

Michigan Chamber of Commerce Member Poll Indicates New Michigan Business Tax Imposes a Heavy Burden on Many Job Providers

An overwhelming majority -- nearly 80 percent -- of respondents to a Michigan Chamber member poll on the new Michigan Business Tax (MBT) indicated that their tax burden under the MBT, compared to the now defunct Single Business Tax (SBT), is higher. More than 30 percent of those respondents indicated their tax burden under the MBT equates to more than a 100 percent increase; eleven percent said more than 300 percent.

"We received a response from a member who operates a Michigan-based company in West Michigan that his tax burden under the new MBT is more than 1000 percent higher than under the SBT," said Tricia Kinley, Director of Tax Policy & Economic Development for the Michigan Chamber of Commerce. "Clearly, the results of our poll indicate that the MBT and the 21.99 percent surcharge imposed on Michigan businesses is a job killer for many companies. At the very least, the surcharge must be eliminated."

When asked how job providers plan to react to their increased tax liability, 31 percent said they would delay or cancel wage/salary increases; 24 percent said they would delay or cancel capital investment; 15 percent said they would move or cancel Michigan location/expansion; and 14 percent said they would layoff employees. The remaining 16 percent said they would absorb the cost.

"Despite many good intentions, the MBT is already proving to be a complicated, harmful tax," noted Kinley. "More than 60 percent of respondents said the MBT is more complicated than the SBT and 80 percent said they are now worse off. Even more compelling are the numerous comments we received from members who are now finding themselves in dire circumstances and face the possibility of closing or relocating to other states.

"The Legislature and Administration proved earlier this year that the state can 'afford' to provide tax relief to Hollywood moviemakers. It's time they provide relief for Michigan's job providers," concluded Kinley.

The results of this members-only poll, including member comments (unattributed), are available on the Michigan Chamber's website at www.michamber.com. Approximately 690 Michigan Chamber members participated in this poll, which was conducted March 8 through April 28, 2008. Respondents included company presidents, CEOs, senior executives and business owners from across the state.

The Michigan Chamber of Commerce is a statewide business advocacy organization representing over 7,100 employers of every type and size in all 83 counties in Michigan. 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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