



NEWS

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Michigan Legislators to Stall the Engine of Job Growth?

-- HB 5323 is a targeted tax increase on in-state small businesses--

WASHINGTON, D.C. – As early as next week lawmakers in Lansing may vote on a measure that had been considered dead for a while. The budget agreement reached this week calls for an attempt to enact House Bill 5323, which would eliminate tax credits for some Michigan professional employer organizations, which take care of the employment process for small companies. While the bill is being sold as a targeted revenue source for the budget, its actual revenue impact is fairly small, and is estimated at \$3-4 million.

The measure would however significantly harm particularly small Professional Employer Organizations in Michigan, which may not be able to afford the cost of the tax increase, and would no longer be able to compete with larger organizations from in and out of state. Both the Speaker of the House, Rick Johnson (R), and the Senate Majority Leader Ken Sikkema (R) support the budget agreement, which calls for the tax increase.

“Small businesses are the engine of U.S. job growth. According to the U.S. Small Business Administration, they create 75% of all new jobs,” said Grover Norquist, president of Americans for Tax Reform in Washington, D.C. **“One only needs to apply logic: If you raise taxes on small businesses, you slow down this engine. Fewer small businesses will be able to hire more workers, raise wages, buy more equipment, or provide health insurance. This is by no means what Michigan needs at this point.”**

HB 5323 or any similar Senate bill would place an additional burden on taxpayers, who will already see taxes go up after the legislature voted to increase taxes on tobacco products and on Detroit casinos earlier this summer.

“Once more, Michigan lawmakers set out to raid taxpayers’ wallets, to make up for their lack of fiscal responsibility.” Norquist continues. **“Michigan needs a positive business climate, to be competitive. House Bill 5323 would be counterproductive, and deal a blow to job creation and economic growth.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Chris Butler at (202) 785-0266 or by email at cbutler@atr.org.