Michigan Chamber Foundation Releases Major Study of Michigan's Tax Climate

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The Michigan Chamber Foundation today released an important public policy study entitled, "Michigan's Tax Climate: A New Perspective." The non-partisan and educational research was conducted for the Foundation by Charles L. Ballard, Ph.D., a Michigan State University economics professor.

(Photo: http://www.newscom.com/cgi-bin/prnh/20000320/DEM039)

"During the past few years we have substantially improved Michigan's economic competitiveness by lowering the tax burden on individuals and business," said Michigan Chamber President & CEO Jim Barrett. "This study clearly shows that Michigan's current tax structure continues to generate a substantial amount of revenue for state government, local government, and public schools. However, as this study illustrates, Michigan continues to be a relatively high-tax state.

"In order to have a well-informed debate, it is necessary for the general public to better understand Michigan's current tax climate," added Barrett. "The purpose of this study is to provide employees, employers and elected officials with basic information about the taxes that are levied to support state government, local government, and public schools in Michigan."

"This study is written from a taxpayer perspective to help working families and job providers better understand and participate in the ongoing debate over taxes and spending," noted Tricia Kinley, Director of Tax Policy and Economic Development for the Michigan Chamber. "For example, employees and employers will be especially interested to learn that, on average, Michigan collects $3.46 per hour worked in taxes and $6,082 per worker per year. These are not trivial sums of money."

Two major conclusions can be drawn from this study:

* Drastic changes in tax policy are not called for. The general public should be wary of calls for sudden or dramatic changes in tax rates.

* Tax policy is not made in a vacuum. It will be crucial to scrutinize taxes and government spending with great care so that the tax burden can be kept within reasonable limits.

"This study clearly demonstrates that Governor Engler's taxpayer agenda was necessary to reduce Michigan's tax burden to a more reasonable level," noted Barrett. "It also shows that the tax cuts for individuals and business that have been approved over the past few years have not prevented the State of Michigan from having adequate funds for government services."

"The Michigan Chamber supports staying the course on tax relief for individuals and business. Raising taxes as the economy is starting to recover could do serious damage to Michigan's competitiveness," concluded Kinley.

The Michigan Chamber is a statewide business organization representing approximately 7,000 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.

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