

Michigan Chamber of Commerce Supports Economic Stimulus Package for Michigan

Michigan Chamber President & CEO Jim Barrett, State Senator Bill Schuette (R-Midland) and Larry Reed, president of the Mackinac Center for Public Policy, today announced a six-point economic stimulus package for Michigan at a news conference held at the State Capitol.

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

Senator Schuette was joined by State Senators Loren Bennett (R-Canton), Bill Bullard, Jr. (R-Highland), Mike Goschka (R-Brant), Glenn Steil (R-Grand Rapids), Thad McCotter (R-Livonia), Dale Shugars (R-Portage), and Valde Garcia (R-St. Johns); State Representatives Bob Gosselin (R-Troy), Clark Bisbee (R-Jackson), and Joanne Voorhees (R-Wyoming); and business leaders from the Detroit Regional Chamber, Michigan Association of Home Builders and the Michigan Association of Realtors -- all of whom expressed their support for the package.

The six-point plan to increase jobs, cut taxes and help working families across Michigan contains the following state policy initiatives:

- * Move Up Tax Cuts For Working Families -- In order to help working families, we should accelerate the planned tax cuts of January 1, 2002, to October 1, 2001. Let's put more money in taxpayers' pockets now and into the future.
- * Encourage New Home Buying -- By reducing the state real estate transfer tax from \$3.75 to \$2.50, we can ease the tax burden for families desirous of selling a home, and making another purchase.
- * Reduce Government Spending -- A five percent reduction in government spending will help meet Michigan's Constitutional requirement of a balanced budget. Many businesses and individuals are cutting budgets after several economically prosperous years -- Michigan government should do the same.
- * Cut Business Payroll Taxes -- Businesses in Michigan need help. A one- year reduction in unemployment insurance payroll taxes in conformance with the federal level, taking the base on which unemployment taxes are paid from \$9,500 to \$7,000, would encourage job hiring in Michigan. The Unemployment Trust Fund has a sufficient balance from employer taxes to pay any claims during the next year.
- * Move Up Single Business Tax Reductions -- To facilitate job growth, planned Single Business Tax (SBT) cuts scheduled for January 1, 2002, should take effect on October 1, 2001. This will continue moving Michigan to greater tax competitiveness for business investment and job creation.
- * Jump Start New Telecommunication Growth -- Presently, a tax roadblock is halting significant broadband capital investment in Michigan's telecommunications super highway. Changing discriminatory tax treatment would bring more E-commerce job growth to Michigan.

"President Bush and a bipartisan majority of Congress are working together at the federal level to develop a package to stimulate the national economy," said Michigan Chamber President & CEO Jim Barrett. "During this period of economic uncertainty, state policy initiatives should complement, and must not conflict with, that federal effort."

"We need policymakers in Lansing to focus on ways to generate increased revenue for state government by encouraging economic growth and job creation," added Barrett. "Now is not the time to halt planned tax cuts and turn back the clock to the days of higher taxes, more government spending and increased unemployment."

"Despite the progress we've made, Michigan still ranks 9th highest in state and local tax burden as a percentage of income," said Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber. "This proposal will reduce the tax burden on individuals, working families and job providers and keep Michigan's economy moving forward."

"We're serious about moving forward with this package and we are equally determined to defeat any legislation that would delay or cancel scheduled tax cuts for working families and Michigan's job providers," Barrett concluded. 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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