



AMERICANS FOR TAX REFORM

GROVER G. NORQUIST

PRESIDENT

LEGISLATIVE ALERT Oppose HB 4852 – The Phone Tax

House Bill 4852, which would impose a \$1.35 per month “fee” on telecommunications bills, seeks to burden Michigan taxpayers with as much as \$200 million in new taxes. The Appropriations Committee will likely vote on this issue tomorrow morning. **You have the opportunity to cut the cord on the phone tax once and for all.**

The proposed “fee” would be collected on any “communications services capable of accessing, connecting, or interfacing with a 911 system.” However, of the \$198.3 million in additional revenue, only 24.4% is slated to fund emergency communications services. Rumor has it this proposed tax hike may drop to \$1. **Regardless of the amount, any tax increase is a dangerous mistake.**

Michigan taxpayers can simply not afford higher taxes.

Michigan is facing a single-state recession. The state ranked 48th out of all 50 states in estimated GDP growth for 2005, according to the Bureau of Economic Analysis. **Over the past year, Michigan lost 58,000 jobs**, a loss of 1.3 percent. Many Michigan residents are struggling to make ends meet.

Any new tax is the wrong policy to alleviate the state’s economic distress, and in particular one such as this, which would:

- **Disproportionately burden low-income telecommunications customers**
- **Impose barriers to contacting emergency services**
- **Hurt Michigan’s businesses, the drivers of the state economy**

Michiganders deserve a tax system which promotes healthy economic growth, provides a solution to the state recession, and does not unnecessarily burden those most affected by the struggling Michigan economy.

**DO NOT KICK THE STATE ECONOMY WHILE IT
IS DOWN-
STOP THE TELECOMMUNICATIONS TAX!**