



# NEWS

## AMERICANS FOR TAX REFORM

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# Michigan House Defends Taxpayers

*-- House rejects Gov. Granholm's plan to increase tax on cigarettes and other tobacco products on Wednesday, while internet taxation awaits vote today ---*

WASHINGTON, D.C. – While proponents of the proposed tobacco tax hike had hoped for an easy passage of HB 5632 yesterday, the House sank the measure by a margin of 55-44. The bill would have created about \$284 million in additional revenue for the fiscal year 2004-2005 by increasing the tax on tobacco products by 75 cents, starting July 1. However, proponents of the measure immediately moved for a reconsideration of the bill.

After rejecting Gov. Granholm's plan, fiscal conservatives in the House were able to gather enough votes to approve HB 5527, which encompasses \$267 million in spending cuts from next year's budget. The bill was passed by a margin of 55 against 51. The vote shows that there is hope for fiscal restraint in Lansing.

**"Michigan has been spared from a tax hike, thanks to those in the House who understand the negative impact of increased taxes,"** said Grover Norquist, president of Americans for Tax Reform in Washington, DC. **"Yet, the danger is not fully averted, as big spenders will continue to push for tax increases in Michigan. Luckily, there is a number of lawmakers in Lansing who understand that lower taxes stimulate economic growth, investment and job creation, which is what Michigan needs."**

After a mixed record of rejecting some tax increases, but then passing a doubling of the tax on Detroit's casinos last week, lawmakers have yet another chance to redeem themselves and side with their constituents when they cast their vote on internet taxation today.

**"The people of Michigan deserve better than being flooded with higher taxes,"** Norquist continued. **"Not only experience at the national level, not only common sense, but also studies analyzing the specific case of Michigan have shown that tax hikes are the wrong way to address Michigan's budget shortfall. With the economy growing at its highest rates since President Reagan cut taxes, lawmakers must hold the line and protect their constituents from tax increases, so that Michigan can reap the benefits from the positive trend and prosper."**

*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](mailto:jcollegio@atr.org).*