



Grand Rapids Area
Chamber of Commerce

To: Members of the Senate Reforms, Restructuring and Reinventing Committee

From: Andy Johnston
Vice President, Government Affairs

Subject: Support for House Bill 4361

Date: May 10, 2011

The Grand Rapids Area Chamber of Commerce and our 2,800 members strongly support the Corporate Income Tax (CIT) - House Bill 4361.

Our members, and businesses throughout Michigan, have struggled under the burdensome MBT for too long. They do not simply want, but need, the passage of this bill.

The Chamber's Legislative Priorities advocate for the creation of a competitive tax structure and for tax incentives to be eliminated or minimized. This bill does just that.

The 6% CIT will dramatically reduce the business tax liability by \$1.8 billion for Michigan businesses. Because of its limitation of only taxing "C Corporations," the proposed CIT will result in 95,000 fewer businesses paying a business tax.

This will end the double taxation of small and mid-sized companies, provide fair, simple and efficient tax reform and create a business tax climate conducive to job growth. By eliminating individual, company, and industry-specific tax exemptions and credits, this plan gets taxpayers on more equal footing for the long-term economic stability of our state.

The proposal also moves the state of Michigan to move to a more transparent and affordable economic development system. It would eliminate all existing tax credits. Future economic development incentives will be awarded through the direct appropriations from the general fund on case by case basis. This will severely limit the issuance of tax incentives, helping to lowering the overall tax liability for businesses.

This is an historic opportunity for Michigan. It is not a step forward, but a leap and an opportunity to kiss the MBT goodbye.

This proposal recognizes the important role job providers play in revitalizing Michigan's *Connect. Grow. Succeed!* economy and we ask for your support. Please do not hesitate to contact me at 616.771.0318 we can answer any additional questions you may have regarding our support.

111 Pearl Street NW
Grand Rapids, MI 49503
T 616.771.0300
F 616.771.0318
www.grandrapids.org