Michigan Chamber of Commerce Denounces Governor's Veto On Significant COVID-19 Business Relief

LANSING, Mich., March 9, 2021 /PRNewswire/ -- In response to Governor Whitmer's line-item veto of key provisions in the Legislature's supplemental budget, the Michigan Chamber voiced frustration that the Governor rejected support for businesses that were forced by government to shut down and/or operate under strict limitations that have severely limited their ability to operate.

The Governor's line-item vetoes included $300 million in direct financial relief for businesses most adversely impacted by the MI Department of Health and Human Services' Epidemic Orders and $150 million in funding to help stabilize the Unemployment Trust Fund ("Fund") due to massive fraud perpetuated by the gross mismanagement of the Unemployment Insurance Agency.

"House Republicans led the charge on a comprehensive, thoughtful and significant COVID-19 business relief plan that would have helped the businesses that have experienced the greatest hardships during this pandemic," said Dan Papineau, Director of Tax Policy and Regulatory Affairs. "If government forces a business to close or significantly impacts their ability to operate, then government must put forward fair and meaningful financial relief.

"We support the bipartisan COVID-19 relief package sent to the Governor and are disappointed with the line-item vetoes," Papineau continued. "For the third time, Governor Whitmer has vetoed relief to help struggling businesses cover their property tax bills. Businesses forced to close for almost an entire year are obviously going to have a hard time paying property taxes to local governments. This legislation would have alleviated a huge financial burden on struggling businesses while ensuring our local governments receive the resources they need at such a critical time," said Papineau.

Local governments are already facing hardships through dramatic losses in local income tax revenue as well as economic activity by way of foot traffic in their local downtowns. The Michigan Chamber is leading the effort to help head off this problem by creating the Reopen Now, Reopen Safely Coalition.

The Governor also vetoed funding that would help stabilize the Unemployment Insurance Trust Fund, the fund that pays benefits to claimants.

"During the height of the pandemic the Unemployment Insurance Agency decided fraud detection wasn't a priority and turned off its fraud detection software thereby saddling job providers with a huge tax burden to cover governmental mismanagement," said Wendy Block, Vice President of Business Advocacy and Member Engagement. "As a direct result of Agency willfully ignoring fraud, more than $800 million in fraudulent unemployment claims were paid to criminal claimants."

"Unemployment insurance is 100% employer financed and the financial support Governor Whitmer vetoed would have covered fraudulent claims that struggling Michigan businesses will have to now pay for," continued Block. "Business in an already weak

position should not be left paying for questionable decisions and mistakes by government."

The Michigan Chamber is a statewide business organization that represents approximately 5,000 employers, trade associations and local chambers of commerce. The Chamber represents businesses of every size and type in all 83 counties of the state. It was established in 1959 to be an advocate for Michigan job providers in the legislative, political and legal process. www.michamber.com

SOURCE Michigan Chamber of Commerce

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