Michigan Chamber Of Commerce Urges State House To Reject Beer Tax Hike

LANSING, Mich., Sept. 14, 2016 /PRNewswire-USNewswire/ -- House Bill 5873, which contains a roughly 250 percent increase in Michigan's beer tax, would put businesses at a huge competitive disadvantage with neighboring states and would take a wrecking ball to an industry that is currently thriving, says the Michigan Chamber of Commerce.

"Raising the beer tax is a bad idea from a lame duck lawmaker," said Michigan Chamber President & CEO Rich Studley. "A nearly 250 percent beer tax hike would have a chilling effect on Michigan's craft brewers, distributors and retailers and would bring this growth industry to a grinding halt."

"As a whole, Michigan's beer industry contributes $6.6 billion to the state's economy, employs thousands of people and generates hundreds of millions of dollars in tax revenue," noted Jim Holcomb, Senior Vice President for Business Advocacy & General Counsel for the Michigan Chamber. "This ill-advised tax increase will hurt each and every retailer, distributor, brewery, and brewpub in Michigan."

"So-called sin taxes do not work; they simply drive people to buy legal products from lower-cost states," said Tricia Kinley, Senior Director of Tax & Regulatory Reform for the Michigan Chamber, who noted that Michigan's beer tax is already the highest in the Great Lakes region (Indiana, Illinois, Ohio and Wisconsin) and is 28 percent higher than the next state on the list.

"In many cases, these so-called sin taxes backfire because people turn to illegal purchasing methods," noted Kinley. "Coupled with the fact that Michigan has a 10-cent bottle deposit add on, border county beer drinkers will likely just buy beer in Indiana and Ohio, making a bad idea worse!"

"We strongly oppose this ill-advised effort to raise the beer tax," said Studley. "This legislation is bad public policy and will only serve to harm a thriving industry."

"We urge House lawmakers to reject this tax hike and work on more worthwhile bills," Studley concluded.

The Michigan Chamber of Commerce is a statewide business organization representing approximately 6,700 employers, trade associations and local chambers of commerce. The 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. It is one of only six state chambers accredited by the US Chamber and one of only four state chambers accredited with distinction.

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SOURCE Michigan Chamber of Commerce

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