

Granholm Flip Flop on Call Centers Sends Mixed Message to Business Community, Says Michigan Chamber of Commerce

The Michigan Chamber of Commerce today urged Governor Jennifer Granholm to clarify her position on whether call centers are really welcome in Michigan.

On October 6, 2005, the governor's office issued a news release captioned, "Governor Announces New Jobs for Oscoda: Call Center Contract Brings Jobs Home to Michigan, Saves Taxpayer Money." The news release quotes Granholm saying, "This administration's effort to ensure that we are spending every dollar efficiently and whenever possible here in Michigan is paying off." However, earlier this year the governor proposed a \$21.9 million tax increase on call centers by recommending elimination of the use tax exemption for international and toll-free telephone calls as part of her fiscal year 2006 Executive Budget. At that time, the governor described the multi-million dollar tax increase on call centers as the elimination of a "tax subsidy" that no longer reflected "the highest priorities of Michigan citizens."

"We join the governor in welcoming the call center to Oscoda, but her flip flop on call centers is the latest example of the Granholm administration saying one thing and doing another on economic development," noted Rich Studley, Executive Vice President of the Michigan Chamber of Commerce.

"Job providers need and want a stable and predictable tax climate. Luring out-of-state companies to Michigan while targeting those same businesses for tax increases is a classic example of 'bait and switch' tactics that will ultimately hurt, not help, Michigan's economic competitiveness," said Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber.

The Michigan Chamber is a statewide business organization which represents more than 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.

SOURCE: Michigan Chamber of Commerce

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