

Michigan Chamber: Governor's Veto Sends Negative Message to Business Taxpayers

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The Governor's veto of legislation to remedy unfair penalty and interest on property taxes is a sign of her true colors when it comes to taxpayer rights, says the Michigan Chamber of Commerce.

In 2003 the Granholm Administration pushed an 11th hour amendment to impose new penalties and interest on business personal property taxes without a public hearing. After the bill was signed, the Administration then indicated that they'd apply the new penalties retroactively. In addition, under the new law, an assessor could make a mistake but the taxpayer would pay the penalty. Senate Bill 1185 sponsored by Senator Nancy Cassis (R-Nov) would have prevented retroactive penalties and provided a remedy for unintentional mistakes. The Governor vetoed SB 1185 on Wednesday.

"Unfortunately, nine months of negotiations and compromises with this Administration proved to be unproductive. The real losers are the taxpayers of this state," said Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber.

A 2004 CFO Magazine survey of tax professionals frequently ranked Michigan in the top 10 worst states in terms of tax administration and tax aggressiveness and respondents believe this negatively influences the decisions to locate or expand in Michigan.

"SB 1185 would have remedied an unfair situation and improved the overall administration of personal property tax. Apparently, they'd rather play 'gotcha' with taxpayers, than work to provide fair tax policy for job providers," said Rich Studley, Senior Vice President, Government Relations at the Chamber.

The Michigan Chamber of Commerce is a statewide business organization which represents more than 6,300 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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