



Highlights of Tax Reform Proposals

Key Issues	Republican Gubernatorial Candidate Rick Snyder	Michigan Turnaround Plan / Business Leaders for Michigan	Rep. Mark Meadows
Changes to Michigan Business Tax (MBT)	Eliminates MBT	Eliminates MBT surcharge and reduces MBT gross receipts tax rate from .8% to .45%	Eliminates MBT surcharge
Lower/Raise 6% Sales Tax	No	Reduces sales tax on goods to 5.5%	Reduces sales tax to 5%
Expand Sales Tax to Services	No	Yes - Imposes 5.5% sales tax on services (no business-to-business, healthcare and select other services)	Yes - 5% sales tax to services, except for business-to-business, education, non-profits, physician services (House Bills 5527-28)
Lower/Raise Personal Income Tax	No	No	No
Impose New Corporate Income Tax	Yes - Imposes a 6% flat corporate income tax	No	No
Eliminate Personal Property Tax	No	No	No
Excise Tax Increases	No	No	No
Raise/Reduce Revenue	Reduce business tax revenue by \$1.5 billion	Revenue neutral in 2010	Would raise additional revenue; no available estimate
Other	Allows some exclusions for small business and personal property	Tax plan is part of Business Leaders for Michigan's 5 step "Turnaround Plan" that includes numerous other reforms	Dedicates 75% of revenue generated to School Aid, 20% to revenue sharing including police/fire protection
For Further Information	rickformichigan.com	businessleadersformichigan.com	Call Rep. Meadows: (517) 373-1786

(additional proposals listed on back)

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	Fair Tax Proposal	Rep. Alma Wheeler Smith	Gov. Jennifer Granholtm
Key Issues			
Changes to Michigan Business Tax (MBT)	Eliminates MBT	No	Phases out MBT surcharge over 2 years and reduces gross receipts tax from .8% to .6% over a 3 year period
Lower/Raise 6% Sales Tax	Yes - Imposes a 9.75% sales tax on goods	No	Reduces sales tax on goods to 5.5%
Expand Sales Tax to Services	Yes - Imposes a 9.75% sales tax on services	Yes - Imposes a 5.5% sales tax on services	Yes - Imposes 5.5% sales tax on services, except business to business, non-profits, industrial processing, healthcare, social assistance, education, construction, remodeling, real estate and insurance commissions
Lower/Raise Personal Income Tax	Eliminates	Graduated Income Tax: \$0-\$45,000 (\$90,000 joint): 4%; \$60,000 (\$120,000 joint): 4.75%; \$100,000 (\$200,000 joint): 6.75%; \$200,000 (\$400,000 joint): 8.2%	No
Impose New Corporate Income Tax	No	No	No
Eliminate Personal Property Tax	Yes	No	No
Excise Tax Increases	No	No	No
Raise/Reduce Revenue	No available estimate	No available estimate	Raise revenue by \$554 million in 2011; revenue neutral by 2014
Other	Constitutionally protects revenue sharing, provides "pre-bate" for "necessities" for low income households		Imposes rental vehicle tax to fund Pure Michigan campaign
For Further Information	www.mifairtax.org	Contact Lonnie Smith: (517) 373-1771	michigan.gov/budget