Garbage Tax Ballot Proposal a Loser, Says Michigan Chamber of Commerce

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The Michigan Chamber of Commerce today announced its intention to actively campaign against the latest plan by State Representative Dianne Byrum and House Democrats to impose a $150 million tax on garbage. In a press release and through a series of news conferences, Byrum and House Democrats yesterday announced their intention to seek a ballot proposal to impose this new tax on homeowners and businesses.

"This radical proposal from Byrum and House Democrats to impose a new $150 million a year tax on garbage does not have broad-based bi-partisan support and has repeatedly failed to be adopted by the State House and Michigan Senate," said Rich Studley, Executive Vice President of the Michigan Chamber.

"The Michigan Chamber has opposed this proposal in the Legislature and we are confident this costly scheme would be rejected by Michigan voters."

"This plan is a job killer," said Doug Roberts, Jr., Director of Environmental & Energy Policy for the Michigan Chamber. "At a time when Michigan's economy is struggling, our state's families and businesses don't need another tax increase. Yet, this is exactly what Rep. Byrum and House Democrats are advocating with a $150 million garbage tax."

In April 2005, the Michigan Chamber of Commerce developed an analysis of the impact of raising taxes on garbage disposal in Michigan. Highlights of the analysis include:

* Despite proponents' claims that Canadians would pay this new tax, in fact it would be Michigan businesses and residents that would be paying the lion's share of the tax.

* Raising taxes on garbage disposal would hurt Michigan taxpayers and have little impact on the amount of material entering Michigan.

* The plan could have the unintended consequence of increasing illegal dumping and requiring Michigan taxpayers to pay Toronto's portion of the tax.

* Grocery stores, restaurants, and hospitals could see increases in the range of $500 to $10,000 depending on their volumes of waste. Depending on the details of the plan, manufacturers who generate heavy byproducts could stand to lose the most with costs in the tens of thousands of dollars.

* The plan would likely be stricken by the courts as it violates both the Michigan Constitution and the Interstate Commerce Clause of the U.S. Constitution.

"Increasing taxes is not the way to attract new jobs and investment to Michigan. We urge Governor Granholm in her State of the State Address on January 25th to speak out against this ill-advised plan," Roberts concluded.

The Michigan Chamber is a statewide business organization which represents more than 6,500 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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