educational expenses.

Just weeks ago, an increase in the Michigan EITC from six to 20 percent to offset a sales tax increase was being promoted as part of a road improvement package. Lieutenant Governor Calley is quoted as saying, "This was just one avenue that could achieve that goal, and I think it really does achieve it well". "It focuses tax relief on folks that are working, have income, but are at lower income levels."

Low and middle income taxpayers already received a large tax increase in 2012. I understand that roads need to be fixed; however, it should not be at the expense of those least able to pay.

I urge the Committee to amend House Bill 4609 to increase the Michigan Earned Income Tax Credit to 20 percent, or alternatively to not report House Bill 4609 out of committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marshall J. Hunt'.

Marshall J. Hunt, CPA
Director of Tax Policy and Advocacy

Donated to the account

