Michigan Chamber of Commerce Opposes Job-Killing Payroll Tax for Health Care

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The Michigan Chamber of Commerce today restated its opposition to Senate Bill 734, a union-backed proposal to impose a massive payroll tax as part of a "play or pay" financing system to force companies to allocate a specific amount of their payroll to purchasing health care or pay a new payroll tax.

Senate Bill 734, introduced by State Senator Raymond Basham (D-Taylor), is similar to legislation introduced in at least 29 other states at the urging of labor unions and their allies to require large employers to earmark a percentage of payroll spending for health care costs, or place an equal amount of money directly in the state's Medicaid program. Similar legislation was passed by Maryland lawmakers over the Governor's veto in January.

"While today, Senator Basham's bill impacts job providers with 10,000 or more employees, tomorrow it could impact job providers with 1,000 or even just 10 employees," said Wendy Hofmeyer, Director of Health Policy and Human Resources for the Michigan Chamber. "Imposing a job-killing payroll tax on employers of any size does nothing to solve the problem of skyrocketing health care costs and is no more than a half-baked proposal that ignores the reality of the health care crisis in this country."

"This proposal shows how out of touch Senate Democrats are with the economic challenges facing Michigan's business community," said Rich Studley, Michigan Chamber Executive Vice President & Senior Vice President of Government Relations. "With Michigan's unemployment rate among the highest in the country, we need every employer, every competitive advantage and every job we can get. Michigan employers need across-the-board tax relief, not a major new tax."

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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