Governor's Budget Plan Punishes Taxpayers and Should Be Immediately Rejected By Lawmakers, Says Michigan Chamber of Commerce

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Michigan state lawmakers should immediately reject the new 5.5 percent sales tax on consumer services being proposed by Governor Granholm, says the Michigan Chamber of Commerce.

"Increasing taxes on employees or employers is not the answer," said Michigan Chamber President & CEO Rich Studley. "Citizens across the state want a smaller, more efficient government and they expect lawmakers to take the actions necessary to revitalize our economy."

"Working families and job providers make difficult decisions every day to live within their means; state government must do the same," Studley added. "Governor Granholm's budget message once again fails to provide the leadership needed to move Michigan forward."

"We are very disappointed that, with Michigan leading the nation in unemployment, the governor refuses to bring the cost of state government in line with taxpayer ability to pay," noted Jim Holcomb, Vice President of Business Advocacy & Associate General Counsel for the Michigan Chamber. "Instead she offers an agenda that includes a $554 million sales tax increase on working families during a recession."

"Job providers simply cannot afford any general tax increase," Holcomb continued. "We urge legislative leaders to do the right thing and enact a balanced budget based upon reduced spending and government reform, not crafting complicated schemes designed to reach deeper into taxpayers' wallets."

"A strong and growing Michigan economy is the best guarantee we can have that there will be enough revenue to adequately fund essential government services," Holcomb noted. "As Michigan struggles to improve its economic competitiveness, the imposition of a gigantic tax increase on consumer spending will have a negative impact on economic activity in the service sector."

"We strongly urge lawmakers to immediately reject the Governor's call for a sales tax increase," Holcomb concluded.

The Michigan Chamber of Commerce 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. It is one of only four state chambers of commerce in the nation accredited by the U.S. Chamber of Commerce.

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