

Michigan Chamber of Commerce Questions Revenue Estimates and Economic Impact of Governor's Tax Shift Plan

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Following a careful review of Governor Granholm's proposal to restructure Michigan's business taxes, the Michigan Chamber of Commerce has concluded that while several of the proposed changes advocated by the Governor would appear to benefit some manufacturers, other proposals advocated by the Governor would result in major tax increases for many Michigan job providers -- including certain manufacturers, retailers, wholesalers, utilities, professional service providers, commercial property owners, banks and others.

Over 70 corporate tax executives, CPAs, tax attorneys and other business leaders who are members of the Michigan Chamber's Tax Committee met yesterday to review and discuss the Governor's proposed business tax shift. This meeting included a presentation of the Governor's plan by State Treasurer Jay Rising.

"While we appreciate the Administration's interest in providing tax relief for manufacturers, we are sorry to report that many Chamber members who have studied the Governor's proposal have concluded that it would result in a substantial tax increase on their companies," said Rich Studley, Senior Vice President of Government Relations for the Michigan Chamber.

"This preliminary analysis of the Governor's proposal by the companies that pay business taxes raises serious questions about the accuracy of the Administration's revenue estimates and casts doubt on the Governor's claim that her proposal would be 'revenue neutral' on a statewide basis," noted Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber.

"A balanced approach to economic development means that we must have an attractive tax climate for all job providers," Kinley added. "The Michigan Chamber supports tax reductions for manufacturers. At the same time, we oppose tax increases on other segments of the business community."

"We are ready to work with the legislature and administration to provide meaningful tax relief for Michigan's manufacturers," said Michigan Chamber President & CEO Jim Barrett.

The Michigan Chamber is a statewide business organization which represents more than 6,500 employers, trade associations and local chambers of commerce. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

SOURCE: Michigan Chamber of Commerce

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