

Michigan Chamber Supports House GOP Plan to End State Tax Penalty On Employer-Provided Health Care

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The Michigan Chamber of Commerce announced today its support for the State House GOP plan to finish the job on removing health care from the base of the Single Business Tax (SBT). In 2003, both Republican and Democratic lawmakers, with the support of Governor Granholm, voted to remove 50 percent of health care from the base of the SBT over three years. The House GOP plan announced today would remove the remaining 50 percent of health care from the SBT base by 2007.

"The Michigan Chamber commends House Speaker Craig DeRoche for providing strong leadership on an important business climate issue," said Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber. "This pro-jobs initiative is a shot in the arm that will encourage employers to continue to provide their employees with health care."

"This plan is affordable and should be a priority for all lawmakers and the Governor," said Rich Studley, Senior Vice President of Government Relations for the Michigan Chamber. "While the Executive Office has criticized this plan as having a 'price tag,' the cost of this proposal is a fraction of the Governor's proposed 2.4 percent increase in government spending for 2005-2006."

Michigan Chamber President & CEO Jim Barrett noted that back in 2003 when the Governor signed legislation to phase out 50 percent of the cost of health care from the SBT base, Governor Granholm said she was "proud that even in a tough budget year ... we are able to help businesses offer health care coverage to their employees. We have to provide Michigan businesses with the tools to attract and keep healthy, productive workers."

"The decision by lawmakers and the Governor to remove part of this penalty received overwhelming bipartisan support," Barrett said. "It was the right thing to do back in 2003 and finishing the job is the right thing to do now."

"Last week, the House GOP introduced two bills to remove the tax on employer-provided health care," noted Studley. "These bills will provide meaningful SBT relief to manufacturers and other job providers who already provide their employees with health care. The bills will also make it more affordable for small businesses and other employers who would like to provide their employees with health care to do so."

"By introducing House Bills 4105 (Leon Drolet - 33rd District, Clinton Township) and 4251 (Rick Jones - 71st District, Grand Ledge), House leaders have demonstrated their commitment to taking action to provide Michigan employers with much needed tax relief and employees with increased access to health care. We encourage the State House to take up these bills at the earliest opportunity," Kinley concluded.

The Michigan Chamber of Commerce 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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