



NEWS

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19 MAY 2004

A Wave of New Taxes on the People of Michigan?

-- House to vote on tobacco tax increase proposal --.

WASHINGTON, D.C. – Last week, the Michigan House passed a doubling of the tax on Detroit’s casinos. It now looks like that tax hike was only the beginning of the new taxes Michiganders will have to bear.

As early as today, the Michigan House may vote to raise the tax on cigarettes by 75 cents per pack or more. In addition, legislators are considering revisiting proposals defeated last month to increase the tax on beer, wine, and spirits. These new taxes could bring in \$100 million or more, on top of the \$90 million in new casino taxes.

“The Michigan House seems poised to embark on a taxing and spending binge, and every worker in the state will lose because of it,” said Grover Norquist, president for Tax Reform. **“Taxes kill jobs and investment. The doubling of the tax on Detroit’s casinos threatens thousands of jobs in the state’s neediest area – planned expansion of the casinos into new, permanent facilities and the building of new hotels could be cancelled. Tobacco taxes threaten small retailers and their employees, especially those near the border with Ohio and Indiana. And beer and spirits taxes hit the hospitality industry hardest, threatening businesses and employment there. Overall, the House tax increase proposals destroy jobs at the very time so many are concerned about a ‘jobless recovery.’”**

Nationwide, states went on a spending binge during the boom years of the 1990s. During the last three years, however, most states have had to restrain spending growth because revenues dropped during the economic downturn. Now, as the economy booms, revenue is soaring as well in most states. And the big-spending interests are trying to sneak through one last tax increase before everyone realizes that revenues are growing without new taxes.

“With the booming economy, most states will be flush with cash,” continued Norquist. **“Federal budget projects suggest as much as \$100 billion more in revenue than expected, and most states experiencing their own windfalls. The big-spenders in Lansing realize they will soon lose their justification for tax hikes, so they want to sneak one last one through the legislature while they still can. But the answers to Michigan’s budget problems are a growing economy, job creation, and low taxes, not job-killing tax hikes.”**

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 Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.