

Michigan Chamber Member Poll Indicates Business Leaders Overwhelmingly Support Repeal of Services Tax

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An overwhelming majority -- nearly 90 percent -- of respondents to a Michigan Chamber member poll on Michigan's new service tax answered "Yes" when asked, "Should the tax on services (Public Act 93) be repealed?"

Public Act 93 of 2007 expands the use tax to include dozens of personal and business services such as consulting, security systems and warehousing. These services would be taxed at a rate of 6% as of December 1, 2007. The House Fiscal Agency estimates that the new tax on services will generate approximately \$750 million per year.

"These findings reaffirm our belief that the new service tax will harm Michigan's economic recovery, not help it, by driving away businesses that are already here as well as out-of-state employers looking for a more business-friendly environment," said Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber.

"These results and member comments confirm that spending reductions and structural reforms in state government operations, not tax increases on the backs of working families and job providers, hold the key to dealing with the state's budget challenges now and in the future," added Kinley.

The results of the members-only survey, including examples of typical member comments (unattributed), are available on the Michigan Chamber's website at www.michamber.com. The online poll was conducted October 17 through October 29, 2007. During that period, 871 Michigan Chamber members participated in the poll. Respondents included company presidents, CEOs, senior executives and business owners from across the state.

This poll is the first online statewide survey conducted by the Michigan Chamber of Commerce -- a statewide business advocacy organization representing over 7,000 employers of every type and size in all 83 counties in Michigan. 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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