

Proposed \$900 Million Business Tax Increase Would Take A Wrecking Ball To State's Economic Competitiveness, Says Michigan Chamber Of Commerce

LANSING, Mich., July 23, 2015 /PRNewswire-USNewswire/ -- Michigan Chamber of Commerce today issued the following statement by Michigan Chamber President & CEO Rich Studley in response to a ballot question committee announcing a petition drive to more than double Michigan's Corporate Income Tax (CIT) from six percent to 11 percent.

"2015 is a non-election year. At a time when Democrats and Republicans and business and labor should be working together in the legislative process to fix the roads, it's sad to see a union and a so-called "progressive" group politicize the debate over transportation funding with the threat of an anti-business ballot proposal."

"Michigan residents want to fix the roads. But anyone who cares about job creation and economic growth should think long and hard before signing a misguided petition to impose a \$900 million (83%) tax hike on Michigan's job providers."

"This dangerous petition drive appears to be based on a profound ignorance of corporate income taxes and state economic competitiveness. If approved, the \$900 million business tax increase would severely damage our state's economic competitiveness by giving Michigan the second highest corporate income tax in the country."

"Another reason Michigan voters should think twice before signing this ballot proposal is, under the current State Constitution, there is no guarantee the Legislature must use revenue from a corporate income tax increase to fix the roads."

"The bottom line is this misleading ballot proposal would take a wrecking ball to Michigan's economic competitiveness. Worse yet, the promise of funding to fix the roads is only temporary or false," Studley concluded.

According to The Tax Foundation, corporate income taxes in 2015 are levied in 44 states and account for a relatively small share of state revenue – 5.2% of state tax collections and just over 2% of all state revenue. Top corporate income tax rates range from a low of 4.53% in North Dakota to a high of 12% in Iowa. Iowa's highest rate is followed by Pennsylvania's at 9.9%. An 11% CIT in Michigan would be substantially higher than the corporate income tax rate in Minnesota and Wisconsin at 7.9%; Illinois at 7.75%; and Indiana at 7%. Ohio does not impose a corporate income tax on its job providers.

The Michigan Chamber is a statewide business organization representing approximately 6,800 employers, trade associations and local chambers of commerce. The Michigan Chamber represents businesses of every size and type in all 83 counties of the state. Michigan Chamber member businesses provide jobs to 1.5 million residents. One of every 2.6 employees in Michigan works for a Chamber member firm. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

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