Poll: Voters Strongly Oppose Expanding Sales Tax to Services, Support Government Reforms to Fix Budget

Michigan voters overwhelmingly oppose an effort to expand the state sales tax to services and instead want their political leaders to balance the state's budget by cutting spending, according to a new poll released today by the Michigan Chamber of Commerce and the Michigan Association of REALTORS®.

The poll found 75 percent of likely voters oppose the proposal put forward by Gov. Jennifer Granholm and House Speaker Andy Dillon to lower the sales tax rate from 6 percent to 5.5 percent and expand the tax to most consumer services. Only 21 percent support such a tax increase.

The state faces a $1.7 billion budget shortfall for the upcoming fiscal year, which starts Oct. 1.

"The more the people of Michigan learn about a service tax, the more they see it as an effort to nickel-and-dime those who can least afford it," Michigan Chamber President & CEO Rich Studley said. "Businesses and working families are struggling and can't afford to bear any more burdens."

The proposal would result in a new tax on services such as haircuts, child care, dry cleaning, auto repairs, tax preparation and retirement planning services.

Voters universally reject the service tax plan, regardless of their political affiliation. Seventy-seven percent of Republicans and 74 percent of independents oppose such a service tax. Even 60 percent of Democrats oppose the governor's plan.

"The message is clear: Michigan voters want their elected leaders to reform the way state government does business," noted Bill Martin, CEO of the Michigan Association of REALTORS®. "Voters saw the results of income and business tax increases in 2007 and they're not ready to spend even more to continue to support an inefficient and bloated state government."

The survey of 600 likely voters was conducted April 21-22 by Public Opinion Strategies of Alexandria, Va.

The Michigan Chamber of Commerce is a statewide business organization representing approximately 6,800 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. It is one of only four state chambers of commerce in the nation accredited by the U.S. Chamber of Commerce.

The Michigan Association of REALTORS® (MAR) is a 22,000 plus member trade association which protects the rights of private property owners while serving as the primary source for Michigan housing and real estate data. MAR is comprised of Local REALTOR® Associations, which adhere to a strict Code of Ethics, established by the National Association of REALTORS®.

First Call Analyst:
FCMN Contact:

SOURCE: Michigan Chamber of Commerce; Michigan Association of REALTORS

CONTACT: Betty McNerney, Senior Director of Communications, Michigan
Chamber of Commerce, +1-517-371-7663, bmcnerney@michamber.com; or Brad Ward,
Director of Public Policy & Legal Affairs, Michigan Association of REALTORS©,
+1-517-334-5547, bward@mirealtors.com

Web Site: http://www.michamber.com/

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